



MINNESOTA
DEPARTMENT OF
COMMERCE

85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
www.commerce.state.mn.us
651.296.4026 FAX 651.297.1959
An equal opportunity employer

April 20, 2012

JENNIFER N BATISTE
PLANET BEACH FRANCHISING CORPORATION
5145 TARAVELLA ROAD
MARRERO, LA 70072

Re: F-4495
PLANET BEACH FRANCHISING CORPORATION
PLANET BEACH FRANCHISING CORPORATION FRANCHISE AGREEMENT

Dear Ms. Batiste:

The Annual Report has been reviewed and is in compliance with Minnesota Statute Chapter 80C and Minnesota Rules Chapter 2860.

This means that there continues to be an effective registration statement on file and that the franchisor may offer and sell the above-referenced franchise in Minnesota.

As a condition of continued registration, the franchisor is required to escrow the initial franchise fee(s).

As a reminder, the next annual report is due within 120 days after the franchisor's fiscal year end, which is December 31, 2012.

Sincerely,

MIKE ROTHMAN
Commissioner

By:

Daniel Sexton
Commerce Analyst Supervisor
Registration Division
(651) 296-4520

MR:DES:dlw

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
REGISTRATION DIVISION
(651) 296-6328

IN THE MATTER OF THE REGISTRATION OF:
PLANET BEACH FRANCHISING CORPORATION FRANCHISE AGREEMENT
By PLANET BEACH FRANCHISING CORPORATION

ORDER AMENDING
REGISTRATION

WHEREAS, an application to amend the registration and amendment fee have been filed,

IT IS HEREBY ORDERED that the registration dated October 3, 2011, is amended as of the date set forth below.



MIKE ROTHMAN
Commissioner
Department of Commerce
85 7th Place East, Suite 500
St Paul, MN 55101

Date: April 20, 2012

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Form A – Facing Page

UNIFORM FRANCHISE REGISTRATION APPLICATION

File Number: F4495
Fee: \$200.00

State of Minnesota
Dept. of Commerce
APR 19 2012
Rec'd \$ 300

APPLICATION FOR: (Check only one):

REGISTRATION OF AN OFFER AND SALE OF FRANCHISES

REGISTRATION RENEWAL STATEMENT OR ANNUAL REPORT

POST-EFFECTIVE AMENDMENT NUMBER TO APPLICATION FILED UNDER SECTION

PRE-EFFECTIVE DATED

1. Name of Franchisor.

Planet Beach Franchising Corporation

Name under which the Franchisor is doing or intends to do business.

Planet Beach

2. Franchisor's principal business address.

5145 Taravella Road
Marrero, LA 70072

Amound

Name and address of Franchisor's agent in the State of Minnesota authorized to receive process.

Market Assurance Division
Minnesota Department of Commerce
85th 7th Place East, Suite 500
St. Paul, MN 55101

Name and address of Franchisor's agent in the State of Louisiana authorized to receive process.

Stephen P. Smith
5145 Taravella Road
Marrero, LA 70072

3. Name, address and telephone number of subfranchisors, if any, for this state.

None.

4. Name, address and telephone number of person to whom communications regarding this application should be directed.

Jennifer N. Batiste
5145 Taravella Road
Marrero, LA 70072
504.297.2575

4-20-12
A/R Amund
12/31 10-3-11



April 11, 2012

Minnesota Department of Commerce
Market Assurance Division
85 7th Place East, Suite 500
St. Paul, MN 55101

RE: File Number: F-4495 Traditional

To Whom It May Concern:

Planet Beach Franchising Corporation ("PBFC") is currently registered in Mimesota.

Enclosed you will find the following:

- A check in the amount of \$300 for the renewal fee for our Traditional FDD.
- The Facing page, Supplemental page, Certification page, Consent to Service of Process and the Salesman Disclosure forms.
- A CD is enclosed with advertising information.
- Red-lined copy of the Traditional FDD.
- Clean copy of our Traditional FDD.

Should you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

Jennifer Batiste
Corporate Paralegal
Planet Beach Franchising Corporation
5145 Taravella Rd.
Marrero, LA 70072
504.297.2575

RELAX - GLOW - RENEW

5145 Taravella Road Marrero, LA 70072

Phone: (504) 361-5550 Fax: (504) 297-2581 www.planetbeach.com



April 11, 2012

To Whom It May Concern,

Planet Beach Franchising Corporation respectfully requests the removal of the franchise fee escrow requirement in the State of Minnesota based on dramatically improved results of operations in 2011.

As you will see from our audited financial statements, we incurred a positive swing in net income (loss) of greater than \$2 million, from a net loss in 2010 of approximately \$1.8 million to a net income in 2011 of approximately \$300,000.

This turnaround in operations was largely achieved through reductions in recurring expenses, which will carry-forward into 2012 and beyond, and the elimination of one-time expenses incurred in 2010. Our budgeted net income for 2012 is approximately \$700,000.

We were able to generate cash from operations in 2011 of over \$500,000, after we made almost \$700,000 in pay-downs of accounts payable, customer deposits and accrued liabilities. The remaining cash was used to pay-down other long-term debt.

We have returned to a sound financial position, post recession, and feel we have eliminated whatever threat the escrow requirement was meant to mitigate. Please advise as to your decision and if there is anything else you may need on our part.

Sincerely,

Craig Berher

CFO Planet Beach Franchising Corporation.

RELAX • GLOW • RENEW

5145 Taravella Road Marrero, LA 70072

Phone: (504) 361-5550

Fax: (504) 297-2581

www.planetbeach.com

Form B – Supplemental Information

SUPPLEMENTAL INFORMATION

1. Disclose:

A. The states in which this proposed application is effective.

B. The states in which this proposed registration application is or will be shortly on file.

CA, HA, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI

C. The states that have refused to register this franchise offering.

None.

D. The states that have revoked or suspended the right to offer franchises.

None.

E. The states in which this proposed registration of these franchises has been withdrawn within the last five years, and the reasons for revocation or suspension.

None.

2. Source of Funds for Establishing New Franchises

Disclose franchisor's total costs for performing its pre-opening obligations to provide goods or services in connection with establishing each franchise, including real estate, improvements, equipment, inventory, training and other items states in the offering. State separately the sources of all required funds.

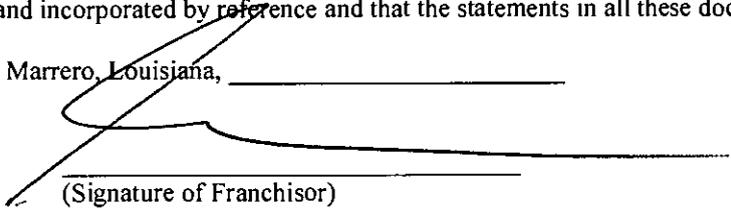
Total costs for pre-opening obligations: **\$2,500**

The source of funds is general operating expenses which include income from royalties, franchise fees and sale of products and supplies.

Form C - Certification

I certify under penalty of law that I have read and know the contents of this application and the documents attached as exhibits and incorporated by reference and that the statements in all these documents are true and correct.

Executed at Marrero, Louisiana, _____



(Signature of Franchisor)

By: Stephen P. Smith

(Seal)

Title: CEO



(Signature of Franchisor)

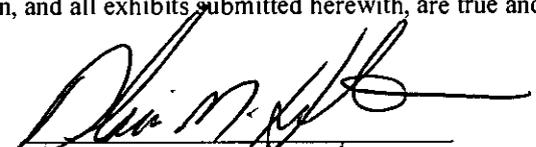
By: Richard L. Juka

Title: COO

STATE OF LOUISIANA

PARISH OF JEFFERSON

Personally appeared before me this 4th day of April the above-named agent of Planet Beach Franchising Corporation known to be the person who executed the foregoing application (as President and CEO, of the above-named applicant) and Stephen P. Smith, being first duly sworn, stated upon oath that said application, and all exhibits submitted herewith, are true and correct.



Blaine M. Hebert
(Notary)
LSBA # 26923

Form D

UNIFORM CONSENT TO SERVICE OF PROCESS

Planet Beach Franchising Corporation, a corporation organized under the laws of the State of Delaware, irrevocably appoints the Commissioner of Commerce and the successors in office, its attorney in the State of Minnesota for service of notice, process or pleading in an action or proceeding against it arising out of or in connection with the sale of franchises, or a violation of the franchise laws of Minnesota, and consents that an action or proceeding against it may be commenced in a court of competent jurisdiction and proper venue within Minnesota by service of process upon this officer with the same effect as if the undersigned was organized or created under the laws of Minnesota and had lawfully been served with process in Minnesota. It is requested that a copy of any notice, process or pleading served this consent be mailed to:

Planet Beach Franchising Corporation
5145 Taravella Road
Marrero, LA 70072

Dated: 3-28, 2012

By: Stephen P. Smith

Title: CEO

By: Richard L. Juka

Title: Vice President and COO

FRANCHISE DISCLOSURE DOCUMENT

PLANET BEACH FRANCHISING CORPORATION

5145 Taravella Road
Marrero, Louisiana 70072
(504) 361-5550
www.planetbeach.com



As a franchisee, you will operate a Planet Beach Contempo Spa that offers automated spa services, sunless and UV tanning. You will also sell related skin care products and other specialty items under the name and brand "Planet Beach". The franchise location will be approximately 1400 square feet. The total investment necessary to begin operation of a Planet Beach Spa franchise is from \$155,510 to \$309,390-289,440. This initial investment includes your franchise fee, equipment, computer, and wholesale goods ranging from \$105,200 to \$146,300 that must be paid to the franchisor or a designated vendor. See Items 5 and 7 of this Franchise Disclosure Document for an explanation of your initial investment.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Sales Department at 5145 Taravella Road, Marrero, Louisiana 70072, (504) 361-5550.

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

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

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

ISSUANCE DATE: ~~August 15, 2011~~ April 11, 2012

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.

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US ONLY IN LOUISIANA. OUT-OF-STATE DISPUTE RESOLUTION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO RESOLVE DISPUTES WITH US IN LOUISIANA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT LOUISIANA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- ~~2. THE FRANCHISOR'S BALANCE SHEET DATED DECEMBER 31, 2010 SHOWS NEGATIVE STOCKHOLDERS' EQUITY IN THE AMOUNT OF \$2,975,003 AND NEGATIVE WORKING CAPITAL IN THE AMOUNT OF \$1,005,069. THE FRANCHISOR INCURRED NET INCOME OF \$1,791,033 DURING THE YEAR END DECEMBER 31, 2010. A PROSPECTIVE FRANCHISEE SHOULD CAREFULLY REVIEW THE FRANCHISOR'S FINANCIAL STATEMENTS WHEN DECIDING WHETHER TO PURCHASE A FRANCHISE.~~
- ~~3. THE DATA PRESENTED IN ITEM 19 IS FOR THE TOP CONTEMPO SPA LOCATIONS EXCLUDING THE LOCATIONS THAT ARE IN THE AUDIT PROCESS OF THE FRANCHISOR'S 280 LOCATIONS. A PROSPECTIVE FRANCHISEE SHOULD CAREFULLY REVIEW THE DATA PRESENTED IN THIS ITEM.~~
33. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the STATE ISSUANCE 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, Oregon, 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 issuance dates:~~

~~In all other states, the effective date of this Franchise Disclosure Document is the issuance date of August April 15, 2011/2012 next page for state effective dates.~~

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.

This 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:

<u>State</u>	<u>Effective Date</u>
<u>Illinois</u>	<u>PENDING</u>
<u>Indiana</u>	<u>PENDING</u>
<u>Maryland</u>	<u>PENDING</u>
<u>Michigan</u>	<u>PENDING</u>
<u>Minnesota</u>	<u>PENDING</u>
<u>New York</u>	<u>PENDING</u>
<u>North Dakota</u>	<u>PENDING</u>
<u>Oregon</u>	<u>PENDING</u>
<u>Rhode Island</u>	<u>PENDING</u>
<u>South Dakota</u>	<u>PENDING</u>
<u>Virginia</u>	<u>PENDING</u>
<u>Washington</u>	<u>PENDING</u>
<u>Wisconsin</u>	<u>PENDING</u>

In all other states, the effective date of this Franchise Disclosure Document is the Issuance Date of April 11, 2012.

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EXHIBITS

Exhibit A - List of State Administrators

Exhibit B - Agents for Service of Process

Exhibit C - List of Franchisees

Exhibit D - List of Former Franchisees

Exhibit E - Financial Statements

Exhibit F - Franchise Agreement

Exhibit 1 - Authorized Products and Services

Exhibit 2 - Approved Location and Territory Addendum

Exhibit 3 - Guaranty Agreement and Acknowledgment by Guarantor

Exhibit 4 - Rider to Lease

Exhibit 5 - Sublicense Agreement

Exhibit 6 - Confidentiality and Non-Competition Agreement

Exhibit 7 - Conditional Assignment of Telephone Numbers, Email Addresses, and URLs

Exhibit 8 - Statement of Prospective Franchisee

Exhibit G - Transfer/Termination Release

Exhibit H - Table of Contents of Operations Manual

Exhibit I - Confidentiality Agreement

Exhibit J - State Tanning Regulators

Exhibit K - State Specific Disclosure Addenda

Exhibit L - Information Relating to Area Representatives

Exhibit M - Sample Lending Applications

Exhibit N - Receipt

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

The franchisor is Planet Beach Franchising Corporation (“we,” “us,” “our” or “PBFC”). “You” means the person who we grant a franchise, or the franchisee. The person granted the franchise may be a natural person, partnership, corporation, or limited liability company. If you are a partnership, corporation, limited liability company, or other entity, your owners must sign our “Guaranty Agreement and Acknowledgement by Guarantor,” which means that all of our Franchise Agreement’s provisions (Exhibit E) also will apply to your owners. (See Item 15)

We incorporated in Louisiana on September 26, 1996. In March of 2008 PBFC became a Nevada Corporation, and in March of 2010 PBFC incorporated in Delaware. Our principal business address is 5145 Taravella Road, Marrero, Louisiana 70072. We operate under our corporate name and the trademarks described in Item 13 (the “Marks”). We do not do business or intend to do business under any other names. We have no predecessors. If we have an agent in your state for service of process, we disclose that agent in Exhibit B.

We began offering franchises for Planet Beach Locations in April 1996. We have been offering Area Representative Development rights since January 1997. Most Area Representatives operate at least one Spa and sell additional Spas to others in their territories. Area Representative rights are offered through a separate registration as well as a separate Franchise Disclosure Document.

Our affiliate, Planet Beach International, LLC (“PBI”) was formed on October 29, 2007 as a Louisiana limited liability company. Its principal place of business is located at ~~516161~~ Taravella Road, Marrero, Louisiana, 70072. PBI offers Master Franchise opportunities internationally. PBI has never offered franchises in this or any other line of business nor has it ever operated a business of the type being offered in this disclosure document.

Our affiliate, Planet Beach Brands, LLC (“PBB”) was formed on March 5, 2007. Planet Beach Tanning Salons, Inc. assigned all of its rights to the Marks to PBB on April 10, 2007. PBB currently owns all of the Marks, licenses the Marks to us, and gives us the right to sublicense the Marks to our franchisees. Our affiliate, Gift Card Management, LLC was formed on October 22, 2007. This entity was formed to collect and disburse funds associated with gift card purchases and redemptions.

Our affiliate, GymMatrix Franchising Systems, LLC (“GymMatrix”), was formed on ~~July 29~~ August 2, 2010 as a Louisiana limited liability company. GymMatrix has never offered franchises in this line of business nor has it ever operated a business of the type being offered in this disclosure document. GymMatrix offers franchises in the gym industry, and has sold two franchises since its inception on July 29, 2010.

Other than as set forth above we have no other predecessors or affiliates.

The Franchised Business

We grant franchises for stores operating under the “PLANET BEACH” name and other Marks. (For reference purposes in this disclosure document, we call the stores in our system “PLANET BEACH Locations”; we call the PLANET BEACH Location that you will operate the “Spa.”) PLANET BEACH Locations offer, automated spa services, nutrition, health products, spray tanning, ultra violet light tanning and other skin care products. However, services may vary per location. This is the general market for your products and services.

You will operate the Spa from an approved location ("Approved Location" or "Location") using our proprietary business format (the "System") and the trade name "Planet Beach" and such other trademarks, service marks, logos and other indicia of origin (our "Proprietary Marks") as we may designate for use in connection with the Spa. You will operate the Spa according to the Franchise Agreement (Exhibit F), and our confidential operations manual ("Operations Manual"), described in Item 11.

We also provide management services to GymMatrix Franchising Systems, LLC.

Market Competition

As a Planet Beach franchisee, your Spa will offer automated spa services, Sunless and Ultra Violet tanning, skin care, and related retail products—to products to the general public throughout the year. Your Spa will compete with other local, regional and national tanning salons, spas, department and retail stores for which the market is well developed and highly competitive.

Industry Specific Regulations

Spas, Tanning, and Nutrition are regulated in certain states and counties, and regulations are constantly being updated and revised. We recommend that you research your state and county laws regulating the tanning, spa, and nutrition industry. State Tanning regulators are identified in Exhibit K of this disclosure document. You will also have to comply with state and local laws and regulations applicable to health and safety. Further, the Franchised Business will be subject to all laws and regulations that apply to businesses generally.

**Item 2
BUSINESS EXPERIENCE**

President, Chief Executive Officer, and Chairman of the Board of Directors: Stephen P. Smith, MA, CFE

Mr. Smith is a founder of Planet Beach Franchising Corporation and GymMatrix Franchising Systems, L.L.C. and serves as Chief Executive Officer and Chairman of the Board of Directors for both organizations. Mr. Smith is a franchisee of both PBFC and GFS in New Orleans, LA. He has 29 years of extensive sales experience in the membership sales business through the health club, tanning, and spa industries. As a Gold Gym's licensee, in 1990, Mr. Smith received the International Marketing Award and Rookie Licensee of the Year. Mr. Smith received a Bachelor of Art in Political Science, a Masters in Organizational Management, and the Certified Franchise Executive designation from the International Franchise Association.

Senior Vice-President of Franchise Recruitment: Nancy M. Price, CFE

Since April 1996, she has served as Sr. Vice President of Franchise Recruitment for Planet Beach Franchising Corporation and since August of 2010 for GymMatrix Franchising System. She has been in franchising for 164 years and is also a franchisee of one Planet Beach Franchise in Marrero, Louisiana. Mrs. Price is a Principle of GymMatrix Franchising System and is currently planning the opening of her first GymMatrix. Mrs. Price has experience with membership sales business models since 1984. She is also designated as a Certified Franchise Executive.

Senior Vice-President, Chief Operations Officer, Secretary, Treasurer, and Director: Richard L. Juka, CFE

Mr. Juka is one of our co-founders and has served as our Operating Officer, Secretary, Treasurer and Director since July 1996. He also serves as Senior Vice-President and Chief Operations Officer of GymMatrix Franchising Systems, LLC. He has 25 years of management experience in retail, wholesale and franchising businesses. Prior to joining Planet Beach Franchising Corporation, Mr. Juka served as Store Director and Field Operator for Pet Smart from 1991 until 1996. He was with Pet Smart during their 1993 initial public offering. Additionally, Mr. Juka worked for two publicly traded companies in the home improvement industry. In 2002, Mr. Juka received the designation of Certified Franchise Executive from the International Franchise Association for his work and study in the franchise industry. He has been a Planet Beach franchisee since November 2, 2009, and intends to open a GymMatrix franchise.

Senior Vice-President of International Franchising: David Mesa, Jr., CFE

Mr. Mesa served eight years in the United States Marine Corp as an Air Traffic Controller, receiving an honorable discharge. Additionally, Mr. Mesa served as Director of Business Operations for Allegis Group, a personnel staffing company, for eight years. In March of 2005, he received the designation of Certified Franchise Executive (CFE) by the International Franchising Association for his work and study in the franchise industry and has maintained that designation to date. Mr. Mesa is also a member of the International Institute for Franchise Education (IIFE) Mini MBA Club. In October of 2007, Mr. Mesa became the Director of Planet Beach International, LLC. He also serves as Senior Vice-President of International Franchising for GymMatrix Franchising Systems, LLC. Mr. Mesa is a Planet Beach franchisee, and a GymMatrix franchisee.

Chief Financial Officer: Craig M. Bemmer

Mr. Bemer has served as our Chief Financial Officer since August 2007. Prior to that time, Mr. Bemer served as Associate Controller and Director of Accounting for Tulane University from October 1999 to August 2007, where his primary responsibilities included overseeing all financial reporting, developing and monitoring internal controls, managing the operations of the accounting office, and preparing cash forecasts and capital budgets. He was also Manager of Budgeting and Financial Reporting for Tidewater Inc. from March 1998 to October 1999, and was responsible in that position chiefly for all budgeting and financial reporting, preparing quarterly and annual SEC filings, supervision of accounting staff, and custody of corporation and insurance reserve general ledger accounts. Mr. Bemer, who is a Certified Public Accountant, has a B.S. in Accounting from the University of New Orleans and a M.B.A. from the A.B. Freeman School of Business at Tulane University, with a concentration in finance and management.

~~Vice-President: Katie Moll, CFE~~

~~In March of 2000 Ms. Moll began working for PBFC and in February of 2003 she was promoted to Vice President. As of January 2010, Ms. Moll oversees the Consumer Products, Convention, and Customer Information Departments.~~

Senior Spa Performance Consultant: John Paul Yersick

John Paul "JP" is the owner of Club Solutions, a membership consulting firm. He has been an award winning multi-unit franchisee of Gold's Gym in California and Hawaii. He served as Director of Gold's Gym University for over 7 years. As a full time consultant for Planet Beach Franchising Corporation Corporation, he is primarily responsible for directing pre-opening marketing. He has provided consulting services to PBFC since 2006.

~~Executive Director of Spa Performance and Education: Mandy Bryant Verges, CFE~~

~~Mrs. Verges has worked with PBFC since 1996 and has had an opportunity to work in several capacities in the organization. Mrs. Verges was a Spa Director and was promoted several times. She has served as Executive Director of Spa Performance and Education since July 2010 and consults area representatives, franchisees, spa performance consultants and retail. She is also a franchisee and opened her first Planet Beach location in 1999. Mrs. Verges has served as an area representative since December of 2004.~~

Executive Director of Franchise Marketing & Social Media Marketing Director: Troy A. Wise

Mr. Wise has been working in the Marketing, Sales, & Management industries since 1996. After graduating from Tulane University's A.B. Freeman School of Business with a BSM in Marketing Management & Finance in 2003, Mr. Wise moved away from his retail management roots into marketing, design and consulting. From July 2002 to 2004, Mr. Wise was the Director of Promotions at Giacona Corporation. He also acted as a consultant for Argus Healthcare Products from August 2003 to May 2004. Mr. Wise began his career with Planet Beach Franchising Corporation in May 2004. Originally hired to oversee the development of a new clothing program, Mr. Wise was then recruited into the Marketing Team as the Marketing and Graphics Coordinator; which eventually lead him to the role of Spa Marketing Director and then into the role that he currently holds as the Franchise Marketing Director.

As the Franchise Marketing Director, he manages the department and oversees all aspects of Planet Beach marketing and promotional initiatives. He focuses his efforts on building brand awareness and strengthening the brand image by developing campaigns that reflect the Contempo Spa concept.

Member of our Board of Directors: Eric E. Bosch

Mr. Bosch was elected to our board of directors in 2010. He is a Certified Public Accountant, licensed in both Louisiana and Mississippi. He has been a shareholder of the public accounting firm LaPorte Sehr Romig Hand since November 2008. He joined the firm in January 1990 after graduating from the University of New Orleans in 1989 with a B.S. in accounting. Mr. Bosch serves as the engagement director for the accounting and assurance services provided by the firm to a number of clients in several different industries, as well as for clients that are public reporting companies. He has assisted several of these clients with the filings required for their initial public offerings, as well as the subsequent filings required by the SEC.

Member of our Board of Directors: Gary N. Solomon

~~Mr. Solomon was elected to our board of directors in 2010. He has been the Chairman of the Board, Chief Executive Officer and a stockholder of Croseent Bank & Trust in New Orleans since 1991. He has also been an active venture capitalist for the past 20 years, and currently has investments in a shipping franchise, several restaurant franchises and various real estate developments. He holds a B.S. in Business Administration from the University of New Orleans.~~

Member of our Board of Directors: Ronald Warner

Mr. Warner was elected to our board of directors in 2010. He has been in the private practice of law since 1968. Since July 2003, he has been a senior corporate partner in the law firm of Locke Lord Bissell & Liddell, where he heads the Corporate Practice Group in the Los Angeles office of the firm. Mr. Warner's practice concentrates on mergers & acquisitions, financings (from emerging growth financing through larger multinational public offerings) and compliance with federal and state securities laws and Foreign Corrupt Practices Act matters. Mr. Warner currently serves on the Boards of Directors of Senetas Corporation Limited, an Australian public company that designs and distributes encryption products world-wide, and Elite Interactive Solutions, Inc., a privately held company located in Los Angeles, California, that offers software monitoring products and services for facilities. He also serves on the Advisory Boards of a number of technology and services companies in the United States and other countries. Mr. Warner received his Juris Doctorate degree with honors from the New York University School of Law, where he was appointed as an editor of the Law Review, after receiving his Bachelor of Arts degree from Tulane University.

In certain regions, we have granted area development rights to qualified individuals ("Area Representatives"). Area Representatives are often engaged in the sales process and are contractually required to perform certain support services to our franchisees. Information about these Area Representatives is attached to this Franchise Disclosure Document as Exhibit M.

Item 3 LITIGATION

Pending Litigation

Planet Beach Franchising Corporation v. David and Rachel Marsh (No. 12-cv-00451, United States District for the Eastern District of Louisiana). On February 17, 2012, Planet Beach Franchising Corporation filed suit against David and Rachel Marsh seeking damages arising out of a Single Unit Franchise Agreement. PBFC alleged, *inter alia*, that David and Rachel Marsh breached their obligation to make monthly royalty payments. PBFC also alleged that David and Rachel Marsh abandoned their Spa and opened a new spa in the same territory, in direct violation of the covenant not to compete. Finally, PBFC alleged that the Marshes had misappropriated confidential customer data and other proprietary business information owned by PBFC. PBFC sought \$221,894.31 in monetary damages, in addition to attorney's fees and costs due under the contract. PBFC also sought a preliminary and permanent injunction, barring the Marshes from operating a competing spa or misappropriating PBFC's confidential or proprietary information. As of the date this summary was prepared, the Marshes had been served with a copy of the complaint but had not filed responsive pleadings.

Planet Beach Franchising Corporation v. Michael Daubney (AAA AAA-No. 69 114 54 12). On March 7, 2012, Planet Beach Franchising Corporation sent a Demand for Arbitration to Michael Daubney pursuant to an arbitration agreement contained in a Single Unit Franchise Agreement. PBFC alleged in its demand that Mr. Daubney had failed to remit monthly royalties and fees due under the contract. PBFC sought an award of monetary damages, in addition to attorney's fees and costs. As of the time this summary was prepared, no file number had been assigned by the American Arbitration Association, and Mr. Daubney had not responded to PBFC's arbitration demand.

Past Litigation

Planet Beach Franchising Corporation v. Domenick and Allison Siciliano (No. 11-cv-02634, United States District Court for the Eastern District of Louisiana). On November 20, 2011, Planet Beach Franchising Corporation filed suit against Domenick and Allison Siciliano seeking damages for breach of a Single Unit Franchise Agreement. PBFC alleged, *inter alia*, that the Sicilianos had failed to honor their obligation to make monthly royalty payments. PBFC later learned that the Sicilianos had illegally transferred their salon/spa to a third party, with the assistance of a national broker known as R.D. Cessna and Associates. PBFC sought a judgment equal to the amount of all past and future royalties due through the end of the contractual term, in addition to attorney's fees and costs. On March 3, 2012, the Sicilianos agreed to enter into a consent judgment and pay PBFC \$35,000.

James R. Barnhill and Lara Barnhill v. Planet Beach Franchising Corporation (No. 04 CVS 011235, Superior Court Division in Wake County, State of North Carolina). On August 12, 2004, our franchisees, Mr. and Mrs. Barnhill filed an action in which they alleged breach of contract and specific performance arising from a purported award by PBFC of an Area Representative Agreement to the Barnhills. On November 24, 2004, Mr. and Mrs. Barnhill dismissed the action without prejudice. Thereafter, on or about December 7 of 2004, the parties reached an amicable resolution in which PBFC awarded Mr. and Mrs. Barnhill an Area Representative Agreement and granted them an option to acquire an additional franchise at a discounted price.

Planet Beach Franchising Corporation v. James Barnhill, et. ux., (No. 689095-N in the 24th Judicial District Court, Parish of Jefferson, State of Louisiana). On July 1, 2010, Planet Beach Franchising Corporation filed an Application for Temporary Restraining Order against its franchisees seeking to enforce the non-compete provision in the Franchise Agreement; restrain the use of PBFC's proprietary information, trademarks, copyrights, and trade dress; and restrain further communications within the Planet Beach system. On July 14, 2010, the parties entered into a Consent Judgment effective through the conclusion of the pending arbitration proceeding in which franchisee was ordered to immediately de-brand their spa locations and remove all Planet Beach signage, trademarks, and trade dress; franchisee was to allow customers to cancel their memberships and provide refunds; PBFC was not to solicit customers until resolution of the pending arbitration proceeding; and the parties agreed not to disparage each other. On or around August 29, 2011, the underlying arbitration was settled. By agreement of the parties, the above-titled action was dismissed with prejudice on September 19, 2011.

~~Planet Beach Franchising Corporation v. James Barnhill, et. ux., (No. 689095 N in the 24th Judicial District Court, Parish of Jefferson, State of Louisiana).~~ On July 1, 2010, Planet Beach Franchising Corporation filed an Application for Temporary Restraining Order against its franchisees seeking to enforce the non-compete provision in the Franchise Agreement; restrain the use of PBFC's proprietary information, trademarks, copyrights, and trade dress; and restrain further communications within the Planet Beach system. On July 14, 2010, the parties entered into a Consent Judgment effective through the conclusion of the pending arbitration proceeding in which franchisee was ordered to immediately de-brand their spa locations and remove all Planet Beach signage, trademarks, and trade dress; franchisee was to allow customers to cancel their memberships and provide refunds; PBFC was not to solicit customers until resolution of the pending arbitration proceeding; and the parties agreed not to disparage the other.

Steadman Concepts, Inc. v. Planet Beach Franchising Corporation; (No. 2:09-cv-07008-CJB-JCW In the United States District Court for the Eastern District of Louisiana). On October 21, 2009, franchisee Steadman Concepts, Inc. filed an action alleging that Planet Beach Franchising Corporation breached the Franchise Agreement by failing to provide resources, products, and services. Plaintiff demands rescission of the contract or an unspecified amount of damages. Planet Beach Franchising Corporation filed an answer and counterclaim against Steadman Concepts and Carla Steadman seeking unpaid royalties, in addition to costs and attorney's fees. Steadman Concepts and Carla Steadman subsequently abandoned the location. On or around December 23, 2011, the parties entered into a mutual release. Both the complaint asserted by Steadman Concepts and the counterclaims asserted by PBFC have been dismissed with prejudice. In lieu of bankruptcy, Steadman Concepts and Carla Steadman elected to liquidate any and all assets associated with the former location, and further agreed to pay to PBFC 50 percent of any sales proceeds in excess of \$20,000. Finally, Steadman Concepts and Carla Steadman agreed not to compete against PBFC for a period of two years.

~~Steadman Concepts, Inc. v. Planet Beach Franchising Corporation, (No. 2:09-cv-07008-CJB-JCW In the United States District Court for the Eastern District of Louisiana).~~ On October 21, 2009, franchisee Steadman Concepts, Inc. filed an action alleging that Planet Beach Franchising Corporation breached the Franchise Agreement by failing to provide resources, products, and services. Plaintiff demands rescission of the contract or an unspecified amount of damages. Planet Beach Franchising Corporation filed an Answer and Affirmative Defenses on January 26, 2010. This case has been relatively inactive.

James and Lara Barnhill v. Planet Beach Franchising Corporation; (AAA No. 69 114 00132 10). On March 12, 2010, franchisee filed a Demand for Arbitration and alleged various breaches of obligations by Planet Beach Franchising Corporation related to computer systems and fees, marketing, evolving franchise concept, product suppliers, and bad faith. The Barnhills seek rescission of the franchise

agreements, an unspecified amount of damages, attorneys' fees, and a declaratory judgment. Planet Beach Franchising Corporation filed an answer denying all allegations and brought counter-claims against the Barnhills for enforcement of contractual post-termination obligations, breach of contract, and disparagement. On or around August 29, 2011, the parties reached an amicable resolution, whereby PBFC agreed to pay the Barnhills \$365,000 in settlement of all claims.

~~James and Lara Barnhill v. Planet Beach Franchising Corporation, (AAA No. 69-114-00132-10). On March 12, 2010, franchisee filed a Demand for Arbitration and alleged various breaches of obligations by Planet Beach Franchising Corporation related to computer systems and fees, marketing, evolving franchise concept, product suppliers, and bad faith. The Barnhills seek rescission of the franchise agreements, an unspecified amount of damages, attorneys' fees, and a declaratory judgment. Planet Beach Franchising Corporation filed an answer denying all allegations and brought counter-claims against the Barnhills for enforcement of contractual post-termination obligations, breach of contract, and disparagement. Discovery is ongoing.~~

Michael and Sukie Chappuis v. Planet Beach Franchising Corporation, (No. 689880-G in the 24th Judicial District Court, Parish of Jefferson, State of Louisiana). On July 13, 2010, franchisee filed an action alleging breach of contract, breach of implied covenants, detrimental reliance, and unfair trade practices pertaining to a territory dispute. Franchisee seeks a declaratory judgment, injunctive relief and an unspecified amount of damages. On or around October 20, 2011, the parties entered into a general mutual release, whereby PBFC granted the Chappuis a Temporary Royalty Abatement in the amount of \$169,932.05 and Chappuis dismissed the action with prejudice. Chappuis also agreed to immediately resume the payment of all other contractually due fees, including monthly marketing, technology and co-op fees.

~~Michael and Sukie Chappuis v. Planet Beach Franchising Corporation, (No. 689880-G in the 24th Judicial District Court, Parish of Jefferson, State of Louisiana). On July 13, 2010, franchisee filed an action alleging breach of contract, breach of implied covenants, detrimental reliance, and unfair trade practices pertaining to a territory dispute. Franchisee seeks a declaratory judgment, injunctive relief and an unspecified amount of damages. PBFC intends to file responsive pleadings denying all allegations and bring counterclaims for past due fees.~~

Past Litigation

Seller and Associates, L.L.C. and Michelle Seller, individually and d/b/a Planet Beach West Esplanade v. Stephen P. Smith, Nancy Price, Richard L. Juka, Planet Beach Franchising Corporation, Planet Beach Franchising, L.L.C. and Solarware, L.L.C., (No. 2002-649, Civil District Court for the Parish of Orleans, State of Louisiana, Division "K"). In March 2001, PBFC discovered that Ms. Seller breached her fiduciary duty to PBFC as an Area Developer. PBFC cancelled her Area Developer agreement and sued for a temporary restraining order barring her from contact with PBFC and PBFC franchisees. In the fall of 2001, Ms. Seller filed a counter suit claiming PBFC breached its contractual duties pursuant to the Area Development Agreement. PBFC specified actual damages in excess of \$150,000 for refunds that were made to franchisees that claimed Ms. Seller made claims of misrepresentation. Ms. Seller did not specify an amount of damages. A Full Settlement Agreement and Mutual General Release was executed between all parties on November 27, 2007. The state action was dismissed with prejudice in the Civil District Court for the Parish of Orleans, State of Louisiana.

Bryce and Neda Burk v. Planet Beach Franchising Corporation (No. 017-190429-01, 17th District Court, Tarrant County, Texas). In the fall of 2001, Mr. and Mrs. Burk filed a breach of contract suit to recover a \$15,000 franchise fee paid for the right to open and operate a second Salon. Plaintiffs won summary judgment in the amount of \$15,000 plus attorneys' fees, costs and interest. PBFC appealed this judgment

and the Burks, on behalf of their corporation, Nani Kal, Inc., filed a subsequent suit alleging business disparagement, deceptive trade practices and civil conspiracy (Nani Kai, Inc. v. Planet Beach Franchising Corporation and Don Campbell, No. 048-196553-02, 48th District Court, Tarrant County, Texas). PBFC filed an answer denying all allegations. The parties have settled all claims out of court. In May of 2003 PBFC paid to the Burks an amount of \$12,000 and agreed that for a period of two years from December 23, 2002 not to open or operate or permit a PBFC franchisee to open or operate a tanning salon at any location within a three mile radius from the Burk's tanning salon.

Melissa Smith, Bumell Smith and Vita Amore, L.L.C. v. Planet Beach Franchising Corporation, (No. 366-02108-01, 366th District Court, Collin County, Texas). In October 2001, plaintiffs filed suit to recover a \$5,000 territory deposit fee paid for the right to open and operate a Salon. On April 1, 2001, PBFG, PBFC defaulted and judgment was entered in favor of the plaintiffs in the amount of \$16,879. In November of 2002, PBFC paid the judgment in full and an Order Granting NonSuit was filed. In January of 2003 a Release of Judgment was signed by Bumell Smith, Melissa Smith and Vita Amore acknowledging payment of the default judgment.

Jeffrey A. Brewer, individually, Bert R. Struck, individually, Robert F. Struck, individually and Sun King, L.L.C. v. Planet Beach Franchising Corporation and Planet Beach Tanning Salon Inc., Stephen P. Smith and Ronald Simmons (No.CV0406488, Circuit Court of Jefferson County, State of Alabama). On October 28, 2004, our franchisees, Mr. Jeffrey R. Brewer, Mr. Bert R. Struck and Mr. Robert F. Struck filed an action in which they alleged that PBFC purposely excluded information from PBFC's UFOC to induce the franchisees to purchase a franchise. They further alleged that PBFC omitted corporate financial information and that PBFC purposefully omitted information relating to a "National Advertising" fee. On December 16, 2004, PBFC filed a demand for arbitration. On December 16, 2004, PBFC filed a Motion to Stay Proceedings, Compel Arbitration or Dismiss. On January 21, 2005, the Circuit Court of Jefferson County compelled this matter to arbitration and stayed the state action pending the outcome of the arbitration. Thereafter, the plaintiffs filed a demand for arbitration asserting a claim for breach of contract. On or about January 17 of 2006, the parties reached an amicable resolution in which PBFC purchased the assets and rights to Claimant's franchise location. On January 27, 2006 the state action was dismissed with prejudice in the Circuit Court of Jefferson County, Alabama.

Corporate Development Outsourcing L.L.C. v. Planet Beach Franchising Corporation -(AAA No. 51 110 00110 05). On January 19, 2005, Corporate Development Outsourcing, L.L.C. ("CDO"), a project management firm, filed an-arbitmtionarbitration with the American Arbitration Association against PBFC alleging that PBFC breached a Construction Management Agreement between the parties. PBFC filed a counterclaim on February 16, 2005 asserting that CDO breached the Construction Management Agreement. On August 23, 2005, the Arbitrator, with the American Arbitration Association, found that the contract could be construed according to its terms without finding a breach by either party and awarded CDO \$18,400.00. The Arbitrator found that neither party was the "prevailing party" under the agreement.

David Osgood and OZTX Enterprises, Inc. v. Planet Beach Franchising Corporation and Planet Beach Real Estate, L.L.C. (AAA No. 69 114 00180 05). On June 9, 2005, Mr. Osgood and OZTX Enterprises, Inc., a franchisee, filed arbitration with the American Arbitration Association against PBFC and Planet Beach Real Estate, L.L.C. (PBRE) alleging that PBFC and PBRE breached the franchise agreement between the parties and fraudulently induced Osgood to sign a sublease. Osgood and OZTX sought damages in the amount of \$237,500. PBFC and PBRE filed an answer on July 5, 2005 asserting that the claims were without merit, and filed a counterclaim on November 22, 2005 for breach of the franchise agreement and sublease. On March 10, 2006, Osgood filed bankruptcy in the United States Bankruptcy Court for the Northern District of Texas under Chapter 13 of the United States Bankruptcy Code (Case No. 06-31074). On March 17, 2006, OZTX filed bankruptcy in the same

court under Chapter 11 of the United States Bankruptcy Code—(Case No. 06-31148). In June 2006, the AAA closed the arbitration. On July 5, 2006, Osgood's bankruptcy was converted to a Chapter 11 proceeding and on August 14, 2006, Osgood and OZTX's bankruptcies were consolidated and administered under Case No. 06-31074. On August 14, 2006, Osgood and OZTX commenced an adversary proceeding in the bankruptcy court against PBFC and PBRE with a complaint that mirrored the arbitration demand (Case No. 06-3440). On November 8, 2006, the bankruptcy court granted PBFC and PBRE's motion to compel arbitration. On January 5, 2007, counsel for Osgood and OZTX indicated that Osgood and OZTX do not intend to open or otherwise pursue the arbitration. As of the date of this disclosure document, no further action has been taken by Osgood or OZTX.

Sandra Lee Bourassa v. Planet Beach Franchising Corporation, Planet Beach Franchising L.L.C., Planet Beach Real Estate, L.L.C. and Cynthia Mesa-Toney (No. 06-2284 In the United States District Court for the Eastern District of Louisiana). On April 24, 2006, our franchisee filed an action in which she alleges breach of contract for specific performance and defamation against Cynthia Mesa-Toney, Area Representative, for Planet Beach Franchising Corporation. On July 12, 2006, Planet Beach Franchising Corporation et al filed a Motion to Stay Proceedings and Compel Arbitration. On July 14, 2006, Ms. Bourassa filed a Motion to Dismiss with Prejudice and on July 26, 2006 the court granted Plaintiff's Motion for Dismissal with Prejudice.

WZJRR, LLC; Randy Richey v. Planet Beach Franchising Corporation, (AAA No. 69 114 12876 06). On September 1, 2006, Mr. Richey and WZJRR, L.L.C., a franchisee, filed arbitration with the American Arbitration Association against PBFC alleging that PBFC fraudulently induced him into purchasing the franchise and that PBFC committed fraudulent acts, breached the contract as to the Franchise and related Agreements, failed to reduce their franchise fees for the VetFran program, breached the Covenant of Good Faith, violated the Virginia Retain Franchising Act, violated Virginia's regulations concerning Franchising and violated the International Franchise Association's code of ethics. On September 7, 2006, Mr. Richey and WZJRR, L.L.C. amended their demand to add that PBFC violated Louisiana's Business Opportunity Statute. PBFC filed an Answer and Demand for a More Definite Statement, Affirmative Defenses and Counterclaim on September 23, 2006. On October 2, 2007, Mr. Richey and WZJRR, L.L.C. withdrew their claim from arbitration. On October 31, 2007, the AAA ordered that a pending hearing scheduled for November 5, 2007 be suspended. Pursuant to that order, the AAA closed its file due to nonpayment of arbitrator compensation on November 28, 2007.

Planet Beach Franchising Corporation v. Randy Richey (No. 07-9359 In the United States District Court for the Eastern District of Louisiana). On December 6, 2007, PBFC filed a Civil Action Complaint for Breach of the Franchise Agreement, Trademark Infringement, Unfair Competition and Breach of the Covenant Not to Compete against Randy Richey. On January 16, 2008, Defendant Randy Richey filed a Motion to Compel Arbitration, or alternatively, to Stay. On January 29, 2008, Plaintiff filed an opposition to defendant's Motion to Compel. On June 25, 2008, the Court granted the Defendant's Motion to Compel Arbitration. On, July 23, 2008, Plaintiff filed a Demand for Arbitration. Arbitration is suspended by Order of the Panel dated December 28, 2009 due to outstanding arbitrator compensation charges.

Planet Beach Franchising Corporation v. John Culbertson and Darrell Leetham, (AAA No. 69 114 11755 06). On August 15, 2006 the AAA acknowledged receipt of PBFC's Demand for Arbitration dated August 14, 2006 against Culbertson and Leetham. PBFC alleged that Culbertson and Leetham breached their franchise agreement by selling their Planet Beach Salon to a competitor. On September 15, 2006, Culbertson and Leetham filed an Answer and Counterclaim asserting that PBFC made misrepresentations and concealed material facts in inducing counter-claimants to execute the Franchise Agreement and Royalty Waiver Agreement. Culbertson and Leetham alleged that PBFC failed to provide adequate support and failed to honor its promise to assist with the sale of their Salon. They are contesting the

Forum Selection Clause and the Choice of Law provision in the franchise agreement. Culbertson and Leetham alleged damages in the amount of \$150,000. They are requesting the return of their investment and additional money lost in supporting the business, interest, arbitration costs, attorney's fees and any other appropriate relief. On September 29, 2006, PBFC filed an Answer to the Counterclaim and Memo in Support of Forum Selection Clause and the Choice of Law Provision. In its Answer PBFC denies all factual averments made by Culbertson and Leetham and argues that the Forum Selection Clause and Choice of Law provisions should be upheld. On March 19, 2007 the parties reached a settlement in which Culbertson and Leetham agreed to pay \$25,000 towards future royalties to PBFC.

Arthur A. Lewis, III v. Planet Beach Franchising Corporation; (AAA No. 69 114 4300 07). On September 10, 2007, Arthur Lewis filed an action in the Superior Court in the state of California for Breach of the Franchise Agreement, Violation of the California Franchise Relations Act, Violation of the Louisiana Unfair Trade Practices and Consumer Protection Law. Lewis alleges damages in the amount of \$150,000. The parties subsequently agreed to arbitrate the matter in Louisiana pursuant to paragraph XXV of the franchise agreement. On December 28, 2007, Respondent PBFC answered the Demand for Arbitration, set forth defenses and PBFC and PBRE counterclaimed for Breach of the Franchise Agreement, Breach of Equipment Contract and Breach of Sublease entered into by plaintiff. PBFC and PBRE have requested damages in an amount to be determined at trial in addition to specified damages in the amount of \$49,585.52. On September 19, 2008 the arbitration was suspended for nonpayment. On or about September 19 the parties reached an amicable settlement whereby PBFC agreed to pay \$40,000 to Lewis and the case was removed from arbitration.

Michael and Jeannine Ingraham v. Planet Beach Franchising Corporation; (No. 07-3555 In the United States District Court for the Eastern District of Louisiana). On July 2, 2007, franchisees Michael and Jeannine Ingraham filed an action alleging Breach of the Franchise Agreement, Unfair Trade Practices, Breach of Implied Covenants of Good Faith and Fair Dealing, Detrimental Reliance and Negligence. Plaintiffs allege an unspecified amount of damages. In August 2007, Planet Beach Franchising Corporation filed an Answer with Affirmative Defenses. Trial in this matter was set for April 20, 2009. On April 20, 2009 the parties reached a settlement whereby PBFC agreed to pay \$20,000 to the Ingrahams, \$100,000 in Royalty Abatement and \$50,000 in product credits invoiced directly from PBFC. The settlement agreement was executed on May 8, 2009.

Frances Buyack v. William Olson, Sally Olson, Planet Beach Franchising Corporation, Black Corporations I-X, White Partnerships I-X, Red Limited Liability Entities I-X; (No. CV2009 093602 In the Superior Court of Arizona, Maricopa County). On November 9, 2009, franchisee filed an action alleging that her husband forged her signature to the Franchise Agreement. Plaintiff alleged that Planet Beach Franchising Corporation wrongfully converted the franchise fee of \$51,000.00 by failing to return that amount after learning that Plaintiff never signed her name to the Franchise Agreement. On or about February 17, 2010, Planet Beach Franchising Corporation entered into a Settlement Agreement with Plaintiff wherein PBFC agreed to pay \$25,000.00, which was the amount received by PBFC for the transaction.

Royalty Collection Suits:

Planet Beach Franchising Corporation v. Fernando Lauriano; (No. 647-893, 24th Judicial District Court for the Parish of Jefferson, State of Louisiana, Division "H"). On August 1, 2007, PBFC filed suit against a former franchisee for breach of the franchise agreement in the amount of Fifteen Thousand Eight

Hundred Forty Seven dollars and Eighty One cents. The Defendant was improperly served on August 10, 2007 and re-served personally on September 19, 2007. PBFC engaged in settlement discussion with the franchisee and there has been no movement on the lawsuit. As of the date of filing of this FDD, the lawsuit is pending.

Planet Beach Franchising Corporation v. Devin Tobin; (No. 651-284, 24th Judicial District Court for the Parish of Jefferson, State of Louisiana, Division "A"). On September 25, 2007, PBFC filed suit against a former franchisee for breach of the franchise agreement, nonpayment of royalties, technology fees and national marketing fees, abandonment and breach of the non-compete agreement for an undetermined amount of damages not to exceed Seventy Five Thousand dollars. On November 13, 2007, Devin J. Tobin filed bankruptcy in the United States Bankruptcy Court for the Northern District of Georgia under Chapter 7 of the United States Bankruptcy Code (Case Number 07-79098-jb). On March 3, 2008, PBFC received notice that Devin Tobin was granted a discharge under Section 727 of the title II, United States Bankruptcy Code.

Item 4 BANKRUPTCY

No person previously identified in Item 2 of this Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code or has been a party to proceedings under the laws of foreign nations relating to bankruptcy required to be disclosed in this Item.

Item 5 INITIAL FEES

Single Unit Franchise Fee

California, Minnesota, North Dakota and Washington have imposed an impound requirement. The initial franchise fees of citizens of these States will be placed in an escrow account until their Planet Beach Spa location opens. The initial franchise fees for citizens of Hawaii and Virginia will be deferred until their Planet Beach location opens.

You will pay an initial franchise fee of ~~\$39,950~~ 20,000 UV for a single unit license ~~license if you license is granted prior to July 1, 2012, or on or after July 1, 2012 the franchise fee will be \$25,000 and if your license is granted on or after January 1, 2013 the license fee will be \$30,000.~~ UV. This fee is deemed fully earned and non-refundable at the time the Franchise Agreement is executed. PBFC reserves the right to alter these prices as the market warrants at any time.

Multi-Unit Option Fee

Planet Beach Franchising Corporation
Franchise Disclosure Document 04/12+
Registration and Non-Registration States

Upon execution of a Franchise Agreement, PBFC may elect to sign a Multi-Unit Option Agreement with qualified candidates. Franchisees with multiple options are required to adhere to a strict development schedule. ~~Any additional options are \$32,000 each. These option fees are as follows: 2 additional options-\$19,000 and for 4 additional options-\$34,000.~~

VetFran Program

PBFC participates in the VetFran Program and qualified franchisees may receive a discount of \$2,500 on the initial franchise fee.

Planet Beach Spa and Tanning Equipment

Before opening your Spa, you must purchase from PBFC or an approved vendor all Planet Beach spa and tanning equipment. The cost for the spa and tanning equipment ranges from \$81,770 to \$120,240. ~~9.UVUV~~ See Item 7 for more information on PBFC's Planet Beach equipment.

Computer and Software

Before opening the Spa, you must purchase hardware and software as mandated by PBFC. The cost for a computer system and required software ranges from \$3,200 to \$6,800. See Item 7 for more information on PBFC's Computer and Software.

Wholesale Goods

Before opening the Spa, you must purchase wholesale goods from PBFC or a designated vendor. The cost for these wholesale goods ranges from ~~UV~~ \$6,000 to \$7,500. ~~UV~~ See Item 7 for more information on Planet PBFC's Beach's wholesale goods.

Area Representative Agreement

PBFC may offer Area Representative Agreements to accelerate the development of certain markets. The Area Representative Agreement may vary from market to market, depending on the population of the market and the number of Spas that may be opened in a market. In some markets, the Area Representative will provide some or all of the services to be provided to you by PBFC. Information regarding our Area Representatives is attached as Exhibit L to this disclosure document. An offer for an Area Representative Agreement can only be made by way of a separate Franchise Disclosure Document.

Item 6 **OTHER FEES ~~(3)~~**

The following tables describe other recurring or isolated fees or payments that you must pay to us, or which we impose or collect on behalf of a third party, in whole or in part. All fees and payments are non-refundable unless otherwise stated.

REQUIRED FEES

TYPE OF FEE	AMOUNT	WHEN DUE	REMARKS
Transfer (1)	\$39,950+0.500	On closing of transfer.	There is no transfer fee when an individual transfers to his/her corporation or L.L.C. Franchisees may transfer only to existing Planet Beach Franchisees.
Royalty Fees (1) (2)	6% of Gross Revenue for Compliant Franchisees and 9% of Gross Revenue for Non-Compliant Franchisees.	5 th of every month for the preceding month	Payment will be made through the Autodraft System.
Brand Development Fee	2% of Gross Revenue	5 th of every month for the preceding month	Payment will be made through the Autodraft system.
Credit Card Processing Fees (1)	Amount of fee charged to PBFC from credit card processor.	5 th of every month for the preceding month	For any payments made by you to us or any purchases made by you from PBFC.
Annual Convention	\$400	Fees that are unpaid 14 days prior to convention will be automatically drafted.	Fee includes registration for 2 attendees. It does not include cost of travel, lodging, food, or entertainment
Technology Fee	\$0	5 th of every month for the preceding month	A fee may be imposed for additional _____ technology upgrades but not to exceed \$100.
POS Software Fee	\$89.00	5 th of every month for the preceding month	Payment will be made directly to a third party vendor.

OPTIONAL FEES

TYPE OF FEE	AMOUNT	WHEN DUE	REMARKS
Location Mobile App	\$55.00	5th of every month for the preceding month	Payment will be made through the Autodraft System Payment will be made directly to a third party vendor.

NON-COMPLIANCE FEES

TYPE OF FEE	AMOUNT	WHEN DUE	REMARKS
Late Payment Fee (1)	\$100 per week	Whenever any of the above fees are late	Interest is also charged on any overdue amounts at 18% per annum or the maximum rate permitted by state law, whichever is less.
NSF Fee (1)	\$100	When there are insufficient funds to make payment	Payment will be made through the Autodraft System.
Audit Fees (1)	Cost of audit plus interest on underpayment at 18% per annum or the maximum rate permitted by state law, whichever is less	When audit shows an understatement of 2% or more	
Daily Production Report ("DPR") , Quarterly P&Ls and Tax returns Report Late Fees (1)	Up to \$300 per month	When PBFC does not receive DPR by the 3 rd of the month for the preceding month	Payment will be made through the Autodraft System.
Indemnification	Amount of judgment or claim	When incurred	You must defend, indemnify and hold us harmless from all fines, suits, proceedings, claims, demands, obligations or actions of any kind arising in whole or in part from the operation of your Franchised Business.

Notes:

Note 1: All fees are imposed by and are payable to PBFC. All fees are non-refundable. PBFC is charged a credit card processing fee by various credit card companies. PBFC will charge you the credit card processing fee that it is required to pay to the credit card company when you make purchases from PBFC.

Note 2: "Gross Revenue" is defined as all revenues from sales including the sale of sunless, UV tanning and spa sessions, prepaid UV tanning and spa packages, memberships and any goods and services. PBFC refers to this as the sum of "Cash," "Net EFT," and "Retail." Gross Revenue does not include sales tax imposed by any federal, state or governmental authority. Non-Compliant Franchisees are those who receive a default notice with a 30 day notice to cure letter and fail to cure the default. On the 31st day, Franchisor will begin drafting royalties at 9% until the default is cured. Franchisor does not waive any other remedies or rights that Franchisor has against the Non-Compliant Franchisees.

Note 3: Franchisor-owned outlets have no voting power on any fees imposed by franchisee cooperatives.

Item 7
ESTIMATED INITIAL INVESTMENT

Single Unit (I):

DESCRIPTION	ESTIMATED AMOUNT OR LOW-HIGH RANGE	Method of <u>METHOD</u> OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (1,2,16)	\$39,950 8,500 to \$3020,000	Lump Sum	Upon signing of Franchise Agreement	PBFC
Planet Beach Spa Equipment and Timer System with shipping, installation (3)	\$81,700 to \$120,240	Lump sum	As arranged	PBFC
Leasehold Improvements (4)	\$5,000 to \$70,000	As arranged	As arranged	General Contractor
Owner Furnished Items (5)	\$9,000 \$17,000	As arranged	As arranged	Approved Vendors
Utility, phone and lease deposits (6)	\$2,500 to \$4,500	As arranged	As arranged	Landlord and Local providers
Insurance initial payment (7)	\$600 to \$1200	As arranged	As arranged	Insurance Provider
Computer and Software (8)	\$3,200 to \$6,800	Lump sum	Upon ordering	PBFC and/or Approved Vendor
Printing & Marketing (9)	\$10,000 to \$20,000	As arranged	As arranged	Various
Wholesale Goods (10)	\$6,000 to \$7,500	Lump sum	Upon ordering	PBFC
Washer and Dryer (11)	\$0 to \$1,200	As arranged	As arranged	Local Provider
Permits, licenses (12)	\$500 to \$1,000	As arranged	As arranged	Various
Working Capital and Miscellaneous (13)	\$8,000 to \$20,000	As arranged	As arranged	N/A
Totals (14,15)	\$155,51035,56 0 to \$309,390 \$289,299,440			

Note 1. Estimates are based on a single unit Spa. ~~The difference in price is due to the multi-multi unit~~

~~franchise fee, increase in franchise fee and the square footage.~~ Square footage is approximately 1400. These spas feature one spray tanning unit, one airbrush system and automated spa services as determined by PBFC.

Note 2. You must pay us an initial franchise fee of ~~\$39,950 20,000.00 (the fee will increase to \$25,000 on July 1, 2012) and again to \$30,000 on January 1, 2013~~ for a Spa, or the option fees should they be granted. In California, Minnesota, North Dakota and Washington the initial franchise fee will be placed in an escrow account until the Spa opens. In Hawaii and Virginia the initial franchise fee will be deferred until the Spa opens.

Note 3. The low end represents the recommended equipment mix. This estimated range does include a T-Max Timer system or wiring and delivery and installation. All Spas are required to have a minimum of ~~two one (2+) spray tanning booth, one airbrush system~~ and six (6) pieces of spa equipment or a maximum of ~~2 UV~~ UV tanning units can replace two of the spa units determined by PBFC. This amount may vary depending on shipping and installation costs. This amount does not include taxes calculated at 4%, and you must check with your state to determine if there are additional taxes due.

Note 4. The low estimate is based on a Spa with an estimated 1400 square foot space with significant landlord participation (in the form of actual landlord improvements performed or tenant improvement allowance) and no demolition or the acquisition of a site previously occupied by a similar business model. Rooms and necessary electrical and HVAC are in existence in this scenario. This estimated range will vary depending on the location, necessary leasehold improvements and landlord participation. The higher range estimate is based on no landlord contributions and the required build out to Planet Beach specifications from a vanilla box. This also includes flooring.

Note 5. Owner Furnished Items (OFIs) consist of millwork (including retail fixtures, various shelving, reception counter and office management system), lighting, interior signage, exterior signage, and furniture.

Note 6. Some landlords may require a deposit of first and last month's rent. Deposits on utilities will also vary. Deposits will vary based on the market rental rates for your market.

Note 7. You will need to obtain Commercial General Liability (\$1 Million Minimum Coverage) insurance, Worker's Compensation, Business Interruption insurance, Flood, Life Insurance (equal to amount borrowed) and Construction Coverage insurance.

Note 8. Low end includes hardware and required software. The "high" figure includes the costs for two CPUs, monitors, keyboards, cash drawers, credit card swipes, receipt printers, and one laser printer.

Note 9. You are required to invest this amount in marketing prior to your Spa opening and through the initial opening of your Spa. You may spend additional amounts with PBFC approval.

Note 10. You will be required to purchase a specified amount of wholesale goods for the initial inventory of products to be offered for sale based on the size of your Spa. A selection of PBFC's proprietary products and national brand products must be stocked.

Note 11. Zero dollars as a "Low" because not all Spas can accommodate a utility room due to size or layout restrictions. Therefore, the washer and dryer are optional.

Note 12. This figure includes inspection fees and occupational licenses.

Note 13. PBFC requires that you open upon the achievement of a \$12,500 membership draft for the first month your Spa is open. This figure does not necessarily mean that you will “break even” or that you will reach any certain financial position. This range is also based on costs for transportation, meals and other expenses associated with pre-opening training.

Note 14. PBFC relied on its experience in the tanning and day spa business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

~~Note 15. PBFC does not offer indirect and direct financing to franchisees.~~

Note 15. If you sign a Single Unit Franchise Agreement, your initial investment for your first Spa should be within the range disclosed in this Item 7 chart. The Initial Franchise Fee for each subsequent Spa is set forth in Item 5. You also should be aware that your initial investment for your second and subsequent Spas likely will be higher than the above estimates for your first Spa due to inflation and other economic factors that may vary over time.

~~Note 16. All payments are non-refundable, unless otherwise agreed.~~

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase goods and materials, which adhere to our minimum standards and requirements. These items include start-up equipment, inventory, interior and exterior signs, insurance, grand opening marketing, on-going marketing, printing and supplies. Estimated costs for these items are described in Item 7 of this Franchise Disclosure Document.

We formulate and modify our standards and specifications based upon our experience of operating businesses of the nature we are franchising, our offering of business and of our principals described in Item 2. Our standards and specifications are described in the Franchise Agreement, the Operations Manual, and other written documents. We issue our specifications only to our franchisees, and to certain approved and designated suppliers. We do not issue our standards and specifications to anyone else. We may change the standards and specifications which apply to the operation of the Spa, including standards and specifications for signs, furnishings, supplies, inventory and equipment, by providing you written notice of the change or by amending the Operations Manual and providing you the amendment. You may

incur an increased cost to comply with these changes at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement.

You must purchase equipment and supplies from designated and approved suppliers. Approved and designated suppliers are identified in the Operations Manual or in a separate Approved Vendor List. They may include us, our affiliates, or unaffiliated third party suppliers. We, and our designated and approved suppliers, are the only approved suppliers for Planet Beach lotions, moisturizers, skincare products, nutritional supplements and other Planet Beach branded materials.

For other items, we may approve a previously unapproved supplier if we are satisfied that the proposed supplier meets our then-current standards and specifications. Our criteria for supplier approval are not available to franchisees. If you wish to purchase any item (for which we have identified approved supplier(s), from a supplier whom we have not yet approved, you must provide us the name, address and telephone number of the proposed supplier, a description of the item you wish to purchase, and purchase price of the item, if known. At our request, you must provide us, for testing purposes, a sample of the item you wish to purchase. If we incur any costs in connection with testing a particular product or evaluating a supplier at your request, you must reimburse us our reasonable testing costs, regardless of whether the supplier or item is subsequently approved. Although not obligated under the Franchise Agreement, we will make a good faith effort to notify you of supplier approval or disapproval within 30 days following receipt of your request for approval or receipt of a sample product for testing if testing is required. We may revoke our approval of particular suppliers when we determine, that such suppliers no longer meet our System standards. Upon receipt of written notice of such revocation, you may no longer purchase from such supplier.

Notwithstanding the existence of the approval process, PBFC reserves the right to be the only approved supplier of a product or service. In this situation, you will be required to purchase the product or service from PBFC and no one else. The price you will pay for the product or service will be the price then in effect, and PBFC will make a profit on the sale of the product.

Where we agree or are deemed to be required to exercise our rights reasonably or in good faith, we will satisfy our obligations wherever we exercise Reasonable Business Judgment in making our decision or exercising our rights. A decision or action by PBFC will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of PBFC. Examples of items that will promote or benefit the System include enhancing the value of the Planet Beach mark, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System.

We must approve the location of the Spa. The location should consist of approximately 1400 square feet and be located in a high population center and highly visible area, such as a strip mall. Our approval of a location or lease does not constitute our representation that the location will be successful.

The Spa must be equipped, decorated and supplied in compliance with our specifications, which will be made available to you. After you acquire or lease a site for the Spa (either by signing a lease or purchasing real estate), you must employ a contractor to construct the Spa and to complete all improvements in accordance with approved plans. You must also employ licensed and professionally qualified individuals to modify such plans to conform to local legal requirements and specifications. You will be responsible for all costs connected with construction, including architectural plans and seals, leasehold improvements, fixtures and signs, and for all costs related to compliance with state or local ordinances, rules and regulations. You must submit to us a video taped presentation and/or digital camera

photographs via e-mail of the finished build-out of the inside and outside of the Spa prior to opening.

You must procure and maintain public liability and property damage insurance covering the operation of the business and the location where the business is conducted, with insurance carriers reasonably acceptable to us in a minimum amount of \$1,000,000 combined single limit and real and personal property insurance including fire, products liability and extended coverage on an all risk replacement cost basis. You will agree to carry the insurance required by the lease of your location or by any lender or equipment lessor you select and worker's compensation insurance required by applicable law. You must add us and our affiliates to all insurance contracts as an additional insured under the insurance policies, the cost of which to be paid by you. You will also need to obtain Worker's Compensation insurance, Business Interruption insurance, Life insurance (equal to the amount borrowed), and Construction Coverage insurance.

We will derive revenue from your purchases to the extent that you purchase any item from us. In some instances, we will derive revenue from vendor royalties and referral payments. In the year ending December 31, 2010, our revenues from franchisee purchases including, vendor royalties and referral payments was ~~\$937,480~~~~905,425~~ or ~~—~~905,425 or +0.713.2% of our total revenues of ~~\$8,745,468~~ \$6,857,521. We estimate that your required purchases will account for approximately 33% of all purchases necessary to establish the Spa, and approximately 10% of all costs necessary to operate the Spa after opening. You will not receive any material benefit from purchasing from approved or designated suppliers. There are purchasing or distribution cooperatives in existence for the System. PBFC does receive payments as a result of your required purchases from approved suppliers.

**Item 9
FRANCHISEE'S OBLIGATIONS**

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a.) Site selection and acquisition/lease	Section 2 of Franchise Agreement	Items 6, 7 and 11
b.) Pre-opening purchases/leases	Sections 2, 6 and 8 of Franchise Agreement	Items 6, 7 and 8

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
c.] Site development and other pre-opening requirements	Sections 2, 6 and 8 of Franchise Agreement	Items 6, 7 and 11
d.] Initial and ongoing training	Section 7 of Franchise Agreement	Items 6 and 11
e.] Opening	Section 8 of Franchise Agreement	Item 11
f.] Fees	Sections 6, 10, and 13 of Franchise Agreement	Items 5 and 6
g.] Compliance with standards and policies/Operating Manual	Section 9 of Franchise Agreement	Item 11
h.] Trademarks and proprietary information	Section 11 of Franchise Agreement	Items 13 and 14
i.] Restrictions on products/services offered	Section 9.3 of Franchise Agreement	Items 8 and 16
j.] Warranty and customer service requirements	Sections 9.1 and 9.3 of Franchise Agreement	Item 11
k.] Territorial development and sales quotas	Sections 8 and 9.2 of Franchise Agreement	Items 11 and 17
l.] Ongoing product/service purchases	Section 9.3 of Franchise Agreement	Item 8
m.] Maintenance, appearance and remodeling requirements	Sections 4.2, 9.1, and 22 of Franchise Agreement	Item 11
n.] Insurance	Section 14 of Franchise Agreement	Items 6, 7 and 8
o.] Advertising/Marketing	Section 13 of Franchise Agreement	Items 6, 7 and 11
p.] Indemnification	Section 19.2 of Franchise Agreement	Item 6
q.] Owner's participation/management/staffing	Section 9.2 of Franchise Agreement	Item 15
r.] Records/reports	Section 15 of Franchise Agreement	Item 6
s.] Inspections/audits	Sections 16.3 and 17 of Franchise Agreement	Items 6 and 11
t.] Transfer	Section 21 of Franchise Agreement	Items 6 and 17
u.] Renewal	Section 4.2 of Franchise Agreement	Item 17
v.] Post-termination obligations	Section 24 of Franchise Agreement	Item 17
w.] Non-competition covenants	Section 18 of Franchise Agreement	Item 17
x.] Dispute resolution	Section 25 of Franchise Agreement	Item 17
y.] Other: Personal Guaranty of Franchisee's Obligations (Note 1)	Section 27 of Franchise Agreement	Not Applicable

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
<p>Notes: All partners in a limited partnership, shareholders in a corporate franchisee, or members and managers in a limited liability company franchisee must sign a Confidentiality <u>Confidentiality</u> and Non-Competition Agreement (Exhibit 6 of the Franchise Agreement) and a Guaranty Agreement (Exhibit 3 of the Franchise Agreement). All spouses who do not sign the Franchise Agreement must sign a Confidentiality <u>Confidentiality</u> and Non-Competition Agreement (Exhibit 6 of the Franchise Agreement) and a Guaranty Agreement (Exhibit 3 of the Franchise Agreement).</p>		

Item 10 FINANCING

Neither we nor any agent or affiliate offers 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. However, PBFC has a working relationship with the following lending institutions:

1. Amerifund, Inc. offers equipment financing/leasing and will finance up to 100% of your equipment costs, including tanning, salon, outdoor signage, security, flooring, vending, point of sale etc. They offer both traditional leases that have buyout options ranging from \$1 to fair market value of the equipment. They also offer equipment finance agreements and working capital loans. Amerifund's deposits are some of the lowest in the industry, generally just 1st and last payment in advance. Terms will range anywhere from a 12 month minimum up to 72 months. Rates will vary depending on time in business, credit score and financials. Amerifund specializes in tailoring programs specific to your needs.
2. Beneficial Capital ("BCL") is a full service finance company with over 15 years experience as a leader in the Beauty, Tanning, and Spa industries. Although BCL's core business is to provide loans and leases for essential equipment, furniture, and build-out, BCL is also able, through a network of business partners, to provide other attractive options such as SBA loans, Working Capital Loans, and 401(k) business funding – all managed by one source. BCL can provide financing solutions for financially sound start-up operations, as well as existing franchisees looking to expand or remodel.
3. Paramount Financial Services, LLC (www.paramountfinance.com) offers competitive equipment leasing and financing programs and will fund up to 100% of your equipment costs, including fitness, outdoor signage, tanning, security, flooring, vending, point of sale, etc. Paramount Financial, an "A" Rated Better Business Bureau lender, offers traditional equipment leases that have buyout options ranging from \$1 to fair market value of equipment at the time of lease expiration. Their competitive advantage is that they are a direct lender, not a lease broker, and lease rates start at 7.25%. They also have financing available for start-up businesses and tougher credit clientele. For more information, please contact the Vice President of Finance, Craig Colling, at 877-948-6200 ext. 101 or craigc@paramountfinance.com.
4. Quest Resources has been providing financing to the salon, spa, and tanning industries for nearly 20 years. Quest's industry focus and extensive experience in equipment leasing have enabled them to develop strong relationships with the nation's leading salon, spa, and tanning equipment

manufacturers, distributors and vendors. Quest has financed over \$185 million to more than 12,000 satisfied business owners like you. Quest focuses on building lasting relationships with unmatched service and value added programs. This allows them to provide the most flexible financing solutions available for both new and existing businesses. Quest offers 100% financing of tanning and fitness equipment, any equipment needed for your business and build out. Quest also offers a working capital loan program and SBA financing to cover build out costs, equipment, working capital and franchise fees. For more information, please contact Mike Kramer at either 866-288-9957 ext 5105 or mike@questrs.com.

5. **Guidant Financial Group** is an expert who can provide you access to your retirement accounts without incurring tax or penalty. This unique funding vehicle allows you to start your business with little or no debt, which will put your business on a much quicker path to profitability. Guidant has established this financing for over 5000 business owners in all 50 states. Over 80% of the businesses they have funded with this option are still in operation. Guidant also provides an unsecured loan program which secures \$50-\$100k in unsecured funds. To qualify for an unsecured loan you must have a credit score in excess of 700, active revolving credit under 40% utilized, and no derogatory credit for the past 7 years. In addition, Guidant has a network of lenders who can provide SBA loans from \$150k and up.

5.—

6. **Diamond Financial Services (Franchise Funding)** has been servicing franchisors for over 12 years assisting their franchisees and prospects with a high success rate of financing mainly business loans (SBA 7A) nationwide. Diamond quickly reviews options and pre qualifies for loan or lease potential. More recently, they have added other funding programs including Equipment Leasing (FranchiseLeasing.com) \$5 – 150K, their well known UBLOC (Unsecured Business Line of Credit) program \$40 – 100K, S.T.A.R (short-term loans)\$20-100K, Retirement rollover services and their FranEquity (helping prospects to find angel investors, partners & capital). Diamond's business loans cover expansions, refinance, working capital, start-up, acquisitions and partner buy – outs. Loan sizes from \$150K – 2 million (SBA). Diamond's job is to always put their clients in the best position with their franchise financing needs.

7. **BOEFLY**

Planet Beach Franchising provides assistance for franchisees in accessing financing through a partnership with BoeFly.com, the online leader in financing for business borrowers. BoeFly is an innovative service that offers U.S. franchisee and prospective franchisees access to a captive network of business lenders. With BoeFly, you can now connect directly with banks to find financing – with a single, universal loan application, all with unprecedented efficiency.

BoeFly positions you for success:

Build a lender ready loan package

BoeFly Support to prepare and guide you

Connect with the growing network of BoeFly business lenders

Invite your own banks to access your secure loan package on BoeFly

Use BoeFly to Find Financing For:

New Store Development Projects

Store Remodel/Upgrades

Equipment Only Purchases

Acquisition of Existing Stores

Unit Expansion Projects

Working Capital Needs

To learn more about BoeFly, please visit www.BoeFly.com. To access the BoeFly/ Planet Beach website

and begin the financing process, visit: <http://www.boefly.com/planetbeach>.



Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

A. The obligations that we will perform before the Franchised Business opens:

Before the opening of your Planet Beach Spa, we (or our designees) will:

1. Approve your site. Factors that PBFC considers in approving site selections include: population density and demographics, retail composition, co-tenancy and viability: location, price per square foot, visibility, signage, ingress, egress and competition. Upon submission of a site proposal, PBFC will accept or reject the site within a reasonable time. (Section 2 of Franchise Agreement)
2. Designate your territory. Once a site for your Spa is selected, PBFC will provide you with a map of your territory. The map will become an exhibit of your Franchise Agreement.
3. PBFC or your respective Area Representative may provide you with a Grand Opening Specialist who will conduct five business days of onsite training at your first Spa (Section 7.1.4 of Franchise Agreement) at your expense. The only expenses the franchisee is obligated for are travel and lodging. PBFC, or your Area Representative, does not provide a Grand Opening Specialist for any additional Spas you open after your first location.
4. Will allow you to view our Operations Manual online, which we may amend from time to time. This Operations Manual is confidential and the property of PBFC (Section 5 of Franchise Agreement). The Table of Contents of the Operations Manual is attached as Exhibit H to this Franchise Disclosure Document.
5. Provide you and your director(s) with classroom training through Franchisee and Spa Director School for each location that you open. You are responsible for all travel, living and any other expenses for all attendees you employ. Training occurs at our headquarters in Martero, Louisiana, or other location designated by PBFC. (Section 7 of the Franchise Agreement) Franchisee and Spa Director School Training will be facilitated under the supervision of Mandy Verges, whose experience with us is described in Item 2 of this disclosure document.

Franchisee School will be scheduled in advance and at a minimum is offered six times per year, subject to date changes or cancellation at our discretion.

Franchisee School uses the following schedule: (subject to time, instructor and course changes)

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
How to Operate & Manage a Planet Beach Spa and Staff for Success	9:00 a.m. to 5:00 p.m.	0	Planet Beach Headquarters, Marrero, LA
Marketing Four	9:00 a.m. to	0	Planet Beach Headquarters,

Quadrants & Gift Sets Awareness Campaign	5:00p.m.		Marrero, LA
Membership Sales Process	9:00 a.m. to 5:00 p.m.	0	Planet Beach Headquarters, Marrero, LA
On Site Training	9:00 a.m. to 5:00 p.m.	8	At location approved by PBFC

Note 1: Instructors are subject to substitution at any time and at franchisor's discretion.

Prior to the opening of your spa, we are only obligated to provide you with the assistance or services specifically described in the Franchise Agreement.

B. Our obligations during the operation of the Franchised Business:

During the ongoing operation of your Planet Beach Spa, we will:

1. Provide such general advisory assistance and field support deemed helpful by PBFC in the areas of marketing and promotion of the Spa. (Section 13 of Franchise Agreement)-
2. Continue our efforts to establish and maintain high standards of quality, professionalism, cleanliness, safety, customer satisfaction and service. At a minimum, a PBFC employee (or designee) will consult with you on the standards of your Spa on a periodic basis, usually at least once every calendar quarter. (Section 17 of Franchise Agreement)-
3. Provide you with access to view updates, revisions and amendments to the Operations Manual. (Section 5 of Franchise Agreement)-
4. Provide you with access to additional training programs and seminars at our discretion. (Section 7 of Franchise Agreement)-
5. Provide you with access to our corporate Intranet which will allow you to communicate with other franchisees, communicate with the corporate office, and submit your Spa's Financial Reports to PBFC.
6. For your first Spa, PBFC or its Area Representative will provide you with a Grand Opening Specialist ("GOS"). The GOS will consult and provide sales and marketing techniques through the first month your Spa is open at your expense. After the first month, the GOS will turn over its consulting responsibilities to your assigned PBFC consultant or designee. We reserve the right to change your consultant as we deem necessary.
7. PBFC will hold annual conferences for your benefit. There is an annual conference fee of ~~no more than \$200~~ per person and you must pay all your travel and living expenses. These conferences are mandatory and they are held in New Orleans, Louisiana or at a location designated by PBFC. Fees that are unpaid fourteen (14) days prior to convention will be automatically drafted. (Section 7.3 of Franchise Agreement)-

Marketing

For our year ending December 31, 2011, ~~\$284,731,334,385~~ was spent from the Brand Development Fund as follows:

~~\$9,792,800~~ or ~~3.429%~~ was spent on the 800 spa locator phone number, ~~\$2,303,370~~ or 0.87% was spent on website advertising, ~~\$5,894,498~~ or 2.12% was spent on administrative costs, ~~\$30,687,401,302~~ or ~~10.8342%~~ was spent on support personnel salaries, ~~\$15,071~~ or ~~4.5%~~ was spent on the 2010 Planet Beach Calendars. ~~\$31,420,525,500~~ or ~~11.0457%~~ was spent on the 2010 Ms. Planet Beach Contract, ~~\$16,666,7503~~ or ~~5.92%~~ was spent on marketing campaign mailers, and ~~\$187,969,25,338~~ or ~~66.0375%~~ was spent on the Ms. Planet Beach International Pageant.

PBFC requires you to contribute 2% of Gross Revenue as a Brand Development Fee. (Section 10.3 of Franchise Agreement)

~~Regional—Marketing~~Regional —CooperativeMarketing Cooperative. We have established a regional marketing cooperative program for the benefit of System franchisees within common geographical areas. Regional marketing cooperative geographical areas vary by market. We encourage our franchisees to form regional marketing cooperatives for the benefit of our franchisees located within the same geographic areas. Franchisees are required in their franchise agreement with us to belong to the cooperative for their area, if any. We provide Co-Op Guidelines so these established co-ops can govern themselves. We have outlined the recommended percentage of gross sales to be contributed for each regional marketing cooperative, but the contribution may vary among cooperatives, depending on marketing costs and requirements in the region. Cooperative marketing initiatives need to be submitted to ~~PBFC~~Planet Beach Franchising Corporation for consideration and approval. We may change, merge or dissolve any regional marketing cooperatives at our discretion.

Immediately upon opening your Spa, or within 30 days of the date that you are notified that we have established a regional marketing cooperative for the geographic area in which your Spa is located, you must become a member of the regional marketing cooperative and sign a copy of the regional marketing cooperative bylaws. All regional marketing cooperatives must prepare annual, unaudited financial statements. (Section 13 of Franchise Agreement)

We do not require you to contribute more than 2% of Gross Revenue to the Regional Marketing Cooperative. Members of a Regional Marketing Cooperative may, however, upon a majority vote of its voting members, impose a one time or periodic contribution, which may result in total contributions, which may exceed the required 2 percent of Gross Revenue. Although we will have membership rights in the Regional Marketing Cooperatives, we will abstain from voting on matters, which may result in contributions in excess of the required 2% of Gross Revenue. See Item 6 of this Franchise Disclosure Document.

We must approve all marketing prior to first publication or use. All marketing or marketing concepts, which you develop and are approved by us, become our sole and exclusive property. (Section 13.1 of Franchise Agreement)

Refer and Receive Program

Any Planet Beach franchisee can be awarded a credit to be used for equipment and product purchases for referring a prospective franchisee that signs a Franchise Agreement. If the referral is made through your Spa, then you will receive a \$1,000 credit. If your employee, including the Spa Director or Consultant, makes the referral, then that employee will receive a referral fee of \$1,000.

PBFC may pay a referral fee of \$1,000 to real estate brokers, contractors and financial consultants who refer a prospective franchisee that signs a Franchise Agreement.

PBFC defines a referral to be qualified for the Refer and Receive Program once a name and contact information is submitted to PBFC's franchise sales department via email.

PBFC reserves the right to alter and/or cancel the "Refer and Receive Program" at any time.

Additional Items:

Computer System

You will be required to maintain a proprietary software system as mandated by PBFC. The software assists our franchisees in reporting, record keeping, as well as collecting and retaining customer data. We will have independent access to the information and data collected by this computer system and there are no contractual limitations on our right to access this information. The customer database generated by the software is the sole property of PBFC. (Section 9.4 of Franchise Agreement)

We have the right to require you to update or upgrade your computer software program and computer hardware components, as we deem necessary, but not more than three (3) times per year.

Site Selection and Opening

You will operate the Spa at the approved location agreed upon by you and us. It is your responsibility to obtain a mutually acceptable site. See Item 12. (Section 2 of Franchise Agreement)

We estimate that it will take approximately 120 days to locate a site and complete training. The actual length of this period will depend upon other factors such as your ability to obtain a mutually acceptable site, acceptable financing arrangements and the amount of necessary training scheduled. Under the Franchise Agreement, you must open your Spa no later than 275 days after we sign the Franchise Agreement. If the Spa is not opened within 275 days, we have the right to terminate your Franchise Agreement. See Items 9 and 17. (Section 2 of Franchise Agreement)

Item 12
TERRITORY

You will operate the Spa from a location which we approve ("Approved Location") which will be identified on the Data Sheet of the Franchise Agreement and on a map provided upon site selection. If you have secured a site for the Spa at the time you sign the Franchise Agreement, you will establish the Spa at the approved site. If you have not yet secured a site for the Spa at the time you sign the Franchise Agreement, you will enter into our Approved Location and Territory Addendum, attached as Exhibit 2 to the Franchise Agreement, which will govern the site selection process. You may relocate the Spa only with our prior written approval.

During the term of the Franchise Agreement, if you are in compliance with the Franchise Agreement, we will neither establish nor operate nor license another to establish or operate a Spa location using the Proprietary Marks and System within the territory identified in the Data Sheet ("Territory"). Compliance includes compliance with PBFC's standards and specifications as stated in the Operations Manual, your best efforts in exploiting your Territory to increase your business, good customer service, and membership reciprocity with other Planet Beach Spas. The protection afforded under this paragraph relates solely to the operation of a Spa. We retain all other rights. Specifically, but not exclusively, we have the right to operate and license others the right to operate Spa businesses using the Proprietary Marks and System outside the Territory. In some instances, Spa territories may overlap. Moreover, we, our affiliates, our franchisees, licensees or designees, may distribute products, now existing or developed in the future, in your Territory, in such manner and through such channels of distribution as we, in our sole discretion, shall determine. Such channels of distribution shall include, but are not limited to, sales of any products offered by you under the Proprietary Marks at or through health clubs, beauty salons, spas, stores, boutiques, lotions and other products through fixed stores, the internet and mail order sales.

The Territory will generally be a circle, the center of which will be your location as defined by your signed lease and verified by you. The actual size and dimensions of your Territory may be less than stated below and will depend upon the specific variables of your site including population density, marketing and development trends, traffic flow and natural and man-made boundaries. A map plotting the Protected Territory will be attached to your Franchise Agreement. If a radius is used to determine your Territory, then the radius of the circle will be based on where the Spa is located and will range from:

- (i) One-half of a mile (1/2 mile) if your Spa is located in a Downtown area or the Central Core of a large city; to
- (ii) Two miles (2.0 miles) if your Spa is located in any other Area.

Your Protected Territory shall exclude; (i) any area that is across a state line, river, navigable waterway, highway, interstate, or other natural or manmade boundary; and (ii) regional shopping malls, train stations, bus stations and airports.

There shall be no geographic restrictions upon where customers may come from for any Spa. We do not restrict your right to service customers from outside of the Territory; however, we do not permit you to market or solicit customers outside of the Territory without our prior written consent, which will not be unreasonably withheld. You shall not distribute or publish advertising or otherwise market outside your territory except in compliance with this Agreement and the Operations Manual.

We have not as of the date of this document established any other franchises or company owned outlets or other channels of distribution for selling or offering similar products or services under a different trademark. The Franchise Agreement does not prohibit us from establishing these outlets or channels of distribution, and we expressly reserve the right to do so.

Our affiliate, GymMatrix Franchising Systems, LLC, may offer gym franchises using different trademarks and offering goods and services that do not compete with your Spa within your Territory.

Item 13 TRADEMARKS

You will have the limited right to use the Proprietary Marks we designate for use in connection with the System. Our affiliate, Planet Beach Tanning Salons, Inc. assigned all its Proprietary Marks to Planet Beach Brands, LLC on April 10, 2007. Planet Beach Brands, LLC registered or has applied to register the below Proprietary Marks on the Principal Register of the United States Patent and Trademark Office, except for the mark Bronzen, DEBOANIR, pbGLOW and SpaSynergy which are owned by PBFC.

Mark	Date Registered	Registration Number
Planet Beach (block letters)	June 10, 1997	2,070,046
"Planet Beach design mark"	September 6, 2005	2,991,967
Planet Beach (block letters)	June 25, 2002	2,585,483
Bronzen	January 10, 2006	3,038,872
"Planet Beach Tanning • Spa"	January 2, 2007	3,195,152
Contempo Spa	September 25, 2007	3,299,750
Luminous Facial	October 30, 2007	3,327,379
Planet Beach (logo)	August 26, 2008	3,491,120
Planet Beach (block letters)	September 27, 2011	4,031,919

Description	Date Applied	Serial Number
Fusion-Facial	May 24, 2006	78891350
Planet Beach (logo)	May 1, 2008	77463415
Planet Beach (block letters)	May 1, 2008	77463282
Contempo Spa	May 1, 2008	77463420
SWANKi	May 13, 2009	77735961
DEBONAIR	June 3, 2011	85337256
pbGLOW	April 14, 2011	85295342
SpaSynergy	February 11, 2011	85239846
GymMatrix	January 12, 2010	77910176

Planet Beach Brands, L.L.C. has filed all required affidavits, and the registrations are not yet due for renewal. We do not own any state trademark registrations.

Planet Beach Brands L.L.C. licenses to us, by a Trademark and System License Agreement (“License Agreement”), the right to use the Proprietary Marks and to sub-license them to System franchisees. The term of the License Agreement is 10 years and automatically renewable, but is terminable by either party upon 60 days notice. If terminated, Planet Beach Brands, L.L.C. is then required to assume all of our rights and obligations regarding the Proprietary Marks under any franchise agreements then in effect. There is currently no agreement in effect that significantly limits our right to use or license the use of such proprietary marks that are material to the franchise.

There are currently no effective determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court; no pending interference, opposition or cancellation proceedings; nor any pending material litigation involving the Proprietary Marks.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. —We direct and control any administrative proceeding or litigation involving the Proprietary Marks, including the right to settle the proceedings or litigation. We may affirmatively prosecute actions against third parties for infringement or threatened infringement of the Proprietary Marks.

We will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. If we determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, we will pay the cost of defending the action, including the cost of any judgment or settlement. If we determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, you must pay for the defense or reimburse us for costs we incur in providing the defense, including the cost of any judgment or settlement. In any litigation relating to your use of the Proprietary Marks, you must sign all documents and assist us, as we deem necessary, to carry out the defense or prosecution including, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, we will reimburse you for your out-of-pocket costs in performing such acts. We may require you to discontinue, modify, or substitute any of the Proprietary Marks as a result of pending or threatened litigation involving your use of the Proprietary Marks; provided that we will indemnify you for your actual out of pocket costs incurred to effectuate such change.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state; however, a federal trademark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area. Therefore, before entering into the Franchise Agreement, you should make every effort to ascertain that there are no existing uses of the Proprietary Marks or confusingly similar marks being used in the market area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

You may use only the Proprietary Marks, which we designate, and may use them only in the manner we authorize and permit. You may use the Proprietary Marks only for the operation of the Spa and only at the Approved Location or in marketing for the Spa. Unless we otherwise authorize or require, you may operate and advertise the Spa and the Franchised Business only under the name “Planet Beach” and shall use all Proprietary Marks without prefix or suffix and in conjunction with the symbols “TM,” “SM” or “R,” as applicable. You may not use the Proprietary Marks in connection with the offer or sale of any products, which we have not authorized for use in connection with the System. You may not use the Proprietary Marks as part of your corporate or other legal name.

All of your marketing must prominently display the Proprietary Marks and must comply with our standards for using the Proprietary Marks. All such marketing is subject to our prior written approval, which we will not unreasonably withhold. We reserve the right to approve all signs, stationery, business cards, forms, and other materials and supplies bearing the Proprietary Marks. You may use the Proprietary Marks including, trade dress, color combinations, designs, symbols, and slogans, only in the manner and in the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us and we must approve all marketing, publicity, signs, decorations, furnishings, equipment or other materials employing the Proprietary Marks, or related marks, prior to first publication or use. We will not unreasonably withhold our approval.

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

Item 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or copyrights, which are material to the franchise; however, we claim common law copyright and trade secret protection for several aspects of the franchise system including our Operations Manual, marketing, and business materials.

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

During the term of the Franchise Agreement, you will receive information, which we consider to be a trade secret and/or confidential information. You may not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any trade secrets, copyrighted materials, methods and other techniques and know-how concerning the operation of the Franchised Business (“Confidential Information”). You may divulge such confidential information only to your employees who must have access to it in order to perform their employment obligations. Your manager and any personnel having access to any of our Confidential Information must sign an agreement stating that they will maintain the confidentiality of information they receive in connection with their employment and restricting their right to work for a competitor while they are employed by you. This agreement, which will be in a form that is recognized by your state, will identify us as a third party beneficiary to the agreement and will give us independent enforcement rights.

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

PBFC requires and recommends that you personally supervise and attend to the daily operation of your Spa. If you choose to operate the Spa through a full-time Spa Director which you designate to ~~manage to~~ manage your location, your manager must work at least 40 hours per week and must personally supervise

the day-to-day operations of the Spa in your absence. You and the designated manager must successfully complete all components of PBFC's training program as described in Item 6 and must sign a Confidentiality and Non-Competition Agreement as described in Items 14 and 17 before assuming managerial responsibilities. Your designated manager need not have an equity interest in the Franchised Business or in any partnership, corporation, or limited liability company franchisee.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

PBFC requires you to offer and sell only those goods or services that PBFC has approved. (See Items 8 and 9): You must refrain from any deviation from our standards and specifications without our written consent and must discontinue selling and offering for sale any services or products that we disapprove or discontinue. PBFC has the right to change the types of authorized goods and services, and there are no limits on our right to make changes.

You must use the approved location only for the operation of a Planet Beach Spa, must keep the Spa open and in normal operation for the minimum hours and days that we specify or as required by your lease, must refrain from using or permitting the use of the location for any other purpose or activity at any time without first obtaining our written consent and must operate your Spa in strict conformity with the methods, standards and specifications that we require in the Operations Manual or otherwise in writing. You must not deviate from these standards, specifications and procedures without our written consent.

You must operate your Spa in strict conformity with all applicable federal, state and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction. You are responsible for knowing of the existence and requirements of all laws, ordinances and regulations applicable to your Spa and for adhering to them.

You may not solicit customers and/or market outside your Territory, except to the extent that you have received our prior written authorization, which we will not unreasonably withhold. We may condition our authorization upon your agreement to offer System franchisees whethat are operating System Spas in surrounding territories to participate in, and share the expense of, the solicitation and/or marketing.

Item 17

RENEWAL, TERMINATION, TRANSFER AND

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE OR RELATED AGREEMENTS	SUMMARY
(a) Term of the franchise	Franchise Agreement, Section 4	20 years.
(b) Renewal or extension of the term	Franchise Agreement, Section 4	Perpetual renewal terms of 5 years each, if you are in good standing with a \$5,000 renewal fee.
(c) Requirements for you to renew or extend	Franchise Agreement, Section 4	<p>Notice; compliance with franchise agreement and any other agreement between you and PBFC; right to remain in possession of premises; remodeling at PBFC's request; not in default of any required payments; execution of current franchise agreement; compliance with training programs; execution of release.</p> <p>If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.</p>
(d) Termination by you	None.	None.
(e) Termination by us without cause	None.	None.
(f) Termination by us with cause	Franchise Agreement, Section 23	PBFC can terminate only if you default.
(g) "Cause" defined--curable defaults	Franchise Agreement, Sections 23.3	Failure to pay monies owed to PBFC, breach of franchise agreement.

PROVISION	SECTION IN FRANCHISE OR RELATED AGREEMENTS	SUMMARY
h) "Cause" defined--defaults that cannot be cured	Franchise Agreement, Sections 23.1 and 23.2	Assignment for benefit of creditors, insolvency, file for bankruptcy, sell, transfer or assign rights under the franchise agreement without PBFC approval, levy or writ of execution of lien placed against you, failure to complete all PBFC training, conviction of a felony, misrepresentation or falsifying material information in connection with this agreement, engaging in fraud or illegal conduct in connection with Spa, intentional underreporting or misstatement to PBFC, misuse of proprietary marks, failure to find site within 60 days of execution of agreement, failure to open Spa within 275 days of execution of agreement, abandon your Spa, failure to cure any default under lease or sublease or for equipment, violation of confidentiality/non-disclosure obligations, violation of covenant not to compete, failure to obtain PBFC approval as required under the agreement, violation of the provisions of agreement on 2 or more occasions within a 12 month period.
(i) Your obligations on termination/non-renewal	Franchise Agreement, Sections 18 and 24	Cannot compete with PBFC for a period of two years in certain geographic areas. Pay to PBFC any sums owing, cessation of business operations, forfeiture of all data base, including customer data, discontinuation of use of the name Planet Beach, transfer of phone number, email addresses, and URLs to PBFC, surrender to PBFC all proprietary information and materials, maintenance of books and records for a period of one year, delivery of list of employees to PBFC, provide evidence to PBFC of compliance with Section 23, vacate Spa premises, sale of property in connection with Spa to PBFC at PBFC's option.
(j) Assignment of agreement by us	Franchise Agreement, Section 21.1	No restriction on our right to transfer.
(k) "Transfer" by you--defined	Franchise Agreement, Section 21.2	Includes transfer of the franchise agreement, all or substantially all assets of the business, or 50% or greater interest in the entity owning the business.

PROVISION	SECTION IN FRANCHISE OR RELATED AGREEMENTS	SUMMARY
(l) Our approval of transfer by you	Franchise Agreement, Section 21.3	PBFC must approve all transfers.
(m) Conditions for our approval of transfer	Franchise Agreement, Section 21.3	On the condition that you satisfy all monetary obligations to PBFC, the buyer is qualified as a franchisee, the buyer is an existing franchisee, buyer upgrades the Spa, you provide to PBFC the sale agreement, buyer completes all training, you execute a general release, payment of a transfer fee equal to \$10,500.00.
(n) Our right of first refusal to acquire your business	Franchise Agreement, Section 21.5	PBFC has the irrevocable first right and option to purchase your business on the same terms and conditions as any bona fide purchaser.
(o) Our option to purchase your business	Franchise Agreement, Section 21.5	PBFC has the irrevocable first right and option to purchase your business on the same terms and conditions as any bona fide purchaser.
(p) Your death or disability	Franchise Agreement, Section 21.4	Your legal representative has the right to continue operation of your Spa without a transfer fee. Your legal representative must complete all training within 90 days of your death or disability.
(q) Non-competition covenants during the term of the franchise	Franchise Agreement, Section 18.1	Includes prohibition on owning or operating a business that sells similar products.
(r) Non-competition covenants after the franchise is terminated or expires	Franchise Agreement, Section 18.2	No competing business for 2 years within 10 miles of your designated territory under the franchise agreement or within 10 miles of an existing Planet Beach Location.
(s) Modification of the agreement	Franchise Agreement, Sections 22 and 26.1	Modifications must be in writing and signed by both PBFC and you. PBFC reserves the right to change PBFC's policies, procedures, standards, specifications or manuals.
(t) Integration/merger clause	Franchise Agreement, Section 26.1	Only terms of the franchise agreement are binding. Any other promises may not be enforceable. Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

PROVISION	SECTION IN FRANCHISE OR RELATED AGREEMENTS	SUMMARY
(u) Dispute resolution by arbitration or mediation	Franchise Agreement, Sections 25.2, 25.3 and 25.4	You must first bring any claim or dispute between you and PBFC to your Area Representative if you have one or to PBFC's Legal Department. If there is no resolution, you must agree to a face to face meeting with you, your attorney if you have retained one, a PBFC representative and PBFC's Counsel at a neutral site. If there is no resolution, at PBFC's option, you bring your claim or dispute to mediation under the auspices of the National Franchise Mediation Program. Finally to arbitration or litigation at PBFC's option.
(v) Choice of forum	Franchise Agreement, Section 25.7	24 th Judicial District Court for the Parish of Jefferson, Louisiana, or in the United States District Court for the Eastern District of Louisiana at PBFC's discretion. Subject to state law.
(w) Choice of law	Franchise Agreement, Section 25.1	Louisiana law applies without regard to its conflict of laws, La. CC Arts. 3515 et seq., and any amendments and/or revisions.

These states have laws that may supersede the franchise agreement and related agreements in your relationship with us, including in the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Section 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e, *et seq.*], DELAWARE [Code Sections 2551-2556], HAWAII [Rev. Stat. section 482E-1], ILLINOIS [815 ILCS 7051-44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-11], RHODE ISLAND [Gen. Laws Section 19-28.1-14], SOUTH DAKOTA [Codified laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions that may supersede the franchise agreement and related agreements in your relationship with us, including in the areas of termination and renewal of your franchise.

**Item 18
PUBLIC FIGURES**

Planet Beach does not use any public figures to promote its franchise.

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

The performance results included in this item relate to the historical results and are not the actual or probable performance results that you should expect or achieve through the operation of your Planet Beach Spa. You are likely to achieve these results that are different, possibly significantly and adversely, from the results shown below.

As of December 31, 2011, there were 280 open Planet Beach outlets, including 257 U.S. locations. For the calendar year 2011, the annual gross revenues for these 257 U.S. locations ranged from \$6,537 to \$604,062. Furthermore, the locations that opened in 2009 and reported in 2011 had 15 out of the 19 U.S. locations that opened in 2009 were still operating as of December 31, 2011, and had annual gross revenues ranging in 2011 ranging from \$91,526 to \$551,613.

PBFC does not have any company-owned Spas as of February 2011.

The gross revenues reported above were derived from unaudited financial reports submitted by franchisees for the purpose of computing royalty fees. In some instances, lower reported annual revenues may be attributable to franchisee noncompliance, including underreporting and/or late reporting of sales figures. All franchise outlets are contractually obligated to submit monthly reports to PBFC. In addition, locations that had been open for less than one year had lower annual gross revenues than those locations that were open for all of 2011. In PBFC's experience, those outlets that aggressively followed the Franchised System and participated in all training opportunities generally had the highest annual gross revenues.

The following chart is three sets of data that represents the average gross revenues for:

— Top 10 Contempo spa locations

— The Top 10 locations averaged \$514,374 in gross revenues for 2011. These locations range in age from 32 months to 16 years in operation. The operators of these locations aggressively follow the system and participate in our Franchisee School, regional training and web-based training seminars.

— Top 50 Contempo spa locations

The Top 50 Contempo Spa locations averaged \$350,394

— All Contempo Spa Top 100 locations*

Contempo Spa Top 100 locations averaged \$307,353,186 in gross revenues

The locations in sample B and C ranged in age from less than 1 year to 14 years of operation. Many of these locations are still in the ramp up stage of the business and have further growth opportunities.

the gross revenues of our Top 10, 75-50 and 100 Contempo Spa* locations excluding locations that are in the Audit Process*. The Top 10 locations are the locations that finished the year in the Top 10 of all locations. The Top 75-50 and 100 Contempo Spa* location monthly averages represent the top 75-50 or 100 Contempo Spa* locations as measured monthly for each of these categories. Some locations are new and emerging while others are mature locations that have settled into a normal sales cycle. The locations experience resurgence in their growth whenever they add new Spa services that are rolled out by PBFC. We launch new products that tie in to the new services as each service we offer has products that are either required or compliment the experience or results from the session.

The Top 10 locations averaged \$532,617,514,374 in gross revenues for 2010-2011. These locations range in age from 20-32 months to 15-16 years in operation. The operators of these locations aggressively follow the system and participate in our Franchisee School, regional training and web-based training seminars.

The Top 75-50 and Top 100 Contempo Spa* locations averaged \$374,690,369,304 and \$346,848,307,353 in gross revenues respectively. These locations ranged in age from less than 1 year to 13-14 years of operation. Many of these locations are still in the ramp up stage of the business and have further growth opportunities.

Spa Results — Top Performing Locations Nationwide

PBFC compiled the annual gross revenues for the top ten (10) Spa locations for fiscal year 2010-2011. These top ten (10) Spas had average gross revenues of \$532,617,514,374 for fiscal year 2010-11. On an annual gross revenue basis, revenues increased \$15,409 per location or 3% from 2009 to 2010 for those top ten (10) Spa locations.

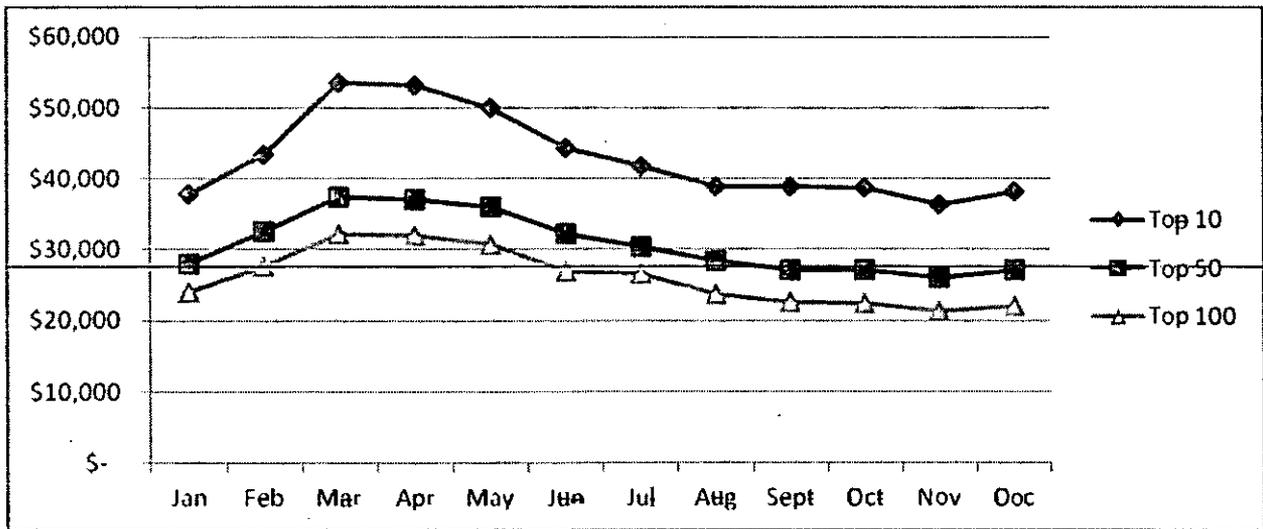
The gross revenues were obtained from PBFC's point-of-sale software, which gathers location gross revenues and other data. These gross revenues are verified and submitted by the franchisee, or area representative to PBFC Spa performance personnel on a monthly basis.

Final Comments

The top ten (10) Spas represented herein operate in the following states: Louisiana, Florida, Texas, Montana, Arizona, North Carolina and Kansas.

Locations	Jan	Feb	Mar	Apr	May	June
Top 10	\$ 40,10837,480	\$ 49,53043,374	\$ 56,94553,475	\$ 54,22353,067	\$ 57,77649,931	\$ 49,73844,372
Top 7550	\$ 30,16628,012	\$ 33,31632,438	\$ 39,77237,423	\$ 36,99937,125	\$ 39,62035,904	\$ 32,79432,125
Top 100	\$ 27,92624,025	\$ 30,78827,702	\$ 37,19132,167	\$ 34,66132,015	\$ 36,31030,711	\$ 30,37426,985

Locations	July	Aug	Sep	Oct	Nov	Dec	Annual Avg.
Top 10	\$ 41,97941,696	\$ 38,54838,856	\$ 37,18338,936	\$ 36,89938,659	\$ 34,50036,411	\$ 35,18838,116	\$ 532,617514,374
Top 7550	\$ 35,24930,431	\$ 26,02528,450	\$ 25,79027,486	\$ 25,80927,037	\$ 23,96826,041	\$ 25,18227,019	\$ 374,690369,394
Top 100	\$ 32,58226,585	\$ 24,03223,608	\$ 23,90922,534	\$ 23,80922,308	\$ 22,04524,345	\$ 23,22122,075	\$ 346,8483



Spa Results—Top Performing Locations Nationwide

PBFC compiled the annual gross revenues for the top ten (10) Spa locations for fiscal year 2011. These top ten (10) Spas had average gross revenues of \$514,374 for fiscal year 2011.

The gross revenues were obtained from PBFC's point-of-sale software, which gathers location gross revenues and other data. These gross revenues are verified and submitted by the franchisee, or area representative to PBFC Spa performance personnel on a monthly basis.

General Comments

The top ten (10) Spas represented herein operate in the following states: Louisiana, Florida, Texas, Arizona, North Carolina and Kansas.

General Comments Regarding All Reporting Locations

As of December 31, 2010/2011, there were a total of 307/280 reporting locations.

We urge you to contact our System franchisees to make your own evaluation of your potential Franchised Business success. Exhibit C to this franchise disclosure document contains the names of all of our franchisees and the address and telephone numbers of all Franchised Businesses.

Forecast of Future Financial Performance

The following representations are a forecast of future financial performance, with a particular emphasis on expenses. The expenses identified below are not the only expenses that you will incur in connection with your operation of your business. Average operating expenses are based on worksheets that franchisees have provided to PBFC. You may incur other additional expenses including, but not limited to, insurance, legal, accounting, interest on debt service, depreciation/amortization, property taxes, other taxes and licenses. You and your advisors should consider this in your due diligence and preparation of your business plan.

Category	Monthly	Annual	Comments
Rent	\$4,000	\$48,000	based on 1400 sq ft
CAM charges	\$500	\$6,000	
Payroll (1)	\$6,250	\$75,000	25 % of 300k in revenue
Utilities	\$1,000	\$12,000	
Bank Charges (2)	\$500	\$6,000	

Royalties	\$2,000	\$24,000	8% of 300k in revenue
Insurance (3)	\$375	\$4,500	Includes liability and flood
Marketing /Printed materials	\$950	\$11,400	
Maintenance (4)	\$250	\$3,000	
Accounting	\$220	\$2,640	Includes annual tax return
Operating supplies (5)	\$600	\$7,200	
COGS (6)	\$2,500	\$30,000	25-% of revenue at 60% margin
Interest on Debt Service*	\$920	\$11,040	6% on 200k
Totals	\$20,065	\$240,780	

This does not include other items your tax advisor would write off as a business expense.

* This does not include the principal paid on debt service

The assumptions are based on a 1400 square foot location generating \$300,000 in annual revenues.

(1)The target for payroll should be 25% of revenues. This can be impacted by an owner being the manager therefore reducing payroll by taking a capital gains disbursement in lieu of a salary.

(2) Bank charges can vary based on the amount of business you do with credit cards.

(3) Insurance can be impacted by the amount of coverage your Lender or Landlord requires above the coverage's listed in the FDD.

(4) Maintenance covers facility and equipment. This number will vary based on age and usage of the equipment. Replacement cost of low pressure bulbs varies by unit and they generally last 700-800 hours. Preventative maintenance varies by unit and you should follow the manufacturers guidelines to protect the lifetime of the unit.

(5) Operating supplies include bathroom and cleaning products. Other items include distilled water, session additives and session supplies.

(6) COGS ("Cost of Goods Sold"). This is based on the Spa generating 25% of total revenue in retail sales (300k x .25 = 75k)
75k x .4 = 30k COGS

Actual results will vary from franchise to franchise and we cannot estimate the results of any particular franchise. We do not represent that any franchisee can expect to obtain the above revenue levels. You must accept the risk that your actual numbers may or may not reach or exceed these reported calculations.

You are responsible for developing your own business plan for your business, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. PBFC encourages you to consult with your own accounting, business, and legal advisors in doing so. –In developing the business plan, you are cautioned to make necessary allowance for changes in financial results to income, expenses, or both, that may result from operation of your business in different geographic areas or new market areas, or during periods of, or in areas suffering from, economic

downturns, inflation, unemployment, or other negative economic influences. In addition, historical costs do not necessarily correspond to future costs because of factors such as inflation, changes in minimum wage laws, location, financing, real estate-related costs and other variables. Finally, prospective franchisees must bear in mind that a newly opened business cannot be expected to achieve sales volumes or maintain expenses similar to those of an established business-outlet.

Other than as set forth in this Item 19 or in any supplemental financial performance representation, PBFC does not furnish, or authorize its salespersons (or anyone else) to furnish, and you should not rely on, any oral or written information concerning the actual or potential sales, income or profits of a Spa business. PBFC has not suggested, and it certainly cannot guarantee, that you will succeed in the operation of your business.

Your ultimate success will be a function of the following: (i) your skill and experience; (ii) the effort that you devote to your franchised business; (iii) your business acumen; (iv) the growth or shrinkage of the population in your territory; (v) prices you charge for products and services; (vi) the number and skill of the sales consultants you use; (vii) the amount you expend on advertising and promotion; (viii) general economic conditions; (ix) the enthusiasm of the population in your territory towards tanning and automated spa services; (x) the relative affluence of the population in your territory; (xi) other factors affecting supply and demand; and (xii) other factors affecting profitability, like your operating expenses, general and administrative expenses and other variables.

SUBSTANTIATION OF THE DATA USED IN PREPARING THIS FRANCHISE DISCLOSURE DOCUMENT WILL BE MADE AVAILABLE TO PROSPECTIVE FRANCHISEES UPON REASONABLE REQUEST.

Item 20

Outlets and Franchisee Information OUTLETS AND FRANCHISE INFORMATION

Exhibit C of this disclosure document contains a list of our current franchisees, exited area representatives, and exited franchisees through transfers as of December 31, 2010-2011 along with contact information for each.

Table NO.1 System-wide Outlet Summary for Fiscal Years December 31, 2008-2009 to 2010-2011

<u>Outlet Type</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets at the End of the Year</u>	<u>Net Change</u>
Franchisee	2009-2008	385371	346385	-3914+
	2010-2009	346385	307346	-3639
	2010-2011	346307	307280	-3627
Company-Owned	2009-2008	00	10	1+0
	2010-2009	10	0+	-1++
	2010-2011	40	00	-40
Total Outlets	2009-2008	385371	347385	-3814++
	2010-2009	347385	307347	-4038

	<u>20102011</u>	<u>347307</u>	<u>307280</u>	<u>-40 -27</u>
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Table NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN
FRANCHISOR OR AN AFFILIATE) FOR YEARS 2008-2009 TO 20102011

State	Year	Number of Transfers
Alabama		
	<u>20092008</u>	<u>10</u>
	<u>20102009</u>	<u>01</u>
	<u>20102011</u>	<u>00</u>
Arkansas		
	<u>20092008</u>	<u>00</u>
	<u>20102009</u>	<u>00</u>
	<u>20102011</u>	<u>00</u>
Arizona		
	<u>20092008</u>	<u>20</u>
	<u>20102009</u>	<u>12</u>
	<u>20102011</u>	<u>12</u>
California		
	<u>20092008</u>	<u>13</u>
	<u>20102009</u>	<u>24</u>
	<u>20102011</u>	<u>21</u>
Colorado		
	<u>20092008</u>	<u>02</u>
	<u>20102009</u>	<u>00</u>
	<u>20102011</u>	<u>0-1</u>
Connecticut		
	<u>20092008</u>	<u>00</u>
	<u>20102009</u>	<u>00</u>
	<u>20102011</u>	<u>00</u>
Delaware		
	<u>2009</u>	<u>0</u>
	<u>2010</u>	<u>0</u>
	<u>2011</u>	<u>1</u>
Florida		
	<u>20092008</u>	<u>32</u>
	<u>20102009</u>	<u>33</u>
	<u>20102011</u>	<u>3-2</u>
Georgia		
	<u>20092008</u>	<u>20</u>
	<u>20102009</u>	<u>02</u>

	2010 2011	0 0
Iowa		
	2009 2008	0 0
	2009 2010	0 -1
	2010 2011	1 0
Idaho		
	2009 2008	0 0
	2010 2009	0 0
	2010 2011	0 -0
Illinois		
	2009 2008	0 0
	2010 2009	0 0
	2010 2011	0 00
Indiana		
	2009 2008	0 0
	2010 2009	0 0
	2010 2011	0 00
Kentucky		
	2009 2008	0 0
	2010 2009	0 0
	2010 -2011	0 00
Louisiana		
	2009 2008	3 4
	2010 2009	1 3
	2010 2011	1 44
Massachusetts		
	2009 2008	0 0
	2010 2009	0 0
	2010 -2011	0 00
Maryland		
	2009 2008	0 0
	2010 2009	0 0
	2010 -2011	0 0
Michigan		
	2009 2008	1 0
	2010 2009	0 4
	2010 -2011	0 0
Minnesota		
	2009 2008	2 0
	2010 2009	0 2
	2010 -2011	0 -0
Montana		
	2009 2008	0 0
	2010 2009	0 0
	2010 -2011	0 -0
Mississippi		
	2009 2008	1 0
	2010 2009	0 4

	<u>2010-2011</u>	<u>0-0</u>
North Carolina		
	<u>2009-2008</u>	<u>20</u>
	<u>2010-2009</u>	<u>02</u>
	<u>2010-2011</u>	<u>0-0</u>
North Dakota		
	<u>2009-2008</u>	<u>00</u>
	<u>2010-2009</u>	<u>00</u>
	<u>2010-2011</u>	<u>0-0</u>
Nebraska		
	<u>2009-2008</u>	<u>00</u>
	<u>2010-2009</u>	<u>00</u>
	<u>2010-2011</u>	<u>0-0</u>
New Hampshire		
	<u>2009-2008</u>	<u>00</u>
	<u>2010-2009</u>	<u>00</u>
	<u>2010-2011</u>	<u>0-0</u>
New Jersey		
	<u>2009-2008</u>	<u>0+</u>
	<u>2010-2009</u>	<u>00</u>
	<u>2010-2011</u>	<u>0-0</u>
Nevada		
	<u>2009-2008</u>	<u>00</u>
	<u>2010-2009</u>	<u>00</u>
	<u>2010-2011</u>	<u>0-0</u>
New York		
	<u>2009-2008</u>	<u>00</u>
	<u>2010-2009</u>	<u>00</u>
	<u>2010-2011</u>	<u>0-0</u>
Ohio		
	<u>2009-2008</u>	<u>00</u>
	<u>2010-2009</u>	<u>00</u>
	<u>2010-2011</u>	<u>0-0</u>
Oklahoma		
	<u>2009-2008</u>	<u>00</u>
	<u>2010-2009</u>	<u>00</u>
	<u>2010-2011</u>	<u>0-0</u>
<u>Oregon</u>		
	<u>2009</u>	<u>0</u>
	<u>2010</u>	<u>0</u>
	<u>2011</u>	<u>1</u>
Pennsylvania		
	<u>2009-2008</u>	<u>00</u>
	<u>2010-2009</u>	<u>00</u>
	<u>2010-2011</u>	<u>0-0</u>
South Carolina		
	<u>2009-2008</u>	<u>10</u>
	<u>2010-2009</u>	<u>0+</u>

	2010-2011	0-0
Tennessee		
	2009-2008	00
	2010-2009	00
	2010-2011	0-0
Texas		
	2009-2008	12
	2010-2009	1+
	2010-2011	1-1
Utah		
	2009-2008	00
	2010-2009	00
	2010-2011	0-1
Virginia		
	2009-2008	00
	2010-2009	00
	2010-2011	0-0
Washington		
	2009-2008	00
	2010-2009	00
	2010-2011	0-0
Wisconsin		
	2009-2008	00
	2010-2009	00
	2010-2011	0-1
Canada		
	2009-2008	00
	2010-2009	00
	2010-2011	0-0
Western Australia		
	2009-2008	00
	2010-2009	00
	2010-2011	0-0
Total		
	2009-2008	20++
	2010-2009	920
	2010-2011	9-1+

TABLE NO. 3

STATUS OF FRANCHISED OUTLETS FOR YEARS 2008-2009 TO 2010-2011

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets At End of Year
AK	2009-2008	10	04	00	00	00	00	14
	2010-2009	14	00	00	00	00	00	14
	2010-2011	14	00	00	00	00	00	14
AL	2009-2008	64	02	20	00	00	00	46
	2010-2009	46	10	02	00	00	00	54
	2010-2011	45	10	00	00	00	00	55
AR	2008-2009	0	0	0	0	0	0	0
	2009-2010	0	0	0	0	0	0	0
	2010-2011	0	0	0	0	0	0	0
AZ	2009-2008	2324	15	66	00	00	00	1823
	2010-2009	1823	04	06	00	00	00	1818
	2010-2011	1818	00	03	00	00	00	1815
CA	2009-2008	3333	27	57	00	10	00	3133
	2010-2009	3133	02	45	00	04	00	2734
	2010-2011	3427	00	41	00	00	00	2726
CO	2009-2008	66	00	00	00	00	00	66
	2010-2009	66	00	00	00	00	00	66
	2010-2011	66	00	01	00	00	00	65
CT	2009-2008	14	00	00	00	00	00	14
	2010-2009	14	00	10	00	00	00	04
	2010-2011	40	00	40	00	00	00	00
DE	2009-2008	14	00	00	00	00	00	14
	2010-2009	14	00	00	00	00	00	14
	2010-2011	14	00	01	00	00	00	10
FL	2009-2008	5654	544	106	00	00	00	5156
	2010-2009	5156	25	740	00	00	00	4654
	2010-2011	5446	20	75	00	00	00	4641

GA								
	20092008	1343	00	30	00	00	00	1043
	20102009	1043	00	43	00	00	00	640
	20102011	406	00	40	00	00	00	66
IA								
	20092008	67	00	04	00	00	00	66
	20102009	66	00	20	00	00	00	46
	20102011	64	00	21	00	00	00	43
ID								
	20092008	87	14	10	00	00	00	88
	20102009	88	04	24	00	00	00	68
	20102011	86	01	20	00	00	00	67
IL								
	20092008	66	00	10	00	00	00	56
	20102009	56	00	04	00	00	00	55
	20102011	35	00	00	00	00	00	55
IN								
	20092008	43	04	00	00	00	00	44
	20102009	44	00	00	00	00	00	44
	20102011	4	00	01	00	00	00	43
KY								
	20092008	14	00	10	00	00	00	04
	20102009	04	00	04	00	00	00	00
	20102011	00	00	00	00	00	00	00
KS								
	20092008	24	04	00	00	00	00	22
	20102009	22	00	00	00	00	00	22
	20102011	22	00	00	00	00	00	22
LA								
	20092008	5350	44	74	00	00	00	5053
	20102009	5053	04	27	00	00	00	4850
	20102011	5048	01	22	00	00	00	4847
MA	2007							
	20092008	22	00	00	00	00	00	22
	20102009	22	00	10	00	00	00	12
	20102011	21	00	40	00	00	00	41
MD								
	20092008	14	00	00	00	00	00	14
	20102009	14	00	00	00	00	00	14
	20102011	41	00	00	00	00	00	41
MI								
	20092008	66	00	00	00	00	00	66
	20102009	66	00	10	00	00	00	56
	20102011	65	00	41	00	00	00	54
MN								
	20092008	1744	00	04	00	00	00	1747
	20102009	1747	00	40	00	00	00	1347

	<u>2010</u> <u>2011</u>	<u>47</u> <u>13</u>	<u>00</u>	<u>+1</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>43</u> <u>12</u>
MO								
	<u>2009</u> <u>2008</u>	<u>1+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>1+</u>
	<u>2010</u> <u>2009</u>	<u>1+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>1+</u>
	<u>2010</u> <u>2011</u>	<u>+1</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>+1</u>
MS								
	<u>2009</u> <u>2008</u>	<u>3+</u>	<u>0+</u>	<u>02</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>33</u>
	<u>2010</u> <u>2009</u>	<u>33</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>33</u>
	<u>2010</u> <u>2011</u>	<u>33</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>33</u>
MT								
	<u>2009</u> <u>2008</u>	<u>2+</u>	<u>3+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>52</u>
	<u>2010</u> <u>2009</u>	<u>52</u>	<u>03</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>55</u>
	<u>2010</u> <u>2011</u>	<u>55</u>	<u>01</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>56</u>
NC								
	<u>2009</u> <u>2008</u>	<u>19</u> <u>17</u>	<u>12</u>	<u>20</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>18</u> <u>19</u>
	<u>2010</u> <u>2009</u>	<u>18</u> <u>19</u>	<u>1+</u>	<u>62</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>13</u> <u>18</u>
	<u>2010</u> <u>2011</u>	<u>+8</u> <u>13</u>	<u>+0</u>	<u>61</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>+3</u> <u>12</u>
ND								
	<u>2009</u> <u>2008</u>	<u>1+</u>	<u>00</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>0+</u>
	<u>2010</u> <u>2009</u>	<u>0+</u>	<u>00</u>	<u>0+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>
	<u>2010</u> <u>2011</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>
NE								
	<u>2009</u> <u>2008</u>	<u>1+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>1+</u>
	<u>2010</u> <u>2009</u>	<u>1+</u>	<u>00</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>0+</u>
	<u>2010</u> <u>2011</u>	<u>+0</u>	<u>00</u>	<u>+0</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>
NH								
	<u>2009</u> <u>2008</u>	<u>1+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>1+</u>
	<u>2010</u> <u>2009</u>	<u>1+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>1+</u>
	<u>2010</u> <u>2011</u>	<u>+1</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>+1</u>
NJ								
	<u>2009</u> <u>2008</u>	<u>14</u> <u>44</u>	<u>0+</u>	<u>5+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>9</u> <u>1+</u>
	<u>2010</u> <u>2009</u>	<u>9</u> <u>1+</u>	<u>00</u>	<u>35</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>69</u>
	<u>2010</u> <u>2011</u>	<u>96</u>	<u>00</u>	<u>33</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>63</u>
NM								
	<u>2009</u> <u>2008</u>	<u>22</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>22</u>
	<u>2010</u> <u>2009</u>	<u>22</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>32</u>
	<u>2010</u> <u>2011</u>	<u>23</u>	<u>+0</u>	<u>01</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>32</u>
NV								
	<u>2009</u> <u>2008</u>	<u>42</u>	<u>22</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>6+</u>
	<u>2010</u> <u>2009</u>	<u>6+</u>	<u>02</u>	<u>20</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>46</u>
	<u>2010</u> <u>2011</u>	<u>6+</u>	<u>00</u>	<u>20</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>44</u>
NY								
	<u>2009</u> <u>2008</u>	<u>36</u>	<u>00</u>	<u>13</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>23</u>
	<u>2010</u> <u>2009</u>	<u>23</u>	<u>10</u>	<u>0+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>32</u>
	<u>2010</u> <u>2011</u>	<u>23</u>	<u>+0</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>33</u>
OH								
	<u>2009</u> <u>2008</u>	<u>0+</u>	<u>00</u>	<u>0+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>
	<u>2010</u> <u>2009</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>
	<u>2010</u> <u>2011</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>

OK								
	20092008	1+	0+	0+	00	00	00	1+
	20102009	1+	00	00	00	00	00	1+
	20102011	+1	00	00	00	00	00	+1
OR								
	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	1	1	0	0	0	1
PA								
	20092008	89	00	2+	00	00	00	68
	20102009	68	00	12	00	00	00	56
	20102011	65	00	+1	00	00	00	54
SC								
	20092008	55	0+	1+	00	00	00	45
	20102009	45	00	0+	00	00	00	4+
	20102011	4+	00	01	00	00	00	43
TN								
	20092008	67	00	4+	00	00	00	26
	20102009	26	00	1+	00	00	00	12
	20102011	21	00	+1	00	00	00	40
TX								
	20092008	3230	32	2+	00	00	00	333+
	20102009	3332	13	52	00	00	00	2933
	20102011	3329	+1	54	00	00	00	2926
UT								
	20092008	3+	02	10	00	00	00	23
	20102009	23	00	0+	00	00	00	22
	20102011	22	00	00	00	00	00	22
VA								
	20092008	33	0+	3+	00	00	00	03
	20102009	03	00	03	00	00	00	00
	20102011	00	00	00	00	00	00	00
WA								
	20092008	87	1+	70	00	00	00	28
	20102009	28	0+	07	00	00	00	22
	20102011	22	00	01	00	00	00	21
WI								
	20092008	1+	00	00	00	00	00	1+
	20102009	1+	00	00	00	00	00	1+
	20102011	+1	01	01	00	00	00	+1
Canada								
	20092008	1748	30	2+	00	00	00	1847
	20102009	1847	33	02	00	00	00	2148
	20102011	4821	31	02	00	00	00	2420
Egypt								
Egypt	20092008	00	00	00	00	00	00	00
	20102009	00	10	00	00	00	00	10

	20102011	01	40	00	00	00	01	40
Ireland								
	20092008	10	04	00	00	00	00	14
	20102009	14	00	10	00	00	00	04
	20102011	40	00	40	00	00	00	00
South Africa								
	20092008	00	10	00	00	00	00	10
	20102009	10	04	00	00	00	00	14
	20102011	41	00	00	00	00	00	41
United Kingdom								
	20092008	00	10	00	00	00	00	10
	20102009	10	04	10	00	00	00	04
	20102011	40	00	40	00	00	00	00
Western Australia								
	20092008	22	00	00	00	00	00	22
	20102009	22	00	10	00	00	00	12
	20102011	21	00	40	00	00	00	41
Totals								
	20092008	385374	2854	6740	00	10	00	347385
	20102009	347385	828	4867	00	04	00	307347
	20102011	347307	87	4833	0	0	01	307280

TABLE NO.4

STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 20098 TO 20110

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	20092008	00	00	10	00	00	10

	<u>2010</u> 2009	<u>10</u>	<u>00</u>	<u>04</u>	<u>00</u>	<u>10</u>	<u>04</u>
	2010 <u>2011</u>	<u>40</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>40</u>	<u>00</u>
Totals							
	2009 <u>2008</u>	<u>00</u>	<u>00</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>10</u>
	<u>2010</u> 2009	<u>10</u>	<u>00</u>	<u>04</u>	<u>00</u>	<u>10</u>	<u>04</u>
	2010 <u>2011</u>	<u>40</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>40</u>	<u>00</u>

TABLE NO.55

PROJECTED OPENINGS
AS OF DECEMBER 31, 2010~~2011~~

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (<u>2011</u> 2012)	Projected New Company-Owned Outlets in the Next Fiscal Year (<u>2011</u> 2012)
Alabama	<u>51</u>	1	0
Alaska	1	0	0
Arizona	<u>408</u>	2	0
Arkansas	0	0	0
California	9	<u>21</u>	<u>0</u>
Colorado	1	0	0
Connecticut	1	0	0
Delaware	<u>42</u>	<u>02</u>	0
Florida	<u>1817</u>	<u>32</u>	0
Georgia	0	0	0
Idaho	2	<u>42</u>	0
Illinois	0	0	0
Indiana	2	0	0
Iowa	0	0	0
Kansas	2	0	0
Kentucky	1	0	0
Louisiana	1	2	0
Massachusetts	3	0	0
Maryland	1	0	0
Michigan	2	0	0
Minnesota	1	0	0
Mississippi	1	<u>20</u>	0
Missouri	0	0	0
Montana	<u>32</u>	<u>21</u>	0
North Carolina	6	1	0
North Dakota	0	0	0
Nebraska	0	0	0
New Hampshire	0	0	0
New Jersey	1	0	0
Nevada	<u>42</u>	2	0

New Mexico	1	0	0
New York	3	1	0
Ohio	0	0	0
Oklahoma	1	1	0
Oregon	2	01	0
Pennsylvania	1	1	0
South Carolina	1	1	0
Tennessee	3	0	0
Texas	02	32	0
Utah	2	1	0
Virginia	3	0	0
Washington	2	2	0
Wisconsin	0	0	0
Canada-Alberta	4	4	0
Canada - British Columbia	1	1	0
Canada - Newfoundland	2	01	0
Canada - Ontario	1	0	0
Canada - Nova Scotia	1	1	0
Canada - Quebec	0	1	0
Canada - Saskatchewan	+2	42	0
Egypt	1	1	0
Ireland	1	1	0
Kuwait	1	1	0
Saudi Arabia	23	23	0
South Africa	0	1	0
Western Australia	0	0	0
Totals	+03104	4041	0

**Item 21
FINANCIAL STATEMENTS**

Exhibit E of this disclosure document contains our audited financial statements dated December 31 for the years 20110, 201009 and 20098.

**Item 22
CONTRACTS**

Exhibits F, G, and I of this disclosure document contain all contracts proposed for use in this state, including the following agreements:

Exhibit F - Franchise Agreement

- Exhibit 1 - Authorized Products and Services
- Exhibit 2 - Approved Location and Territory Addendum
- Exhibit 3 - Guaranty Agreement and Acknowledgment by Guarantor
- Exhibit 4 - Rider to Lease
- Exhibit 5 - Sublicense Agreement
- Exhibit 6 - Confidentiality and Non-Competition Agreement

Exhibit 7 - Conditional Assignment of Telephone Numbers, Email Addresses, and URLs
Exhibit 8 - Statement of Prospective Franchisee
Exhibit G - Transfer/Termination Release
Exhibit I - Confidentiality Agreement

Item 23
RECEIPT

Exhibit N of this disclosure document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one copy for your records and return the other signed copy to: Planet Beach Franchising Corporation, 5145 Taravella Road, Marrero, Louisiana 70072.

EXHIBIT A

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT**

LIST OF STATE ADMINISTRATORS

List of State Administrators

California Department of Corporations
California Department of Corporations
320 West 4th Street
Los Angeles, California 90010-1105
(213) 576-7500

Florida Department of Agricultural
and Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(904) 922-2770

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

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

Indiana Securities Division
302 West Washington Street
Room E-111
Indianapolis, Indiana 46204
(317) 232-6531

Kentucky Office of the Attorney General
Consumer Protection Division
P.O. Box 2000
Frankford, Kentucky 40602
(502) 573-2200

State of Maryland
Office of the Attorney General
Division of Securities
200 St. Paul Place, 20th Floor
Baltimore, Maryland 21202

(410) 576-6360

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Unit
670 Law Building
Lansing, Michigan 48913
(517) 373-7117

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(651) 296-4026

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509-5006
(402) 471-3445

New York State Department of Law
Bureau of Investor Protection and Securities
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8211

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor, Department 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Oregon Department of Consumer and Business
Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

Chief Securities Examiner
Rhode Island Department of Business
Regulation
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1

Cranston, Rhode Island 02920
(401) 222-3048

South Dakota Department of Commerce and
Regulation
Division of Securities
118 West Capitol Avenue
Pierre, South Dakota 57501-2017
(605) 773-4013

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, Texas 78711
(512) 475-1769

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

Virginia State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9276

State of Washington
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8769

Wisconsin Commissioner of Securities
101 East Wilson Street, 4th Floor
Madison, Wisconsin 53702
(608) 266-3431

EXHIBIT B

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT**

AGENTS FOR SERVICE OF PROCESS

Louisiana

Laura T. D. Sims
212 Veterans Blvd.
Metairie, LA 70005

California

Department of Corporations
320 West 4th Street
Los Angeles, CA 90010-1105

Hawaii

Commissioner of Securities of the State of
Hawaii
335 Merchant Street
Room 203
Honolulu, HI 96813

Illinois

Office of the Attorney General
500 South Second Street
Springfield, IL 62706

Indiana

Indiana Securities Division
302 West Washington Street
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan

Office of the Attorney General
670 Law Building
Lansing, MI 48913

Minnesota

Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

New York

Secretary of State
41 State Street
Albany, NY 12231

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor, Department 414
Bismark, North Dakota 58505-0510
(701) 328-4712

Rhode Island

Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

Virginia

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219

Washington

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033

Wisconsin

Commissioner of Securities
101 East Wilson Street, 4th Floor
Madison, WI 53702

EXHIBIT C

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT**

LIST OF FRANCHISEES

<u>Loc Code</u>	<u>Franchisee #1</u>	<u>Franchisee #2</u>	<u>Address</u>	<u>City</u>	<u>St</u>	<u>Zip</u>	<u>Phone</u>
AK0001	<u>Richard Muhlenbruch</u>	<u>Elita Muhlenbruch</u>	<u>2001 East 88th St. Suite 101</u>	<u>Anchorage</u>	<u>AK</u>	<u>99507</u>	<u>907-346-7727</u>
AL0005	<u>Dale Johnson</u>	<u>Paula Johnson</u>	<u>629 Bear Creek Road</u>	<u>Tuscaloosa</u>	<u>AL</u>	<u>35404</u>	<u>205-344-5558</u>
AL0013	<u>Darrell Potter</u>	<u>Brooke/Chris Hansen</u>	<u>2135 McKenzie Street</u>	<u>Foley</u>	<u>AL</u>	<u>36535</u>	<u>251-971-7227</u>
AL0014	<u>Darrell Potter</u>	<u>Darlene Harris</u>	<u>325 South Greeno Road</u>	<u>Fairhope</u>	<u>AL</u>	<u>36532</u>	<u>251-990-0997</u>
AL0016	<u>John Benjley</u>	-	<u>3500 Ross Clark Circle, Ste 350</u>	<u>Dortman</u>	<u>AL</u>	<u>36303</u>	<u>334-671-7652</u>
AZ0011	<u>Rochelle Long</u>	<u>Carlene Franklin</u>	<u>12112 North Rancho Vistoso</u>	<u>Oro Valley</u>	<u>AZ</u>	<u>85755</u>	<u>520-877-8266</u>
AZ0012	<u>Diana Moser</u>	-	<u>1840 W. Chandler Blvd. Ste. 8</u>	<u>Chandler</u>	<u>AZ</u>	<u>85225</u>	<u>480-821-4826</u>
AZ0014	<u>Debbie Huskey</u>	<u>Brian Huskey</u>	<u>975 East Riggs Rd., Ste 11</u>	<u>Chandler</u>	<u>AZ</u>	<u>85249</u>	<u>480-802-1583</u>
AZ0015	<u>Sandy Harris</u>	<u>Jim Harris</u>	<u>6525 W. Happy Valley Rd. Ste C107</u>	<u>Glendale</u>	<u>AZ</u>	<u>85310</u>	<u>623-572-2525</u>
AZ0016	<u>Oscar Egly</u>	<u>Becky Egly</u>	<u>2958 W. Ina Road</u>	<u>Tuscon</u>	<u>AZ</u>	<u>85741</u>	<u>520-229-8910</u>
AZ0018	<u>Heather Carpenter</u>	<u>Brad Olson</u>	<u>6070 West Behren Drive, Ste 139</u>	<u>Glendale</u>	<u>AZ</u>	<u>85308</u>	<u>623-561-9100</u>
AZ0012	<u>Maria Arnold</u>	<u>Paul Frank</u>	<u>16610 N. 75th Ave., Ste 107</u>	<u>Peoria</u>	<u>AZ</u>	<u>85382</u>	<u>623-412-3224</u>
AZ0015	<u>Jeaninne Hurst</u>	<u>David Hurst</u>	<u>20283 North Lake Pleasant Rd., Ste 111</u>	<u>Peoria</u>	<u>AZ</u>	<u>85382</u>	<u>623-561-2080</u>
AZ0018	<u>Kim Lewis</u>	<u>Bill Lewis</u>	<u>2110 E. Baseline Rd., Ste 3</u>	<u>Mesa</u>	<u>AZ</u>	<u>85204</u>	<u>480-497-8999</u>
AZ0010	<u>Dawn Mougel</u>	<u>Dylan Mougel</u>	<u>3668 W. Anthem Way, Ste. B154</u>	<u>Anthem</u>	<u>AZ</u>	<u>85086</u>	<u>623-551-6871</u>
AZ0016	<u>Kevin Carpenter</u>	<u>Heather Carpenter</u>	<u>13291 W. McDowell Rd., Suite E-6</u>	<u>Goodyear</u>	<u>AZ</u>	<u>85338</u>	<u>623-535-7826</u>
AZ0014	<u>Lee Noehring</u>	<u>Brad Moore</u>	<u>10101 E. Bell Road, ste. 115A</u>	<u>Scottsdale</u>	<u>AZ</u>	<u>85260</u>	<u>480-513-2772</u>
AZ0018	<u>Karen Williams</u>	<u>Kory Williams</u>	<u>4280 N. Oracle Road, Ste. 160</u>	<u>Tuscon</u>	<u>AZ</u>	<u>85705</u>	<u>520-623-0772</u>
CA0013	<u>Dcanna Hitt</u>	<u>Nancy Hitt</u>	<u>1168 East Yosemite Avenue</u>	<u>Manteca</u>	<u>CA</u>	<u>95337</u>	<u>209-823-3TAN</u>

CA0005	<u>Casey Sears</u>	<u>Kelly Sears</u>	<u>1800 Oakdale Rd., Ste. 1</u>	<u>Modesto</u>	<u>CA</u>	<u>95355</u>	<u>209-551-4826</u>
CA0006	<u>Casey Sears</u>	<u>Kelly Sears</u>	<u>2441 Claribel Rd., Ste. F</u>	<u>Riverbank</u>	<u>CA</u>	<u>95357</u>	<u>209-863-8320</u>
CA0008	<u>Marvis Gatto</u>	<u>Dan Gatto</u>	<u>1213 W. March Lane</u>	<u>Stockton</u>	<u>CA</u>	<u>95207</u>	<u>207-477-4726</u>
CA0012	<u>Christy Johnson</u>	<u>Perry Johnson</u>	<u>13890 Peyton Drive, Ste C</u>	<u>Chino Hills</u>	<u>CA</u>	<u>91709</u>	<u>909-465-9911</u>
CA0015	<u>Michael Daubney</u>	-	<u>7661 E. Carson Street</u>	<u>Long Beach</u>	<u>CA</u>	<u>90808</u>	<u>562-627-8261</u>
CA0019	<u>Deanna Hitt</u>	<u>Nancy Hitt</u>	<u>1320 Standiford Avenue, Ste. 10</u>	<u>Modesto</u>	<u>CA</u>	<u>95358</u>	<u>209-579-1330</u>
CA0022	<u>Sallie Hoge</u>	-	<u>787 E. Foothill Boulevard</u>	<u>San Luis Obispo</u>	<u>CA</u>	<u>93405</u>	<u>805-545-8267</u>
CA0025	<u>Julie Corhett</u>	<u>Richard Corhett</u>	<u>8145 Elk grove Blvd., Ste. 12</u>	<u>Elk Grove</u>	<u>CA</u>	<u>95758</u>	<u>916-209-8230</u>
CA0029	<u>Sue Dickman</u>	<u>Michael Dickman</u>	<u>2121 Natomas Crossing Dr., Ste. 600</u>	<u>Sacramento</u>	<u>CA</u>	<u>95834</u>	<u>916-419-2600</u>
CA0041	<u>Patti Decena</u>	<u>Paul Decena</u>	<u>3988 Rivernark Parkway</u>	<u>Santa Clara</u>	<u>CA</u>	<u>95054</u>	<u>408-986-1332</u>
CA0042	<u>Patti Decena</u>	<u>Paul Decena</u>	<u>109 Bernal Road, Ste. 20</u>	<u>San Jose</u>	<u>CA</u>	<u>95119</u>	<u>408-362-0551</u>
CA0046	<u>Kevin Nunes</u>	-	<u>4530 Balfour Road, Ste. A</u>	<u>Brentwood</u>	<u>CA</u>	<u>94513</u>	<u>925-634-9826</u>
CA0048	<u>Wayne Kamiya</u>	<u>Marlene Kamiya</u>	<u>1360 El Paseo de Saratoga</u>	<u>San Jose</u>	<u>CA</u>	<u>95130</u>	<u>408-378-4826</u>
CA0062	<u>Anthony Gore</u>	<u>Tilion Gore</u>	<u>4548 Dublin Boulevard</u>	<u>Dublin</u>	<u>CA</u>	<u>94568</u>	<u>925-556-1230</u>
CA0064	<u>Rian Caton</u>	-	<u>2766 Bidwell Street</u>	<u>Folsom</u>	<u>CA</u>	<u>95630</u>	-
CA0067	<u>Michael Daubney</u>	-	<u>21520-F Yorba Linda Blvd</u>	<u>Yorba Linda</u>	<u>CA</u>	<u>92887</u>	<u>714-693-9900</u>
CA0072	<u>George Adams</u>	-	<u>973 Pleasant Grove Blvd., Ste. 120</u>	<u>Roseville</u>	<u>CA</u>	<u>95678</u>	<u>916-772-8266</u>
CA0080	<u>Michael Daubney</u>	-	<u>8687 Irvine Center Drive</u>	<u>Irvine</u>	<u>CA</u>	<u>92618</u>	-
CA0083	<u>Gary Swanson</u>	<u>Terri Swanson</u>	<u>2019 Novato Boulevard</u>	<u>Novato</u>	<u>CA</u>	<u>94947</u>	<u>415-209-9585</u>
CA0086	<u>Beth Payne</u>	-	<u>40250 Murietta Springs, Unit 112</u>	<u>Murietta</u>	<u>CA</u>	<u>92563</u>	<u>951-304-3337</u>
CA0092	<u>Christian Muhic</u>	<u>Cintia de Oliveira</u>	<u>527 E. Calaveras Boulevard</u>	<u>Milpitas</u>	<u>CA</u>	<u>95035</u>	<u>408-263-8772</u>
CA0098	<u>Philip Loechler</u>	<u>Kirsten Andersen</u>	<u>393 S. Lower Sacramento Road</u>	<u>Lodi</u>	<u>CA</u>	<u>95242</u>	<u>209-369-4772</u>
CA0101	<u>Mark Baz</u>	-	<u>747 South Winchester Boulevard</u>	<u>San Jose</u>	<u>CA</u>	<u>95128</u>	<u>408-261-0101</u>
CA0104	<u>John Kofoed</u>	<u>Elaine Kofoed</u>	<u>3141 Crow Canyon Place, Suite G</u>	<u>San Ramon</u>	<u>CA</u>	<u>94583</u>	<u>949-502-8700</u>
CA0105	<u>Todd Smith</u>	<u>Connie Smith</u>	<u>151 Petaluma Blvd. N., Ste. 137</u>	<u>Petaluma</u>	<u>CA</u>	<u>94952</u>	<u>707-981-7024</u>

CO0001	<u>Peggy Rae</u>	<u>Brad Rae</u>	<u>Lakewood City Commons, 7660 W. Virginia Unit B</u>	<u>Lakewood</u>	<u>CO</u>	<u>80226</u>	<u>303-716-3000</u>
CO0007	<u>Noreen Kelly</u>	<u>Gary Kelly</u>	<u>5494 Stetson Hills Boulevard</u>	<u>Colorado Springs</u>	<u>CO</u>	<u>80923</u>	<u>719-574-8817</u>
CO0009	<u>Tim Whitton</u>	<u>Sandra Whitton</u>	<u>16534 Keystone Blvd., Ste. B</u>	<u>Parker</u>	<u>CO</u>	<u>80134</u>	<u>303-840-8444</u>
CO0010	<u>Tim Whitton</u>	<u>Sandra Whitton</u>	<u>Saddle Rock Village. 6830 S. Liverpool, Unit B</u>	<u>Aurora</u>	<u>CO</u>	<u>80016</u>	<u>303-766-7007</u>
CO0013	<u>Susan Muhlenkamp</u>	-	<u>1112 Oakridge Drive, Suite 106</u>	<u>Fort Collins</u>	<u>CO</u>	<u>80525</u>	<u>970-225-2600</u>
DE0003	<u>Alan Hubbard</u>	<u>Nancy Hubbard</u>	<u>218 Fairhill Drive</u>	<u>Wilmington</u>	<u>DE</u>	<u>19808</u>	<u>302-690-9874</u>
FL0001	<u>Byron Price</u>	-	<u>865 N. Alafaya Trail, Waterford Lakes Town Center</u>	<u>Orlando</u>	<u>FL</u>	<u>32828</u>	<u>407-207-2002</u>
FL0002	<u>Rob McLendon</u>	-	<u>1812 S. Highway 77, Suite 122</u>	<u>Lynn Haven</u>	<u>FL</u>	<u>32444</u>	<u>850-277-1700</u>
FL0008	<u>Rich Spencer</u>	<u>Julie Spencer</u>	<u>17503A Preserve Walk Lane</u>	<u>Tampa</u>	<u>FL</u>	<u>33647</u>	<u>813-971-9337</u>
FL0009	<u>Brad Potter</u>	-	<u>4300 W. Lake Mary Blvd., Ste 1000</u>	<u>Lake Mary</u>	<u>FL</u>	<u>32746</u>	<u>407-333-1077</u>
FL0010	<u>Sheila Thompson</u>	<u>Hannibal Martinez</u>	<u>10915 Baymeadows Road, Suite 108</u>	<u>Jacksonville</u>	<u>FL</u>	<u>32256</u>	<u>904-519-1826</u>
FL0011	<u>Robert Driscoli</u>	<u>Stacy Driscoli</u>	<u>6240 N. Federal Highway</u>	<u>Fort Lauderdale</u>	<u>FL</u>	<u>33308</u>	<u>954-202-8267</u>
FL0012	<u>Debbie Roseblum</u>	<u>Howard Roseblum</u>	<u>4650 Alafaya Trail</u>	<u>Orlando</u>	<u>FL</u>	<u>32826</u>	<u>407-249-2499</u>
FL0013	<u>Wilder Ruffin</u>	-	<u>3545 SW 34th St., Suite E, Stafford Square</u>	<u>Gainesville</u>	<u>FL</u>	<u>32608</u>	<u>352-395-6162</u>
FL0014	<u>Wilder Ruffin</u>	-	<u>3439 W. University Avenue, Westgate Regency S. Center</u>	<u>Gainesville</u>	<u>FL</u>	<u>32607</u>	<u>352-335-3123</u>
FL0015	<u>Wilder Puffin</u>	-	<u>800 Ocala Road, Suite 130</u>	<u>Tallahassee</u>	<u>FL</u>	<u>32304</u>	<u>850-580-7224</u>
FL0018	<u>Rich Spencer</u>	<u>Julie Spencer</u>	<u>9550 West Linebaugh Avenue</u>	<u>Tampa</u>	<u>FL</u>	<u>33626</u>	<u>813-926-5300</u>
FL0019	<u>Joni Wolfe</u>	<u>Bill Wolfe</u>	<u>4859 New Broad Street</u>	<u>Orlando</u>	<u>FL</u>	<u>32814</u>	<u>407-826-8685</u>
FL0020	<u>Rich Spencer</u>	<u>Julie Spencer</u>	<u>27607 State Road 56, Suite 108</u>	<u>Wesley Chapel</u>	<u>FL</u>	<u>33543</u>	<u>813-991-4433</u>
FL0022	<u>Tony Pearson</u>	-	<u>3615 S. Florida Avenue, Suite 1200, Merchants Walk</u>	<u>Lakeland</u>	<u>FL</u>	<u>33803</u>	<u>863-701-0700</u>
FL0023	<u>Domenic</u>	<u>Siciliano</u>	<u>3830 W. Neptune Street, Suite C-4</u>	<u>Tampa</u>	<u>FL</u>	<u>33629</u>	<u>813-258-2584</u>
FL0024	<u>Gerald Thomas</u>	<u>Kathleen Thomas</u>	<u>2151 Loche Pane Boulevard, Suite 6</u>	<u>Orange Park</u>	<u>FL</u>	<u>32065</u>	<u>904-276-2688</u>

FL0028	<u>Erik Geisler</u>	-	<u>8319 Lockwood Ridge Road</u>	<u>Sarasota</u>	<u>FL</u>	<u>34243</u>	<u>941-358-8292</u>
FL0031	<u>Tim Comptaron</u>	-	<u>13820 St. Augustine Rd., Bartram Park, Suite 209</u>	<u>Jacksonville</u>	<u>FL</u>	<u>32258</u>	<u>904-880-4826</u>
FL0034	<u>Frank Santoro</u>	-	<u>3120 S. Kirkman Road</u>	<u>Orlando</u>	<u>FL</u>	<u>32811</u>	<u>407-942-0176</u>
FL0041	<u>Kym Burton</u>	<u>Clive Burton</u>	<u>13651 Hunters Oak Drive, Suite 102</u>	<u>Orlando</u>	<u>FL</u>	<u>32837</u>	<u>407-251-1991</u>
FL0043	<u>Greg Crawford</u>	<u>Sherri Crawford</u>	<u>5006 East Fowler Ave. Suite E</u>	<u>Tampa</u>	<u>FL</u>	<u>33617</u>	<u>813-988-2200</u>
FL0044	<u>Greg Crawford</u>	<u>Sherri Crawford</u>	<u>17663 N. Dale Mabry Hwy</u>	<u>Lutz</u>	<u>FL</u>	<u>33548</u>	<u>813-960-0500</u>
FL0046	<u>Chris Ginocchetti</u>	<u>Paul Kokesh</u>	<u>11023 Causeway Blvd. Lake Brandon Shoppes</u>	<u>Brandon</u>	<u>FL</u>	<u>33511</u>	<u>813-654-4141</u>
FL0068	<u>James Toro</u>	<u>Anne Toro</u>	<u>10641 Big Bend Road</u>	<u>Riverview</u>	<u>FL</u>	<u>33579</u>	<u>813-741-9280</u>
FL0069	<u>Sam Lawton</u>	<u>Carla Lawton</u>	<u>7813 Mitchell Blvd. #108</u>	<u>New Port Richey</u>	<u>FL</u>	<u>34655</u>	<u>727-372-7221</u>
FL0072	<u>Cassidy Corella</u>	-	<u>740 4th. St. North Roundlake Plaza</u>	<u>St. Petersburg</u>	<u>FL</u>	<u>33701</u>	<u>727-823-7680</u>
FL0081	<u>Michael Boyer</u>	<u>Ramiro Hernandez</u>	<u>9515 S. Dixie Hwy.</u>	<u>Miami</u>	<u>FL</u>	<u>33156</u>	<u>305-661-9760</u>
FL0086	<u>Heather Okeefe</u>	-	<u>11700 San Jose Blvd. #12</u>	<u>Jacksonville</u>	<u>FL</u>	<u>32223</u>	<u>904-288-0826</u>
FL0093	<u>Lynn Patterson</u>	-	<u>4434 Hoffner Ave.</u>	<u>Orlando</u>	<u>FL</u>	<u>32812</u>	<u>407-856-TANI</u>
FL0097	<u>Julie McWilliams</u>	<u>Gilbert McWilliams</u>	<u>8346 Liule Road</u>	<u>New Port Richey</u>	<u>FL</u>	<u>34654</u>	<u>727-847-3075</u>
FL0101	<u>David Hale</u>	<u>Teresa Hale</u>	<u>2611 Southwest 19th Ave. Rd. (Easy Street), Suite 500</u>	<u>Ocala</u>	<u>FL</u>	<u>34474</u>	<u>352-369-8266</u>
FL0111	<u>Jeff Wilson</u>	<u>Justine Wilson</u>	<u>15497 Stonybrook West Parkway</u>	<u>Winter Garden</u>	<u>FL</u>	<u>34787</u>	<u>407-654-9956</u>
FL0120	<u>Chris Ginocchetti</u>	-	<u>2909 James L. Redman Pkwy Ste 9</u>	<u>Plant City</u>	<u>FL</u>	<u>33566</u>	<u>813-754-0212</u>
FL0135	<u>Tommy Lloyd</u>	<u>Taylor Lloyd</u>	<u>13740 Beach Blvd #403</u>	<u>Jacksonville</u>	<u>FL</u>	<u>32224</u>	<u>904.821.8752</u>
FL0144	<u>Mendy Bowen - Nagy</u>	<u>Donna Styner</u>	<u>6611 Orion Drive #110</u>	<u>Ft Myers</u>	<u>FL</u>	<u>33912</u>	<u>239-433-7727</u>
FL0151	<u>Robert Williams</u>	<u>Pam Williams</u>	<u>Harbour Village, 13457 Atlantic Blvd., Suite 2</u>	<u>Jacksonville</u>	<u>FL</u>	<u>32225</u>	<u>904-221-0162</u>
FL0154	<u>Anne Marie Bloom</u>	<u>Anne Marie Bloom</u>	<u>11161 S. R. 70 E Suite 104</u>	<u>Bradenton</u>	<u>FL</u>	<u>34202</u>	<u>941-752-4772</u>
FL0157	<u>Jennifer Cabrera</u>	-	<u>3503 N.E. 163rd Street</u>	<u>North Miami Beach</u>	<u>FL</u>	<u>33160</u>	<u>305.948.0461</u>
FL0158	<u>Bob Egger</u>	<u>Jeanette Egger</u>	<u>8530 SW 124th Ave. Ste. 105</u>	<u>Miami</u>	<u>FL</u>	<u>33183</u>	<u>305-271-1089</u>
FL0159	<u>Bob Egger</u>	<u>Jeanette Egger</u>	<u>959 West Ave - South Beach</u>	<u>Miami</u>	<u>FL</u>	<u>33139</u>	<u>305-606-4756</u>

<u>FL0173</u>	<u>Dustin Janis</u>	<u>Lacey Janis</u>	<u>10500 Ulmerton Road, Suite 850</u>	<u>Largo</u>	<u>FL</u>	<u>33771</u>	<u>727-586-4569</u>
<u>FL0176</u>	<u>Lora Barrett</u>	-	<u>4974 Ridgemoor Blvd</u>	<u>Palm Harbor</u>	<u>FL</u>	<u>34685</u>	<u>727-386-4146</u>
<u>FL0185</u>	<u>Jeannette Aguilar</u>	-	-	-	-	-	<u>305-510-9555</u>
<u>GA0003</u>	<u>Cyd Novak</u>	-	<u>2250 Sandy Plains Rd. Suite 310</u>	<u>Marietta</u>	<u>GA</u>	<u>30066</u>	<u>770-321-UTAN</u>
<u>GA0014</u>	<u>Cyd Novak</u>	-	<u>1619 Collins Rd. Suite 100</u>	<u>Kennesaw</u>	<u>GA</u>	<u>30152</u>	<u>678-354-3TAN</u>
<u>GA0017</u>	<u>Don Padilla</u>	<u>Michelle Padilla</u>	<u>1426 Townc Lake Pkwy Suite 103</u>	<u>Woodstock</u>	<u>GA</u>	<u>30189</u>	<u>770-926-7880</u>
<u>GA0020</u>	<u>Zennie Lynch</u>	-	<u>2625 Piedmont Rd., Ste. 55 @ Sidney Marcus Blvd.</u>	<u>Atlanta</u>	<u>GA</u>	<u>30324</u>	<u>404-846-0110</u>
<u>GA0021</u>	<u>Zennie Lynch</u>	-	<u>650 Ponce De Leon Ave. Suite 670-A</u>	<u>Atlanta</u>	<u>GA</u>	<u>30308</u>	<u>404-817-7776</u>
<u>GA0030</u>	<u>Chuck Mangum</u>	<u>Amy Mangum</u>	<u>1475 Holcomb Bridge Rd. Suite 185</u>	<u>Roswell</u>	<u>GA</u>	<u>30076</u>	<u>770-649-4889</u>
<u>IA0001</u>	<u>Dennis Henderson</u>	<u>Jennifer Henderson</u>	<u>588 Boyson Rd. NE, Suite 118</u>	<u>Ceder Rapids</u>	<u>IA</u>	<u>52402</u>	<u>319-378-8700</u>
<u>IA0004</u>	<u>Leslie George</u>	-	<u>3245 William Pkwy. SW Suite 2</u>	<u>Ceder Rapids</u>	<u>IA</u>	<u>52404</u>	<u>319-365-4115</u>
<u>IA0012</u>	<u>Julie Gerber</u>	<u>Michael Smejkal</u>	<u>4700 Tama St. SE Suite 300</u>	<u>Ceder Rapids</u>	<u>IA</u>	<u>52403</u>	<u>319-373-1055</u>
<u>IA0014</u>	<u>Ryan Evans</u>	<u>Lisa Evans</u>	<u>1805 SE Delaware Ave. Suite 1200</u>	<u>Ankeny</u>	<u>IA</u>	<u>50021</u>	<u>515-965-8028</u>
<u>ID0002</u>	<u>Jim Barnes</u>	<u>Joan Barnes</u>	<u>1701 West State Street</u>	<u>Boise</u>	<u>ID</u>	<u>83702</u>	<u>208-342-7159</u>
<u>ID0003</u>	<u>Jim Barnes</u>	<u>Joan Barnes</u>	<u>979 East Parkcenter</u>	<u>Boise</u>	<u>ID</u>	<u>83706</u>	<u>208-345-8203</u>
<u>ID0005</u>	<u>Derek Pica</u>	<u>Vicki Pica</u>	<u>178 E. Maine Suite D</u>	<u>Nampa</u>	<u>ID</u>	<u>83686</u>	<u>208-465-6511</u>
<u>ID0006</u>	<u>Derek Pica</u>	<u>Vicki Pica</u>	<u>1756 W. Cherry Lane</u>	<u>Meridian</u>	<u>ID</u>	<u>83642</u>	<u>208.884.3140</u>
<u>ID0017</u>	<u>Derek Pica</u>	<u>Vicki Pica</u>	<u>8201 Overland Rd. Suite 120</u>	<u>Boise</u>	<u>ID</u>	<u>83709</u>	<u>208-323-7740</u>
<u>ID0017</u>	<u>Derek Pica</u>	<u>Vicki Pica</u>	<u>1471 Caldwell Blvd.</u>	<u>Nampa</u>	<u>ID</u>	<u>83651</u>	<u>208-467-4180</u>
<u>IL0007</u>	<u>Brad Eilertsen</u>	<u>Dana Eilertsen</u>	<u>20330 Deer Park Blvd. Suite 118</u>	<u>Deer Park</u>	<u>IL</u>	<u>60010</u>	<u>847-726-8262</u>
<u>IL0010</u>	<u>Frank Hofsteadter</u>	<u>Jean Hofsteadter</u>	<u>2208 N. Richmond Rd. Suite B</u>	<u>McHenry</u>	<u>IL</u>	<u>60050</u>	<u>815-385-9477</u>
<u>IL0013</u>	<u>Anthony Abate</u>	<u>Judy Abate</u>	<u>100 South Atkinson Road Suite 108/109</u>	<u>Grayslake</u>	<u>IL</u>	<u>60030</u>	<u>847-223-4386</u>
<u>IL0018</u>	<u>Aaron Spaid</u>	<u>Shannon Spaid</u>	<u>115 Krispy Kreme Dr. Suite 3</u>	<u>Bloomington</u>	<u>IL</u>	<u>61704</u>	<u>309-661-1418</u>
<u>iL0021</u>	<u>Fred Morgenthaler</u>	<u>Vic Scodius</u>	<u>211 East Butterfield Rd</u>	<u>Eimhurst</u>	<u>IL</u>	<u>60126</u>	<u>630-832-8826</u>

IN0001	<u>Cindy Chariton</u>	<u>Tom Chariton</u>	<u>8247 Wicker Ave</u>	<u>St. John</u>	<u>IN</u>	<u>46373</u>	<u>219-365-5885</u>
IN0003	<u>Cindy Chariton</u>	<u>Tom Chariton</u>	<u>714 North Main Street</u>	<u>Crown Point</u>	<u>IN</u>	<u>46307</u>	<u>219-662-5885</u>
IN0005	<u>Don Lutton</u>	<u>Becky Lutton</u>	<u>Highpoint Commerce Center 8211-A Bell Oaks Dr.</u>	<u>Newburgh</u>	<u>IN</u>	<u>47630</u>	<u>812-490-8267</u>
KS0001	<u>Price Rauch</u>	<u>Sara Rauch</u>	<u>324-A Southwind Rd.</u>	<u>Manhattan</u>	<u>KS</u>	<u>66502</u>	<u>785-776-8267</u>
KS0002	<u>Melissa Hoist</u>	<u>Beckie Hoist</u>	<u>4987 W. 119th St.</u>	<u>Olathe</u>	<u>KS</u>	<u>66062</u>	<u>913-397-0158</u>
LA0001	<u>Stephen Smith</u>	<u>Jodie Mateu</u>	<u>5300 Tchoupitoulas Suite F-7</u>	<u>New Orleans</u>	<u>LA</u>	<u>70115</u>	<u>504-891-8267</u>
LA0004	<u>Chuck Maveux</u>	<u>Judy Maveux</u>	<u>301 Burgundy Street</u>	<u>New Orleans</u>	<u>LA</u>	<u>70112</u>	<u>504-525-8266</u>
LA0005	<u>Cathy Blanchard</u>	-	<u>3501 Chateau Blvd. Suite E6</u>	<u>Kenner</u>	<u>LA</u>	<u>70065</u>	<u>504-468-8266</u>
LA0006	<u>Anthony Sequeira</u>	<u>Wendy Sequeira</u>	<u>3501 Severn Ave Suite 7</u>	<u>Metairie</u>	<u>LA</u>	<u>70002</u>	<u>504-456-6373</u>
LA0000	<u>Tanya Sholar</u>	-	<u>3025 Highway 51</u>	<u>Laplace</u>	<u>LA</u>	<u>70068</u>	<u>985-651-8267</u>
LA0001	<u>Jodie Mateu</u>	<u>Luis Mateu</u>	<u>1000 S. Clearview Pkwy Suite 1006</u>	<u>Harahan</u>	<u>LA</u>	<u>70123</u>	<u>504-736-0550</u>
LA0002	<u>Tim Normand</u>	<u>Teresa Normand</u>	<u>5720 Corporate Blvd.</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>70808</u>	<u>225-927-4826</u>
LA0003	<u>Paula Haslauer</u>	<u>Keih Haslauer</u>	<u>3901 General De Gaulle</u>	<u>New Orleans</u>	<u>LA</u>	<u>70114</u>	<u>504-363-8266</u>
LA0004	<u>Justin Williams</u>	-	<u>1602 South Burnside Suite B</u>	<u>Gonzales</u>	<u>LA</u>	<u>70737</u>	<u>225-647-7851</u>
LA0005	<u>Helenc Morse</u>	<u>Meghan Morse</u>	<u>1970 Ormond Blvd. Suite B-2</u>	<u>Destrehan</u>	<u>LA</u>	<u>70047</u>	<u>985-764-8266</u>
LA0006	<u>Nancy Price</u>	-	<u>1309 Barataria Blvd. Suite A</u>	<u>Marrero</u>	<u>LA</u>	<u>70072</u>	<u>504-340-8267</u>
LA0009	<u>Michael Chappuis</u>	<u>Sukie Chappuis</u>	<u>701 Metairie Rd. Suite 2A103</u>	<u>Metairie</u>	<u>LA</u>	<u>70005</u>	<u>504-836-2826</u>
LA0010	<u>Nicole Merrick</u>	-	<u>701 Dante St.</u>	<u>New Orleans</u>	<u>LA</u>	<u>70118</u>	<u>504-865-8266</u>
LA0012	<u>Loann Ledet</u>	<u>David Ledet</u>	<u>8615 Highway 23</u>	<u>Belle Chasse</u>	<u>LA</u>	<u>70037</u>	<u>504-433-9040</u>
LA0014	<u>Leland Wolf</u>	<u>Monica Wolf</u>	<u>5703 Essen Lane Suite A-1</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>70809</u>	<u>225-761-4826</u>
LA0015	<u>Annie Possa</u>	-	<u>4710 O'Neal Lane Suite 112</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>70817</u>	<u>225-751-4826</u>
LA0016	<u>Jean Chambers</u>	<u>Barry Chambers</u>	<u>9380 Old Hammond Hwy.</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>70809</u>	<u>225-926-0156</u>
LA0017	<u>Carrie Buxton</u>	<u>James Buxton</u>	<u>4410 Highland Rd. Suite 4-A</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>70808</u>	<u>225-769-4833</u>
LA0018	<u>Wendv Sequeira</u>	<u>Anthony Sequeira</u>	<u>6921 Veterans Boulevard</u>	<u>Metairie</u>	<u>LA</u>	<u>70003</u>	<u>504-872-9525</u>

LA0031	<u>Paula McCrocklin</u>	<u>Mark McCrocklin</u>	<u>6360 Youree Drive</u>	<u>Shreveport</u>	<u>LA</u>	<u>71105</u>	<u>318-797-8826</u>
LA0032	<u>Justin Williams</u>	-	<u>17188 Airline Hwy. Suite E</u>	<u>Prairieville</u>	<u>LA</u>	<u>70769</u>	<u>225-744-4826</u>
LA0033	<u>Andrew Landry</u>	<u>Cara Landry</u>	<u>4783 Secretary Dr.</u>	<u>Zachary</u>	<u>LA</u>	<u>70791</u>	<u>225-654-8826</u>
LA0034	<u>Tanya Chauvin</u>	-	<u>500 Corporate Dr. Suite M</u>	<u>Houma</u>	<u>LA</u>	<u>70360</u>	<u>985-580-4700</u>
LA0039	<u>Ann Patterson</u>	-	<u>1121 S. Rauge Ave. Suite A</u>	<u>Denham Springs</u>	<u>LA</u>	<u>70726</u>	<u>225-665-6193</u>
LA0046	<u>Kathy Hmidan</u>	-	<u>1600 Saint Charies Ave.</u>	<u>New Orleans</u>	<u>LA</u>	<u>70130</u>	<u>504-586-8267</u>
LA0047	<u>Dennis Montgomery</u>	<u>Colleen Montgomery</u>	<u>33875 La Hwy 16 Suite E</u>	<u>Denham Springs</u>	<u>LA</u>	<u>70706</u>	<u>225-791-6605</u>
LA0048	<u>Daryi Terry</u>	<u>Fran Terry</u>	<u>4501 Jackson Street Suite B</u>	<u>Alexandria</u>	<u>LA</u>	<u>71303</u>	<u>318-448-9010</u>
LA0049	<u>Jessica Johnson</u>	-	<u>11445 Coursey Blvd. Suite B</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>70816</u>	<u>225-292-9199</u>
LA0050	<u>Jameson Chauvin</u>	<u>Jennifer Chauvin</u>	<u>19970 Highland Rd. Suite B-2</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>70809</u>	<u>225-751-8356</u>
LA0051	<u>Jennifer Batiste</u>	<u>Travis Batiste</u>	<u>10162 Jefferson Hwy.</u>	<u>River Ridge</u>	<u>LA</u>	<u>70123</u>	<u>504-739-7960</u>
LA0053	<u>Tanya Chauvin</u>	<u>Jameson Chauvin</u>	<u>610 North Canal Blvd. Suite 10</u>	<u>Thibodaux</u>	<u>LA</u>	<u>70301</u>	<u>985-446-9969</u>
LA0054	<u>Korri Bozeman</u>	-	<u>28050 Walker South Rd.</u>	<u>Walker</u>	<u>LA</u>	<u>70707</u>	<u>225-667-8262</u>
LA0055	<u>Regina Crawford</u>	<u>Patrick Crawford</u>	<u>14455 Wax Road Suite Q</u>	<u>Baton Ronge</u>	<u>LA</u>	<u>70818</u>	<u>225-262-4786</u>
LA0057	<u>Roxame Minet</u>	<u>Paul Minet</u>	<u>12715-C Hwy 90 Suite 2</u>	<u>Luling</u>	<u>LA</u>	<u>70070</u>	<u>985-331-8266</u>
LA0061	<u>Daryl Terry</u>	<u>Fran Terry</u>	<u>4421 Hwy 165 North (Next to Red River Bank)</u>	<u>Pineville</u>	<u>LA</u>	<u>71360</u>	<u>318-640-3777</u>
LA0062	<u>Keith Griffith</u>	-	<u>709 Keyser Ave.</u>	<u>Natchitoches</u>	<u>LA</u>	<u>71458</u>	<u>318-354-1944</u>
LA0063	<u>Kathy Hmidan</u>	-	<u>2222 Clearview Pkwy H1</u>	<u>Metairie</u>	<u>LA</u>	<u>70001</u>	<u>504-218-4514</u>
LA0067	<u>Annie Fruge</u>	<u>Christine Slaven</u>	<u>2865 Ambassador Caffery Suite 129</u>	<u>Lafayette</u>	<u>LA</u>	<u>70506</u>	<u>337-984-4408</u>
LA0075	<u>Ryan Stansbury</u>	<u>Shannon Stansbury</u>	<u>70452 Hwy. 21 Suite 400</u>	<u>Covington</u>	<u>LA</u>	<u>70433</u>	<u>985-871-8267</u>
LA0079	<u>Michael Oubre</u>	<u>Jill Oubre</u>	<u>4445 Highway 1 South</u>	<u>Port Allen</u>	<u>LA</u>	<u>70767</u>	<u>225-749-8826</u>
LA0087	<u>Keith Griffith</u>	-	<u>726 Celebrity Drive</u>	<u>Ruston</u>	<u>LA</u>	<u>71270</u>	<u>318-255-5552</u>
LA0094	<u>Karin St. Romain</u>	<u>Holly Sanchez</u>	<u>730 Brownswitch Rd. Suite 1</u>	<u>Slidell</u>	<u>LA</u>	<u>70458</u>	<u>985-649-9826</u>
LA0095	<u>Jeff Deano</u>	<u>Mandi Deano</u>	<u>1800 East Judge Perez Drive</u>	<u>Chalmette</u>	<u>LA</u>	<u>70043</u>	<u>504-278-8990</u>
LA0097	<u>Paula McCrocklin</u>	<u>Mark McCrocklin</u>	<u>Airline Plaza, 2151 Airline Drive</u>	<u>Bossier City</u>	<u>LA</u>	<u>71111</u>	<u>318-549-1772</u>

LA0099	<u>Marcie McIntosh</u>	<u>Richard Juka</u>	<u>2701 Manhattan Blvd</u>	<u>Harvey</u>	<u>LA</u>	<u>70058</u>	<u>504-361-1488</u>
LA0103	<u>Andria McNeil</u>	-	<u>867 Terry Pkwy Suite 1</u>	<u>Terrytown</u>	<u>LA</u>	<u>70056</u>	<u>504-324-8473</u>
MA0002	<u>Paul Iantosca</u>	<u>Lydia Iantosca</u>	<u>3 Roche Brothers Way Unit C</u>	<u>Easton</u>	<u>M A</u>	<u>2356</u>	<u>508-238-0772</u>
MD0004	<u>Russell Miller</u>	-	<u>35-37 East Cross St.</u>	<u>Baltimore</u>	<u>M D</u>	<u>21230</u>	<u>410-752-0023</u>
MI0001	<u>Nancy Maryniak</u>	-	<u>2107F South Cleveland Avenue</u>	<u>Saint Joseph</u>	<u>MI</u>	<u>49085</u>	<u>269-982-2999</u>
MI0003	<u>Katrynia Strikwerda</u>	<u>David Strikwerda</u>	<u>1545 S. Division Suite 117</u>	<u>Traverse City</u>	<u>MI</u>	<u>49684</u>	<u>231-946-7299</u>
MI0004	<u>Craig Baughman</u>	<u>Stephanie Baughman</u>	<u>7904 Oakland Drive</u>	<u>Portage</u>	<u>MI</u>	<u>49024</u>	<u>269-321-9800</u>
MI0005	<u>Craig Baughman</u>	<u>Stephanie Baughman</u>	<u>3266 Stadium Drive</u>	<u>Kalamazoo</u>	<u>MI</u>	<u>49008</u>	<u>269-372-2900</u>
MN0004	<u>Mary Edam</u>	-	<u>7678 West 160th Street</u>	<u>Lakeville</u>	<u>M N</u>	<u>55044</u>	<u>952-891-5949</u>
MN0006	<u>Mike Whitclaw</u>	-	<u>7731 Flying Cloud Dr.</u>	<u>Eden Prairie</u>	<u>M N</u>	<u>55344</u>	<u>952-941-6050</u>
MN0008	<u>David Zaroff</u>	<u>Tom Hymanson</u>	<u>501 Washington Ave. S. Suite 150</u>	<u>Minneapolis</u>	<u>M N</u>	<u>55415</u>	<u>612-332-1600</u>
MN0009	<u>David Zaroff</u>	<u>Tom Hymanson</u>	<u>1221 West Lake Street Suite 110</u>	<u>Minneapolis</u>	<u>M N</u>	<u>55408</u>	<u>612-823-3377</u>
MN0010	<u>David Zaroff</u>	<u>Tom Hymanson</u>	<u>7920 Main Street North</u>	<u>Maple Grove</u>	<u>M N</u>	<u>55369</u>	<u>763-420-0035</u>
MN0011	<u>Mike Whitelaw</u>	-	<u>7610 Lyndale Ave. South</u>	<u>Richfield</u>	<u>M N</u>	<u>55423</u>	<u>612-861-5555</u>
MN0016	<u>Nancy McMorran</u>	<u>Scott McMorran</u>	<u>Hastings Marketplace 1775 Market Blvd.</u>	<u>Hastings</u>	<u>M N</u>	<u>55033</u>	<u>651-438-6855</u>
MN0019	<u>Joan Stein</u>	<u>Larry Stein</u>	<u>1671 W. County Rd C Rosedale Square Shopping Ctr</u>	<u>Roseville</u>	<u>M N</u>	<u>55113</u>	<u>651-636-6434</u>
MN0015	<u>Scott McMorran</u>	-	<u>1600 Warren St. Suite 9</u>	<u>Mankato</u>	<u>M N</u>	<u>56001</u>	<u>507-344-8267</u>
MN0019	<u>Charlie Kaney</u>	<u>Rita Hathaway</u>	<u>780 Main St. Marketplace Lofts</u>	<u>Hopkins</u>	<u>M N</u>	<u>55343</u>	<u>952-938-2445</u>
MN0015	<u>David Zaroff</u>	<u>Tom Hymanson</u>	<u>1049 Grand Avenue</u>	<u>St. Paul</u>	<u>M N</u>	<u>55105</u>	<u>651-222-0400</u>
MO0003	<u>Thomas Lunnen</u>	<u>Sunny Gunnoe</u>	<u>213 SW Greenwich Drive</u>	<u>Lees Summit</u>	<u>M O</u>	<u>64082</u>	<u>816-623-3990</u>
MS0003	<u>Marie Porter</u>	-	<u>15238 Crossroads Pkwy</u>	<u>Gulfport</u>	<u>MS</u>	<u>39503</u>	<u>228-832-SPA4</u>
MS0005	<u>Marie Porter</u>	-	<u>2402 Pass Rd. Unit D</u>	<u>Biloxi</u>	<u>MS</u>	<u>39531</u>	<u>228-385-8550</u>
MS0006	<u>Shannon Aleman</u>	-	<u>653 Delaware Avenue</u>	<u>McComb</u>	<u>MS</u>	<u>39648</u>	<u>601-250-0091</u>
MT0001	<u>Brandon Price</u>	<u>Julie Price</u>	<u>2030 Cromwell Dixon Lane. Unit 1</u>	<u>Helena</u>	<u>M T</u>	<u>59601</u>	<u>406-449-6500</u>

MT0002	<u>Tom Burgess</u>	<u>Dawn Burgess</u>	<u>1928 N. 22nd Avenue, Unit 3</u>	<u>Bozeman</u>	<u>M</u> <u>T</u>	<u>59718</u>	<u>406-551-2078</u>
MT0004	<u>Kelli Cook</u>	-	<u>125 Northwest Bypass</u>	<u>Great Falls</u>	<u>M</u> <u>T</u>	<u>59404</u>	<u>406-727-7722</u>
MT0005	<u>Richard Reopelle</u>	<u>Jamie Reopelle</u>	<u>5050 Harrison Avenue</u>	<u>Butte</u>	<u>M</u> <u>T</u>	<u>59701</u>	<u>406-494-0SPA</u>
MT0006	<u>Amber Earp</u>	<u>Carie Keller</u>	<u>Plaza 24, 724 24th Street West, Suite 3</u>	<u>Billings</u>	<u>M</u> <u>T</u>	<u>59102</u>	<u>406-839-2300</u>
NC0005	<u>Henry Love</u>	<u>Suzanne Love</u>	<u>3241 Avent Ferry Rd. Suite 105</u>	<u>Raleigh</u>	<u>NC</u>	<u>27606</u>	<u>919-859-9600</u>
NC0006	<u>Henry Love</u>	<u>Suzanne Love</u>	<u>1201 Raleigh Rd. Suite D</u>	<u>Chapel Hill</u>	<u>NC</u>	<u>27517</u>	<u>919-929-2998</u>
NC0009	<u>Janet Gray</u>	<u>Robert Gray</u>	<u>1287 NW Maynard Rd.</u>	<u>Cary</u>	<u>NC</u>	<u>27513</u>	<u>919-463-9533</u>
NC0014	<u>Dave Downing</u>	<u>Brent Marek</u>	<u>8521 Brier Creek Pkwy Bldg. 23 Ste. 115</u>	<u>Raleigh</u>	<u>NC</u>	<u>27617</u>	<u>919-361-8826</u>
NC0021	<u>Randy Baier</u>	-	<u>800 W. Williams Suite 160</u>	<u>Apex</u>	<u>NC</u>	<u>27502</u>	<u>919-303-7003</u>
NC0036	<u>Brent Marek</u>	<u>Candace Marek</u>	<u>3415 Westgate Dr. Suite 104</u>	<u>Durham</u>	<u>NC</u>	<u>27707</u>	<u>919-419-8826</u>
NC0037	<u>Brent Marek</u>	<u>Candace Marek</u>	<u>4441 - 104B Sixforks Rd</u>	<u>Raleigh</u>	<u>NC</u>	<u>27609</u>	<u>919-571-8826</u>
NC0038	<u>Ag Marsonia</u>	<u>Pryia Marsonia</u>	<u>6807 Foyetteville Rd. Suite 119</u>	<u>Durham</u>	<u>NC</u>	<u>27713</u>	<u>919-572-7737</u>
NC0042	<u>Debbie Cross</u>	<u>Dale Cross</u>	<u>3000 Henderson Drive</u>	<u>Jacksonville</u>	<u>NC</u>	<u>28546</u>	<u>910-355-2826</u>
NC0052	<u>Kristi Hanzel</u>	<u>Thomas Hanzel</u>	<u>1130 Green Level to Durham Rd., Suite 304</u>	<u>Cary</u>	<u>NC</u>	<u>25719</u>	<u>919-342-2846</u>
NC0063	<u>Steve Ahearn</u>	<u>Valerie Ahearn</u>	<u>6660 Carmel Rd</u>	<u>Charlotte</u>	<u>NC</u>	<u>28226</u>	<u>704-752-5911</u>
NC0064	<u>Kristi Hanzel</u>	<u>Thomas Hanzel</u>	<u>280 Meetings Street, Unit 106</u>	<u>Cary</u>	<u>NC</u>	<u>27518</u>	<u>919-233-7451</u>
NH0001	<u>Josee Lapointe</u>	<u>Gabe Lapointe</u>	<u>Nashua Mall 4 Coliseum Ave.</u>	<u>Nashua</u>	<u>NH</u>	<u>03063</u>	<u>603-594-0500</u>
NJ0006	<u>Russell Jacques</u>	-	<u>2101 Route 35 Hoimdel Towne Centre</u>	<u>Holmdel</u>	<u>NJ</u>	<u>07733</u>	<u>732-796-0027</u>
NJ0015	<u>Donald Lowery</u>	<u>Christina Lowery</u>	<u>820 Franklin Avenue</u>	<u>Franklin Lakes</u>	<u>NJ</u>	<u>07417</u>	<u>201-891-4555</u>
NJ0018	<u>Donald Lowery</u>	<u>Christina Lowery</u>	<u>500 S. River St. (Riverfront Plaza)</u>	<u>Hackensack</u>	<u>NJ</u>	<u>07601</u>	<u>201-641-0544</u>
NM0001	<u>Bill Walters</u>	<u>Tammy Walters</u>	<u>8201 Golf Course Rd. NW</u>	<u>Albuquerque</u>	<u>N</u> <u>M</u>	<u>87120</u>	<u>505-890-4070</u>
NM0015	<u>Mona Jones</u>	<u>Scott Jones</u>	<u>4009 E. Main Street</u>	<u>Farmingington</u>	<u>N</u> <u>M</u>	<u>87402</u>	<u>505-325-7772</u>
NV0013	<u>Steve Keifer</u>	-	<u>55 S. Valle Verde Dr. Suite 400-D</u>	<u>Henderson</u>	<u>NV</u>	<u>89012</u>	<u>702-257-8267</u>
NV0006	<u>Keith Sarna</u>	<u>Kevin Sarna</u>	<u>4632 S. Maryland Parkway Suite 16</u>	<u>Las Vegas</u>	<u>NV</u>	<u>89119</u>	<u>702-798-8826</u>
NV0011	<u>Lloyd Zellner</u>	<u>Russine Zellner</u>	<u>5785 Centennial Blvd.</u>	<u>Las Vegas</u>	<u>NV</u>	<u>89149</u>	<u>702.242.4SPA</u>

NV00	2	<u>Steve Keifer</u>	-	<u>Apache Shopping Center, SWC of Ft. Apache & Reno</u>	<u>Las Vegas</u>	<u>NV</u>	<u>89148</u>	<u>702-982- 1772</u>
NV00	7	<u>Steven Colton</u>	<u>Laura Colton</u>	-	-	-	-	<u>775-376- 1252</u>
NY000	8	<u>Matthew James</u>	<u>Shannon James</u>	<u>Executive Woods 841 Rt. 146, Suite 3</u>	<u>Clifton Park</u>	<u>NY</u>	<u>12065</u>	<u>518-371- 5700</u>
NY00	7	<u>Randi Dessingue</u>	<u>Frank Dessingue</u>	<u>1800 Western Avenue</u>	<u>Albany</u>	<u>NY</u>	<u>12203</u>	<u>518-456- 3003</u>
NY00	8	<u>Jim Lyon</u>	<u>Johanna Lyon</u>	<u>592 New Loudon Road</u>	<u>Latham</u>	<u>NY</u>	<u>12110</u>	<u>518-361- 4166</u>
OK000	2	<u>D'Lynn Bushyhead</u>	<u>Bow Bushyhead</u>	<u>6612 S. Memorial Drive, Village at Woodland Hills</u>	<u>Tulsa</u>	<u>OK</u>	<u>74133</u>	<u>918-250- 4772</u>
OR000	9	<u>Don Campell</u>	-	<u>Tanasbourne Central Shopping Ctr, 1874 NW 188th St</u>	<u>Hillsboro</u>	<u>OR</u>	<u>97124</u>	<u>503-746- 6059</u>
PA000	3	<u>Bryan Aten</u>	<u>Maddy Alen</u>	<u>The Shops at Blue Bell, 1738 DeKalb Pike</u>	<u>Blue Bell</u>	<u>PA</u>	<u>19422</u>	<u>610.272.610 1</u>
PA000	5	<u>Jeannine Ingraham</u>	<u>Mike Ingraham</u>	<u>127 East Swedesford Rd.</u>	<u>Exton</u>	<u>PA</u>	<u>19341</u>	<u>610-363- 6907</u>
PA000	9	<u>Paul Ross</u>	<u>Sandra Ross</u>	<u>121 Mulone Dr. South Pike Square</u>	<u>Sarver</u>	<u>PA</u>	<u>16055</u>	<u>724-295- 9920</u>
PA00	9	<u>Ken Fetrow</u>	<u>Mary Fetrow</u>	<u>351 Loucks Road</u>	<u>York</u>	<u>PA</u>	<u>17404</u>	<u>717-843- 4772</u>
SC000	2	<u>Gary Lucca</u>	<u>Debbie Lucca</u>	<u>US 278 East at Buck Island Rd.</u>	<u>Bluffton</u>	<u>SC</u>	<u>29910</u>	<u>843-815- 4826</u>
SC000	6	<u>Bruce Burke</u>	-	<u>215 Pelham Rd. Suite B 209</u>	<u>Greenville</u>	<u>SC</u>	<u>29615</u>	<u>864-233- 1003</u>
SC000	7	<u>Cheryl Fox</u>	<u>Nick Fox</u>	<u>335 Harrison Bridge Road</u>	<u>Simpsonvi lie</u>	<u>SC</u>	<u>29680</u>	<u>864-963- 1004</u>
TX000	2	<u>Mack Cohn</u>	<u>Linda Cohn</u>	<u>3000 South Hulen Suite 113</u>	<u>Ft. Worth</u>	<u>TX</u>	<u>76109</u>	<u>817-737- 3231</u>
TX000	6	<u>Richard Hollis</u>	-	<u>960 N. Walnut Creek Dr. Suite 107</u>	<u>Mansfield</u>	<u>TX</u>	<u>76063</u>	<u>817-473- 2786</u>
TX00	10	<u>Richard Morton</u>	-	<u>8366 Westheimer Road Suite D</u>	<u>Houston</u>	<u>TX</u>	<u>77063</u>	<u>713-266- 8267</u>
TX00	4	<u>Peggy Pendleton</u>	-	<u>713 West Southwest Loop 323 Suite D</u>	<u>Tyler</u>	<u>TX</u>	<u>75701</u>	<u>903-581- 1099</u>
TX00	6	<u>Lori Housden</u>	-	<u>1409 South Main</u>	<u>Wealherfo rd</u>	<u>TX</u>	<u>76086</u>	<u>817-594- 2400</u>
TX00	50	<u>Richard Morton</u>	-	<u>5182 Buffalo Speedway</u>	<u>Houston</u>	<u>TX</u>	<u>77005</u>	<u>713-667- 1826</u>
TX00	35	<u>Don Campbell</u>	-	<u>103 W. Loop 281 Suite 206</u>	<u>Longview</u>	<u>TX</u>	<u>75604</u>	<u>903-663- 2010</u>
TX00	63	<u>Clark Gregory</u>	-	<u>9324 Clifford Street</u>	<u>Ft. Worth</u>	<u>TX</u>	<u>76108</u>	<u>817-246- 1311</u>
TX00	80	<u>Monty Glaze</u>	<u>Anita Glaze</u>	<u>17331 Interstate 35 N. Suite 106</u>	<u>Schertz</u>	<u>TX</u>	<u>78154</u>	<u>210-651- 5826</u>
TX00	81	<u>Norma Pedrero/Gonzalez</u>	<u>Jose Gonzalez</u>	<u>1012 E. Ennis Ave. Suite 1</u>	<u>Ennis</u>	<u>TX</u>	<u>75119</u>	<u>972-875- 1919</u>

TX0082	<u>Bill Artzberger</u>	-	<u>H.E.B. Bay Colony Town Ctr 1804 FM 646 W. Ste C</u>	<u>League City</u>	<u>TX</u>	<u>77573</u>	<u>281-534-4899</u>
TX0099	<u>Amy Turner</u>	-	<u>2881 Matlock Road #101</u>	<u>Mansfield</u>	<u>TX</u>	<u>76063</u>	<u>817-473-1922</u>
TX0100	<u>Sherilyn Carlisle</u>	<u>Sherry Carlisle</u>	<u>1200 Waters Edge Drive, Suite 118</u>	<u>Grandbury</u>	<u>TX</u>	<u>76048</u>	<u>817-573-9020</u>
TX0105	<u>Jennifer Burns</u>	<u>Janne Burns</u>	<u>4410 19th Street, Suite 110</u>	<u>Lubbock</u>	<u>TX</u>	<u>79407</u>	<u>806-792-1404</u>
TX0106	<u>Jennifer Burns</u>	<u>James Burns</u>	<u>4505 98th Street Suite 160</u>	<u>Lubbock</u>	<u>TX</u>	<u>79424</u>	<u>806-687-9655</u>
TX0110	<u>Norma Pedrero/Gonzalez</u>	<u>Jose Gonzalez</u>	<u>1035 N. Hwy 77, Suite 450</u>	<u>Waxahachie</u>	<u>TX</u>	<u>75165</u>	<u>972-937-9455</u>
TX0111	<u>Scott Fuqua</u>	-	<u>824 S. Crowley Rd. Suite 20</u>	<u>Crowley</u>	<u>TX</u>	<u>76036</u>	<u>817-297-0606</u>
TX0112	<u>Kathy Castle</u>	-	<u>900 N. Blue Mound Road, Suite 124</u>	<u>Saginaw</u>	<u>TX</u>	<u>76131</u>	<u>817-232-7848</u>
TX0115	<u>Joey Southern</u>	<u>Jeff Southern</u>	<u>103 N. Brentwood Drive, Suite 350</u>	<u>Lufkin</u>	<u>TX</u>	<u>75904</u>	<u>936-637-2772</u>
TX0126	<u>Richard Morton</u>	-	<u>23144 Cinco Ranch Blvd., Suite E</u>	<u>Katy</u>	<u>TX</u>	<u>77494</u>	<u>281-574-5474</u>
TX0136	<u>Ranclle Humphries</u>	<u>Gary Humphries</u>	<u>6503 FM 1488 Road Suite 409</u>	<u>Magnolia</u>	<u>TX</u>	<u>77354</u>	<u>281-356-8909</u>
TX0141	<u>Buffy McClure</u>	<u>Kevin McClure</u>	<u>2001 Texas Avenue South, Suite 700</u>	<u>College Station</u>	<u>TX</u>	<u>77840</u>	<u>979-695-9250</u>
TX0142	<u>Cynthia Gans</u>	<u>Riek Joran</u>	<u>18130 US Hwy 281 North</u>	<u>San Antonio</u>	<u>TX</u>	<u>78232</u>	<u>210-499-4772</u>
TX0143	<u>Matt England</u>	-	<u>2805 Allen Street, Suite 411</u>	<u>Dallas</u>	<u>TX</u>	<u>75204</u>	<u>214-468-9008</u>
TX0145	<u>Cindy McDaniels</u>	-	<u>15260 Highway 105 W., Suite 134</u>	<u>Montgomery</u>	<u>TX</u>	<u>77356</u>	<u>936-242-6996</u>
UT0001	<u>Leslie Twitchell</u>	-	<u>505 E. 1400 N., Suite 160</u>	<u>Logan</u>	<u>UT</u>	<u>84341</u>	<u>435-753-9701</u>
UT0002	<u>Julie Empey</u>	<u>Jennifer Jackson</u>	<u>2376 E. Red Cliffs Drive, Suite 304</u>	<u>St. George</u>	<u>UT</u>	<u>84790</u>	<u>435-627-2444</u>
UT0006	<u>Eric Baugh</u>	<u>Carrie Baugh</u>	-	-	-	-	<u>801-792-4927</u>
WA0015	<u>Sean Nemece</u>	<u>Charlotte Nemece</u>	<u>509 N Sullivan Road, Suite E</u>	<u>Spokane</u>	<u>WA</u>	<u>99037</u>	<u>509-891-7671</u>
WI0007	<u>Wyatt Foderaro</u>	-	<u>8201 S. Howell Avenue</u>	<u>Oak Creek</u>	<u>WI</u>	<u>53154</u>	<u>847-651-7377</u>

Loc Code	Franchisee-1	Franchisee-2	Address	City	St	Zip	Phone
AK0004	<u>Richard Muhlenbrueh</u>	<u>Erita Muhlenbrueh</u>	<u>2001-East 88th-Suite 404</u>	<u>Anchorage</u>	<u>AK</u>	<u>99507</u>	<u>907-346-7727</u>
AL0005	<u>Dale-Johnson</u>	<u>Paula-Johnson</u>	<u>629-Bear Creek-Rd.</u>	<u>Tusealoosa</u>	<u>AL</u>	<u>35404</u>	<u>205-344-5558</u>

AL0012	Bushra Younus	-	2750 Carl T. Jonas Suite 1210	Huntsville	AL	35802	256-883-7246
AL0013	Darrell Potter	Brooke/Chris Hanson	2135 Mckenzie Street	Foley	AL	36535	251-971-7227
AL0014	Darrell Porter	Darlene Harris	325 South Greeno Road	Fairhope	AL	36532	251-990-0997
AL0016	John Bentley	-	3500 Ross Clark Circle #350	Dothan	AL	36303	334-671-7352
AZ0001	Carlene Franklin	Rochelle Long and Krysti Whittier	12112 North Rancho Vistoso	Oro Valley	AZ	85755	520-877-8266
AZ0002	Diana Moser	-	1840 West Chandler Blvd. Suite 8	Chandler	AZ	85225	480-821-4826
AZ0003	Bob Thompson	Sara Haynes	1841 E HWY 69	Proseott	AZ	86301	928-771-0200
AZ0004	Debbie Huskey	Brian Huskey	975 East Riggs Rd. Suite 11	Chandler	AZ	85249	480-802-1583
AZ0011	David Marsch	Rachel Brumbaugh	1855 E. Guadalupe Rd. Unit A 141	Tempe	AZ	85283	480-456-0202
AZ0015	Sandy Harris	Jim Harris	6525 W. Happy Valley Rd. Suite C107	Glendale	AZ	85310	623-572-2525
AZ0016	Oscar Egly	Becky Egly	2958 West Ina Rd., At Shannon & Ina	Tucson	AZ	85744	520-229-8910
AZ0020	Heather Carpentar	Brad and Sally Olson	59th & Bethrus Lane	Glendale	AZ	85308	623-561-9100
AZ0022	Christy Vtndermolen	-	16610 N. 75th. Ave. Suite 107	Peoria	AZ	85382	623-412-3224
AZ0025	Jeaninne Hurst	-	20283 North Lake Pleasant Rd. Suite 111	Peoria	AZ	85382	623-561-2080
AZ0028	Kim Lewis	Bill Lewis	2110 E. Baseline Rd. Suite 3	Mesa	AZ	85304	480-497-8999
AZ0040	Dawn Mougel	-	3668 W. Anthem Way Suite B154	Anthem	AZ	85086	623-551-6871

AZ9044	Jennifer Newcomb	-	15557 W. Boll Rd. Suite 440	Surprise	AZ	85379	623-975-4313
AZ0066	Kevin Carpenter	Heather Carpenter	13291 W. McDowell Rd. Suite E-6	Goodyear	AZ	85338	623-535-7744
AZ0074	Lee Noehring	Brad Moore	10101 E. Boll Road, Suite 415A	Scottsdale	AZ	85260	480-513-2772
AZ0079	Mick Peterson	Christina Peterson	2500 S. Woodlands Blvd.	Flagstaff	AZ	86001	928-226-1700
AZ0084	Susan Fowler	James Fowler	7385 S. Houghton Road	Tucson	AZ	85747	520-664-1772
AZ0088	Karen Williams	Kory Williams	4280 N. Oracle Road. PAD 5, Suite D	Tucson	AZ	85705	520-23-3077
CA0002	Deanna Hitt	Nancy Hitt	1168 East Yosemite Ave.	Manteca	CA	95387	209-824-3744
CA0005	Kelly Sears	Casey Sears	1800 Oakdale Rd., Ste I	Modesto	CA	95355	209-863-8319
CA0006	Kelly Sears	Casey Sears	2441 Claribel Rd. Ste F	Riverbank	CA	95387	209-863-8320
CA0008	Marvis Catto	Dan Catto	1213 W. March Lane	Stockton	CA	95207	209-477-4726
CA0012	Christy Johnson	Perry Johnson	13890 Peyton Dr. Suite C. Albertsons Shp Ctr	Chino Hills	CA	91709	909-465-9911
CA0015	Hector Marquez	-	7664 Carson Blvd.	Long Beach	CA	90808	562-627-8261
CA0019	Deanna Hitt	Nancy Hitt	4320 Standiford Ave. 10, Northtowne Center	Modesto	CA	95358	209-579-1330
CA0022	Sallie Hoge	-	787 E. Foothill Blvd.	San Luis Obispo	CA	92405	805-545-8267
CA0025	Julie Corbett	Rick Corbett	8154 Elk Grove Blvd. Suite 12	Elk Grove	CA	95758	916-209-8243
CA0029	Sue Dickman	Michael Dickman	2424 Natomas Crossing Dr. Suite 600	Sacramento	CA	95834	916-419-2600
CA0034	Susan Dickman	Michael Dickman	5535 H St. Suite 30	Sacramento	CA	95819	916-456-8266

CA0041	Patti-Decena	Paul-Decena	3988 Rivermark Pkwy	Santa Clara	CA	95054	408-986-1332
CA0042	Patti-Decena	Paul-Decena	409 Bernal Rd. Suite 20	San Jose	CA	95110	408-362-0551
CA0043	Patti-Decena	Paul-Decena	189 Curtner Ave. #60	San Jose	CA	95125	408-297-2772
CA0046	Kevin Nunes	-	4530 Balfour Rd. Suite A	Brentwood	CA	94513	925-634-9826
CA0048	Wayne Kamiya	Marlene Kamiya	1360 El Paso De Saratoga	San Jose	CA	95130	408-378-4826
CA0062	Anthony Core	Tilton Core	4548 Dublin Blvd.	Dublin	CA	94568	925-556-1230
CA0064	Rian-Caton	-	90 Suniso Blvd., Suite 405	Roseville	CA	95664	530-520-942
CA0067	Sean Luk	Daniel Lin	21520 F Yorba Linda Blvd	Yorba Linda	CA	92887	714-693-9900
CA0072	George Adams	-	973 Pleasant Grove Blvd. Ste 120	Roseville	CA	95678	916-772-8266
CA0080	Cerpenite	-	8687 Irvine Center Dr.	Irvine	CA	92618	949-502-8700
CA0083	Miko Schwartz	-	2019 Novato Blvd.	Novato	-	94947	415-209-9585
CA0086	Both Payne	-	40250 Murietta Springs. Unit 112	Murietta	CA	92563	951-304-3337
CA0092	Christinan Muhie	Cintia de Oliveira	527 East Calaveras Blvd.	Milipitas	CA	95025	408-262-8772
CA0098	Philip Loechler	Kirsten Anderson	393 S. Lower Sacramento Rd.	Lodi	CA	95242	209-369-4SPA
CA0101	Mark Baz	-	Winchester Square, 747 South Winchester Blvd.	San Jose	CA	95128	408-261-0101
CA0104	John Kofoed	Elaine Kofoed	3141 Crow Canyon Pl., Ste. C	San Ramon	CA	94583	925-866-1772
CA0105	Todd Smith	Connie Smith	Theatre Square, 151 Petaluma Blvd. South.	Petaluma	CA	94952	707-981-7024

			Ste. 137				
CO0001	Peggy Rao	Brad Rao	Lakewood City Commons 7660 W. Virginia Unit B	Lakewood	CO	80226	303-716-3000
CO0003	Peggy Rao	-	Bowles Village Shopping Center 7735 W. Long Dr. Unit 12	Littleton	CO	80123	720-922-8266
CO0007	Noreen Kelly	Cary Kelly	5491 Stetson Hills Blvd.	Colorado Springs	CO	80923	719-574-8817
CO0009	Sandra Whitten	Tim Whitten	16534 Keystone Blvd. Unit B	Parker	CO	80434	303-840-8444
CO0010	Sandra Whitten	Tim Whitten	6830 S. Liverpool Unit B	Aurora	CO	80016	303-766-7007
CO0013	Susan Muhlenkamp	-	4412 Oakridge Dr. Ste. 106	Fort Collins	CO	80525	970-225-2600
DE0002	Kimberly Kennedy	-	Governors Square II Shopping Center 1215 Quinlille Drive	Bear	DE	19701	302-834-2200
FL0001	Byron Price	-	865 N. Alafaya Trail Waterford Lakes Town centre	Orlando	FL	32828	407-207-2002
FL0002	Rob McLendon	Tonya Moore	1812 South Hwy. 77 Suite 122	Lynn Haven	FL	32444	850-277-1700
FL0008	Rich Spencer	Julio Spencer	17503-A Preserve Walk Lane	Tampa	FL	33647	813-971-9337
FL0009	Brad Potter	-	4300 West Lake Mary Blvd. Suite 1000	Lake Mary	FL	32746	407-333-1077
FL0010	Sheik Thompson	Joshua Martinez	10945 Baymeadows Rd. Suite 108	Jacksonville	FL	32256	904-519-ITAN
FL0011	Robert Driscoll	Stacey Driscoll	6240 N. Federal Hwy	Ft. Lauderdale	FL	33308	954-202-8267

FL0012	Jeff Wilson	-	4650 N. Alafaya Trail	Orlando	FL	32826	407-249-2499
FL0013	Wilder Ruffin	-	3545 SW. 34TH. ST., Suite E Statford Square	Gainesville	FL	33608	352-395-6162
FL0014	Wilder Ruffin	-	3439 West University Ave. Westgale Regency S. Center	Gainesville	FL	32607	352-335-3123
FL0015	Wilder Ruffin	-	800 Ocala Rd. Suite 130	Tallahassee	FL	32304	850-580-7224
FL0018	Rich Spencer	Julie Spencer	9602 West Linebaugh Ave.	Tampa	FL	33626	813-926-5300
FL0019	Bill Wolfe	Joni Wolfe	4859 Now Broad St. Baldwin Park Village center	Orlando	FL	32814	407-826-8685
FL0020	Julio Sponcor	Rich Spencer	27607 Stato Rd. 56 #108	Wesley Chapel	FL	33543	813-991-4433
FL0021	Anno Stewart	-	1040 Bloomingdale Ave.	Valrico	FL	33594	813-657-2TAN
FL0022	Tony Pearson	-	3615 S. Florida Ave. Suite 1200	Lakeland	FL	33803	863-701-0700
FL0023	Chris Ginochetti	Paul Kokesh	3830 W. Noptune Suite C-4	Tampa	FL	33629	813-258-2584
FL0024	Kathleen Thomas	Gerald Thomas	2151 Loche Rane Blvd. Suite 6	Orange Park	FL	32065	904-276-2688
FL0028	Eric Giesler	Jim Giesler	8319 Loekwood Ridge Rd.	Sarasota	FL	34243	941-358-8292
FL0031	Christina Pkis	Timothy Compataron	13820 St. Agustine Rd., Bartram Park, Suite 209	Jacksonville	FL	32258	904-880-4TAN
FL0034	Frank Santoro	-	3120 S. Kirkman Rd.	Orlando	FL	32811	407-942-0176
FL0041	Kym Burton	Clive Burton	13651 Hunter's Oak Dr. Suite 102	Orlando	FL	32837	407-251-1991

FL0043	Greg Crawford	Sherry Crawford	5006 East Fowler Ave. Suite E	Tampa	FL	33617	813-988-2200
FL0044	Greg Crawford	Sherry Crawford	17662 N. Dale Mabry Hwy	Lutz	FL	33548	813-960-0500
FL0046	Chris Ginocchetti	Paul Kokesh	44023 Causoway Blvd. Lake Brandon Shoppes	Brandon	FL	33544	813-654-4141
FL0068	James Toro	Anno Toro	10641 Big Bond Rd.	Riverview	FL	33579	813-741-9280
FL0069	Sam Lawton	Carla Lawton	7813 Mitchell Blvd. #108	New Port Richey	FL	34655	727-372-7221
FL0072	Gassidy Corella	-	740 4th St. North Roundlake Plaza	St. Petersburg	FL	33701	727-823-7680
FL0081	Michael Beyer	Ramiro Hernandez	9545 S. Dixie Hwy.	Miami	FL	33156	305-661-9760
FL0086	Heather Okeefe	-	11700 San Jose Blvd. #12	Jacksonville	FL	32223	904-288-0741
FL0093	Lynn Patterson	-	4434 Hoffner Ave.	Orlando	FL	32812	407-856-7411
FL0097	Julie McWilliams	Gilbert McWilliams	8346 Little Read	New Port Richey	FL	34654	727-847-3075
FL0101	David Hale	Teresa Hale	2644 Southwest 19th Ave. Rd. (Easy Street), Suite 500	Ocala	FL	34474	352-369-8266
FL0111	Jeff Wilson	Justine Wilson	15497 Stoneybrook West Parkway	Winter Garden	FL	34787	407-654-9956
FL0118	Marina Westover	Steve Healy	1551 South US Highway 1 Suite 103	Vero Beach	FL	32960	772-562-3826
FL0120	Naney Krelz	-	2909 James L. Rodman Pkwy Ste 9	Plant City	FL	33566	813-754-0212
FL0135	Tommy Lloyd	-	13740 Beach Blvd #403	Jacksonville	FL	32224	904-821-8752
FL0137	Clint Cone	Monica Cone	40437 Sorrento Rd.	Pensacola	FL	32507	850-456-3099

			Unit 304				
FL0143	Millie Spruill	Jennifer Spruill	7246 Gall Blvd Unit 10	Zephyrhills	FL	33544	813-715-4500
FL0144	Mendy Bowen -Nagy	Donna Styner	6611 Orion Drive #110	Ft Myers	FL	33012	239-433-7727
FL0151	Robert Williams	Pam Williams	Harbour Village, 13457 Atlantic Blvd., Suite 2	Jacksonville	FL	32225	904-221-0162
FL0154	Gregory Bloom	Ann Marie Bloom	14164 S. R. 70 E Suite 404	Bradenton	FL	34202	941-752-4772
FL0157	Jennifer Cabrera	-	3503 N.E. 163rd Street	North Miami Beach	FL	33160	305-948-0461
FL0158	Bob Egger	Jeanette Egger	8530 SW 124th Ave. Ste. 105	Miami	FL	33183	305-271-1089
FL0159	Bob Egger	Jeanette Egger	959 West Ave South Beach	Miami	FL	33439	305-271-1090
FL0173	Dustin Janis	Lacey Janis	40500 Ulmerton Road, Suite 850	Large	FL	33771	727-586-4569
FL0176	Lera Barrett	-	4074 Ridgemoor Blvd	Palm Harbor	FL	34685	727-386-4146
GA0003	Cyd Novak	-	2250 Sandy Plains Rd. Suite 310	Marietta	GA	30066	770-321-8826
GA0014	Cyd Novak	-	1619 Collins Rd. Suite 100	Kennesaw	GA	30152	678-354-3826
GA0017	Don Padilla	-	1426 Towne Lake Pkwy Suite 103	Woodstock	GA	30189	770-926-7880
GA0020	Zennie Lynch	-	2625 Piedmont Rd. @ Sidney Marcus Blvd.	Atlanta	GA	30324	404-846-0110
GA0021	Zennie Lynch	-	650 Ponce De Leon Ave. Suite 670-A	Atlanta	GA	30308	404-817-7776
GA0030	Chuck Mangum	Amy Mangum	4475 Holcomb Bridge Rd. Suite 185	Roswell	GA	30076	770-649-4889
	Dennis	Jennifer	588 Boyson	Geder	IA	52402	319-378-8700

IA0001	Hendersan	Henderson	Rd. NE, Suite 448	Rapids			
IA0004	Leslie George	-	3245 William Pkwy. SW Suite-2	Geder Rapids	IA	52404	319-365-4115
IA0012	Julio Gerber	Michael Smojkal	4700 Tama St. SE Suite 300	Geder Rapids	IA	52403	319-373-1055
IA0014	Ryan Evans	-	1805 SE Delaware Ave. Suite 4200	Ankeny	IA	50021	515-965-8028
ID0002	Jim Barnes	Joan Barnes	1701 West State Street	Boise	ID	83702	208-342-7159
ID0003	Jim Barnes	Joan Barnes	979 East Parkecenter	Boise	ID	83706	208-345-8203
ID0004	Derek Pica	Vicki Pica	178 E. Maine Suite D	Nampa	ID	83686	208-465-6511
ID0005	Derek Pica	Vicki Pica	1756 W. Cherry Lane	Meridian	ID	83642	208-884-3140
ID0006	Derek Pica	Vicki Pica	8201 Overland Rd. Suite 120	Boise	ID	83709	208-323-7740
ID0017	Derek Pica	-	4474 Caldwell Blvd.	Nampa	ID	83654	208-467-4180
IL0007	Brad Eilertsen	Dana Eilertsen	20330 Door Park Blvd. Suite 118	Door Park	IL	60010	847-726-8262
IL0010	Frank Hofsteadter	Jean Hofsteadter	2208 N. Richmond Rd. Suite B	McHenry	IL	60050	815-385-9477
IL0013	Anthony Abate	Judy Abate	100 South Atkinson Road Suite 108/109	Grayslake	IL	60030	847-223-4386
IL0018	Aaron Spaid	Shannon Spaid	115 Krispy Kreme Dr. Suite 3	Bloomington	IL	61704	309-661-1418
IL0021	Fred Morgenthaler	Vie Scodius	211 East Butlerfield Rd	Elmhurst	IL	60126	630-832-8826
IN0001	Cindy Chariton	Tom Chariton	8247 Wicker Ave	St. John	IN	46373	219-365-5885
IN0003	Gimly Chariton	Tom Chariton	714 North Main Street	Crown Point	IN	46307	219-662-5885
IN0004	Cindy Chariton	Tom Chariton	Silhavy Square Suite 501-503	Valparaiso	IN	46383	219-462-0770
	Don Lutton	Becky Lutton	Highpoint	Newburgh	IN	47630	812-490-8267

IN0005			Commerce Center 8211-A Boll Oaks Dr.				
KS0001	Price Ranch	Sara Rauch	324 A Southwind Rd.	Manhattan	KS	66302	785-776-8267
KS0002	Melissa Hoist	Beckie Hoist	4987 W. 119th St.	Olathe	KS	66062	913-397-0158
LA0004	Stove Smith	-	5300 Tchoupitoulas Suite F-7	New Orleans	LA	70115	504-891-8267
LA0003	Bobbie Kuhn	-	2 Saint Ann Place Suite 4	Mandoville	LA	70471	985-727-4007
LA0004	Chuck Mayeux	Judy Mayeux, Rebecca Mayeux	301 Burgundy Street	New Orleans	LA	70112	504-525-8266
LA0005	Gathy Blanchard	-	3501 Chateau Blvd. Suite E6	Kenner	LA	70065	504-468-8266
LA0006	Anthony Sequeira	Wendy Sequeira	3501 Severn Ave Suite 7	Metairie	LA	70002	504-456-6373
LA0010	Tanya Sholar	-	3025 Highway 51	Laplace	LA	70068	985-651-8267
LA0011	Jodi Mateu	Luis Mateu	1000 S. Clearview Pkwy Suite 1006	Harahan	LA	70123	504-736-0555
LA0012	Tim Normand	Teresa Normand	5720 Corporate Blvd.	Baton Rouge	LA	70808	225-927-4826
LA0013	Paula Haslauer	-	3904 General De Gaulle	New Orleans	LA	70144	504-363-8266
LA0014	Toby Normand	Jennifer Normand	4602 South Burnside Suite B	Gonzales	LA	70737	225-647-7851
LA0015	Helene Morse	Meghan Morse	1970 Ormond Blvd. Suite B-2	Destrehan	LA	70047	985-764-8366
LA0016	Nancy Price	-	4309 Barataria Blvd. Suite A	Marrero	LA	70072	504-340-8267
LA0019	Mike Chappuis	-	701 Metairie Rd. Suite 2A103	Metairie	LA	70005	504-836-2826
LA0020	Nicole Merriek	-	701 Dame St.	New Orleans	LA	70148	504-865-8266
LA0022	Loann Ledet	David Ledet, Lauren Ledet	8615 Highway 23	Belle Chase	LA	70037	504-433-9040

LA0024	Leland Wolf	Monica Wolf	5703 Essen Lane Suite A-4	Baton Rouge	LA	70809	225-761-4826
LA0025	Annie Possa	-	4710 O'Neal Lane Suite 443	Baton Rouge	LA	70817	225-754-4826
LA0026	Brandy Salbador	Justin Montano	9380 Old Hammond Hwy.	Baton Rouge	LA	70809	225-926-0156
LA0027	Carrie Buxton	James Buxton	4410 Highland Rd. Suite 4 A	Baton Rouge	LA	70808	225-769-4833
LA0030	Wendy Sequeira	-	6924 Veterans	Metairie	LA	70003	504-872-9525
LA0031	Paula McCrocklin	Mark McCrocklin	6360 Youree Drive	Shreveport	LA	71105	318-797-8826
LA0032	Jennifer Nermard	Toby Normand	17188 Airline Hwy. Suite F	Prairieville	LA	70769	225-744-4826
LA0033	Robby Turner	Jeff Canady	4783 Secretary Dr.	Zachary	LA	70701	225-654-8826
LA0024	Tanya Chauvin	-	500 Corporate Dr. Suite M	Houma	LA	70360	985-580-4700
LA0039	Ann Patterson	-	1121 S. Range Ave. Suite A	Denham Springs	LA	70726	225-665-6193
LA0046	Kathy Hmidan	-	1600 Saint Charles Ave.	New Orleans	LA	70130	504-586-8267
LA0047	Lynn Bery	-	33875 La Hwy 16 E	Denham Springs	LA	70706	225-791-6605
LA0048	Daryl Torry	Fran Terry	4501 Jackson Street Suite B	Alexandria	LA	71303	318-448-9010
LA0040	Tonee Rowley	-	41445 Coursey Blvd. Suite B	Baton Rouge	LA	70816	225-292-9199
LA0050	Jameson Chauvin	Jennifer Chauvin	40970 Highland Rd. Suite B-2	Baton Rouge	LA	70809	225-751-8356
LA0054	Jodie Mateu	Luis Mateu	10162 Jefferson Hwy.	River Ridge	LA	70123	504-739-7960
LA0053	Tanya Chauvin	-	610 North Canal Blvd. Suite 10	Thibodaux	LA	70301	985-446-9969
LA0054	Lee Bozeman	Korri Bozeman	28050 Walker South Rd.	Walker	LA	70707	225-667-8262
LA0055	Regina Crawford	Patrick Crawford	14455 Wax Road Suite Q	Baton Rouge	LA	70818	225-262-4786
LA0057	Roxanne Minet	Paul Minet	12715 C Hwy 90 Suite 2	Luling	LA	70070	985-331-8266

LA0061	Fran Terry	Daryl Terry	4421 Hwy 165 North (Next to Red River Bank)	Pineville	LA	74360	318-640-3777
LA0062	Keith Griffen	-	709 Keyser Ave.	Natchitoches	LA	74458	318-354-1944
LA0063	Kathy Hmidan	-	2222 Clearviow Pkwy HI	Metairie	LA	70004	504-218-4514
LA0067	Annie Slaven	Ctristine Slaven	2865 Ambassador Caffery Suite 120	Lafayette	LA	70506	337-984-4408
LA0075	Ryan Stansbury	Shannon Stansbury	70452 Hwy. 21 Suite 400	Covington	LA	70433	985-871-8267
LA0070	Michael Oubre	Jill Oubre	4445 Highway I South	Port Allen	LA	70767	225-749-8826
LA0083	Chris Marriono	Mindy Martiono	721 Veteran Blvd	Metairie	LA	70005	504-849-9188
LA0087	Keith Griffith	-	726 Celebrity Drive	Ruston	LA	71270	318-255-5552
LA0094	Karin St. Romain	Holly Sanchez	730 Brownswitch Rd. Suite I	Stidell	LA	70458	085-649-9826
LA0095	Beau Blake	-	1800 East Judge Perez Drive	Chalmette	LA	70043	504-278-8990
LA0097	Paula McCrocklin	Mark McCrocklin	Airline Plaza, 2151 Airline Drive	Bossier City	LA	71144	318-549-1772
LA0099	Marcie McIntosh	Richard Juka	2701 Manhattan Blvd	Harvey	LA	70058	504-361-1488
LA0103	Andria McNeil	-	867 Teny Pkwy Suite I	Terrytown	LA	70056	504-324-8473
MA0002	Paul Santosca	-	3 Roche Brothers Way Unit C	Easton	MA	2336	508-238-0772
MD0004	Russell Miller	-	35-37 East Cross St.	Baltimore	MD	24230	410-752-0023
MI0001	Nancy Maryniak	-	2107F South Cleveland Ave	Saint Joseph	MI	49085	269-982-2999
MI0003	Katrynia Strikwerda	David Strikwerda	1545 S. Division Suite 117	Traverse City	MI	49684	231-946-7299
MI0004	Craig Baughman	Stephanie Baughman	7904 Oakland Dr.	Portage	MI	49024	269-321-9800
	Craig	-	3266 Stadium	Kalamazoo	MI	49008	269-372-2900

MI0005	Baughman		Drive				
MI0008	Shari Bartos	Hank Bartos	31106 Beek Road	Novi	MI	48577	248-624-4826
MN0004	Mary Edam	-	7678 West 160th Street	Lakeville	MN	55044	952-891-5949
MN0006	Mike Whitelaw	-	7731 Flying Cloud Dr.	Eden Prairie	MN	55344	952-941-6050
MN0008	David Zaroff	Tom Hymnson	501 Washington Ave. S. Suite 450	Minneapolis	MN	55445	612-332-1600
MN0009	David Zaroff	Tom Hymanson	1221 West Lake Street Suite 110	Minneapolis	MN	55408	612-823-3377
MN0010	David Zaroff	Tom Hymanson	7920 Main Street North	Maple Grove	MN	55569	763-420-0035
MN0013	Riek Lovik	Kelly Lovik	44110 Highway 13 Suite 106	Savage	MN	55378	952-226-5826
MN0017	Tom Vaith	Grant Vaith	1514 Como Ave. S.E.	Minneapolis	MN	55444	612-331-1169
MN0034	Mike Whitelaw	-	7610 Lyndale Ave. South	Richfield	MN	55423	612-861-5555
MN0036	Naney McMoran	Scott McMoran	Hastings Marketplace 1775 Market Blvd.	Hastings	MN	55055	651-438-6855
MN0039	Joan Stein	Larry Stein	1671 W. County Road C Rosedale Square shopping center	Roseville	MN	55113	651-636-6434
MN0045	Scott McMoran	-	1600 Warren st. Suite 200	Mankato	MN	56001	507-344-8267
MN0049	Charlie Kaney	Rita Hathaway	780 Main St. Marketplace Lots	Hopkins	MN	55343	952-938-2445
MN0065	David Zaroff	Tom Hymanson	1049 Grand Ave.	St. Paul	MN	55105	651-222-0400
MO0003	Thomas Lunnen	Sunny Gunnoe	243 SW Greenwich Dr	Lees Summit	MO	64082	816-623-3990
MS0003	Marie Porter	-	15238 Crossroads Pkwy	Gulfport	MS	39503	228-832-7724
MS0005	Marie Porter	-	2402 Pass Rd. Unit D	Biloxi	MS	39531	228-385-8550
MS0006	Shannon Aleman	-	653 Delaware Ave.	McComb	MS	39648	601-250-0091

MT0001	Brandon Preece	Julie Preece	2030 Cromwell Dixon Lane Unit 4	Helena	MT	50601	406-449-6500
MT0002	Tom Burgess	Dawn Burgess	1928 N. 22nd Unit 3	Bozeman	MT	50718	406-551-2078
MT0004	Kelli Cook	-	425 Northwest Bypass	Great Falls	MT	59404	406-727-7722
MT0005	Richard Reopelle	Jamie Reopelle	5050 Harrison Ave.	Bulte	MT	59701	406-491-0772
MT0006	Amber Earp	Carie Keller	Plaza 24, 724 24th Street West, Suite 2	Billings	MT	50102	406-839-2300
NC0005	Henry Love	Suzanne Love	3241 Avont Ferry Rd. Suite 105	Raleigh	NC	27606	919-859-9600
NC0006	Henry Love	Suzanne Love	1201 Raleigh Rd. Suite D	Chapel Hill	NC	27517	919-929-2998
NC0009	Janet Croy	Robert Croy	1287 NW Maynard Rd.	Cary	NC	27513	919-463-9533
NC0014	Dave Downing	Brent Marek	8524 Brier Creek Pkwy Bldg. 23 Ste. 115	Raleigh	NC	27617	919-361-8826
NC0021	Randy Baier	-	800 W. Williams Suite 160	Apex	NC	27502	919-302-7002
NC0036	Brent Marek	Candace Marek	3415 Westgate Dr. Suite 104	Durham	NC	27707	919-419-8826
NC0037	Brent Marek	Candace Marek	1141-101B Sixforks Rd	Raleigh	NC	27609	919-571-8826
NC0038	Ag Marsonia	Pryia Marsonia	6807 Foyetteville Rd. Suite 119	Durham	NC	27713	919-572-7737
NC0042	Debbie Cross	Dale Cross	3000 Henderson Drive	Jacksonville	NC	28546	910-355-2826
NC0052	Bront Marek	Candace Marek	Cary Crossroads Area 280 Meeting St., Suite 106	Cary	NC	27518	919-233-7451
NC0063	Steve Ahearn	Valerie Ahearn	6660 Carmel Rd	Charlotte	NC	28226	206-650-0393
NC0064	Kristi Hanzel	Thomas Hanzel	280 Meeting St., Suite 106	Cary	NC	27518	919-232-7451
NH0001	Josee Lapointe	-	Nashua Mall + Coliseum	Nashua	NH	3063	603-594-0500

				Ave.				
NJ0004	Jessica Breitenbruck	Noele Breitenbruck	1157 State Route 35	Middletown	NJ	7748	732-671-8267	
NJ0006	Russell Jacques	-	2101 Route 35 Heimdel Towne Centre	Heimdel	NJ	7733	732-796-0027	
NJ0032	Steve Barsamain	-	Miltown Rd. & US Hwy 1 Suite 24	North Brunswick	NJ	7753	732-774-0051	
NJ0035	Donald Lowery	Christina Lowery	820 Franklin Ave.	Franklin Lakes	NJ	7447	201-891-4555	
NJ0037	Eric Siskin	-	4250 Dearborn Circle Village	Mt. Laurel	NJ	8054	856-778-0444	
NJ0038	Donald Lowery	Christina Lowery	500 S. River St. (Riverfront Plaza)	Hackensack	NJ	7601	201-641-0544	
NM0004	Bill Walters	Tammy Walters	8201 Golf Course Rd. NW	Albuquerque	NM	87120	505-890-4070	
NM0004	Mona Jones	Scott Jones	701 Unser Blvd. SE, Unit 7	Rio Rancho	NM	87124	505-892-7772	
NM0005	Mona Jones	Scott Jones	4009 E. Main Street	Farmington	NM	87402	505-892-7772	
NV0003	Eric Neville	-	55 S. Valle Verde Dr. Suite 400 D	Henderson	NV	89012	702-257-8267	
NV0006	Keith Sarna	Kevin Sarna	4632 S. Maryland Parkway Suite 16	Las Vegas	NV	80110	702-798-8826	
NV0011	Lloyd Zellner	Russine Zellner	3785 Centennial Blvd.	Las Vegas	NV	89140	702-242-4772	
NV0012	Steve Keifer	-	Apache Shopping Center, SWC of Ft. Apache & Reno	Las Vegas	NV	80148	702-982-1772	
NY0008	Matthew James	Shannon James	Executive Woods 844 Rt. 146	Clifton Park	NY	12065	518-371-5700	
NY0027	Randi Dessingue	-	1800 Western Ave.	Albany	NY	12203	518-456-3003	
NY0038	Jim Lyon	Johanna Lyon	592 New Loudon Road	Latham	NY	12110	518-361-1166	

OK0002	D'Lynn Bushyhead	Bow Bushyhead	Village at Woodland Hills, 6612 S. Memorial Drive	Tulsa	OK	74133	918-250-4772
OR0003	Dan Kowalski	Berit McClure	Tanasbourne Central Shopping Center, 1874 NW 188th Street	Hillsboro	OR	07124	503-746-6059
PA0003	Bryan Aten	Maddy Aten	The Shops at Blue Bell 1738 DeKalb Pike	Blue Bell	PA	19422	610-272-6101
PA0005	Jeannine Ingraham	Miko Ingraham	127 East Swedesford Rd.	Exton	PA	49341	610-363-6907
PA0009	Paul Ross	Sandra Ross	121 Mulone Dr. South Pike Square	Snover	PA	16055	724-295-9920
PA0016	Chorie Friedman	-	1075 West Chester Pike	West Chester	PA	10380	610-738-4772
PA0019	Ken Fetrow	Mary Fetrow	351 Loueks Rd.	York	PA	17404	717-843-4772
SC0001	Jeff Argenio	-	840-A Coleman Blvd.	Mt. Pleasant	SC	29464	843-856-1855
SC0002	Cary Lucea	Debbie Lucea	US-278 East at Buck Island Rd.	Bluffton	SC	29910	843-815-4826
SC0006	Bruce Burke	-	215 Polham Rd. Suite B 209	Greenville	SC	29615	864-233-1003
SC0007	Cheryl Fox	Nick Fox	335-B Harrison Bridge Rd.	Simpsonville	SC	29680	864-963-1004
TN0011	Carla Steadman	-	130 Terrace Lane Ste. 4	Morris Town	TN	37814	423-348-1006
TX0002	Mack Cohn	Linda Cohn	3000 South Hulen Suite 443	Ft. Worth	TX	76109	817-737-3231
TX0006	Richard Hollis	-	960 N. Walnut Crook Dr. Suite 107	Mansfield	TX	76063	817-473-2786
TX0020	Richard Morton	-	8366 Westheimer Road Suite D	Houston	TX	77063	713-266-8267
TX0034	David Davidson	Remi Vallejo	1420 Cypress Creek Rd.	Cedar Park	TX	613	512-249-8267

			Suite 800				
			713 West Southwest Loop 323 Suite D				
FX0042	Peggy Pendleton	-		Tyler	TX	75701	903-581-1099
FX0046	Lori Housden	-	1409 South Main	Weatherford	TX	76086	817-504-2400
FX0050	Richard Morton	-	5182 Buffalo Speedway	Houston	TX	77005	713-667-1826
FX0055	Don Campbell	-	103 W. Loop 281 Suite 206	Longview	TX	75604	903-663-2010
FX0062	Amy Turner	-	6320 U.S. Hwy. 287 S. #106	Arlington	TX	76004	817-483-6633
FX0063	Clark Gregory	-	9324 Clifford Street	Ft. Worth	TX	76108	817-246-1311
FX0065	Lisa Loftis	-	5604 Colleyville Blvd. Unh D	Colleyville	TX	76034	817-849-1234
FX0080	Monty Glaze	Anita Glaze	17334 Inlorstate 35 N. Suite 106	Schertz	TX	78454	210-651-5826
FX0081	Norma Pedrero	Jose Gonzalez	1012 E. Ennis Ave. Suite 1	Ennis	TX	75110	972-875-1919
FX0082	Bill Arlzborger	-	H.E.B. Bay Colony Town Center 1804 FM 646 W. Suite C	League City	TX	77573	281-534-4899
FX0087	Stephaine Whitlock	David Whitlock	6710 W. Virginia Parkway Suite 215	McKinney	TX	73071	972-540-2244
FX0099	Amy Turner	-	2881 Matlock Road #101	Mansfield	TX	76063	817-473-1922
FX0100	Shorilyn Carlisle	-	1200 Waters Edge Dr. Suite 118	Grandbury	TX	76048	817-573-9020
FX0105	Jenni Burns	James Burns	4410 19th St. Suite 110	Lubbock	TX	79407	806-792-1404
FX0106	Jenni Burns	James Burns	4505 98th Street Suite 160	Lubbock	TX	79424	806-687-9655
FX0110	Norma Pedrero	Jose Gonzalez	1035 N. Hwy #77 Suite 450	Waxahachie	TX	75165	972-937-9455
FX0111	Scott Fuqua	-	824 S. Crowley Rd. Suite 20	Crowley	TX	76036	817-297-0606
FX0112	Kathy Castle	-	900 N. Bluemound	Saginaw	TX	76134	817-232-7848

			Rd. Ste. 124				
TX0115	Keith Griffith	Joey Souhem	103 N. Brentwood Drive	Lufkin	TX	75901	936-637-2772
TX0126	Kevin Tankersley	Reneo Tankersley	23144 Cineo Ranch Blvd., Suite E	Katy	TX	77404	281-574-5474
TX0136	Ranollo Humphries	Gary Humphries	W. Wood Village, F.M. 1488 & F.M. 2978	Magnolia	TX	77354	281-356-8909
TX0141	Buffy McClure	Kevin McClure	2001 Texas Ave. South, Suite 700	College Station	TX	77840	979-695-9250
TX0142	Cynthia Cans	Rick Joran	18130 US Hwy 281 North	San Antonio	TX	78232	210-499-4772
TX0143	Matt England	-	2805 Allen St., #411	Dallas	TX	75204	214-468-9008
UT0001	Richard Leisy	Mica Leisy	505 East 1400 North, Suite 160	Logan	UT	84341	435-753-9701
UT0002	Julie Emroy	Jennifer Jackson	2376 E. Red Cliffs Dr.	St. George	UT	84700	435-627-2444
WA0015	Sean Nemece	Charlotte Nemece	500 N Sullivan Road, Suite E	Spokane	WA	99037	509-891-7671
WA0017	Marie Resethai	-	12908 N Highway 395	Spokane	WA	99218	509-464-4772
WI0001	Cindy Robbins	-	8201 S. Howell Avenue Ste. 300	Oak Creek	WI	53345	414-570-1826

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

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Planet Beach. 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.

EXHIBIT D

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT**

- 1. LIST OF EXITED FRANCHISEES**
- 2. LIST OF EXITED AREA REPRESENTATIVES**
- 3. LIST OF EXITED FRANCHISEES THROUGH TRANSFERS**

1. LIST OF EXITED FRANCHISEES AND/OR LOCATIONS AS OF DECEMBER 31, 20110

Alabama

Armin & Melissa Tesvich
1916 Wildwood Pl.
Mobile, AZ 36609
251-533-6588
AL0007
AL0009 and Multi-Unit Option

67 South Higlev Road Suite 105
Higlev, AZ 85236
480-892-6307
AZ0029
Abandonment

Rod & Van Smith and Esther Mc Grath
4545 N. Scottsdale Rd. Suite 105A
Scottsdale AZ 85251
480-945-8267
AZ0070
Abandonment

Arizona

Jeff Moore
622 W. Silver Creek Rd.
Gilbert AZ 85233
480-545-8267
AZ0008
Abandonment

Bill and Lyn DeHaven
23142 W. Watkins St.
Buckeye AZ 85326
623-386-0768
AZ0080

Steve and Katie Schattenberg
25590 N. 68th Drive
Peoria, AZ 85383
(602) 881-4636
AZ0048
Abandonment

Debbie Huskey
4405 East Ray Road
Suite 2
Phoenix, AZ 85044
480-857-1250
AZ0006

Bobby and Melissa Brown
25673 N. 71st Drive
Peoria, AZ 85383
(602) 413-1304
AZ0020
Abandonment

Charles and Judith Stansbury
15010 N. El Pueblo Blvd.
Fountain Hills, AZ 85268
602-996-1421
AZ0010

David and Jeannine Hurst
2501 W. Happy Valley Rd Suite 50-1230
Phoenix AZ 85085
623.582.0007
AZ0060
Abandonment

Bob & Candra Thompson
22336 E. Queen Creek Road
Queen Creek, AZ 85242
480-987-9309
AZ0009 and AZ0034

Judith & Charles Stansbury
2120 E. Rosmonte Dr.
Phoenix AZ 85024
512-252-1521
AZ0030
Abandonment

Michelle Tilion
20123 E. Chestnut Drive
Queen Creek, AZ 85242
480-888-0868
AZ0069

Jeff Blankenship and Ainee Bielenberg

Bob Thompson
Sara Haynes
1841 E HWY 69
Prescott, AZ 86301
928-771-0200

AZ0003
Susan Fowler
James Fowler
7385 S Houhton Road
Tuscon, AZ 85747
520-664-1772
AZ0084

Jennifer Newcomb
15557 W. Bell Rd. Suite 410
Surprise, AZ 85379
623-975--4313
AZ0044

David Marsch
Rachel Brumbaugh
1855 E. Guadalupe Rd. Unit A 111
Tempe, AZ 85283
480-456-0202
AZ0011

Mick Petersen
Christina Peterson
2500 S. Woodlands Blvd.
Flagstaff, AZ 86001
928.226.1700
AZ0079

California

David and Rebecca Monge
5087 Summerhill Dr.
Oceanside, CA 92057
(760) 639-3662
CA0086
Abandonment

David and Rebecca Monge
5087 Summerhill Dr.
Oceanside, CA 92057
(760) 639-3662
CA0087
Abandonment

Robert Smith
12118 Fearl Drive
Waterford, CA 95385
209-874-5505
CA0020
Abandonment

Mike Siiva
1169 Central Ave.
Livermore, CA 94551
(925) 525-1394
CA0030
Abandonment

Wayne & Karen Bodine
11226 Sunset Hills Ct.
Auburn C 95602
(530) 368-1318
CA0072
Abandonment

Michael & Cheryl Barrows
30 Seahorse Ct.
Discovery Bay CA 94505
925-516-1851
CA0094
Abandonment

Richard and Cynthia Larez
12544 Empire Pl.
Victorville, CA 92392
(760) 220-1157
CA0011
Abandonment

Kevin Delu and Lisa Lopes
10400 Twin Cities Rd. Suite 30
Galt, CA 95632
(209) 581-1248
CA0009.65 & 66
Abandonment

William & Michelle L'Heureux
5284 Via Patricia
Thousand Oaks CA 91320
805-427-2192
CA0049
Abandonment

Sarah and Dion Davies
589 West A Street
Dixon, CA 95620
530-979-7616
CA0097

Kevin Delu
P.O. Box #3
Herald, CA 95638

209-748-2952
CA0064 and Multi-Unit Option

Anthony Gore
11872 Main Street
Sunol, CA 94586
925-862-0696
CA0061

Fred Rasuli
225 Sunnyhill Drive
Turlock, CA 95382
209-668-9567
CA0002 and CA0044

[REDACTED BY REQUEST]

Susan Dickman
Michael Dickman
5535 H St. Suite 30
Sacramento, CA 95819

916-456-8266
CA0031

Patti Decena
Paul Decena
189 Cirtner Ave. #60
San Jose, CA 95125
408-297-2772
CA0043

Sean Luk
Daniel Lin
21520-F Yorba Linda Blvd
Yorba Linda, CA 92887
714-693-9900
CA0067

Colorado

Robert and Biedenbach
11895 Stagecoach Drive
Parker, CO 80133
(303) 570-1188
CO0012
Fail to Open

Peggy Rae
Bowies Village Shopping Center
7735 W. Long Dr. Unit 12
Littleton, CO 80123
720-922-8266
CO0003

Connecticut

Tim Stubbs & Alan Waitze
6 Susan Lane
Newton, CT 06470
203-364-9000
CT0001

Delaware

Jeff & Nicole Oldham
8 Greystone Dr.
Lewes DE 19958
DE0001
Fail to Open

Kimberly Kennedy
Governors Square II Shopping Center
1215 Quintillo Drive
Bear, DE 19701
302-834-2200
DE0002

Florida

Jeremy Adkins
9933 Marsh Pointe Dr.
Orlando, FL 32832
(321) 278-6386
FL0094 & 95
Abandonment

Eron and Tina Walker
21027 Pine Knot Lane
Land O' Lakes, FL 34637
(813) 389-2106
FL0017
Abandonment

Eron and Tina Walker
21027 Pine Knot Lane
Land O' Lakes, FL 34637
(813) 389-2106
FL0138 - 140

Fail to Open

Nancy Kretz
3460 Silverstone Ct.
Planet City, FL 33566
813-754-7235
FL0038
Failure to Open

Curtis Nicholas
33 Maxted Rd.
London UK SE154LL
FL0141
Failure to Open

Cindi and Mike Johnston
2450 River Rise Court
Orlando, FL 32828
(407) 256-5139
FL0057 – 59
Abandonment

Dwight & Missie Dykes
531 S.E.13th Street
Pompano Beach, FL 33060
954-784-8203
FL0016
Fail to Open

Melissa Derosa
2032 Cascada Coves Dr.
Orlando, FL 32820
407-568-4336
FL0041
Abandonment

Melissa DeRosa and Gene Derosa
1930 Big Cypress Dr.
St. Cloud, FL
(407) 405-8557
FL0124-125
Fail to open

Frank Santoro
158 Villa Dieste Terrance
Lake Mary FL 32746
631-234-4930
FL0035
Multi Option

Brad Potter & Suzanne Cerniglia

3865 Corrine Dr.
Orlando FL 32814
407-908-2675
FL0078
Fail to Open

Steve Sanchez
20 S. Treasure Drive
Tampa, FL 33609
(813) 207-2071
FL0073
Abandonment

Michael and Deloris Paul
4008 SW 97th Dr.
Gainesville, FL 32608
352-333-3831
FL0101
Abandonment

Travis York
1151 East Blount St.
Pensacola FL 32503
FL0006
Fail to Open

Margaret Pasterchik
105 Tralee Court
Lake Mary, FL 32746
(407) 302-7902
FL0049
Abandonment

Robert Burbach
16416 Turnbury Oak Dr.
Odessa, FL 33556
813-792-9279
FL0027 and FL0039-0040

David Cornelius
437 14th Ave. N.
St. Petersburg, FL 33701
727-892-6022
FL0116 and Multi-Unit Option

David Guttentag
P.O. Box 565351
Pinecrest, FL 33256
786-229-8461
FL0096

Jay and Jessica Jones
891 West Taylor Rd.
Deland, FL 32720

And

Roger Koop
1234 Helen Dr.
Deland, FL 32710
386-738-3903
386-738-7864
FL0115

Carter and Michelle McCollum
18492 105th Rd.
McAlpin, FL 34654
386-208-2447
FL0087-89

John & Deneen Oliveira
22546 Eagles Watch Drive
Land O Lakes, FL 34639
727-946-9550
FL0091

Amit Patel
13904 Pepperrell Dr.
Tampa, FL 33624
813-569-0705
FL0120-121

Anthony Pearson
505 Easton Dr.
Lakeland, FL 33803
863-660-3482
FL0036

Debbie and Howard Rosenblum
3152 Floral Way E
Apopka, FL 32703
407-786-1162
FL0036, FL0090, FL0091 and FL0092

David Guttentag
PO Box 565351
Pinecrest, FL 33256
786-229-8461
FL0096

James and Shirley Ingram

13209 Laraway Court
Riverview FL, 33569
813-672-6337
FL0100

Rhonda Smith
5991 SW Cr 791
Lake Butler, FL 32054
386-364-4945
FL0087

Steven Spears
19848 Casa Verde Way
Ft. Myers, FL 33967
239-433-3307
FL0148-0150

Craig and Tracy Tirrell
1356 Mainsail Drive
#1412
Naples, FL 3414
239-389-0092
FL0017

Travis York
4761 Bayou Blvd.
Pensacola FL 32534
FL0004

Travis York and William Hutchinson
40 W. Nine Mile Rd.
Suite G
Pensacola, FL 32534
(850) 484-6966
FL0003

Anne Stewart
1040 Bloomingdale Ave.
Valrico, FL 33594
813-657-2TAN
FL0021

Millie Spruill
Jennifer Spruill
7246 Gall Blvd Unit 10
Zephyrhills, FL 33541
813-715-4500
FL0143

Clint Cone

Monica Cone
10437 Sorrento Rd., Unit 304
Pensacola, FL 32507
850-456-3099
FL0137

Steve Healy
5925 Carriage Lake Court
Vero Beach, FL 32968
813-926-5300
FL0118

Millie Spruill
Jennifer Spruill
7246 Gall Blvd Unit 10
Zephyrhills, FL 33541
813-715-4500
FL0143

Anne Stewart
1040 Bloomingdale Ave.
Valrico, FL 33594
813-657-2TAN
FL0021

Georgia

Brian and Doni Bosack
3722 Thomebrooke Place
Duluth, GA 30097
678-475-0560
GA0002

Dan & Jennifer Kniola
2190 Westwind Drive
Roswell, GA 30075
770-642-8063
GA0013

Melissa Marcantel
435 Arbor Creek Overlook
Rosewell, GA 30076
770-752-7267
GA0043

Jacques & Kerline Mathieu
1915 Princewill Dr.
Space Mountain GA 30087
678-620-0749
GA0046 – 55

Ellsabel Suriel
1400 Herrington Rd.
Lawrenceville GA 30044
404-433-1415
GA0033

Idaho

Todd Small
8639 Kingston Way
Middleton, ID 83644
208-938-5066
ID0014, ID0015 and ID0016

James Barnes
1019 Augusta Dr.
Nampa, ID 83686
208-463-2892
ID0001

Daniel Crawford
2270 Ebbtide
Meridian, ID 83642
208-888-4456
ID0027

Derek Pica
Vicki Pica
178 E. Maine Suite D
208-465-6511
Nampa, ID 83686
ID0004

Illinois

Frank & Jean Hofsteadter
931 East Stone Creek
Crystal Lake IL 60014
815-385-9477
IL0011 & 12
Failure to Open

David Beall & Luis Aguilan
4842 N. Magnolia Avenue
Chicago, IL 60640
773-769-1115
IL0004

Iowa

Debora Greenough
2751 86th St.
Urbandale IA 50322
515-276-3337
IA0007
Abandonment

Julie Gerber
Michael Smejkal
4700 Tama St. SE Suite 300
Cedar Rapids, IA 52403
319 373-1055
IA0012

Indiana

Cindy Chariton
Tom Chariton
Silhavy Square Suite 501-503
Valparaiso, IN 46383
219-462-0770
IN0004

Kansas

Rick Marsteller
17511 W 83rd Terrace
Lenexa KS 66219
913-894-1628
KS0003

Kentucky

Shane and Stephanie Rodabaugh
3412 Tuckerwood Lane
Louisville KY 40229
502-290-3309
KY0001

Louisiana

Christine Slaven
145 Patty Sue Drive
Ville Platte, LA 70586
(337) 831-0824
LA0085 & 86
Fail to Open

Stephen Thiels
105 Winthrop Place

Pineville LA 71360
318-443-3936
LA0062
Abandonment

Rhonda Roberts
867 Terry Pkwy
Terrytown, LA 70056
504-394-8267
LA0072
Fail to make payments

Kurt Bass
119 Nursery Ave.
Metairie, LA 70005
504-975-9220
LA0018 and Multi-Unit Option

Jon Bourgeois
225 St. Landry St.
Suite 3
Lafayette, LA 70506
337-303-3050
LA0082

Chris and Jennifer Cummins
35234 Beverly Hills Drive
Baton Rouge, LA 70817
225-313-6901
LA0060

Jeremy Helmer & Anthony Rockweiler
5104 Highland Drive
Marrero, LA 70072
504-340-3050
LA0072

Bobbie Kuhn
75413 Goitschalk
Covington, LA 70435
985-893-6123
LA0008

Karin St. Romain
10 Mission Hills
Slidell, LA 70458
504-473-1956
LA0052

Nicole Merrick
CNS Tanning, LLC

2317 Iowa Avenue
Kenner, LA 70062
And
Sandra C. Weller
CNS Tanning, LLC
5201 Craig Avenue
Kenner, LA 70065
504-865-8266
LA0020

Barbara and Jack Schroeder
10 Gladiola Ct.
Marrero, LA 70072
504-495-1135
LA0002 and LA0084

Amanda Spiers
207 Middeton Road
Lafayette, LA 70503
985-774-3409
LA0018 and LA0082 and Multi Unit Option

Richard Steele and Rachell Manuel
4925 Summa Court
Baton Rouge, LA 70809
225-571-1000
LA0028

Chris Marrison
Mindy Marrison
721 Veteran Blvd
Metairie, LA 70005
504-849-9188
LA0083

Bobbie Kuhn
2 Saint Ann Place Suite 4
Mandeville, LA 70471
985-727-4007
LA0003

Chris Marrison
Mindy Marrison
721 Veteran Blvd
Metairie, LA 70005
504-849-9188
LA0083

Massachusetts

Craig & Tracy Tirrell & Smith
1356 Mainsail Drive
Naples, MA 34114
239-389-0092
MA0003

Michigan

Craig and Stephanie Baughman
410 Bernard St.
Schoolcraft, MI 49087
269-679-3900
MI0005
Muhi Option

Mark and Denise Breuker
2044 Palmdale Drive
Wyoming, MI 49509
616-261-9060
MI0007

Shari Bartos
Hank Bartos
31196 Beck Road
Novi, MI 48377
248-624-4826
MI0008

Minnesota

Keith and Nancy Larson
2250 Bunker Lake Boulevard
Andover, MN 55304
763-754-8500
MN0001
Abandonment

Daniel and Susan Hasler
4500 Kaelin Ave.
St. Michael MN 55376
952-836-2219
MN0042, 43, & 44
Abandonment

John Hessburg
8608 Sandro Rd.
Bloomington MN 55438
952-830-6956
MN0046, 48
Abandonment

Charles Kaney & Rita Hathaway
15336 Woodside Lane
Minnetonka MN 55345
952-933-6388
MN0050 – 51
Multi-option

Liz and Lee DeBeau
19039 Larkspur Avenue N.
Marine on St. Croix, MN 55047
651-433-4159
MN0062

Keith and Nancy Larson
110 W. Pleasant Lake Road
North Oaks, MN 55127
651-765-0958
MN0003 and MN0006

Mark and Jodi Wallin
17717 Haralson Drive
Eden Prairie, MN 55347
952-906-9817
MN0005 and MN0007

Tom Vaith
Grant Vaith
1514 Como Ave. S.E.
Minneapolis, MN 55414
612-331-1169
MN0017

Rick Lovik
Kelly Lovik
14119 Highway 13 Suite 106
Savage, MN 55378
952-226-5826
MN0013

Mississippi

Russell Simmons
6068 Hwy 98 West
Ste 3
Hattiesburg, MS 39401
601-261-0254
MS0001

Kimberly Johnson
6067 Old Canton Rd.

Jackson, MS 39211
601-978-1826
MS0002

Nebraska

Tom & Teri Roach
20525 Surrey Road
Elkhorn, NE 68022
402-289-4411
NE0001
NE0002 &3
Multi Option

New Jersey

Jennell Jones
45 Locust St.
Jersey City NJ 07305
201-946-1714
NJ0009 – NJ0011
Failure to Open

Nick DeBenedetto and Chris Christian
911 Taylor Court
West Windsor, NJ 08550
Nick- 732-421-3493
Chris-609-516-5458
NJ0033
Failure to Open

Sean and Michele Goggins
712 Route 35 N
Neptune, NJ 07753
732-774-0051
NJ0021
Failure to Open

Robert Iovino & Cynthia Raleigh
10 Albany Road
Marlton, NJ 08053
856-489-4551
Illegal Transfer

Michael Galluppi and Joseph Papa
73rd 10th Street
Belford, NJ 07718
732-429-8432
NJ0030 & 31
Abandonment

Robin and Ken Clemencko
103 Cedar Street
Westfield, NJ 07090
908-233-3433
NJ0016

Frank D'Amico
22 Hunters Court
Hillsdale, NJ 07642
201-312-7479
NJ0039 and Multi-Unit Option

Sean & Michelle Goggins
255 Hwy 35
Eatontown, NJ 07724
732-936-9101
NJ0002

Donald Lowery and Christina Lowery
286 Alpine Drive
Paramus, NJ 07652
201-843-8123
NJ0036 and Multi-Unit Option

Grey & Lori Merryman
99 Meadowbrook Road
Randolph, NJ 07869
973-442-0420
NJ0012

Adam & Neil Zebib
One Spring St. #1001
New Brunswick NJ 08901
732-469-2933
NJ0040

Steve Barsamain
Milltown Rd. & US Hwy 1 Suite 24
North Brunswick, NJ 7753
732-774-0051
NJ0032

Eric Siskin
4250 Dearborn Circle Village
Mt. Laurel, NJ 8054
856-778-0111
NJ0037

Jessica Breitenbruck
Noele Breitenbruck

1157 Slate Route 35
Middletown, NJ 7748
732-671-8267
NJ0001

Nevada

Susan Kruse
8031 Denevin Street
Las Vegas, NV 89131
(702) 526-0411
NV0010
Failure to Open

New York

Andrea and Tenn Chen
20 Fairhill Rd.
Clifton Park NY 12065
518-782-0009
NY0017
Abandonment

Jay and Vivian Benton
11 Kircher Rd.
Saratoga Springs, NY 12866
518-226-0604
NY0018 & 19
Multi Option

Frank Santini
290 Mantauk Hwy.
East Islip, NY 11730
631-650-5002

Jason Malcomb
5663 East Circle Drive Suite 1500
Cicero, NY 13035
315-452-0236
NY0020
Abandonment

Deborah Vrooman-Kempf and Bill Vrooman
15 Van Vorst Dr.
Burnt Hills, NY 12027
727-641-4163
NY0035

North Carolina

Adam Shay

1520 Westprong Way
Wilmington, NC 28403
910-617-0349
NC0026 - 30
Failure to Open

Mike Anderson
2618 Fines Creek Road
Slatesville, NC 28625
704-872-9994
NC0031

Rob Athari
16311 Ranger Trail
Hunlersville, NC 28078
704-892-5654
NC0017

James & Lara Bamhill
12827 Tee Time Way
Raleigh, NC 27614
919.841-0669
NC0008 and NC0039

Joseph P. Garvin
2215 Kilbome Drive Apt. D
Charlotte NC 28205
704-499-8945
NC0049 and Multi-Unit Option

John & Tamara Tyler
5625 Roan Mountain Place
Raleigh, NC 27613
919-957-4694
NC0052

Kate Weaver
148 Flanders Drive
 Mooresville, NC 28117
704-663-8288
NC0003

North Dakota

Jann and Keith Monson
2995 170th Ave. SE
Harwood, ND 58042
701-282-5048
ND0001

Ohio

Ryan Adams & Ryan Conde
274 W. Central Ave.
Springboro, OH 45066
937-748-4186
OH0001
Abandonment

Oklahoma

Chad Lott
1302-A East 15th Street
Tulsa, OK 74102
918-582-7800
OK0001
Abandonment

Oregon

Dan Kowalski
Berit McClure
Tanasbourne Central Shopping Center
1874 NW 188th Street
Hillsboro, OR 97124
503-746-6059
OR0003

Pennsylvania

Ryan & Jessica Fries
616 Jefferson Street
Swedesburg, PA 19405
610-277-7606
PA0002

Mike and Jeannine Ingraham
505 Colfelt Ct.
Exton, PA 19341
610-363-9436
PA0004

Jamie & Stephanie Swain
3980 Commerce Ave #C-27
Willow Grove, PA 19090
330-889-2195
PA0013

Randy Wheeler
1214 Applejack Drive
Erie, PA 16509
814-825-8376

PA0001

Cherie Friedman
1075 West Chester Pike
West Chester, PA 19380
610-738-4772
PA0016

South Carolina

Terry Cook
179 Clear Creek Rd.
Easley, SC 29640
864-855-5180
SC0009 – 11
Abandonment

Larry Burke
100 Jonathan Lane
Irmo, SC 29063
803-781-6910
SC0012

Jeff Argenio
840-A Coleman Blvd.
Mt. Pleasant, SC 29464
843-856-1855
SC0001

Tennessee

Gary & Mara Wooddell
2096 Rodman St.
Gallatin, TN 37066
615-230-5565
TN0004
Abandonment

Debbie Bates
102 Jill Court
Franklin, TN 37064
615-595-0183
TN0010

Tony Christine & Andy Preseott
8624 North Lake Cove
Arlington TN 38002
901-372-2554
TN0003 and Multi-Unit Option

Chuck & Sandy Hinterman

3084 Liberty Hills Drive
Franklin, TN 37067
615-794-0104
TN0007 and TN0008

Gary & Mara Wooddell
2096 Rodman St.
Gallatin, TN 37066
615-230-7520
TN0005 and TN0006

Carla Steadman
130 Terrace Lane Ste. 4
Morris Town, TN 37814
423-318-1006
TN0011

Texas

Blake and Kacie Warren
19123 CR 3163
Lindaie, TX 75771
(903) 360-1035
TX0114
Failure to Open

Terry Nagy and Vivian Ha
5702 Highgate Ln.
Rowlette, TX 75088
972-475-0160
TX0101
Failure to Open

Lisa Loftis
2403 Hawthorne Ave.
Colleyville TX 76034
817-849-1234
TX0003
Abandonment

Chris Jones
11815 Highland Oaks Trail
Austin, TX 78759
And
Jordan Jones
2303 Dior Dr.
Cedar Park, TX 78613-4718
512-736-8409
TX0140

Joan McCormack

11116 Brook Green Lane
Haslet, Texas 76052
817-439-1726
TX0076

Steve Philips
Malibu Tan, LLC
10100 Coolidge Dr.
McKinney, TX 75070
813-404-4488
TX0066

Kathy Wheatley
11909 Dunlap
Houston, TX 77035
713-703-7452
TX0123

Stephanie Whitlock
David Whitlock
6710 W. Virginia Parkway Suite 215
McKinney, TX 75071
972-540-2244
TX0087

David Davidson
Remi Vallejo
1420 Cypress Creek Rd. Suite 800
Ceder Park, TX 78613
512-219-8267
TX0034

Lisa Loftis
5604 Colleyville Blvd. Unit D
Colleyville, TX 76034
817-849-1234
TX0065

Utah

Robert and Theresia Colgrove
14824 Granite Ridge Lane
Draper, UT 84020
801-703-7456
UT0003

Virginia

Bill Bradshaw
7700 Hampton Manor Court
Chesterfield, VA 23832
(804) 314-3058
VA0022
Abandonment

Gay Bachtell and John Ball
515 Harolds Drive
Manakin-Sabot, VA 23103
804-719-0033
VA0013-0014 and Multi-Unit Option

Washington

Roger McCracken
19604 International Blvd.
Suite 200
SeaTac, WA 98188
206-870-4900
WA0002 and WA0007-0010

Justin and Tami Nicuum
19418 126th Street East
Sumner, WA 98391
253-447-4144
WA0014

Tim & Leah Seims
2426-30th Ave. NE
Issaquah WA 98029
206-510-2855
WA0016

Marie Rose Nihal
12908 N Highway 395
Spokane, WA 99218
509-464-4772
WA0017

Wisconsin

Cindy Robbins
8201 S. Howell Avenue Ste. 300
Oak Creek, WI 53154
414-570-1826
Wi0001

CANADA

New Foundland

Steven Jeans
33 Parliament Street
P.O. Box 21044
St. John's Newfoundland A1A2Y9
709-690-6016

Ontario
NF0002

Dave Fletcher
478 Dundas St.W, Unit 16
Oakville, Ontario L6H-6Y3
905-825-3530
ON0001
Abandonment

Richard & Carmen Fukuda
764 Edgewood Rd.
Pickering ON Canada LIV2Z9
ON0004
Failure to Open

Mike and Amy Hines
43 Crimson Ridge Road
Barrie, Ontario L4N 9S1
705-734-8875
ON0003

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

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Planet Beach. 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.

2. LIST OF EXITED AREA REPRESENTATIVES AS OF DECEMBER 31, 20110

California

Laura Beth Paine
10450 Friars Road
San Diego, CA 92120
619-282-8267

Greg Overhage
6508 Hercus Court
San Jose, CA 95119

Delaware

Stephano Roussos
207 Gordy Place
New Castle DE 19720

Florida

Eron & Tina Walker
21027 Pine Knot Lane
Land O Lakes FL 34637

Byron Price
514 Fitzwilliam Way
Orlando, Florida

Georgia

Jacques & Kerline Mathieu
1915 Princwill Dr.
Space Mountain GA 30087
678-620-0749

New Jersey

Joseph Papa
16 Oregon Ave.
Hazlet NJ 07718

Frank D'Amico
22 Hunters Ct.
Hillsdale, NJ 07642
201-312-7479

New York

Mark Hoffman
1 Trent Court
Suffolk, NY 11787
516-724-4095

Tennessee

Mike McNemar
19 Music Square West #R
Nashville, TN 37203
225-975-1417

North Carolina

Rob Athari
16311 Ranger Trail
Huntersville, NC 28078
704-892-5654
NC0017

3. LIST OF EXITED FRANCHISEES THROUGH TRANSFERS AS OF DECEMBER 31, 20110

Alabama

Cliff and Lisa Hembree
13981 Prince William Way
Northport, AL 35475
205-242-6823
AL0005

Brandon Frere
Frere Enterprises Inc.
925 Lakeville St. #175
Petaluma, CA 94952
707-836-7771
CA0064, CA0072 and CA0083

Arizona

Bill and Kim Lewis
2665 W. Flint Street
Chandler, AZ 85224
480-722-9252
AZ0011

~~**Brandon Frore**~~
~~**Frere Enterprises Inc.**~~
~~925 Lakeville St. #175~~
~~Petaluma, CA-94952~~
~~707-836-7771~~
~~CA0064~~

Tony Vera and/or Tina Vera
2031 West Granite Springs Place
Ore Valley, AZ 85755
520-544-0669
AZ0001

~~**Greg Overhage**~~
~~-6508 Hercus Court~~
~~-San Jose, CA 95111-~~
~~408-404-5000~~
~~CA0048~~

Lee Noehring
22415 N 67th Drive
Glendale, AZ 85310
480-513-2772
AZ0074

Hector Marquez
15412 Studebaker Road
Norwalk, CA 96050
562-627-8261
CA0015

Ben Warner
Kristen Warner
16610 North 75th Avenue, Ste 107
Peoria, Arizona 85382
623-412-3224
AZ0022

Colorarlo
Don Wells
6406 Victoria Road
Fort Collins, CO 80525
(970) 420-9000

California

Joanna and Rich DeFrain
26 Sumbury Dr.
Aliso Viejo, CA 92656
(949) 878-0378

Florida
TGT Tanning, LLC
8523 High Gale Drive
Jacksonville, FL 32216
813-672-6337
FL0010

Samuel and Jennifer Anusiem
1772-R Avenida De Los Arboles
Oakbrook Plaza Shopping Center
Thousand Oaks, CA 91360
(805)380-0908

Chris Ginocchelti and Paul Kokesh
7720 Cedarhurst Lane
Tampa, FL 33625
813-926-9346

FL0120

Steve Sanchez
Roundlake 72, Inc.
20 South Treasure Drive
Tampa, FL 33609
239-872-8414
FL0072

Shannon Doster-Ansley
—2401 Marzel Ave.
—Orlando, FL 32806
—407-228-4205
—FL0093

Rob McLendon
137 Hilton Drive
Blakely, GA 39823
850-277-1700
PL0002

Cassidy Corella
25 Second Street North, Suite 340
St. Petersburg, FL 33701
225-791-6605
FL0072

Dennis Kim
Linda Kim
10167 Cheery Hills Avenue
Bradenton, FL 34202
941-358-8292
FL0028

—Greg Overhage
—6508-Hercus Court
—San Jose, CA-95111
Grady Thomas Lloyd
8423 High Gate Drive
Jacksonville, FL 32216
—408-401-5000
—CA0048

Georgia

Ryan Pierce
1870 Connemare Drive
Chamblee, GA 30341
404-725-6931
GA0020,
And
GA0021

Indiana

Thomas Chariton
Cindy Chariton
9140 Franklin Drive
St. John, IN 46373
219-662-5885
IN0003

Iowa

Runnin Moon, Inc.
7424 Hampshire Drive NB
Cedar Rapids, Iowa, 52402
319-573-1075
IA0004

Louisiana

Ryan & Shannon Stansbury
1559A Gause Blvd
Slidell, LA 70458
985-781-1826

Skip & Karen Barth
4501 Jackson Street Suite B
Alexandria, LA 71303
318-448-9010

Melissa Abuelhawa
2815 Wytchwood Dr.
Metairie, LA 70003
504-338-4644

William and Chawan Plamer
18040 Lakeside Dr.

Greenwell Springs, LA 70739
225-261-0901

Troy and Roxanne Villafarra
9 Yosemite St.
Kenner, LA 70065
504-467-3321
LA0030

Kelly Fagan
2113 Connie Drive
Denham Springs, LA 70726
225-667-4402
LA0047

Beau Blake
215 Josie Court
Belle Chasse, LA 70037
504-209-9585
LA0095

Jeff Canady
P.O. Box 64874
Baton Rouge, LA 70896
Robby Turner
2026 Wooddale Blvd.
Baton Rouge, LA 70806
225-654-8826
LA0033

Jennifer Chauvin
Brandy Salbador
Justin Montono
490 South Club Avenue
St. Gabriel,
LA 70776

Jamenson Chauvin
390 S. Club Avenue.
St. Gabriel, LA 70776
225-751-8356
LA0050

Jodie Mateu
Luis Mateu
1212 Lucille Avenue
Metairie, LA 70003

504-739-7960
LA0051

Jennifer Normand
Toby Normand
9360 Jeff Street
Gonzales, LA 70737
225-647-7851
LA0014

—Michigan

—Kelli Schmerheim
—5353 Brown Bridge Road
—Traverse City, MI 49686
—231-946-2467
—MI0003

—Minnesota

—Anthony Franco & Stephanie Wolfe
14119 Highway 13 Suite 106
Savage, MN 55378
952-226-5826
MN0013

Mark and Jodie Wallin
—17717 Haralson Dr.
—Eden Prairie, MN 55347
—952-906-9817
—MN0031

—Mississippi

—Kris Kent
—40 Wolfe Street
—Bay St. Louis, MS 39520
—228-392-9003
—MS0005

—New Jersey

Joseph Papa
1157 State Route 35
Middletown, NJ 07748
732 671-8267

NJ0001

Frank Scalice
2101 Rte 35
Hoimdel Towne Centre
(Next to Marshall's)
Hoimdel, NJ 07733
732-772-0027

Nevada

Lloyd Zellner
5785 Centennial Blvd., Suite 160
Las Vegas, Nevada 89149
702-798-8826
NV0006

New Mexico

Mona Jones
Scott Jones
701 Unser Blvd. SE, Unit 7
Rio Rancho, NM 87124
505-892-7772
NM0004

North Carolina

— Marie Decker
— 108 Meadow Creek Lane
— Mooresville, NC 28117
— 704-402-7130
— NC0003

— South Carolina

— Cheryl and Roger Fox
— 5 Linkside Lane
— Taylors, SC 29687
— 864-292-9425
— SC0006

Texas

Texas

Matt Barrow
3001 S. Central Suite 101
McKinney, TX 75070
972-542-7699

Amaris and Antonio Brazil
5496 Hidden Creek Lane
Frisco, TX 75034
972-467-9806
TX0092

Grady Thomas Lloyd
6320 Hwy. 287, Suite 120
Arlington, TX 76001
817-483-6633
TX0006

Amy Turner
6320 U.S. Hwy. 287 S. #106
Arlington, TX 76001
817-483-6633
TX0062

Utah

Richard Leisy
Mica Leisy
62 Lennox Court
Richmond Hills, GA 31324
435-573-9701
UT0001

CANADA

Jean Guy Lavoie
14221 23rd Ave.
Edmonton, AB T5J 2K1
780-984-4091

Frisco, TX 75034

Planet Beach Franchising Corporation
Franchise Disclosure Document 03/12
Registration and Non-Registration States

972-467-9806
TX0092

Grady Thomas Lloyd
6320 Hwy. 287, Suite 120
Arlington, TX 76001
817-483-6633
TX0006

EXHIBIT E

Planet Beach Franchising Corporation
Franchise Disclosure Document 048/124
Registration and Non-Registration States

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS**

**PLANET BEACH FRANCHISING CORPORATION
AUDITED FINANCIAL STATEMENTS**

December 31, 2011/2010/2009/2008



REAGAN REAGAN GITZ
CPAs & Business Advisors

KIM REAGAN, CPA
Partner

JOSEPH REAGAN, CPA
Partner

RONALD A. GITZ II, CPA
Partner

Dear Mr. Bemer:

Reagan, Reagan & Gitz CPA, LLC consents to the use in the Franchise Disclosure Document issued by Planet Beach Franchising Corporation ("Franchisor"), as it may be amended, of our report dated March 5, 2012, relating to the consolidated financial statements of Franchisor for the year ending December 31, 2011.

Reagan, Reagan + Gitz CPA, LLC

March 9, 2012

Reagan, Reagan & Gitz CPA, LLC
512 S. Tyler Street | Covington, LA 70433 | office 985-809-6505 | fax 985-809-6507
www.rrgcpas.com



REAGAN REAGAN GITZ
CPAs & Business Advisors

KIM REAGAN, CPA
Partner

JOSEPH REAGAN, CPA
Partner

RONALD A. GITZ II, CPA
Partner

Dear Mr. Berner:

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March 9, 2012

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512 S. Tyler Street | Covington, LA 70433 | office 985-809-6505 | fax 985-809-6507
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**Planet Beach Franchising Corporation
and Subsidiaries**

Consolidated Financial Statements

December 31, 2011 and 2010

Planet Beach Franchising Corporation and Subsidiaries

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December 31, 2011 and 2010

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REAGAN REAGAN GITZ
CPAs & Business Advisors

KIM REAGAN, CPA
Partner

JOSEPH REAGAN, CPA
Partner

RONALD A. GITZ II, CPA
Partner

Independent Auditor's Report

Board of Directors and Stockholders
Planet Beach Franchising Corporation
and Subsidiaries
Marrero, Louisiana

We have audited the accompanying consolidated balance sheet of Planet Beach Franchising Corporation and Subsidiaries (the Company) as of December 31, 2011, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the year then ended. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Company as of December 31, 2010, were audited by other auditors whose report dated August 9, 2011, expressed an unqualified opinion on those statements.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Reagan, Reagan & Gitz CPA, LLC

March 5, 2012

Reagan, Reagan & Gitz CPA, LLC
512 S. Tyler Street | Covington, LA 70433 | office 985-809-6505 | fax 985-809-6507
www.rngcpas.com


REAGAN REAGAN GITZ
CPAs & BUSINESS ADVISORS

KIM REAGAN, CPA
Partner

JOSEPH REAGAN, CPA
Partner

KONALD A. GITZ II, CPA
Partner

Independent Auditor's Report

Board of Directors and Stockholders
Planet Beach Franchising Corporation
and Subsidiaries
Marrero, Louisiana

We have audited the accompanying consolidated balance sheet of Planet Beach Franchising Corporation and Subsidiaries (the Company) as of December 31, 2011, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the year then ended. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Company as of December 31, 2010, were audited by other auditors whose report dated August 9, 2011, expressed an unqualified opinion on those statements.

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Reagan, Reagan & Gitz CPA, LLC

March 5, 2012

Reagan, Reagan & Gitz CPA, LLC
512 S. Tyler Street | Covington, LA 70433 | office 985-809-6505 | fax 985-809-6507
www.rrepa.com

Planet Beach Franchising Corporation and Subsidiaries

Consolidated Balance Sheets
December 31, 2011 and 2010

	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 94,402	\$ 86,828
Restricted cash	20,047	-
Accounts receivable, net of allowance for doubtful accounts of \$399,945 and \$391,692, respectively	633,271	881,791
Accounts receivable - related parties	68,781	53,237
Due from employees	10,247	9,632
Inventory	263,104	309,411
Notes receivable	82,030	131,602
Prepaid expenses and other assets	<u>49,235</u>	<u>73,692</u>
Total current assets	1,221,117	1,576,193
Property and equipment, less accumulated depreciation of \$2,033,604 and \$1,819,670, respectively		
	1,500,697	1,948,175
Notes receivable, net of allowance for doubtful accounts of \$261,990 and \$676,387, respectively	231,814	216,447
Notes receivable - related parties	115,086	107,252
Other long-term assets	<u>117,187</u>	<u>107,300</u>
Total Assets	<u>\$ 3,185,901</u>	<u>\$ 3,955,367</u>

(continued)

See accompanying Notes to Financial Statements and Independent Auditor's Report

Planet Beach Franchising Corporation and Subsidiaries

Consolidated Balance Sheets (cont'd)
December 31, 2011 and 2010

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current liabilities		
Current maturities of notes payable	\$ 1,250,010	\$ 338,029
Current maturities of notes payable - related parties	2,350	20,000
Accounts payable	781,305	1,176,546
Customers' deposits	45,240	214,057
Accrued liabilities	746,703	848,306
Accrued liabilities - related parties	72,196	60,000
Deferred revenue	<u>33,600</u>	<u>14,314</u>
Total current liabilities	2,931,404	2,671,262
Notes payable	2,363,764	2,881,964
Accrued liabilities	248,262	1,168,228
Deferred revenue	257,651	209,006
Total Liabilities	<u>5,801,081</u>	<u>6,930,460</u>
Stockholders' equity (deficit)		
Preferred stock, \$0.0001 par value; Shares authorized: 10,000,000; none issued	-	-
Common stock, \$0.0001 par value; Shares authorized: 100,000,000; Shares issued: 3,843,160 Shares outstanding: 3,720,474	385	385
Additional paid-in-capital	559,737	471,575
Retained deficit	(3,000,302)	(3,272,053)
Treasury stock, at cost	<u>(175,000)</u>	<u>(175,000)</u>
Total stockholders' equity (deficit)	(2,615,180)	(2,975,093)
Total Liabilities and Stockholders' Equity (Deficit)	<u>\$ 3,185,901</u>	<u>\$ 3,955,367</u>

See accompanying Notes to Financial Statements and Independent Auditor's Report.

Planet Beach Franchising Corporation and Subsidiaries

Consolidated Statements of Operations
2011 and 2010

	For the year ended <u>12/31/2011</u>	For the year ended <u>12/31/2010</u>
Revenues		
Sales of spa equipment and products	\$ 1,471,450	\$ 2,734,381
Franchise fees	411,725	258,056
Royalties and related fees	4,799,474	5,583,119
Other	<u>174,872</u>	<u>169,712</u>
	6,857,521	8,745,468
Expenses		
Cost of goods sold	1,109,126	2,130,811
Operating expenses	2,625,655	3,361,506
Salaries and bonuses	1,616,880	2,975,396
Commissions	<u>850,528</u>	<u>1,070,049</u>
	6,202,189	9,537,762
Income (Loss) from operations	655,332	(792,294)
Other income (expense)		
Interest and other income	14,223	15,693
Interest expense	(223,129)	(234,920)
Realized initial public offering expenses	-	(780,412)
Loss on sale of company owned spa	<u>(174,675)</u>	<u>-</u>
	(383,581)	(999,639)
Income (Loss) before provision for income taxes	<u>271,751</u>	<u>(1,791,933)</u>
Provision for income tax	-	-
Net Income (Loss)	<u>\$ 271,751</u>	<u>\$ (1,791,933)</u>

See accompanying Notes to Financial Statements and Independent Auditor's Report.

Planet Beach Franchising Corporation and Subsidiaries

Consolidated Statement of Stockholders' Equity (Deficit)
December 31, 2011 and 2010

	Common Stock		Paid in Capital Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
December 31, 2009	3,836,611	\$ 384	\$ 349,761	\$ (1,480,120)	\$ -	122,686	\$ (175,000)	\$ (1,304,975)
Other comprehensive income (loss)								
Net loss	-	-		(1,791,933)	-	-	-	(1,791,933)
Total comprehensive income (loss)								(1,791,933)
Stock options compensation			111,456					111,456
Stock issuance	6,549	1	10,358	-	-	-	-	10,359
December 31, 2010	3,843,160	\$ 355	\$ 471,575	\$ (3,272,053)	\$ -	122,686	\$ (175,000)	\$ (2,975,093)
Other comprehensive income (loss)								
Net income	-	-		271,751	-	-	-	271,751
Total comprehensive income (loss)								271,751
Stock options compensation			88,162					88,162
December 31, 2011	3,843,160	\$ 355	\$ 559,737	\$ (3,000,302)	\$ -	122,686	\$ (175,000)	\$ (2,615,180)

See accompanying Notes to Financial Statements and Independent Auditor's Report.

Planet Beach Franchising Corporation and Subsidiaries

Consolidated Statements of Cash Flows
2011 and 2010

	<u>For the year ended 12/31/2011</u>	<u>For the year ended 12/31/2010</u>
Cash flows from operating activities:		
Net income (loss)	\$ 271,751	\$ (1,791,933)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation expense	274,116	233,600
Bad debt expense	554,164	841,517
Inventory allowances	60,000	40,000
Stock options compensation expense	88,162	111,456
Disposal of property, plant and equipment	181,818	-
Changes in assets and liabilities		
Accounts receivable	(254,938)	(290,130)
Inventory	(13,693)	129,853
Notes receivable	47,366	73,403
Other current assets	13,955	59,573
Accounts payable	(272,241)	(302,711)
Customers' deposits	(168,827)	(127,121)
National advertising deposits	29,006	169,792
Deferred revenue	10,686	(45,361)
Accrued liabilities	(250,421)	903,387
Net cash provided by operating activities	<u>570,904</u>	<u>5,327</u>
Cash flows from investing activities:		
Purchases of property and equipment	(8,456)	-
(Increase) decrease in restricted cash	(20,047)	30,020
Net cash (used in) provided by investing activities	<u>(28,503)</u>	<u>30,020</u>
Cash flows from financing activities:		
Proceeds from long term debt	254,839	299,720
Payments on long term debt	(759,666)	(282,385)
Common stock issuance	-	10,339
Net cash (used in) provided by financing activities	<u>(534,827)</u>	<u>27,691</u>
Net increase in cash	7,574	63,038
Cash, beginning of period	86,828	23,790
Cash, end of period	<u>\$ 94,402</u>	<u>\$ 86,828</u>
Supplemental cash flow information:		
Cash paid during the year for interest:	\$ 161,364	\$ 157,237
Cash paid during the year for income taxes:	\$ 19,657	\$ 11,259
Area developer fee financed (noncash)	\$ -	\$ 81,408
Disposal of property and equipment (noncash)	\$ 181,818	\$ -

See accompanying Notes to Financial Statements and Independent Auditor's Report.

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

NOTE 1: BUSINESS OPERATIONS

Organization

Planet Beach Franchising Corporation ("the Company") was initially incorporated on September 26, 1996, under the laws of the State of Louisiana. On March 25, 2008, the Company reincorporated under the laws of the State of Nevada. In conjunction with the reincorporation, authorized common stock was increased from 15 million to 100 million shares, and the par value decreased from \$0.001 to \$0.0001 per common share. In addition, 10 million shares of preferred stock having a par value of \$0.0001 per share were authorized for issuance. On March 18, 2010, the Company reincorporated under the laws of the State of Delaware. In conjunction with the reincorporation, the Company effected a 1 for 3.5 reverse stock split of its common stock. In 2012, the Company restated its certificate of incorporation with the State of Delaware (See Note 12).

Currently, the Company is engaged in the business of selling Planet Beach Contempo Spa franchises throughout the United States, Canada, South Africa, Egypt and Australia. In addition, the Company has three locations under development in Saudi Arabia, with the potential for several more. The first Saudi Arabia location is expected to open in April 2012. The Company also sells spa equipment and products to new and existing franchisees.

The Company has two wholly-owned subsidiaries, Planet Beach Real Estate, LLC ("PBRE") and Planet Beach International, LLC ("PBI"). PBRE has been largely inactive since 2005. PBI was established to recruit master franchisees in international locations under long-term contractual arrangements; whereby, the master franchisee would be given the right to sell Planet Beach Contempo Spa Franchises within the designed international region. Master franchisees would pay an initial master franchise fee upon entering the agreement. The master franchisee would also remit to the Company a percentage of the license fee, product and equipment sales and royalties collected from the international franchise locations.

The Company has incurred net income / (loss) of approximately \$272,000 and (\$1,792,000) for its years ended December 31, 2011 and 2010, respectively. The Company returned to profitability in 2011 for the first time since 2006 through significant reductions in salaries and bonuses, and operating expenses, which offset a decline in overall revenues.

Included in the 2010 loss is the Company's recognition of its initial public offering (IPO) expenses totaling \$780,412. During 2010, the Company incurred these expenses for preparation and filing of Form S-1 in the effort to raise capital through the insurance of new common stock. The Company elected to withdraw the IPO in March 2011 and wrote off these costs.

In late 2010, the Company determined that a substantial number of franchise locations in the Gulf Coast Region were negatively affected by the BP Oil Spill. The affected locations total 30% of the Company's worldwide locations. The Company's 2010 operations were negatively affected by the reduced revenues for these locations, and locations that closed in the affected areas. Furthermore, the Company's ability to sell new franchise locations in the Gulf Coast Region was negatively impacted by this event. Subsequently, in March 2011, the Company filed a claim with the Gulf Coast Claims Facility ("GCCF") for damages totaling \$8.2 million. See Note 9 for further details.

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

Other than the IPO costs and the negative effects of the BP Oil Spill on the Company's 2010 operations, losses in prior years have occurred due to the global economic downturn that began in 2007, which has resulted in the current retained deficit of approximately \$2.6 million. The Company and the franchisees have been impacted by an impaired ability to obtain credit on reasonable terms or at all. Decreased access to credit for franchisees has impaired their ability to meet their obligations when due and led to franchise bankruptcies. A continued credit crisis will have a negative impact on the Company's financial position.

Management believes that the Company will continue to operate as a going concern by continuing to reduce operating and salary costs and improving operating profitability, controlling inventory levels, working with vendors and other creditors to accept more favorable payment terms and through seeking additional capital for the Company's operations.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and cash held in escrow accounts. The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Certain states require the initial franchise fee be deposited in escrow until the franchise commences business. Once the location commences business, the state will release the funds. Until funds are released, the revenue for the franchise sale is deferred. At December 31, 2011 and 2010, restricted cash totaled \$20,047 and \$0, respectively, related to these escrow deposits.

Accounts Receivable

Accounts receivable consist primarily of amounts due for franchise royalties and product sales, which are carried at original invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts.

Management determines the allowance for doubtful accounts by identifying overdue accounts and by reserving a percentage of the accounts outstanding balance as uncollectible based on historical experience with collections in general or based on the account's specific circumstance. Accounts receivables are written off when deemed uncollectible. Recoveries of accounts receivables previously written off are recorded when received.

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

Inventory

The Company's inventory consists of spa and tanning lotions and promotional clothing. Inventory is valued at the lower of cost or market, computed on the first-in, first-out basis.

Property and Equipment

Property and equipment are stated at cost. Depreciation on equipment is calculated using the straight-line method over the estimated useful lives of the related assets.

Maintenance and repairs are charged to expenses as incurred. Improvements and renewals are capitalized and depreciated over the remaining estimated useful life. When property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation are relieved, and any gain or loss is included in income.

The useful lives of property and equipment for purposes of computing depreciation are:

Buildings and leasehold improvements	7-39	Years
Spa equipment	5	Years
Computer Equipment	3-5	Years
Furniture, fixtures and equipment	3-7	Years
Software	5	Years

Long-Lived Assets

Long-lived assets, such as property and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

Fair-Value of Financial Instruments

For purposes of financial reporting, management has determined that the fair value of financial instruments including cash and cash equivalents, accounts and notes receivable, accounts payable, accrued liabilities and notes payable, approximate the carrying value.

Notes Receivable

Notes receivable consists principally of area developer fees, equipment vendor receivables, and spa purchase fees financed by the Company. The allowance for doubtful accounts is the Company's best estimate of the amount of credit losses in the Company's existing notes. The allowance is determined on an individual note basis. A note is considered impaired if it is probable that the Company will not collect all principal and interest contractually due.

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

The impairment is measured based on the present value of expected future cash flows discounted at the note's interest rate.

The Company does not accrue interest when a note is considered impaired. When ultimate collectability of the principal balance of the impaired note is in doubt, all cash receipts on impaired notes are applied to reduce the principal amount of such notes until the principal has been recovered and are recognized as interest income thereafter.

Impairment losses are charged against the allowance and increases in the allowance are charged to bad debt expense. Notes are written off against the allowance when all possible means of collection have been exhausted and the potential for recovery is considered remote.

The notes have interest rates ranging from non-interest bearing to 7 percent and will mature upon sale of related franchises, or in accordance with scheduled maturities through September 2016.

Other long-term assets

Other long-term assets primarily consist of costs for trademarks related to the Company's business and deposits.

Customers' Deposits

Customers' deposits represent advances from franchisees for the purchase of spa and tanning equipment. Equipment orders are normally shipped within 2-4 weeks of receipt of funds. Advance payment is required for all equipment purchases.

National Advertising and Brand Development

The Company collects National Advertising and Brand development royalties from its franchisees. Franchises that were established before April 1, 2008 are required to contribute 1% of gross sales to the National Advertising Fund as a royalty for the development and distribution of national marketing efforts for the benefit of all franchises within the Planet Beach system. The Company carries forward national advertising royalties that are not spent in the fiscal year collected to the following year, and records them as a liability on the consolidated balance sheets. At December 31, 2011 and 2010 there were \$121,978 and \$92,972, respectively, of carry forward royalties included in current accrued liabilities. The Company recognizes national advertising expenditures in the consolidated statements of operations as incurred.

Beginning April 1, 2008, franchisees entering the system must contribute 2% of gross sales for brand development. The Company has no obligation to carry forward any unspent brand development royalties for these franchises to the following year. The Company recognizes brand development royalties in its consolidated statements of operations in full as they are accrued, along with brand development expenses.

Revenue Recognition

The Company has entered into franchise agreements that grant franchisees the right to operate individual Planet Beach Contempo Spas in return for an initial franchise fee and ongoing development fees (royalties). In addition, the Company has entered into area developer

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

agreements, including international master franchisor agreements, which grant developers the right to sell individual Planet Beach Contempo Spas in designated territories.

The Company recognizes revenue from individual franchise sales when all material services or conditions relating to the sales have been substantially performed or satisfied by the Company.

Area developer fees, which include international master franchise sales, are recognized as revenue on the cash basis until 50% of the purchase price is collected; the uncollected purchase price is deferred. All payments received for these area agreements are non-refundable. The Company estimates that once 50% of the purchase price has been collected, and no further significant obligations remain, it is probable that the remaining area development fee will be collectible. Therefore, the Company fully recognizes area development fees once 50% of the purchase price is collected.

Most of these area agreements have promissory notes structured requiring payment of at least 50% of the purchase price within 12 months of agreement execution. The remaining purchase price will normally be collected over 3-6 years amortized monthly with principle and interest payments.

All payments received for these area agreements are non-refundable.

The Company accrues royalties based upon the contractual royalty rate, currently 6% of total franchise revenue, as defined in the respective franchise agreements. Royalties are recorded as revenue when the related franchise revenue is reported to the Company. Sales of spa equipment and products are recognized as revenue, when the items are shipped, collection is probable, and no further significant obligations remain.

Advertising and Marketing Costs

The Company expenses advertising and marketing costs as incurred. Advertising and marketing expense incurred by the Company during 2011 and 2010 amounted to \$74,350 and \$82,696, respectively.

Shipping Expense

The Company provides free shipping for product orders to customers ordering minimum amounts. Shipping expense is included with operating expenses on the consolidated statements of operations and totaled \$141,326 and \$155,387, for the years ended December 31, 2011 and 2010, respectively.

Income Tax

The Company accounts for income taxes under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company includes any estimated interest and penalties on tax related matters in income taxes payable. Valuation allowances are established when necessary to reduce net deferred income tax assets to the amount expected to be realized (See Note 5).

Effective January 1, 2009, the Company recognized the effect of income tax positions only if those positions are more likely than not being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Prior to the adoption of ASC 740-10 Income Tax Uncertainties, the Company recognized the effect of income tax positions only if such positions were probable of being sustained. The effect of the adoption of this standard was not material.

The Company records interest related to unrecognized tax benefits in interest expense and penalties in selling, general and administrative expenses.

Stock-Based Compensation

The Company accounts for its stock-based compensation using the modified prospective adjustment method of measuring share based payments (See Note 6).

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparison purposes to conform to the presentation in the current year financial statements.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2011</u>	<u>2010</u>
Land	\$ 210,000	\$ 210,000
Building and leasehold improvements	1,556,015	1,706,015
Spa equipment	420,852	510,852
Computer equipment	626,551	622,376
Furniture, fixtures, and equipment	164,042	164,042
Software	<u>558,841</u>	<u>554,560</u>
	3,536,301	3,767,845
Less: accumulated depreciation	<u>(2,035,604)</u>	<u>(1,819,670)</u>
Property and equipment, net	<u>\$ 1,500,697</u>	<u>\$ 1,948,175</u>

Depreciation expense associated with property and equipment charged to operations during 2011 and 2010 totaled \$274,116 and \$233,600, respectively. Substantially all of the Company's building and building improvements are pledged as collateral for various loans of the Company (See Note 4).

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

One of the Company's buildings is subject to a lien filed by the IRS for \$12,700 for unpaid taxes which are being paid in monthly installments.

NOTE 4: LONG-TERM DEBT

The following is a summary of the Company's long-term debt as of December 31:

	<u>2011</u>	<u>2010</u>
Note Payable-Company, payable in monthly installments of \$5,306, including interest of 3.14%, through March 2027, secured by building; guaranteed by certain Company officers and shareholders.	\$ 768,374	\$ 806,917
Note Payable-Company, payable in monthly installments of \$9,216, including interest of 8.25%, through June 2012, with final payment estimated to be \$459,755 on July 19, 2012, secured by accounts receivable and inventory; guaranteed by certain Company officers and shareholders.	497,858	558,239
Note Payable-SBA, payable in monthly installments ranging from \$5,553 through \$4,754, including interest of 5.79%, through June 2027, secured by building and building improvements; guaranteed by certain Company officers and shareholders.	549,848	571,162
Note Payable-Non-interest bearing, and payable in monthly installments up to \$1,500 through December 2013, secured by stock of the Company.	26,083	38,583
Note Payable-Vendor, payable in varying monthly installments, including interest of 7.00%, through March 2014, secured by majority shareholder's common stock.	411,426	498,949
Note Payable-Vendor, payable in monthly installments of \$7,200, including interest of 7.00%, through January 2013, unsecured.	198,427	228,797
Note Payable-Vendor, payable in monthly installments of \$5,236, including interest of 7.00%, through March 2013, unsecured.	74,988	130,443
Note Payable-Vendor, payable in monthly installments of \$1,197, including interest of 7.00%, through March 2013, unsecured.	17,147	29,824
Note Payable-Company Officer, was due to be paid in full upon completion of initial public offering, including interest of 5.00%; unsecured.	2,350	50,000
Note Payable-Vendor, payable in monthly installments of \$4,000 including interest of 3.47%, through July 2012, secured by equipment.	27,679	64,977

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

NOTE 4: LONG-TERM DEBT (cont'd)

Note Payable-Vendor, payable in monthly installments of \$1,553, including interest of 7.00%, through August 2011 unsecured.	\$	-	\$	12,102
Note Payable-Vendor, payable in full on February 26, 2013, including interest of 7.00%, unsecured.		297,025		250,000
Note Payable-Vendor, payable in monthly installments of \$7,840 beginning in May 2012, including interest of 7.00%, through April 2013, secured by equipment		84,500		-
Note Payable-Vendor, non-interest bearing, payable in monthly installments of \$6,250, increasing to \$8,500 for the final three payments through October 2012, unsecured		69,250		-
Note Payable-Vendor, non-interest bearing, payable in monthly installments of \$15,000 through September 2012, guaranteed by certain Company officer.		135,000		-
Note Payable-Vendor, payable in monthly installments ranging from \$3,000 through \$9,000, including interest of 2.00%, through May 2018, unsecured		<u>456,169</u>		<u>-</u>
		3,616,124		3,239,993
Less: current portion		<u>(1,252,360)</u>		<u>(358,029)</u>
Long-term notes payable	\$	<u>2,363,764</u>	\$	<u>2,881,964</u>

Pursuant to a 2003 agreement, the Company borrowed \$250,000 from a vendor on February 26, 2010. The funds were used to pay past and ongoing development costs associated with its Company-owned store in Irvine, CA referred to as the Prototype Salon. In February 2011, the Company sold the store in Irvine, CA to a new franchisee. In conjunction with this sale, the Company re-structured this \$250,000 note, including accrued interest of \$47,025, extending the due date to February 26, 2013, with interest at 7%. During this two year extension, all rebates earned from the sales of certain new private-labeled products by this vendor to the Company's franchisees will be retained and used to pay down the note balance.

On April 11, 2011, the Company entered into a two year promissory note, bearing interest at 7%, for \$84,500 relating to the purchase of spray tanning equipment. Monthly payments of \$7,840 begin in May 2012 concluding in April 2013.

On April 29, 2011, the Company entered into a settlement and release agreement for \$123,000 relating to outstanding professional fees incurred in prior years. The amount will be paid over an eighteen month period, interest free. Monthly payments are \$6,250 increasing to \$8,500 for the final three payments, concluding in October 2012.

On September 12, 2011, the Company entered into a settlement and release agreement for \$350,000 relating to outstanding software fees incurred in 2010 and 2011. Initial payments for \$200,000 were due within the first 60 days. The remaining \$150,000 is due in ten monthly installments of \$15,000 December 2011 through September 2012.

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

On September 28, 2011, the Company converted \$465,169 in outstanding professional fees owed relating to its IPO into an eighty month promissory note, bearing interest at 2%, with monthly payments ranging from \$3,000 to \$9,000, including interest, concluding in May 2018.

Substantially all of the Company's building and building improvements are pledged as collateral for various loans of the Company.

The following is a summary of principal maturities of long-term debt for each of the next five years and thereafter:

2012	\$	1,252,360
2013		781,069
2014		145,121
2015		139,586
2016		149,863
Thereafter		<u>1,148,125</u>
	\$	<u>3,616,124</u>

NOTE 5: INCOME TAXES

Significant components of the Company's deferred income tax liabilities and assets of December 31 are as follows:

	<u>2011</u>	<u>2010</u>
Deferred income tax liabilities:		
Accelerated depreciation	\$ 126,262	\$ 181,206
Accrued related party wages	<u>3,543</u>	<u>3,543</u>
Total deferred income tax liabilities	<u>129,805</u>	<u>184,749</u>
Deferred income tax assets:		
Bad debt allowance	258,155	416,551
Employee stock option	144,023	109,640
Employee tax credits carry forward	227,149	227,149
Net operating loss carry forward	<u>349,303</u>	<u>504,366</u>
Total deferred income tax assets	<u>978,630</u>	<u>1,257,706</u>
Valuation allowance	<u>(848,825)</u>	<u>(1,072,957)</u>
Net deferred income tax liabilities, net	<u>\$ -</u>	<u>\$ -</u>

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

Significant components of the provision for income taxes for the year ended December 31 are as follows:

	2011	2010
Current tax expense (benefit)	\$ -	\$ -
Deferred tax expense (benefit)	-	-
	<u>\$ -</u>	<u>\$ -</u>

The reconciliation of income taxes computed at the federal statutory tax rate to income tax provision (benefit) for the year ended December 31 is as follows:

	2011	2010
Tax at federal statutory rate	\$ 92,395	\$ (609,257)
Non-deductible expenses	2,024	1,401
State income taxes and credits	13,885	(105,764)
Operating loss carry forwards	(108,304)	-
Valuation allowance	-	713,620
	<u>\$ -</u>	<u>\$ -</u>

For tax reporting purposes, the Company had accumulated operating loss carry forwards of approximately \$1,018,971 and \$1,293,246 at December 31, 2011 and 2010 respectively. If not utilized, the amount of such carry forwards would begin to expire in 2028. The Company has available for tax reporting purposes \$227,149 in employee tax credits that will begin to expire in 2025.

The Company and its subsidiaries file U.S. federal and state income tax returns. There are no on-going examinations of income tax returns filed by the Company and its subsidiaries. U.S. federal income tax returns ending after 2007 are subject to examination by the Internal Revenue Service. State income tax returns for tax years ending after 2007 are subject to examination of related state tax authorities.

NOTE 6: STOCK OPTION PLAN

On July 1, 2005, the Company adopted the Planet Beach Franchise Corporation 2005 Incentive Stock Plan (the "Plan") that provides for the granting of stock options to its directors, officers, employees and consultants.

Stock options granted under the Company's Plan expire ten years from the date of grant. Generally, either 20% or 25% of the options vest on the first anniversary of the grant. Thereafter, the options vest monthly on a pro-rata basis until the fourth or fifth anniversary of the grant until fully vested.

The Plan includes provisions to make adjustments to reflect stock splits or stock dividends, and if certain other events occur. The Company believes that the current level of authorized shares is sufficient to satisfy future option exercises.

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

The Company has recorded stock-based compensation expense in the salaries and bonuses line items of the consolidated income statements in the amount of \$88,162 and \$111,456, related to stock awards for the fiscal years ended December 31, 2011 and 2010, respectively.

A summary of the Company's option activity under the plan for the years ended December 31 is as follows:

	2011		2010	
	Number of Shares Underlying Options	Weighted Average Exercise Price	Number of Shares Underlying Options	Weighted Average Exercise Price
Outstanding at beginning of year	505,714	\$ 3.50	512,571	\$ 3.50
Granted	-		48,571	3.50
Exercised	-		-	
Forfeited	(54,571)	3.50	(55,428)	3.50
Outstanding at end of year	<u>451,143</u>		<u>505,714</u>	
Exercisable at end of year	<u>296,509</u>	<u>\$ 3.50</u>	<u>237,286</u>	<u>\$ 3.50</u>
Weighted-average fair value of Options granted	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

The following summarizes the status of the Company's non-vested shares (in number of shares that may be purchased) as of December 31, 2011, and changes during the year ended December 31, 2011:

	Year Ended December 31, 2011	Weighted Average Grant Date Fair Value
Nonvested at January 1, 2011	268,429	\$ 114,082
Granted	-	-
Vested	(81,778)	(16,356)
Forfeited	(32,017)	(6,403)
Nonvested at December 31, 2011	<u>154,634</u>	<u>\$ 91,323</u>

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing method with the following assumptions used for grants issued:

Volatility	180.00%
Risk-free interest rate	3.05%
Expected term (yield)	5.67%
Dividend yield	-

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

There is no active external or internal market for the Company's common shares. The Company used similar industry comparables to measure a historical volatility to calculate the Company's options. The Company also estimated the underlying common share value by calculating the Company's enterprise value for the each year granted.

NOTE 7: EMPLOYEE BENEFIT PLAN

The Company has a defined contribution employee benefit plan ("the Plan"). The Plan is available to employees who have completed at least three months of service and are at least 18 years old. Prior to December 1, 2008, the Company matched 25% of each dollar contributed up to 4% of the employee's annual salary. The employer's contribution vests 100% after five years. The Company temporarily suspended matching contributions beginning December 1, 2008 and as such, there was no expense incurred by the Company during 2011 and 2010.

NOTE 8: RELATED PARTY TRANSACTIONS

The Company's president and majority stockholder owns a Contempo Spa that does not pay royalties.

The Company's chief operating officer and shareholder owns a Contempo Spa that pays a fixed monthly fee of \$350 instead of a 6% royalty. In addition, the brand development fee paid is 1% instead of 2%.

During 2008 the Company issued a note payable to a vendor at 7% interest for the purchase of tanning products. At December 31, 2011, the note was secured by 64,285 shares of common stock pledged by the Company's president. During fiscal 2011 and 2010, the largest aggregate amount of principal outstanding on the note was \$538,047 and the amount outstanding at December 31, 2011 was \$411,426, plus accrued interest.

Certain officers and stockholders of the Company have guaranteed a portion of the Company's indebtedness as described in Note 4.

On November 18, 2009, the Company's president loaned the Company \$50,000 for the payment of expenses related to the Company's initial public offering. The amount outstanding at December 31, 2011 was \$2,350 plus accrued interest.

As of December 31, 2011 and 2010, a certain officer's family member owed \$35,671 to the Company, as included in notes receivable on the accompanying consolidated balance sheets. Another \$68,781 and \$63,237 were owed to the Company by employees and stockholders of the Company as of December 31, 2011 and 2010, respectively, for deferred royalties. These amounts are included in accounts receivable on the accompanying consolidated balance sheets.

As of December 31, 2011 and 2010, \$71,581 of unpaid area representative fees were owed to the Company by employees and stockholders of the Company and are included in notes receivables in the accompanying consolidated balance sheets.

As of December 31, 2011, \$7,834 of unpaid equipment fees were owed to the Company by employees and stockholders of the Company and are included in notes receivables in the accompanying consolidated balance sheets.

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

NOTE 9: COMMITMENTS AND CONTINGENCIES

Leases

During 2002, the Company entered into lease agreements for franchise locations under non-cancelable operating leases and subleased these locations, on terms similar to the primary operating lease, to franchisees. No rent expense or rent income (recovery) was recorded by the Company for 2011 and 2010 associated with these leases.

As of January 1, 2012, the Company is not paying rent on any of these leases, however remains as guarantor on approximately three leases. Should any of these franchisees default on their subleases, the Company would be responsible for making rent payments as guarantor.

The Company's maximum theoretical future exposure at December 31, 2011, computed as the sum of all remaining lease payments through the expiration dates of the respective leases, was approximately \$93,000 as follows:

2012	\$ 87,000
2013	<u>6,000</u>
Total	<u>\$ 93,000</u>

This amount does not take into consideration any rent recovery from franchisees or other mitigating measures that the Company could take to reduce this exposure in the event of default, including re-leasing the locations or negotiating lump sum payments with landlords to terminate leases.

Purchase Agreements

During 2002, the Company entered into a product purchase agreement ("Purchase Agreement") with its primary vendor ("Vendor") for tanning beds and supplies requiring the Company to purchase exclusively from the Vendor all spa tanning equipment and all lamps, parts, accessories, lotions, skin and hair care products, cleaning equipment and other tanning related products used or sold in salons owned, operated, or franchised by the Company. In addition, the Company agreed to designate in existing and future franchise agreements the Vendor as the exclusive supplier of equipment and supplies to the Company. This Purchase Agreement is in effect through 2017. The Company or its franchisees purchased approximately \$1,574,000 and \$1,761,000, of its spa equipment and products from this Vendor in 2011 and 2010, respectively.

As part of a purchase agreement with a vendor, during 2009 the vendor began to direct sell product to the Company's franchisees with the net profit of such sales being remitted directly to the Company. In August 2010, the Company amended an existing promissory note with this vendor, such that beginning on January 1, 2011, 75% of net profits earned on sales would be retained by the vendor to be applied first to an outstanding trade payable and second to the promissory note until paid in full. At December 31, 2011, this trade payable and promissory note including accrued interest totaled \$0 and \$411,426, respectively.

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

Legal Proceedings

From time to time, the Company is subject to legal proceedings, claims and liabilities, which arise in the ordinary course of business relating to matters including, but not limited to, disputes with franchisees, area developers, suppliers and employees. At December 31, 2011, there were no pending cases against the Company.

At December 31, 2010, the Company was party to various lawsuits filed by current and former franchisees and a software vendor. These claims are no longer asserted against the Company or have been settled and recorded in the consolidated statement of operations.

On March 25, 2011, the Company filed an \$8.2 million claim with the GCCF for current and future damages sustained by the BP Oil Spill. The Company determined that a substantial number of franchise locations in the Gulf Coast Region were negatively affected by the spill. The affected locations total 30% of the Company's worldwide locations. The claim included revenue damages associated with (1) lost royalty revenue and product sales; (2) lost revenues due to location closures subsequent to the spill; (3) lost current and future revenues due to lost new store openings and transfers subsequent to the spill; and (4) the loss of IPO expenses. The Company is represented by outside legal counsel in this matter. At December 31, 2011, the claim remains unsettled.

NOTE 10: SUPPLEMENTARY INFORMATION

The Company has master franchisor agreements in countries outside of the United States. The operating revenues and net income (loss) from those countries combined are in the table below. There are no long term assets held in countries outside of the U.S.

	<u>December 31, 2011</u>		<u>December 31, 2010</u>	
	<u>United States</u>	<u>Rcst of World</u>	<u>United States</u>	<u>Rest of Wodd</u>
Operating Revenue	\$ 6,774,127	\$ 83,394	\$ 8,622,651	\$ 122,817
Net Income (Loss)	\$ 387,184	\$ (115,433)	\$ (1,320,220)	\$ (471,713)

NOTE 11: FAIR VALUE

Disclosure of fair value information about financial instruments, whether or not recognized in the consolidated balance sheets is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not represent the underlying value of the Company.

Planet Beach Franchising Corporation and Subsidiaries

Notes to Consolidated Financial Statements
2011 and 2010

The recent fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

In accordance with this guidance, the Company groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

At December 31, 2011 and 2010, the Company did not have any financial assets or liabilities to value.

NOTE 12: SUBSEQUENT EVENTS

As discussed in Note 1, on January 4, 2012, the Company restated its certificate of incorporation with the State of Delaware reducing its authorized common shares to 5 million and eliminating its preferred shares entirely.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
MARRERO, LOUISIANA
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009



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& Netterville

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Planet Beach Franchising Corporation
and Subsidiaries
Marrero, Louisiana:

We have audited the accompanying consolidated balance sheets of Planet Beach Franchising Corporation and Subsidiaries (the Company) as of December 31, 2010 and 2009, and the related consolidated statements of operations, stockholders' (deficit), and cash flows for each of the three years ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2010 and 2009, and the consolidated results of operations and cash flows for each of the three years ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

Postlethwaite & Netterville
Metairie, Louisiana
August 9, 2011

PLANET BEACH FRANCHISING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 86,828	\$ 23,790
Restricted cash	-	30,020
Accounts receivable, net of allowance for doubtful accounts of \$391,692 and \$733,518, respectively	381,791	1,069,404
Accounts receivable-related parties	63,237	39,783
Due from employees	9,632	42,064
Inventory	309,411	479,264
Notes receivable	151,602	225,569
Prepaid expenses and other assets	73,692	56,309
Total current assets	<u>1,576,193</u>	<u>1,966,203</u>
<u>PROPERTY, PLANT AND EQUIPMENT, NET</u>	<u>1,948,175</u>	<u>2,188,732</u>
<u>OTHER ASSETS</u>		
Notes receivable, net of allowance for doubtful accounts of \$676,387 and \$518,805, respectively	216,447	601,012
Notes receivable-related parties	107,252	109,353
Other long-term assets	107,300	144,867
Total other assets	<u>430,999</u>	<u>855,232</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,955,367</u>	<u>\$ 5,010,167</u>

(continued)

PLANET BEACH FRANCHISING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

	<u>2010</u>	<u>2009</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u>		
<u>CURRENT LIABILITIES</u>		
Current maturities of notes payable	\$ 338,029	\$ 398,742
Current maturities of notes payable-related parties	20,000	50,000
Accounts payable	1,176,546	1,402,437
Customers' deposits	274,067	341,188
Accrued liabilities	848,306	459,951
Deferred revenue	14,314	55,500
	<hr/>	<hr/>
Total current liabilities	2,671,262	2,707,818
<u>LONG-TERM LIABILITIES</u>		
Notes payable	2,881,964	2,773,919
Accrued liabilities -	1,168,228	620,224
Deferred revenue	209,006	213,181
	<hr/>	<hr/>
Total long-term liabilities	4,259,198	3,607,324
	<hr/>	<hr/>
Total liabilities	6,930,460	6,315,142
<u>STOCKHOLDERS' EQUITY (DEFICIT)</u>		
Preferred stock, \$0.0001 par value; Shares authorized: 10,000,000; none issued		
Common stock, \$0.0001 par value; Shares authorized: 100,000,000; Shares issued: 3,843,160 and 3,836,611, respectively; Shares outstanding: 3,720,474 and 3,713,925, respectively	385	384
Additional paid-in capital	471,575	349,761
Retained earnings (deficit)	(3,272,053)	(1,480,120)
Treasury stock, at cost	(175,000)	(175,000)
	<hr/>	<hr/>
Total stockholders' equity (deficit)	(2,975,093)	(1,304,975)
	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u>	<u>\$ 3,955,367</u>	<u>\$ 5,010,167</u>

The accompanying notes are an integral part of these statements.

PLANET BEACH FRANCHISING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>OPERATING REVENUES</u>			
Sales of spa equipment and products	\$ 2,734,581	\$ 4,919,466	\$ 14,705,685
Franchise fees	258,056	1,257,067	3,067,123
Royalties and related fees	5,583,119	6,883,254	6,833,193
Other	169,712	209,333	399,831
Total operating revenues	<u>8,745,468</u>	<u>13,269,120</u>	<u>25,005,832</u>
<u>OPERATING EXPENSES</u>			
Cost of goods sold	2,130,811	3,692,991	11,131,834
Operating expenses	3,361,506	3,951,089	5,630,367
Salaries and bonuses	2,975,396	4,279,981	6,790,704
Commissions	1,070,049	1,579,631	2,013,114
Total operating expenses	<u>9,537,762</u>	<u>13,503,692</u>	<u>25,566,019</u>
<u>LOSS FROM OPERATIONS</u>	<u>(792,294)</u>	<u>(234,572)</u>	<u>(560,187)</u>
<u>OTHER INCOME (EXPENSE)</u>			
Interest & other income	15,693	34,871	12,818
Interest expense	(234,920)	(256,172)	(218,575)
Realized initial public offering expenses	(780,412)	-	-
Realized gain (loss) on investments	-	(252,519)	7,697
Total other income (expense)	<u>(999,639)</u>	<u>(473,820)</u>	<u>(198,060)</u>
<u>LOSS BEFORE PROVISION FOR INCOME TAXES</u>	<u>(1,791,933)</u>	<u>(708,392)</u>	<u>(758,247)</u>
Provision for income tax	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET LOSS</u>	<u>\$ (1,791,933)</u>	<u>\$ (708,392)</u>	<u>\$ (758,247)</u>

PLANET BEACH FRANCHISING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008

	COMMON STOCK		PAID-IN CAPITAL STOCK	RETAINED EARNINGS (DEFICIT)	ACCUMULATED OTHER COMPREHENSIVE (INCOME) (LOSS)	TREASURY STOCK		TOTAL
	SHARES	AMOUNT				SHARES	AMOUNT	
BALANCE, January 1, 2008	3,826,061	\$ 383	\$ 160,137	\$ (13,481)	\$ 4,589	122,686	\$ (175,000)	\$ (23,072)
Other comprehensive income (loss):								
Net loss	-	-	-	(758,247)	-	-	-	(758,247)
Net unrealized loss on investments	-	-	-	-	(223,606)	-	-	(223,606)
Foreign currency translation adjustment, net of tax benefit	-	-	-	-	(806)	-	-	(806)
Total comprehensive loss								(982,659)
Stock options compensation			34,769					34,769
Stock issuance	10,550	1	26,922					36,923
BALANCE, December 31, 2008	3,836,611	384	231,828	(771,728)	(219,523)	122,686	(175,000)	(934,039)
Other comprehensive income:								
Net loss	-	-	-	(708,392)	-	-	-	(708,392)
Net realized loss on investments	-	-	-	-	219,822	-	-	219,822
Foreign currency translation adjustment, net of tax benefit	-	-	-	-	(299)	-	-	(299)
Total comprehensive loss								(488,869)
Stock options compensation			117,933					117,933
BALANCE, December 31, 2009	3,836,611	384	349,761	(1,480,120)	-	122,686	(175,000)	(1,304,975)
Other comprehensive income:								
Net loss	-	-	-	(1,791,933)	-	-	-	(1,791,933)
Total comprehensive loss								(1,791,933)
Stock options compensation			111,456					111,456
Stock issuance	8,549	1	10,358					16,359
BALANCE, December 31, 2010	3,845,160	\$ 385	\$ 471,575	\$ (15,272,053)	\$ -	122,686	\$ (175,000)	\$ (2,075,093)

PLANET BEACH FRANCHISING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008

	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (1,791,933)	\$ (708,392)	\$ (758,247)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation expense	233,600	198,399	220,372
Bad debt expense	941,517	554,124	495,652
Inventory allowances	49,090	56,000	10,000
Solek opaque compensation expense	111,456	117,933	34,769
Realized loss (gain) on investments	-	252,519	(7,657)
Changes in operating assets and liabilities:			
Accounts receivable	(299,130)	(79,512)	(318,939)
Inventory	129,853	164,832	549,585
Notes receivable	73,403	17,648	(717,443)
Other current assets	59,573	11,489	(90,241)
Accounts payable	(302,711)	(579,285)	1,431,076
Customer deposits	(67,121)	121,962	(922,251)
National advertising deposits	168,792	9,524	(386,356)
Deferred revenue	(45,361)	(186,092)	(509)
Accrued liabilities	643,387	152,382	27,842
Net cash provided by (used in) operating activities	<u>5,327</u>	<u>84,141</u>	<u>(452,578)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash paid for acquisition of property, plant and equipment	-	(132,845)	(148,115)
Decrease in investments	-	255,614	7,697
Increase (decrease) in restricted cash	36,020	(30,020)	-
Net cash provided by (used in) investing activities	<u>36,020</u>	<u>92,753</u>	<u>(140,418)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net change in line of credit	-	(152,561)	(51,346)
Proceeds from long-term debt	299,720	363,345	59,476
Payments on long-term debt	(282,388)	(283,954)	(300,999)
Common stock issuance	10,359	-	36,923
Net cash provided by (used in) financing activities	<u>37,691</u>	<u>(213,172)</u>	<u>(255,946)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>69,038</u>	<u>(36,273)</u>	<u>(848,942)</u>
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	<u>23,790</u>	<u>60,068</u>	<u>909,910</u>
CASH AND CASH EQUIVALENTS-END OF YEAR	<u>\$ 86,828</u>	<u>\$ 23,790</u>	<u>\$ 60,068</u>
SUPPLEMENTAL DISCLOSURE OF CASH ACTIVITIES			
Cash paid for interest	\$ 157,237	\$ 215,436	\$ 213,303
Cash paid for income taxes	\$ 11,259	\$ 3,497	\$ 4,980
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Non-cash property, plant & equipment acquired	\$ -	\$ 254,698	\$ -
Ass developer fee financed	\$ 87,068	\$ 310,508	\$ 377,030

The accompanying notes are an integral part of these statements.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I. **Business Operations**

Organization

Planet Beach Franchising Corporation (the Company) was initially incorporated on September 26, 1996, under the laws of the State of Louisiana. On March 25, 2008, the Company reincorporated under the laws of the State of Nevada. In conjunction with the reincorporation, authorized common stock was increased from 15 million to 100 million shares, and the par value decreased from \$0.001 to \$0.0001 per common share. In addition, 10 million shares of preferred stock having a par value of \$0.0001 per share were authorized for issuance. On March 18, 2010, the Company reincorporated under the laws of the State of Delaware. In conjunction with the reincorporation, the Company effected a 1 for 3.5 reverse stock split of its common stock.

Currently, the Company is engaged in the business of selling Planet Beach Contempo Spa franchises throughout the United States, Canada, Ireland, South Africa, Egypt, and Australia. In addition, the Company has three locations under development in Saudi Arabia, with the potential for several more. The Company also sells spa equipment and products to new and existing franchisees.

The Company has two wholly-owned subsidiaries, Planet Beach Real Estate, LLC (PBRF) and Planet Beach International, LLC (PBI). PBRF has been largely inactive since 2005. PBI was established to recruit master franchisors in international locations under long-term contractual arrangements; whereby, the master franchisor would be given the right to sell Planet Beach Contempo Spa Franchises within the designed international region. Master franchisors would pay an initial master franchise fee upon entering the agreement. The master franchisor would also remit to the Company a percentage of the license fee, product and equipment sales, and royalties collected from the international franchise locations.

The Company has incurred losses of approximately \$1,792,000, \$708,000, and \$758,000 for its years ended December 31, 2010, 2009, and 2008, respectively. Included in the 2010 loss is the Company's recognition of its initial public offering (IPO) expenses totaling \$730,412. During 2010, the company incurred these expenses for preparation and filing of Form S-1 in the effort to raise capital through the issuance of new common stock. The Company elected to withdraw the IPO in March 2011 and wrote off these costs.

The Company determined that a substantial number of franchise locations in the Gulf Coast Region were negatively affected by the BP Oil Spill. The affected locations total 30% of the Company's worldwide locations. The Company's 2010 operations were negatively affected by the reduced revenues for these locations, and locations that closed in the affected areas. Furthermore, the Company's ability to sell new franchise locations in the Gulf Coast Region was negatively impacted by this event. Subsequently, in March 2011, the Company filed a claim with the Gulf Coast Claims Facility (OCCF) for damages totaling \$8.2 million. See Note 12 for further details.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Business Operations, continued**

Other than the IPO costs and the negative effects of the BP Oil Spill on the Company's 2010 operations, the losses have occurred due to the global economic downturn that began in 2007. The Company and the franchisees have been impacted by an impaired ability to obtain credit on reasonable terms or at all. Decreased access to credit for franchisees has impaired their ability to meet their obligations when due and led to franchisee bankruptcies. A continued credit crisis will have a negative impact on the Company's financial position.

Management believes that the Company will continue to operate as a going concern by reducing operating and salary costs and improving operating profitability, controlling inventory levels, working with vendors and other creditors to accept more favorable payment terms and through seeking additional capital for the Company's operations.

2. **Summary of Significant Accounting Policies**

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and cash held in escrow accounts. The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Certain states require the initial franchise fee be deposited in escrow until the franchisee commences business. Once the location commences business, the state will release the funds. Until funds are released, the revenue for the franchise sale is deferred. At December 31, 2010 and 2009, restricted cash totaled \$0 and \$30,020, respectively, related to these escrow deposits.

Accounts Receivable

Accounts receivable consist primarily of amounts due for franchise royalties and product sales, which are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts.

Management determines the allowance for doubtful accounts by identifying overdue accounts and by reserving a percentage of the account's outstanding balance as uncollectible based on historical experience with collections in general or based on the account's specific circumstance. Accounts receivables are written off when deemed uncollectible. Recoveries of accounts receivables previously written off are recorded when received.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Inventory

The Company's inventory consists of spa and tanning lotions and promotional clothing. Inventory is valued at the lower of cost or market, computed on the first-in, first-out basis.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Depreciation on plant and equipment is calculated using the straight-line method over the estimated useful lives of the related assets.

Maintenance and repairs are charged to expenses as incurred. Improvements and renewals are capitalized and depreciated over the remaining estimated useful life. When property, plant, and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation are relieved, and any gain or loss is included in income.

The useful lives of property, plant, and equipment for purposes of computing depreciation are:

Buildings and leasehold improvements	7 – 39 Years
Spa equipment	7 Years
Computer equipment	3 – 5 Years
Furniture, fixtures, and equipment	3 – 7 Years
Software	5 Years

Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

Fair Value of Financial Instruments

For purposes of financial reporting, management has determined that the fair value of financial instruments including cash and cash equivalents, accounts and notes receivable; accounts payable, accrued liabilities and notes payable, approximate the carrying value.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. **Summary of Significant Accounting Policies, continued**

Notes Receivable

Notes receivable consists principally of area developer fees, equipment vendor receivables, and spa purchase fees financed by the Company. The allowance for doubtful accounts is the Company's best estimate of the amount of credit losses in the Company's existing notes. The allowance is determined on an individual note basis upon review of any note that has a payment past due for over 60 days. A note is considered impaired if it is probable that the Company will not collect all principal and interest contractually due. The impairment is measured based on the present value of expected future cash flows discounted at the note's effective interest rate.

The Company does not accrue interest when a note is considered impaired. When ultimate collectability of the principal balance of the impaired note is in doubt, all cash receipts on impaired notes are applied to reduce the principal amount of such notes until the principal has been recovered and are recognized as interest income thereafter. Impairment losses are charged against the allowance and increases in the allowance are charged to bad debt expense. Notes are written off against the allowance when all possible means of collection have been exhausted and the potential for recovery is considered remote.

The notes have interest rates ranging from non-interest bearing to 7.0 percent and will mature upon sale of related franchises, or in accordance with scheduled maturities through September 2016.

Other long-term assets

Other long-term assets primarily consist of cost for trademarks related to the Company's business, and deposits.

Customers' Deposits

Customers' deposits represent advances from franchisees for the purchase of spa and tanning equipment. Equipment orders are normally shipped within 2-4 weeks of receipt of funds. Advance payment is required for all equipment purchases.

National Advertising and Brand Development

The Company collects National Advertising and Brand development royalty from its franchisees. Franchisees that were established before April 1, 2008 are required to contribute 1% of gross sales to the National Advertising Fund as a royalty for the development and distribution of national marketing efforts for the benefit of all franchisees within the Planet Beach system. The Company carries forward national advertising royalties that are not spent in the fiscal year collected to the following year, and records them as a liability on the consolidated balance sheet. At December 31, 2010 and 2009, there were \$92,972 and \$0-, respectively, of carry forward royalties included in current accrued liabilities. The Company recognizes national advertising expenditures in the consolidated statements of operations as incurred.

Beginning April 1, 2008, franchisees entering the system must contribute 2% of gross sales for brand development. The Company has no obligation to carry forward any unspent brand development royalties for these franchisees to the following year. The Company recognizes brand development royalties in our consolidated statements of income in full as we accrue them, along with the brand development expenses.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Revenue Recognition

The Company has entered into franchise agreements that grant franchisees the right to operate individual Planet Beach Contempo Spas in return for an initial franchise fee and ongoing development fees (royalties). In addition, the Company has entered into area developer agreements, including international master franchisor agreements, which grant area developers the right to sell individual Planet Beach Contempo Spas in designated territories.

The Company recognizes revenue from individual franchise sales when all material services or conditions relating to the sale have been substantially performed or satisfied by the Company.

Area developer fees, which include international master franchise sales, are recognized as revenue on the cash basis until 50% of the purchase price is collected; the uncollected purchase price is deferred. All payments received for these area agreements are non-refundable. The Company estimates that once 50% of the purchase price has been collected, and no further significant obligations remain, it is probable that the remaining area development fee will be collectible. Therefore, the Company fully recognizes area development fees once 50% of the purchase price is collected.

Most of these area agreements have promissory notes structured requiring payment of at least 50% of the purchase price within 12 months of agreement execution. The remaining purchase price will normally be collected over 3-6 years amortized monthly with principle and interest payments.

All payments received for these area agreements are non-refundable.

The Company accrues royalties based upon the contractual royalty rate, currently 6% of total franchise revenue, as defined in the respective franchise agreements. Royalties are recorded as revenue when the related franchise revenue is reported to the Company. Sales of spa equipment and products are recognized as revenue, when the items are shipped, collection is probable, and no further significant obligations remain.

Advertising and Marketing Costs

The Company expenses advertising and marketing costs as incurred. Advertising and marketing expense incurred by the Company during 2010, 2009, and 2008 amounted to \$82,696, \$63,179, and \$306,122, respectively.

Shipping Expense

The Company provides free shipping for product orders to customers ordering minimum amounts. Shipping expense is included with operating expenses on the consolidated statement of operations and totaled \$155,387, \$209,482, and \$337,525, for the years ended December 31, 2010, 2009, and 2008, respectively.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued:

Foreign Currency Translation

Foreign currency translation relates to the differences from historical exchange rates and are reflected in Shareholders' Equity (Deficit) as part of accumulated other comprehensive income (loss). These adjustments were primarily related to a few Canadian transactions.

Income Tax

The Company accounts for income taxes under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. We include any estimated interest and penalties on tax related matters in income taxes payable. Valuation allowances are established when necessary to reduce net deferred income tax assets to the amount expected to be realized. (See Note 5)

Effective January 1, 2009, the Company recognized the effect of income tax positions only if those positions are more likely than not being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Prior to the adoption of ASC 740-10 Income Tax Uncertainties, the Company recognized the effect of income tax positions only if such positions were probable of being sustained. The effect of the adoption of this standard was not material.

The Company records interest related to unrecognized tax benefits as interest expense and penalties in selling, general, and administrative expenses.

Stock-Based Compensation

The Company accounts for its stock-based compensation using the modified prospective adjustment method of measuring share based payments. (See Note 6)

PLANET REACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. **Property, Plant, and Equipment**

Property, plant, and equipment consist of the following:

	<u>2010</u>	<u>2009</u>
Land	\$ 210,000	\$ 210,000
Building and leasehold improvements	1,706,015	1,706,015
Spa equipment	510,852	516,794
Computer equipment	622,376	623,391
Furniture, fixtures, and equipment	164,042	164,042
Software	554,560	554,560
	<u>3,767,845</u>	<u>3,774,802</u>
Less: accumulated depreciation	<u>(1,819,670)</u>	<u>(1,586,070)</u>
Property, plant, and equipment, net	<u>\$ 1,948,175</u>	<u>\$ 2,188,732</u>

Depreciation expense associated with property, plant, and equipment charged to operations during 2010, 2009, and 2008 totaled \$233,600; \$198,399, and \$220,372, respectively. Substantially all of the Company's building and building improvements are pledged as collateral for various loans of the Company. (See Note 4)

One of the Company's buildings is subject to a lien filed by the IRS for \$24,700 of unpaid taxes which are being paid in monthly installments.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Long-Term Debt

The following is a summary of the Company's long-term debt as of December 31:

	2010	2009
Note Payable—Company, payable in monthly installments of \$5,306, including interest of 3.14%, through March 2027, secured by building; guaranteed by certain Company officers and shareholders.	\$ 806,917	\$ 840,008
Note Payable—Company, payable in monthly installments of \$9,216, including interest of 8.25%, through June 2012, with final payment estimated to be \$459,755 on July 19, 2012, secured by accounts receivable and inventory; guaranteed by certain Company officers and shareholders.	558,239	619,305
Note Payable—SBA, payable in monthly installments ranging from \$5,553 through \$4,754, including interest of 5.79%, through June 2027, secured by building and building improvements; guaranteed by certain Company officers and shareholders.	571,162	591,280
Note Payable—Non-interest bearing, and payable in monthly installments up to \$2,000 through December 2012, secured by stock of the Company.	38,583	45,580
Note Payable—Vendor, payable in varying monthly installments, including interest of 7.00%, through December 2013, secured by majority shareholder's common stock.	498,949	515,739
Note Payable—Vendor, payable in monthly installments of \$7,200, including interest of 7.00%, through January 2013, unsecured.	228,797	234,276
Note Payable—Vendor, payable in monthly installments of \$5,236, including interest of 7.00%, through March 2013, unsecured.	130,443	173,787
Note Payable—Vendor, payable in monthly installments of \$1,197, including interest of 7.00%, through March 2013, unsecured.	29,824	41,656
Note Payable—Company Officer, was due to be paid in full upon completion of initial public offering, including interest of 5.00%; unsecured.	50,000	50,000

PLANET BEACH FRANCHISING CORPORATION
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. <u>Long-Term Debt, continued</u>	2010	2009
Note Payable-Vendor, payable in monthly installments ranging from \$3,000 to \$4,000, including interest of 3.47%, through July 2012, secured by equipment.	\$ 64,977	\$ 94,000
Note Payable-Vendor, payable in monthly installments of \$1,553, including interest of 7.00%, through August 2011 unsecured.	12,102	17,030
Note Payable-Vendor, payable in full on February 26, 2013, including interest of 7.00%, unsecured.	250,000	-
	3,239,993	3,222,661
Less: current portion	358,029	448,742
Long-term notes payables	\$ 2,881,964	\$ 2,773,919

Pursuant to a 2003 agreement, the Company borrowed \$250,000 from a vendor on February 26, 2010. The funds were used to pay past and ongoing development costs associated with its Company-owned store in Irvine, CA referred to as the Prototype Salon. In February 2011, the Company sold the store in Irvine, CA to a new franchisee. In conjunction with this sale, the Company re-structured this \$250,000 note, including accrued interest, extending the due date to February 26, 2013, with interest at 7%. During this two year extension, all rebates earned from the sales of certain new private-labeled products by this vendor to the Company's franchisees will be retained and used to pay-down the note balance.

As part of the note agreement with one of the Company's vendors noted above, the Company converted an accounts payable of approximately \$59,000 into a four year note payable. The Company was also allowed additional financing from the vendor of up to \$300,000. Under this agreement, the Company awarded the vendor with 5,275 shares of common stock and the option to convert balance dues under the note into additional shares of the Company's common stock within 12 months of an initial public offering of the Company's common stock at a conversion price equal to the initial public offering price.

Substantially all of the Company's building and building improvements are pledged as collateral for various loans of the Company.

**PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

4. Long-Term Debt, continued

The following is a summary of principal maturities of long-term debt for each of the next five years and thereafter:

2011	\$ 358,029
2012	877,928
2013	504,472
2014	168,128
2015	179,786
Thereafter	<u>1,151,650</u>
	<u>\$ 3,239,993</u>

5. Income Taxes

Significant components of the Company's deferred income tax liabilities and assets as of December 31 are as follows:

	<u>2010</u>	<u>2009</u>
Deferred income tax liabilities:		
Accelerated depreciation	\$ 181,206	\$ 219,660
Accrued related party wages	3,543	3,543
Total deferred income tax liabilities	<u>184,749</u>	<u>223,203</u>
Deferred income tax assets:		
Bad debt allowance	416,551	488,406
Employee stock option	109,640	66,172
Deferred revenue	-	54,405
Employee tax credits carryforward	227,149	189,449
Net operating loss carryforward	504,366	174,923
Total deferred income tax assets	<u>1,257,706</u>	<u>973,355</u>
Valuation allowance	<u>(1,072,957)</u>	<u>(750,152)</u>
Net deferred income tax liabilities, net	<u>\$ --</u>	<u>\$ --</u>

Significant components of the provision for income taxes for the year ended December 31 are as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current tax expense (benefit)	\$ --	\$ --	\$ --
Deferred tax expense (benefit)	<u>--</u>	<u>--</u>	<u>--</u>
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. **Income Taxes, continued**

The reconciliation of income taxes computed at the federal statutory tax rate to income tax provision (benefit) for the year ended December 31 is as follows:

	2010	2009	2008
Tax at federal statutory rate	\$ (609,257)	\$ (240,853)	\$ (257,804)
Non-deductible expenses	1,401	13,275	10,787
State income taxes and credits	(105,764)	(33,718)	(36,529)
Employee tax credits	(-)	(8,624)	(89,901)
Valuation allowance	713,620	269,920	373,447
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

For tax reporting purposes, the Company had cumulated operating loss carryforwards of approximately \$1,293,246 and \$703,588 at December 31, 2010 and 2009, respectively. If not utilized, the full amount of such carryforwards would expire in 2028. The Company has available for tax reporting purposes \$227,149 in employee tax credits that will begin to expire in 2025.

The Company and its subsidiaries file U.S. federal and state income tax returns. There are no on-going examinations of income tax returns filed by the Company and its subsidiaries. U.S. federal income tax returns ending after 2005 are subject to examination by the Internal Revenue Service. State income tax returns for tax years ending after 2005 are subject to examination by related state tax authorities.

6. **Stock Option Plan**

On July 1, 2005, the Company adopted the Planet Beach Franchise Corporation 2005 Incentive Stock Plan (the "Plan") that provides for the granting of stock options to its directors, officers, employees, and consultants.

Stock options granted under our Plan expire ten years from the date of grant. Generally, either 20% or 25% of the options vest on the first anniversary of the grant. Thereafter, the options vest monthly on a pro rata basis until the fourth or fifth anniversary of the grant until fully vested.

The Plan includes provisions to make adjustments to reflect stock splits or stock dividends, and certain other events occur. The Company believes that the current level of authorized shares is sufficient to satisfy future option exercises.

The Company has recorded stock-based compensation expense in the salaries and bonuses line item in the amount of \$111,456, \$117,933, and \$34,769, related to stock awards for the fiscal years ended December 31, 2010, 2009, and 2008, respectively.

**PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

6. Stock Option Plan, continued

A summary of the Company's option activity under the plan for the year ended December 31, 2010 is as follows:

	2010		2009		2008	
	Number of Shares Underlying Options	Weighted Average Exercise Price	Number of Shares Underlying Options	Weighted Average Exercise Price	Number of Shares Underlying Options	Weighted Average Exercise Price
Outstanding at beginning of year	512,571	\$ 3.50	532,571	\$ 3.50	148,857	\$ 3.50
Granted	48,571	3.50	-	3.50	420,571	3.50
Exercised	-	-	-	-	-	-
Forfeited	(55,428)	3.50	(20,000)	3.50	(36,857)	3.50
Outstanding at end of year	<u>505,714</u>		<u>512,571</u>		<u>532,571</u>	
Exercisable at end of year	<u>237,286</u>	<u>\$ 3.50</u>	<u>182,743</u>	<u>\$ 3.50</u>	<u>81,586</u>	<u>\$ 3.50</u>
Weighted-average fair value of Options granted.	-	\$ -	-	\$ -	170,475	\$ 0.38

The following summarizes the status of the Company's nonvested shares (in number of shares that may be purchased) as of December 31, 2010, and changes during the year ended December 31, 2010:

	Year Ended	Weighted Average
	December 31, 2010	Grant Date Fair Value
Nonvested at January 1, 2010	329,829	\$ 157,801
Granted	48,571	-
Vested	(85,286)	(34,503)
Forfeited	(21,685)	(9,216)
Nonvested at December 31, 2010	<u>268,429</u>	<u>\$ 114,082</u>

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing method with the following assumptions used for grants issued:

	For the fiscal year ended
	December 31, 2008
Volatility	180.00%
Risk-free interest rate	3.05%
Expected term (years)	5.67
Dividend yield	-

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. **Stock Option Plan, continued**

There is no active external or internal market for the Company's common shares. The Company used similar industry comparables to measure a historical volatility to calculate the Company's options. The Company also estimated the underlying common share value by calculating the Company's enterprise value for the each year granted.

7. **Employee Benefit Plan**

The Company has a defined contribution employee benefit plan (Plan). The Plan is available to employees who have completed at least three months of service and are at least 18 years old. Prior to December 1, 2008, the Company matched 25% of each dollar contributed up to 4% of the employee's annual salary. The employer's contribution vests 100% after five years. The company temporarily suspended matching contributions beginning December 1, 2008. Expense incurred by the Company during 2010, 2009, and 2008 associated with the Plan totaled \$-0-, \$-0-, and \$56,099, respectively.

8. **Related Party Transactions**

The Company's president and majority stockholder owns a Contempo Spa that does not pay royalties.

The Company's chief operating officer and shareholder owns a Contempo Spa that pays a fixed monthly fee of \$350 instead of a 6% royalty. In addition, the brand development fee paid is 1% instead of 2%.

During 2008 the Company issued a note payable to a vendor at 7% interest for the purchase of tanning products. At December 31, 2010, the note is secured by 64,285 shares of common stock pledged by the Company's president. During fiscal 2009 and 2010, the largest aggregate amount of principal outstanding on the note was \$639,846, and the amount outstanding at December 31, 2010 was \$498,949, plus accrued interest.

Certain officers and stockholders of the Company have guaranteed a portion of the Company's indebtedness as described in Note 4.

On November 18, 2009, the Company's president loaned the Company \$50,000 for the payment of expenses related to the Company's initial public offering. The amount outstanding at December 31, 2010 was \$50,000, plus accrued interest.

As of December 31, 2010, a certain other officer's family member owed \$35,671 to the Company as included in notes receivable on the accompanying consolidated balance sheet. Another \$63,237 and \$71,581 were owed to the Company by employees and stockholders of the Company for deferred royalties and unpaid area representative fees, respectively. These amounts are included in accounts receivable and notes receivables in the accompanying consolidated balance sheet, respectively.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. Commitments and Contingencies

Leases Guarantees

During 2002, the Company entered into lease agreements for franchise locations under noncancelable operating leases and subleased these locations, on terms similar to the primary operating lease, to franchisees. Rent expense paid by the Company associated with these leases amounted to \$-0-, \$29,424, and \$138,174, for 2010, 2009, and 2008, respectively. Rent income (recovery) recorded by the Company associated with these subleases amounted to \$-0-, \$7,219, and \$29,149, for 2010, 2009, and 2008, respectively. Net rent expense is recorded in operating expenses in the consolidated statements of operations.

At January 1, 2011, the Company is not paying rent on any of these leases, however, remains as guarantor on approximately three leases. Should any of these franchisees default on their subleases, the Company would be responsible for making rent payments as guarantor.

The Company's maximum theoretical future exposure at December 31, 2010, computed as the sum of all remaining lease payments through the expiration dates of the respective leases, was approximately \$180,000 as follows:

2011	\$ 87,000
2012	87,000
2013	6,000
Total	<u>\$ 180,000</u>

This amount does not take into consideration any rent recovery from franchisees or other mitigating measures that the Company could take to reduce this exposure in the event of default, including re-leasing the locations or negotiating lump sum payments with landlords to terminate leases.

Purchase Agreements

During 2002, the Company entered into a product purchase agreement (Purchase Agreement) with its primary vendor (Vendor) for tanning beds and supplies requiring the Company to purchase exclusively from the Vendor all spa tanning equipment and all lamps, parts, accessories, lotions, skin and hair care products, cleaning equipment and other tanning related products used or sold in salons owned, operated, or franchised by the Company. In addition, the Company agreed to designate in existing and future franchise agreements the Vendor as the exclusive supplier of equipment and supplies to the Company. This Purchase Agreement is in effect through 2017. The Company or its franchisees purchased approximately \$1,761,000, \$2,981,000, and \$4,860,000, of its spa equipment and products from this Vendor in 2010, 2009, and 2008, respectively.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. Commitments and Contingencies, continued

As part of a purchase agreement with a vendor, during the first quarter of 2009 the vendor began to direct sell product to the Company's franchisees with the net profit of such sales being remitted directly to the Company. In August 2010, the Company amended an existing promissory note with this vendor, such that beginning on January 1, 2011, 75% of net profits earned on sales would be retained by the vendor to be applied first to an outstanding trade payable and second to the promissory note until paid in full. At December 31, 2010, this trade payable and promissory note including accrued interest totaled \$28,952 and \$532,057, respectively.

Legal Proceedings

At December 31, 2010, the Company was party to various lawsuits filed by current and former franchisees and a software vendor. Outside counsel for the Company is not able to determine the probable outcome of these cases at this time. The Company believes the suits are without merit and is vigorously defending its position. Accordingly, no amounts are recorded in the consolidated statements of operations in connection with these lawsuits.

10. Supplementary Information

The Company has master franchisor agreements in countries outside of the United States. The operating revenues and net income (loss) from those countries combined are in the table below. There are no long term assets held in countries outside of the US.

	December 31, 2010		December 31, 2009		December 31, 2008	
	United States	Rest of World	United States	Rest of World	United States	Rest of World
Operating Revenue	\$ 8,622,651	\$ 122,817	\$ 12,904,298	\$ 364,822	\$ 23,872,788	\$ 1,133,044
Net Loss	\$ (1,520,220)	\$ (271,713)	\$ (515,276)	\$ (193,116)	\$ (744,932)	\$ (13,315)

11. Fair Value

Disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not represent the underlying value of the Company.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. Fair Value, continued

The recent fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

In accordance with this guidance, the Company groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

At December 31, 2010 and 2009, the Company did not have any financial assets or liabilities to value.

Net unrealized (loss) on available-for-sale securities in the amount of \$-0-, -0-, and (\$223,606), for the years ended 2010, 2009 and 2008, respectively, has been included in accumulated other comprehensive income (loss).

12. Subsequent Events

As noted in Note 4, during the first quarter of 2011, the Company restructured a \$250,000 vendor note having a maturity date of February 26, 2011. The maturity date for principal and accrued interest was extended two years to February 26, 2013 with a 7% interest rate.

On March 25, 2011, the Company filed an \$8.2 million claim with the GCCF for current and future damages sustained by the BP Oil Spill. The Company determined that a substantial number of franchise locations in the Gulf Coast Region were negatively affected by the spill. The affected locations total 30% of the Company's worldwide locations. The claim included revenue damages associated with (1) lost royalty revenue and product sales; (2) lost revenues due to location closures subsequent to the spill; (3) lost current and future revenues due to lost new store openings and transfers subsequent to the spill; and (4) the loss of IPO expenses. The methodology used to determine these damages was independently reviewed by external certified public accountants, and their report is included with the filing. The Company is represented by outside legal counsel in this matter.

EXHIBIT F

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
SINGLE AND MULTI UNIT FRANCHISE AGREEMENTS**

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT DATA SHEET**

1. Name of Franchisee: _____
Partner or Spouse: _____
2. Franchisee's Address: _____

3. Franchisee's Social Security No: _____
4. Licensing Agent: _____
5. Franchisee's Territory: _____

6. Franchisee's Telephone Number: _____
7. Franchisee's Cell Number: _____
8. Franchisee's Facsimile Number: _____
9. Franchisee's E-Mail Address: _____
10. Initial Franchise Fee: _____

11. Amount Paid: _____
12. Amount Due: _____
13. Effective Date: _____
14. Driver's License Number: _____

Agreement

Exceptions: _____

The information contained in this Data Sheet is incorporated by reference into the Planet Beach Franchising Corporation Franchise Agreement.

PLANET BEACH FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

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Exhibits to Planet Beach Franchising Corporation's Single Unit Franchise Agreement

- Exhibit 1 -- Authorized Products and Services
- Exhibit 2 -- Approved Location and Territory Addendum
- Exhibit 3 -- Guaranty Agreement and Acknowledgment by Guarantor
- Exhibit 4 -- Rider to Lease
- Exhibit 5 -- Sublicense Agreement
- Exhibit 6 -- Confidentiality and Non-Competition Agreement
- Exhibit 7 -- Conditional Assignment of Telephone Numbers, Email Addresses, and URLs
- Exhibit 8 -- Statement of Prospective Franchisee

**PLANET BEACH FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (the "Agreement") is made as of the Effective Date set forth on the Data Sheet of this Agreement between Planet Beach Franchising Corporation, a Delaware corporation with an address at 5145 Taravella Road, Marrero, Louisiana 70072 ("Planet Beach" or "PBFC"), and the Franchisee identified in the Data Sheet ("you"). The information contained in the Data Sheet is incorporated into this Agreement.

BACKGROUND

A. Through the expenditure of money, time and effort, PBFC has developed a distinct and ~~proprietary—business~~proprietary business format for the operation of Spas (the "System"), the distinguishing characteristics of which include proprietary operating procedures and standards and specifications for products and services, as amended from time to time in PBFC's sole discretion.

B. The System is identified by proprietary trademarks, service marks, trade dress, logos and other indicia of origin including, without limitation, the trade name and service mark "Planet Beach" (the "Proprietary Marks").

C. PBFC offers franchises to qualified individuals for the right to use the System and Proprietary Marks at a single approved location (the "Spa").

D. You have applied to PBFC for the right to operate a Spa pursuant to the terms of this Agreement, and PBFC has approved your application in reliance upon all of the representations made in your application, including those concerning your financial resources, your business experience and interests, and the manner in which the franchise will be owned and operated.

E. You acknowledge that you have read this Agreement and PBFC's Franchise Disclosure Document, and that you have been given an opportunity to obtain clarification of any provision that you did not understand. You also understand and agree that the terms and conditions in this Agreement are necessary to maintain PBFC's high standards of quality and service, and the uniformity of those standards at all Planet Beach Spa locations.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, mutually agree as follows:

1. FRANCHISE GRANT

PBFC grants to you, and you hereby accept, a nonexclusive franchise to establish and operate one Spa pursuant to the terms of this Agreement within a geographic area mutually agreed to by the parties. This Agreement does not give you the right to establish additional Spas.

2. LOCATION

2.1. Approved Location. You shall operate your Spa only from the Approved Location identified in, or (if the parties have not agreed upon a location at the time this Agreement is signed) to be identified, in the Data Sheet. If you have not yet secured a site for the Spa at the time you sign the Franchise

Agreement, you will enter into our Approved Location and Territory Addendum, attached as Exhibit 2 to the Franchise Agreement, which will govern the site selection process.

2.2. **Site Selection.** You must obtain a site for the Spa within 120 days from the Effective Date set forth on the Data Sheet ("Site Selection Period") either by (i) entering into a lease or sublease with the owner of a site or the prime tenant having possession of a site which is mutually acceptable to you and PBFC; or (ii) purchasing real estate which is mutually acceptable to you and PBFC.

2.3. **Lease.** If you elect to lease premises for your Spa, you must submit a copy of your proposed lease for PBFC's approval prior to execution. You must deliver an executed copy of the lease to PBFC within 15 days after the execution of the lease. PBFC's acceptance of the lease terms does not constitute an expression of PBFC's opinion regarding the terms of the lease or the viability of the location.

2.4. **Relocation.** PBFC will permit you to relocate your Spa to a new approved location within the Territory, at your expense, if you lose the right to possess the premises through no fault of your own, or if the Spa is destroyed by vandalism, fire or act of God. PBFC will approve the new site if it meets PBFC's site selection criteria. You have no right to relocate the Spa without PBFC's prior written consent.

3. TERRITORY

3.1. **Territory.** We grant a Franchise based on our expectation that you will continuously and diligently follow all System requirements. Subject to the exclusions below, PBFC grants to you the right to establish and carry on a business within a protected territory that consists of a radius or boundary surrounding your Spa (the "Protected Territory"). Your Protected Territory generally will be a circle, the center of which will be your location as defined by your signed lease and verified by you. The actual size and dimensions of your Territory may be less than stated below and will depend upon the specific variables of your Site, including population density, marketing and development trends, traffic flow and natural and man-made boundaries. A map plotting the Protected Territory will be attached to this Agreement as Exhibit 2 upon securing a site for your location.

If a radius is used to determine your Territory, then the radius of the circle will be based on where the Spa site is located and will range from:

- (i) one-half of a mile (½ mile) if your Spa is located in a Downtown area or the Central Core of a large city; to
- (ii) two miles (2.0 miles) if your Spa is located in any other Area.

Your Protected Territory shall exclude: (i) any area that is across a state line, river, navigable waterway, interstate, highway or other natural or man-made boundary; and (ii) regional shopping malls, train stations, bus stations and airports.

3.2. **Modification of Protected Territory.** During the term of this Agreement, so long as you are in compliance with the terms and conditions of this Agreement, PBFC will not establish or locate, or grant any third party the right to establish or locate, another Planet Beach Spa location using the System and Proprietary Marks within the Territory identified, or to be identified, in the Data Sheet or Exhibit 2 to this Agreement except as set forth in Section 3.3 and 3.4 below. If you are in breach of this Agreement, or are not otherwise in Good Standing, we may reduce, eliminate or otherwise modify your rights in the Territory, including any right of first refusal. We do not make any representation or assurance that you can or will achieve any performance minimums. This Agreement does not grant you any other territorial rights.

3.3. Reservation of Rights. PBFC will not establish (and will not authorize any other party in our system to establish) a Spa within your Protected Territory subject to the following Exclusions:

- a. Own and operate Spas at any location(s) outside your Protected Territory under the same or different marks, and to license others the right to own and operate Spas at any location(s) outside your Protected Territory under the same or different marks. In some instances, Territories may overlap;
- b. Conduct any business in a regional shopping mall, train station, bus station or airport in which your Spa is not located;
- c. Use the Proprietary Marks in connection with offering ancillary or dissimilar products and services at any location inside or outside your Protected Territory;
- d. Acquire other businesses within your Protected Area that compete with the Spa;
- e. Convert any existing tanning and/or spa establishment to a business which uses the Planet Beach System whether that business be a Franchised Business or owned and/or operated by PBFC or a PBFC affiliate;
- f. Conduct and transact business with customers and/or companies operating in your Protected Territory by means of the internet as well as other electronic media that are known now or developed in the future, toll-free telephone numbers, and any other manner we determine; however, we will not do so from a Spa that is physically located in your Protected Territory subject to the provisions set forth above;
- g. If the franchisor or the franchisee identifies the opportunity to establish a second or further franchise within the Protected Territory then the franchisee shall be considered prior to any third party as to the proposed operator of the proposed franchise. The existing franchisee, subject to meeting all new franchisee criteria, shall be offered a 21 day first right of refusal. If the franchisee declines to accept the proposed franchise, then the franchisor shall be free to either itself open a new store within the territory or allow a new franchisee to open a new store within the territory; and
- h. Engage in any other activities not expressly prohibited by this Agreement.

3.4. Additional Exclusions. Your grant of a franchise does not include (i) exclusive marketing rights; (ii) any right to offer any product or service via e-commerce; (iii) any right to establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; or (iv) any right to distribute, market, or implement Planet Beach's products and services in any channel of distribution not specifically identified in this Agreement.

4. TERM AND RENEWAL

4.1. Term. The initial term of this franchise shall begin on the Effective Date set forth on the Data Sheet by PBFC and shall expire at midnight on the twentieth anniversary of the Effective Date.

4.2. Renewal. You have the right to renew this Agreement for perpetual consecutive additional 5-year terms, if you meet the following conditions:

4.2.1. You are in compliance with all the terms and conditions of this Agreement at the time of renewal and have substantially complied with the terms of this Agreement and with the operating standards and criteria established by PBFC throughout the initial term and any renewal term of this Agreement;

4.2.2. You have satisfied all monetary obligations owed to PBFC and its affiliates;

- 4.2.3. You are in compliance with all other agreements between you and PBFC and/or its affiliates;
- 4.2.4. You have provided PBFC with written notice of your intention to renew the Franchise Agreement at least 90 days but not more than 180 days prior to expiration of the then-current term;
- 4.2.5. You have the right to remain in possession of the Spa premises, or you have secured other premises acceptable to PBFC for the renewal term;
- 4.2.6. At PBFC's request, you effectuate, at your expense, any changes in services, facility, items offered or business system so as to reflect Planet Beach's then-current image including interior and exterior design or offerings of Planet Beach Contempo Spas;
- 4.2.7. You execute PBFC's then-current form of franchise agreement, which may vary materially from the terms of this Agreement and may include, without limitation, higher royalty and marketing fees. The renewal franchise agreement, when executed, will supersede this Agreement in all respects; and
- 4.2.8. You sign a general release in the form prescribed by PBFC, in favor of PBFC and its affiliates and their respective officers, directors, agents, and employees, for all claims arising out of or related to this Agreement or any related agreements with PBFC or its affiliates.
- 4.2.8.4.2.9. You remit a \$5,000 renewal fee upon execution of the new franchise agreement.

5. CONFIDENTIAL OPERATIONS MANUAL

You must operate your Spa in accordance with PBFC's confidential operations manual (the "Operations Manual"), which contains policies, procedures, standards, specifications and methods of operating a Planet Beach Contempo Spa. PBFC has the right to amend and supplement the Operations Manual from time to time in its discretion. You will make, at your sole expense, changes necessary to conform to the Operations Manual, including, but not limited to, upgrading and remodeling the Spa, including leasehold improvements, furniture, fixtures, equipment, signs, and software. You acknowledge these requirements are necessary and reasonable to preserve the identity, reputation and goodwill PBFC has developed and the value of the franchise. You agree to make repairs and updates and to pay all reasonable required costs within reasonable time periods that may be established. You will adhere to quality control standards prescribed in the Operations Manual or elsewhere with respect to the character or quality of the products sold and services performed in association with the Marks. The Operations Manual, as amended from time to time, is intended to further the purposes of this Agreement and is specifically incorporated into this Agreement. The contents of the Operations Manual are protected by the Copyright law of the United States and may not be disclosed to any person or entity not affiliated with PBFC and may not be duplicated, copied, reproduced or altered in any way.

6. CONSTRUCTION OF SPA

After you identify a site for the Spa and are approaching lease execution, you will construct and equip your Spa to the specifications contained in the Design and Construction Manual and open for business. You will remain responsible for all costs of and connected with design and construction, including, but not limited to construction drawings, architectural and/or engineering drawings, including stamps and seals, fees associated with obtaining building permits, leasehold improvements, equipment, furniture,

fixtures and signs, and you must bear the cost and responsibility for compliance with state or local ordinances, rules and regulations, including those related to zoning.

7. TRAINING

7.1. Initial Training Program. Controlling franchisee(s) and principle operator must attend and complete all required training prior to 120 days of opening your Spa in order to allow for a properly timed pre- sale. Required training programs are outlined in Sections 7.1.1, 7.1.2, 7.1.3 and 7.3 below and as more specifically defined in the Operations Manual. Each of your additional or replacement directors are required to successfully complete all required director training programs to PBFC's satisfaction within 90 days of assuming management responsibilities. You are solely responsible for full payment of all training-related expenses including, without limitation, travel expenses to and from the training site, lodging accommodations, dining expenses, and salaries for your employees.

7.1.1. Planet Beach University Online Certification Program. Each Franchisee and Spa employee must successfully complete all required courses and certifications of Planet Beach University Online, a web-based training and certification program, according to the training schedule provided to you at announcement of signing of Agreement.

7.1.2. Franchisee and Director School. Each franchisee must attend and complete Franchisee and Director School. Each Spa manager (director) must attend and complete Franchisee and Director School within ninety (90) days of hire. Each Franchisee and Spa manager (director) must attend and complete such school annually.

7.1.3. Operator Certification. Each franchisee, Spa manager (director), and Spa employee who works with customers as an operator in any franchise location that offers UV tanning services must successfully complete a nationally recognized indoor tanning operator certification prior to working in a location, at your expense. PBFC accepts those national training certification programs that are recognized by the Food and Drug Administration or by an individually regulated state, such as Smart Tan or the National Tanning Training Institute ("NTTI"). In addition, any franchisee or employee operating the airbrush tanning service must successfully complete the recognized Airbrush Operators Certification Prior to providing this service. New or replacement Directors and Consultants must obtain Operator's Certification within 30 days of their employment.

7.2. Training Programs and Seminars. PBFC has the right, but is not obligated, to provide continuing education training programs or seminars for previously-trained franchisees and directors, assistant directors and consultants and to require you to attend and successfully complete these programs or seminars. PBFC also has the right, but is not obligated, to provide on site training at the expense of the franchisee. Generally, the costs are directly associated with travel costs. You are solely responsible for your and your employees' tuition and all training-related expenses including, without limitation, travel expenses, living and dining accommodations, and employee salaries.

7.3. Attendance at Annual Conventions. You must attend all Planet Beach Annual Conventions unless exigent circumstances exist and you receive PBFC's prior written approval not to attend. All costs related to the Annual Convention, including but not limited to, travel expenses, lodging and entertainment shall be your sole responsibility. If you do not request and obtain prior written approval for absence, then PBFC will automatically draft the convention registration fee for two attendees 14 days prior to the convention. This will automatically register you and your spa director.

8. OPENING

8.1. Opening for Business. You must open the Spa for business within 275 days of execution of this Agreement. If you cannot open within 275 days due to vandalism, fire, act of God or other circumstances beyond your control, you must request an extension from PBFC immediately, which extension will not be unreasonably withheld. It is your sole responsibility to ensure that your Spa opens within 275 days of execution of this Agreement.

8.2. Pre-Sale Marketing. During the development of your Spa and through the initial opening of your Spa you must expend at least \$10,000 to \$20,000 on advertising and marketing within your Territory. You shall make such expenditure in accordance with PBFC's written requirements and specifications. Within 60 days of the Spa's opening, you shall supply PBFC with written evidence (by means of cancelled checks, paid invoices, copies of advertisements) of the purchase and publication of such opening advertising and marketing. You have the right, but are not required, to spend additional sums with respect to opening marketing.

8.3. Opening Approval Process. You may not open the Spa for business until you have achieved a satisfactory minimum membership base in monthly dues which will be drafted the first full month you open your Spa via Electronic Funds Transfer ("EFT"). (For example, if your average monthly dues equal \$79 per member, then you will have to enroll 159 members during the pre-sale period.) A PBFC Representative must provide you with written approval and authorization to open. If a PBFC Representative does not certify that you have achieved a satisfactory membership base and 120 days from lease execution have expired, then you may apply for an exception to open. Whether PBFC approves your Spa opening prior to attaining a ~~satisfactory~~ satisfactory monthly dues will depend upon an analysis of pre-sale marketing efforts and related facts.

9. YOUR OBLIGATIONS

9.1. Operations. You must operate your Spa in accordance with the Operations Manual which contains policies, procedures, standards, specifications and methods of operating a Planet Beach Spa. Policies include but are not limited to the daily hours of operation, Planet Beach's Membership Policy, Reciprocation Policy, etc.

9.2. Compliance with Applicable Laws. You shall operate your Spa in strict compliance with all applicable laws, regulations and ordinances including, without limitations, laws and regulations applicable to or affecting health and safety, registering your Spa with the appropriate authority where and when applicable, taxation issues, membership agreements, and employee contracts. You must obtain and maintain all permits, licenses, and registrations required for the lawful operation of your Spa and comply with all health and safety codes. If you are a corporation, partnership or limited liability company, then the name of your entity shall not include any portion of any of the Proprietary Marks; provided, however, you shall register for fictitious name usage in the jurisdiction in which the Spa is located and promptly provide Planet Beach a copy of the registration. Planet Beach is neither responsible nor liable for researching, knowing, acting on, and/or advising you and/or anyone on any state, city, county, parish, and/or local laws that will apply to the Spa's operations in that specific area. Planet Beach cannot provide you with any advice, legal or otherwise, on local issues. You must provide Planet Beach with copies of all permits, licenses and registrations within 30 days of opening your Spa.

9.3. Authorized Products and Services and Approved Suppliers. You shall not conduct any business or sell any products at the Spa other than the business and products approved by PBFC. PBFC has the right to require you to purchase products from designated or approved suppliers as well as to enter into service agreements with approved vendors. A description of currently authorized products and services is attached as Exhibit 1 to this Agreement (the "Authorized Products and Services"). PBFC has the right to

add, eliminate, modify and substitute any of the Authorized Products and Services or the designated suppliers in its sole discretion. If you wish to offer any product or service that PBFC has not authorized or to acquire items or services from an unapproved supplier, you must request PBFC's approval in writing and provide PBFC all information it may reasonably need to evaluate the proposed product, service or supplier. PBFC will make a good faith effort to notify you of its approval within 15 days of receiving such information. PBFC's failure to approve a product, service or supplier within this 15 day period will constitute disapproval of the proposed product, service or supplier. If PBFC approves your request to offer a new product or service or to acquire items from a new supplier, such approval will be only for the specific product, service or supplier for which approval was granted. Notwithstanding the existence of this approval process, PBFC reserves the right to be the only approved supplier of a product or service. In that situation, you will be required to purchase the product or service from PBFC and no one else. The price you will pay for the product or service will be the price then in effect, and PBFC may make a profit on the sale of the product or service.

9.4. Computer Software and Hardware. You shall purchase and use any and all computer software programs ("Software") which PBFC designates for use for the System, and shall purchase such computer hardware as may be necessary for the efficient operation of the Software within 90 days from the date you receive written notice from PBFC. You must also establish a high-speed internet connection prior to the opening of your Spa. The POS/Spa Management Software is provided to you by a third party vendor. The monthly fee shall be paid directly to that vendor. Software supplier will provide 24/7 software support. You agree to update or upgrade computer hardware components and/or Software as PBFC deems necessary from time to time but not more than 3 times per calendar year. In addition, PBFC has the right to require you to enter into a separate maintenance agreement at your sole expense for such computer hardware and/or Software in the form PBFC prescribes. You acknowledge and agree that Planet Beach may deny you access to the Software if you fail to meet your obligations under this Agreement or the Operations Manual.

9.5. Collection of Data. You shall collect and maintain such data relating to the business as PBFC may require from time to time, including but not limited to, the names, addresses and purchase history of all customers. You shall provide such data to Planet Beach in the form Planet Beach specifies. Any such data shall be PBFC's sole property and shall not be disclosed or distributed to any person or entity for any reason; provided that you have a license to use any such data solely for internal marketing and accounting purposes in accordance with all applicable laws and regulations.

9.6. Debts and Obligations. You shall promptly pay all the debts and obligations relating to the operation of the Spa and shall not fail to pay any debts to third parties that may result in claims of liability to PBFC.

PBFC RESERVES THE RIGHT TO WITHHOLD FROM YOU ANY PRODUCTS, SERVICES, MAINTENANCE, INFORMATION, ADVICE, CONSULTATION AND TRAINING, TO DIRECT SUPPLIERS NOT TO OFFER SYSTEM DISCOUNTS, TO DELETE YOUR SPA FROM THE PLANET BEACH WEBSITE, AND TO DENY YOU ACCESS TO PLANET BEACH'S COMPUTER SYSTEM IF YOU ARE NOT IN COMPLIANCE WITH THE TERMS OF THIS AGREEMENT OR THE OPERATIONS MANUAL.

10. INITIAL AND CONTINUING FEES

10.1. Initial Franchise Fee. In consideration of the rights granted under this Agreement, you have paid to PBFC an initial franchise fee ("Initial Franchise Fee") in the amount reflected on the Data Sheet. The initial franchise fee is deemed fully earned upon payment and non-refundable.

10.2. Royalty Fee. During the term of this Agreement, you will pay to PBFC a monthly Royalty Fee ("Royalty Fee") in an amount equal to 6% of your "Gross Revenue" earned during the preceding month. If you are non-compliant and have been defaulted, you must pay a monthly Royalty Fee in an amount equal to 9% of your "Gross Revenue" earned during the preceding month until you become compliant. Non-Compliant Franchisees are those who receive a default notice with a 30 day notice to cure letter and fail to cure the default. On the 31st day, PBFC will begin drafting royalties at 9% until the default is cured. Gross Revenue shall include all revenues from sales made by you from all business conducted at or from your Spa, including but not limited to amounts received from the sale of spa or tanning sessions, prepaid packages, memberships and any other goods and services and tangible property of any nature whatsoever. PBFC will sometimes refer to Gross Revenue as the sum of Cash, NET EFT and Retail. Gross Revenue shall not include the amount of sales tax imposed by any federal, state, municipal or other governmental authority and you agree to pay such amounts as and when they become due.

10.3. Brand Development Fee. During the term of this Agreement, you will pay to PBFC a monthly Brand Development Fee in an amount equal to 2% of your "Gross Revenue" earned during the preceding month.

10.4. Credit Card Processing Fee. You shall pay to PBFC the amount of the credit card processing fee charged to PBFC from the credit card processor for any payments made by you to PBFC and/or any purchases made by you from PBFC.

10.5. Payment Procedures. You must make all payments to PBFC through the AUTODRAFT system. All payments are due on the 1st and deemed late on 5th of every month for the preceding month. In the event that any payments are due on a national holiday, payment will be due on the first business day following such holiday. A late fee of \$100 will be assessed for each week that payment is delinquent. An insufficient funds fee of \$100 will be assessed for any AUTODRAFT payment rejected as a result of insufficient funds. In addition to the late fee and the overdue amount, interest will accrue on such amount from the date it was due until paid at 18% per annum or the maximum rate permitted by state law, whichever is less. Interest will be compounded monthly and shall be in addition to any other remedy PBFC may have under this Agreement or applicable law.

10.6. Refunds. All fees are fully earned when they become due and are not refundable.

11. PROPRIETARY MARKS AND COPYRIGHTS

11.1. License. During the term of this Agreement, you are granted a non-exclusive license to use the Proprietary Marks in connection with the operation of your Spa. You shall display the Proprietary Marks only in the manner that PBFC directs or permits. Your license to use the Proprietary Marks shall automatically cease upon termination or expiration of this Agreement.

11.2. Ownership. You acknowledge that the Proprietary Marks are valid and are PBFC's sole property. You will not, either during or after the term of this Agreement, do anything, or assist any other person to do anything, which would infringe upon, harm or contest Planet Beach's rights in any of the Proprietary Marks.

11.3. Goodwill. You acknowledge that all goodwill which may arise from your use of any of the Proprietary Marks is and shall at all times remain Planet Beach's sole and exclusive property and shall inure to Planet Beach's sole benefit.

11.4. Modification. You acknowledge that Planet Beach has the right to add, modify, substitute or discontinue use of any of the Proprietary Marks in its sole discretion. You agree to make any additions,

deletions and modifications on all interior and exterior signs, packaging materials, printed materials and advertising as Planet Beach directs at your own expense.

11.5. Internet Usage. You may not register or use the words "Planet Beach" in any domain name. You shall not use the Proprietary Marks, or any part thereof, as part of any web site domain name without Planet Beach's prior written consent. An individual website for your Spa may only be operated and maintained through Planet Beach's website.

11.6. Infringement. You shall promptly notify PBFC of any infringement of, or challenge to, the Proprietary Marks and Planet Beach shall, in its discretion, take such action, as it deems appropriate. Planet Beach will indemnify and hold you harmless from any suits, proceedings, demands, obligations, actions or claims, including costs and reasonable attorneys' fees, for any alleged infringement under federal or state trademark law arising solely from your use of the Proprietary Marks according to this Agreement and Planet Beach's other written directives if you have promptly notified Planet Beach of such claim. If Planet Beach undertakes the defense or prosecution of any litigation pertaining to any of the Proprietary Marks, you must execute any and all documents and do such acts and things as, in the opinion of PBFC's counsel, are necessary to carry out such defense or prosecution.

11.7. Franchisee Developments. Planet Beach shall own and have the exclusive right to use and incorporate in the Planet Beach Franchise System, for the benefit of other franchisees and Planet Beach, any modifications, changes and improvements to the System, in whole or in part, developed or discovered by you or your employees or agents in connection with the System or the operation of your Spa, without any liability or obligation to you. This includes, but is not limited to, discoveries or development of products, systems or techniques, management practices or procedures, architectural designs and philosophies and names or groups of words relating to the System or describing the services offered by Planet Beach Spas.

12. CONFIDENTIAL INFORMATION

You acknowledge and agree that the Operations Manual, training material, Planet Beach's trade secrets, methods and other techniques are Planet Beach's exclusive and confidential property which Planet Beach provides to you in confidence ("Confidential Information"). You agree to use the Confidential Information only for the purposes and in the manner Planet Beach authorizes in writing, which use will inure exclusively to Planet Beach's benefit. Planet Beach's trade secrets consist of, without limitation, sales techniques, merchandising and display techniques, Spa layout, advertising formats, accounting systems, operations systems, policies, procedures, systems, compilations of information, records, specifications, manuals and other confidential information which Planet Beach or its affiliates have developed for use in the operation of Spas. You may not contest, directly or indirectly, Planet Beach's ownership of its trade secrets, methods or procedures or contest Planet Beach's right to register, use or license others to use any such trade secrets, methods and procedures. You (including your partners, officers, directors, shareholders, as applicable), your employees, and their respective heirs, successors and assigns, are prohibited from using and/or disclosing any Confidential Information in any manner other than as Planet Beach permits and must execute a ~~Confidentiality~~ Confidentiality and Non-Competition Agreement in the form attached as Exhibit 6.

13. MARKETING

13.1. Generally. You must participate in all marketing programs required by Planet Beach in writing or contained in the Operations Manual. You may place or display at your Spa (interior and exterior) only the signs, emblems, lettering, logos and displays and marketing materials as Planet Beach approves in writing from time to time. You must submit to Planet Beach, at least 10 days prior to your use, samples

of all sales promotional and marketing materials you desire to use for approval. Planet Beach's failure to approve or disapprove the materials within 10 days of receipt will be deemed a disapproval. You may not use any marketing or promotional materials for which Planet Beach has not given its prior written approval.

13.2. **Territorial Marketing Restriction.** You are not permitted to solicit customers and/or market outside your Territory, except to the extent that you have received Planet Beach's prior written authorization, which Planet Beach will not unreasonably withhold. Planet Beach may condition its authorization upon your agreement to offer System franchisees who are operating Spas in contiguous territories the opportunity to participate in, and share the expense of, such solicitation and/or marketing. You may not market your Spa or any products or services offered by the Spa via the Internet without Planet Beach's prior written consent, which may be given or withheld in Planet Beach's sole discretion.

13.3. **Marketing Fund.** Planet Beach may, in its discretion, establish local marketing cooperatives for the common benefit of Planet Beach's franchisees.

13.3.1. **Local Cooperatives.** Planet Beach has the right, in its discretion, to designate any geographical area for purposes of establishing a regional marketing and promotional cooperative ("Cooperative"), and to determine whether you must participate in a Cooperative. If a Cooperative has been established applicable to the Spa at the time you begin operating under this Agreement, you must immediately become a member of such Cooperative. If a Cooperative applicable to the Spa is established at any later time during the term of this Agreement, you must become a member of such Cooperative no later than 30 days after the date on which the Cooperative begins operation. Planet Beach has the right to change, combine or dissolve cooperatives. If the Spa is within the territory of more than one Cooperative, you are required to be a member of only one such Cooperative. The following provisions will apply to each Cooperative:

- a) Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by Planet Beach;
- b) Each Cooperative will be organized for the exclusive purpose of administering regional marketing programs and developing, subject to our approval, standardized marketing materials for use by the members in local marketing;
- c) All activities and contributions to the Cooperative shall be determined by a majority vote of the Spas in the Cooperative; and
- d) No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior written approval. All such plans and materials shall be submitted to Planet Beach in accordance with the procedure set forth in Section 15.1 hereof

14. INSURANCE

You must obtain and maintain at your sole expense at all times during the term of this Agreement such insurance coverage, as Planet Beach from time to time shall specify, and/or any other insurance coverage required by law. This includes but is not limited to, comprehensive general liability insurance, flood insurance worker's compensation insurance, unemployment insurance, business interruption insurance, and life insurance. Each policy shall be written by an insurance company acceptable to Planet Beach, and

shall name Planet Beach and its officers, directors, agents, attorneys, employees and affiliates as additional insured parties. You shall promptly deliver to Planet Beach original certificates evidencing that all insurance required by Planet Beach is in full force and effect prior to opening the Spa for business. You shall deliver to Planet Beach each year renewal certificates. All policies must provide that the policy may not be cancelled, terminated, modified or reduced in terms of coverage, without 30 days prior written notice to Planet Beach. If you fail to obtain or maintain the required insurance, Planet Beach has the right, but is not obligated, to obtain and maintain such insurance coverage on your behalf and to charge you for such coverage, together with a service fee which shall not exceed 25% of the insurance premium. There is no assurance that minimum insurance requirements will be adequate to satisfy your needs.

15. BOOKS, RECORDS AND REPORTS

15.1. Books and Records. You must maintain at the Approved Location or other approved location such books, accounts, records and memoranda disclosing all transactions relating to or involving the operation of the Spa. Planet Beach shall have access to examine, inspect and copy all such books, accounts, records, memoranda, computer files and systems to review, inspect and poll such data during regular business hours. Financial records and statements must be kept and maintained in conformity with generally accepted accounting principles or such other accounting method that is acceptable for tax reporting purposes. You must keep and maintain such record-keeping or electronic reporting systems as Planet Beach may require, and make the same available to Planet Beach as Planet Beach specifies or as a report or statement. You must use those forms specified by Planet Beach. In addition, you must keep in the manner specified by Planet Beach, consecutively numbered customer receipt forms for each purchase or service rendered in the operation of the Spa. You must retain these for Planet Beach's inspection, and upon Planet Beach's request, forward them to Planet Beach.

15.2. Periodic Reports. You must provide to Planet Beach periodic royalty reports and all other documentation as Planet Beach may reasonably prescribe from time to time. Planet Beach reserves the right to specify the accounting and/or bookkeeping procedures, formats, systems and forms you will use in the operation of the Spa. You must deliver to Planet Beach within 20 days of the end of each fiscal quarter a complete and accurate profit and loss statement for such quarter, in a format acceptable to Planet Beach. Failure to submit on time will maximum late charge of \$300.00 per month, per occurrence.

15.3. Daily Production and Monthly Spa Financial Reports. You must fax or e-mail your cumulative monthly Daily Production Report ("DPR") to Planet Beach upon request, following the close of business on the last business day of every month. Failure to submit your previous month's DPR by the 3rd day of each month will result in a maximum late charge of \$300.00 per month, per occurrence. You must submit your monthly Spa financial reports in a manner specified by Planet Beach, including accurate amounts for all Spa operational expenses. Failure to submit your Spa's financial reports by the 3rd day of each month will result in a maximum late charge of \$300.00 per month, per occurrence.

15.4. Annual Financial Statement, Balance Sheet and Tax Return. Within 90 days after the close of each fiscal year (ending December 31) you must deliver to Planet Beach annual financial statements, including but not limited to profit and loss statements and balance sheets for the preceding year prepared in accordance with generally accepted accounting principles or such other accounting methods that are acceptable for tax reporting purposes. You must furnish to Planet Beach copies of federal, state and local sales, income or other tax returns filed in connection with the Spa by April 1 of the following year. Failure to submit on time will maximum late charge of \$300.00 per month, per occurrence

16. ACCOUNTING

16.1. Application of Payments. Planet Beach has the right to apply all payments as it deems

appropriate in its discretion, regardless of the purpose for which such payment is designated; provided, however, Planet Beach shall not apply payment to any indebtedness that you have identified in writing as a disputed charge.

16.2. Interest. You must pay all bills, fees, charges and other obligations to Planet Beach in strict accordance with the applicable payment and credit terms. Any amount not paid when due, will bear interest from the due date at the rate of 18% per annum, or the maximum allowed by law, whichever rate shall be less. Interest will be compounded monthly. The payment of such interest or other amounts due shall not be deemed to constitute a waiver of any other rights available to Planet Beach.

16.3. Audits. Planet Beach or its designee may inspect or conduct an audit of your accounts, business and financial books and records, local marketing records, tax returns and other records during regular business hours. If the audit discloses an understatement of Gross Receipts for any period or periods, you must immediately pay to Planet Beach all Royalty Fees and any other sums due under this Agreement, plus interest on these monies at the rate set forth in this Agreement. If any audit reveals that you have underreported any amounts by more than 2% in any period or periods, or if you fail to timely submit complete, accurate and legible reports, then in addition to paying all monies due, you shall reimburse Planet Beach for the cost of the audit, including the charges of any independent certified public accountant, attorneys' fees, other legal costs and the travel expenses, room, board and compensation of Planet Beach's employees.

17. INSPECTIONS

Planet Beach or its designee has the right at any time during regular business hours, and without prior notice, to conduct a reasonable inspection of the Spa. Any such inspection will be at Planet Beach's expense, unless Planet Beach is required to make any additional inspections in connection with your failure to comply with this Agreement. In such event, Planet Beach has the right to charge you for the costs of making the additional inspections, including without limitation travel expenses, room and board and compensation of employees. You must promptly remedy at your sole expense any deficiency found during any inspection.

18. COVENANTS

18.1. During the Term of this Agreement. During the term of this Agreement, neither you nor any of your principals shall, directly or indirectly, through corporations, partnerships, limited liability companies, trusts, associations, joint ventures, or other unincorporated businesses, perform any services for, engage in or acquire, participate or have any financial or other interest in any other business or other entities offering spa or tanning services or other services or products offered by Planet Beach locations, provided, however, that this provision shall not apply to the operation of any other Planet Beach franchised business pursuant to a valid franchise agreement with Planet Beach.

18.2. After the Term of this Agreement. For a period of 2 years following termination or expiration of this Agreement, or the termination of any principal's interest in the Spa, neither you nor any of your principals shall, directly or indirectly, through corporations, partnerships, limited liability companies, trusts, associations, joint ventures, or other unincorporated businesses, perform any services for, engage in or acquire, participate or have any financial or other interest in any other business or other entities offering tanning services or other services or products offered by Planet Beach locations: (1) at the Approved Location (or the location of your former Planet Beach Spa); (2) within the Territory; (3) within a 10 mile area surrounding the perimeter of the Territory; or (4) within a 10 mile radius of any Planet Beach location in existence on the date of expiration or termination of this Agreement; provided, however, that this provision shall not apply to the operation of any other Planet Beach franchised business

pursuant to a valid franchise agreement with Planet Beach. The aforesaid 2-year period shall be tolled during any period of noncompliance.

19. INDEPENDENT CONTRACTOR; INDEMNIFICATION

19.1. Independent Contractor. You are an independent contractor responsible for full control over the internal management and daily operation of your Spa, and neither Planet Beach nor you are the agent, principal, partner, employee, employer or joint venture of the other. You must not act or represent yourself, directly or by implication, as an agent, partner, employee or joint venture of Planet Beach, nor may you incur any obligation on Planet Beach's behalf or in its name.

19.2. Indemnification. You must defend, indemnify and hold Planet Beach and/or its affiliates harmless from all fines, suits, proceedings, claims, demands, obligations or actions of any kind (including costs and reasonable attorneys' fees) arising in whole or in part from training, the construction or operation of your Spa, or the performance of your obligations under this Agreement that exist upon execution or that may arise in the future, except as otherwise provided in this Agreement.

20. NOTICES

All notices, requests and reports to be given under this Agreement shall be in writing, and delivered by either hand; e-mail with a confirming receipt; overnight mail; certified mail, return receipt requested, prepaid; or by facsimile transmission (except that regular monthly and other reports from you may be sent by regular mail), to the address or fax number set forth in the Data Sheet (which may be changed by written notice).

21. SALE OR ASSIGNMENT

21.1. Assignment by Planet Beach. Planet Beach has the right to assign this Agreement and to delegate its obligations under this Agreement in whole or in part in its sole discretion. Planet Beach is not obligated to provide you with prior notice of such assignment.

21.2. Assignment by You. Your rights under this Agreement are personal, and you shall not sell, transfer, assign or encumber your interest in the franchised business without our prior written consent.

21.3. Conditions for Transfer. Planet Beach will not approve any transfer unless the following items have been completed prior to execution of purchase agreement between you and the buyer:

21.3.1. Planet Beach's approval of buyer as a franchisee;

21.3.2. The satisfaction of all monetary and non-monetary obligations under this Agreement and any other agreement between you and Planet Beach or its affiliates;

21.3.3. Planet Beach is provided with a copy of the purchase agreement between you and the buyer;

21.3.4. Your execution (or your principals' execution, as applicable) of a general release, in a form prescribed by Planet Beach, of all claims against Planet Beach and its officers, directors, agents, employees, and affiliates. Notwithstanding such release, you shall remain obligated under those provisions of this Agreement that expressly extend beyond the term hereof; and

21.3.5. The buyer's execution of Planet Beach's then-current Single Unit Franchise Agreement

and payment to Planet Beach of a franchise transfer-fee of \$39,950.10,000.

21.4. Death or Disability. In the event of your death, disability or incapacitation (or the death, disability or incapacitation of your principals or personal guarantors if you are a partnership, corporation or limited liability company), your legal representative (or your principal's or guarantor's respective legal representative, as applicable) shall have the right to continue the operation of the Spa under this Agreement, without payment of a transfer fee, if: (i) within 90 days from the date of death, disability or incapacitation (the "90 day period"), such person has obtained Planet Beach's prior written approval; and (ii) such person successfully completes Planet Beach's required training programs (which Planet Beach will provide at its then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by this Agreement and are acceptable to Planet Beach.

21.5. Right of First Refusal. Planet Beach shall have the irrevocable first right and option to purchase your business on the same terms and conditions as any bona fide purchaser who wishes to become a Planet Beach franchisee. Planet Beach may exercise this right of first refusal by notifying you of Planet Beach's decision to do so in writing within 30 days after receipt of any third party offers that you provide. Any sale or attempted sale without first giving Planet Beach the right of first refusal shall be void and of no force or effect.

21.6. Transfer to a Corporation or Limited Liability Company. You have the right to assign your rights under this Agreement to a corporation or limited liability company provided:

- 21.6.1. The entity is newly organized and its activities are exclusively confined to operating the Planet Beach franchise;
- 21.6.2. You are, and at all times remain, the owner of 51% of the outstanding shares of the corporation or a controlling interest in the limited liability company;
- 21.6.3. The new entity delivers to Planet Beach a written assumption of your obligations under this Agreement;
- 21.6.4. All shareholders, members and/or managers of the new entity sign Planet Beach's Guaranty Agreement; and
- 21.6.5. The entity must adhere to the requirements set forth in this Agreement relating to management of the Spa.

22. CHANGES AND MODIFICATIONS

Franchisor reserves and shall have the sole right to make changes in the Manual, the System, and the Proprietary Marks at any time and without prior notice to Franchisee. Franchisee understands and agrees that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological innovations, the System must not remain static in order that it best serve the interest of Franchisor, franchisees, and the System. Accordingly, Franchisee expressly understands and agrees that Franchisor may from time to time change the components of the System, including but not limited to, altering the programs, services, methods, standards, forms, policies and procedures of the System; adding to, deleting from or modifying those programs, products and services which the Franchised Business is authorized to offer; and changing, improving or modifying the Proprietary Marks. Subject to other provisions of this Agreement, Franchisee expressly agrees to abide by any such modifications, changes, additions, deletions and alterations at its sole expense.

23. _____TERMINATION

23.1. Automatic Termination. This Agreement will automatically terminate, without notice and without an opportunity to cure, if:

23.1.1. You make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated a bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or for the Spa; or

23.1.2. You purport to sell, transfer or assign your rights under this Agreement.

23.2. Termination With Notice and Without Opportunity to Cure. Planet Beach has the right to terminate this Agreement, which termination shall become effective upon delivery of notice of termination, without providing you an opportunity to cure, if:

23.2.1. Proceedings are commenced to have you adjudicated as bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for you or for the Spa without your consent, and the appointment is not vacated within 60 days;

23.2.2. A levy or writ of attachment or execution or any other lien is placed against you or any of your principals, as applicable, or any of your assets or your principal's assets which is not released or bonded against within 30 days;

23.2.3. In the sole and absolute discretion of Planet Beach, you fail to successfully complete all required Planet Beach training programs at least 60 days following the opening of your Spa;

23.2.4. You or any of your principals are insolvent;

23.2.5. You or any of your principals are convicted of or plead no contest to a felony or criminal misconduct relevant to the performance of your duties under this Agreement;

23.2.6. You have misrepresented any material information to Planet Beach given in connection with this Agreement including, but not limited to information in your franchise application, or you falsify any material information provided to Planet Beach;

23.2.7. You or your principals commit any fraud or engage in any illegal conduct in connection with the Spa; or intentionally underreport or misstate any information you are required to report to Planet Beach;

23.2.8. You misuse any of the Proprietary Marks, Copyrights or Confidential Information and fail to immediately cease or correct such use after receiving written or oral notification from Planet Beach;

23.2.9. You fail to find a site for your Spa and submit it to Planet Beach for approval within 60 days of the execution of this Agreement, and you fail to request in writing, and Planet Beach does not elect to grant you, an extension of this Site Selection Period;

23.2.10. You fail to open your Spa within 275 days of Planet Beach's execution of this

Agreement;

23.2.11. You abandon your Spa (for purposes of this provision, the term “abandon” shall mean your failure to operate the Spa for 3 or more consecutive days);

23.2.12. You fail to cure any default of your lease or sublease for your Spa's location within the relevant cure period, if any, or to remedy any default under any note, lease, or sublease for the Spa's location, or for the equipment or inventory therein, or lose the right to possession of the Spa's location, provided however, that if any such loss of possession results through no fault of your own, and the premises are damaged or destroyed by fire, flood or other natural disaster such that they cannot, in Planet Beach's sole judgment, reasonably be restored, or you are not permitted under the lease or sublease to restore, then this Agreement shall not be terminated for that reason for a period of 60 days thereafter, provided that Planet Beach has approved (i) a site within that time to which you will relocate for the remainder of the term of this Agreement; and (ii) your schedule for reopening the Spa, which approval shall not be unreasonably withheld;

23.2.13. You purport to transfer any rights or obligations arising under this Agreement to any third party without Planet Beach's prior written consent, including the sale of the assets to a non-Planet Beach franchisee;

23.2.14. You violate the confidentiality/non-disclosure obligations of this Agreement;

23.2.15. The provisions contained in this Agreement for transfer by you upon death, disability or incompetence are not strictly followed;

23.2.16. You violate the covenant not to compete;

23.2.17. You fail to obtain Planet Beach's approval or consent as required by this Agreement; or

23.2.18. You violate any of the provisions of this Agreement and/or any other agreement with Planet Beach on 2 or more occasions within any 12-month period (notwithstanding the cure of any individual violation).

23.3. Termination by Planet Beach After a Thirty (30) Day Cure Period. Planet Beach has the right to terminate this Agreement, after providing you a 30-day cure period, if you fail to comply with any term of this Agreement not listed in Section 22.2.

23.4. Cross-Default. If you are the owner of more than 25% of another Planet Beach franchise or corporate or limited liability company franchisee, then any breach of the franchise agreement for such additional franchise will constitute a breach of this Agreement, and be grounds for Planet Beach to terminate this Agreement. Moreover, a breach of this Agreement is grounds for termination of any other agreement you have with Planet Beach or its affiliates.

24. _____ YOUR OBLIGATIONS UPON TERMINATION

24.1. Upon termination or expiration of this Agreement, you shall:

24.1.1. Promptly pay to Planet Beach and/or its affiliates any sums due and owing, and to other persons or entities sums which may result in a claim of liability to Planet Beach. You must also

promptly pay Planet Beach the royalty fees otherwise due for the remaining term of this Agreement discounted to present value using an interest rate of 8%. This Section shall not apply in the event the termination is due to your bankruptcy;

24.1.2. Immediately cease using the Proprietary Marks, Software, Copyrights and Confidential Information and refrain from referencing any past association with Planet Beach;

24.1.3. Immediately discontinue all marketing under the name "Planet Beach," or any similar name;

24.1.4. Promptly cancel or transfer to Planet Beach, its affiliates or Planet Beach's designee any and all registrations and/or telephone listings, email addresses, and URLs under the name "Planet Beach"~~Beach~~ or any similar designation and execute such instruments and take such steps as Planet Beach may require to accomplish the transfer or cancellation of any such registration or listing. You hereby grant to Planet Beach power of attorney to cancel any fictitious name registration under the name referenced above, or any similar name;

24.1.5. If directed by Planet Beach, promptly make such changes and modifications in your business methods, Spa facility, and otherwise as Planet Beach directs so as to effectively distinguish the franchise location from any appearance as a Planet Beach Spa;

24.1.6. Promptly destroy or surrender to Planet Beach all signs, stationery, letterhead, forms and other printed materials containing any of the Proprietary Marks or any other similar name or mark;

24.1.7. Promptly return to Planet Beach the Operations Manual and other materials provided by Planet Beach or containing Confidential Information or Trade Secrets, or other information which relates to the System or the operation of the Spa, including but not limited to computer files, customer data, programs and other materials provided to you by Planet Beach;

24.1.8. Maintain all books, records and reports Planet Beach requires for a period of not less than 1 year, and permit Planet Beach to inspect such documents;

24.1.9. Deliver to Planet Beach a complete list of all persons employed by you during the 3 years immediately preceding termination, together with all employment files for each person on the list;

24.1.10. Provide Planet Beach, within 30 days after the effective date of termination or expiration, evidence satisfactory to Planet Beach of your compliance with the foregoing obligations; and

24.1.11. Comply with all provisions of this Agreement that by their nature survive the termination or expiration of this Agreement.

24.2. Security Interest in Personal Property. Planet Beach shall have a security interest in any equipment, supplies and other personal property on the site if Planet Beach has not received all funds due and owing from you and if Planet Beach is entitled by law to possession and a lien against such property.

24.3. Option to Purchase Personal Property. Planet Beach, its affiliate or its assignee also has the option, but is not obligated, to purchase any personal property used in connection with the operation of your Spa by providing you written notice of its election within 30 days after termination or expiration of this Agreement and paying you the book value for such personal property within 30 days of such notice. For purposes of this Section, "book value" means the amount you actually paid for the personal property

less depreciation (calculated by using the straight-line depreciation method on a 10 year depreciation schedule irrespective of the depreciation method or schedule you use for accounting purposes). Notwithstanding the foregoing, to the extent that Planet Beach exercises its right to purchase any personal property that is subject to a lease or finance agreement, the purchase price of such personal property shall equal the amount of your remaining obligations under the lease or finance agreement, as applicable. In the event that the amounts due are in excess of book value, then the purchase price shall be equal to the lesser of the amount due under the lease or finance agreement or book value. Planet Beach shall be entitled to offset the purchase price by the amount of money owed by you to Planet Beach for any payments necessary to acquire clear title to property or for any other debt. If Planet Beach exercises its option to purchase, pending the closing of such purchase, Planet Beach has the right to appoint a manager to maintain operation of the Spa, or Planet Beach may require that you close the Spa during such period without removing any assets. You are required to maintain in force all insurance policies required under this Agreement until the date of such closing.

25. CHOICE OF LAW; DISPUTE RESOLUTION

25.1. Governing Law. This Agreement shall be deemed to have been made in the State of Louisiana and shall be construed according to the laws of Louisiana without regard to its conflict of laws, La. CC Arts. 3515 et seq., and any amendments and/or revisions thereto.

25.2. Internal Dispute Resolution. Before commencing any legal action against Planet Beach or its affiliates with respect to any such claim or dispute, you must submit a notice of dispute which specifies, in detail, the precise nature and grounds of such claim or dispute to the Planet Beach's Counsel. If you are in a territory with an Area Representative, you must first submit the claim directly to your Area Representative prior to engaging PBFC's Legal Department. Resolution of your dispute may involve an external, neutral Ombudsman at Planet Beach's discretion. If your claim or dispute cannot be resolved you must agree to a face to face meeting between you, your attorney if you have retained one, a corporate representative from Planet Beach and the PBFC's Counsel prior to engaging in mediation. This meeting may occur at a neutral meeting place. You must exhaust these internal dispute resolution procedures before proceeding to mediation.

25.3. Mediation. At Planet Beach's option, all claims or disputes between you and Planet Beach or its affiliates arising out of, or in any way relating to, this Agreement, or any of the parties' respective rights and obligations arising out of this agreement, shall be submitted first to mediation, in Jefferson Parish, Louisiana under the auspices of the National Franchise Mediation Program ("NFMP"), in accordance with the NFMP's Commercial Mediation Rules then in effect. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by NFMP and the mediator's fees. Planet Beach's rights to mediation, as set forth herein, may be specifically enforced by Planet Beach.

25.4. Arbitration. At Planet Beach's option, all disputes and claims relating to this Agreement or any other agreement entered into between the parties, the rights and obligations of the parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, shall be settled by arbitration in Jefferson Parish, Louisiana in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Any arbitration proceeding, or any claim in arbitration (including any defense and any claim of setoff or recoupment), must be brought or asserted before the expiration of the earlier of (1) the time period for bringing an action under any applicable state or federal statute of limitation; (2) 1 year after the date upon which a party discovered or should have discovered, the facts giving rise to an alleged claim; or (3) 2 years after the first act or omission giving rise to an alleged claim. Claims of Planet Beach attributable to the underreporting of sales and claims of the parties for indemnification shall be subject only to the applicable state or federal statute of limitation.

The right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed by the Federal Arbitration Act, as amended. Neither party shall pursue class claims and/or consolidate the arbitration with any other proceeding to which the franchisor is a party. Each party must bear its own costs of arbitration including the fee for their respective arbitrator; provided, however, that the neutral or the single arbitrator's fee shall be shared equally by Planet Beach and you.

The arbitrator's award shall include all fees, costs and attorneys' fees for the prevailing party. The arbitrators shall have no authority to amend or modify the terms of the Agreement. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration, except to the extent such issue may have been determined in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District for the Eastern District of Louisiana and, if confirmed, may be subsequently entered in any court having competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

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

25.6. Injunctive Relief. Nothing contained in this Agreement herein shall prevent the parties from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect the parties' interest prior to the filing of any legal proceeding or pending the trial or handing down of a decision or award pursuant to any legal proceeding conducted hereunder.

25.7. Jurisdiction and Venue. With respect to any proceeding, the parties agree that any action at law or in equity instituted against either party to this Agreement shall be commenced only in the 24th Judicial District Court for the Parish of Jefferson, Louisiana or the United States District Court for the Eastern District of Louisiana at Planet Beach's discretion.

25.8. Jury Trial Waiver. With respect to any proceeding, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver shall apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or your purchase from Planet Beach of the franchise and/or any goods or services.

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

25.10. Class Action Waiver. You hereby agree to waive any class action proceeding or counterclaim against Planet Beach, its affiliates, successors or assigns, whether at law or equity, regardless of which party brings suit. This waiver shall apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or your

purchase from Planet Beach, its affiliates, successors or assigns of the franchise and/or any goods or services.

25.11. Attorneys' Fees. If either party institutes any judicial or arbitration proceeding to enforce any obligations under or to interpret the terms of this Agreement and Planet Beach prevails in the action or proceeding, you shall be liable to Planet Beach for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

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

26. CONSTRUCTION

26.1. Entire Agreement. This Agreement contains the entire agreement between the parties concerning the franchisee's franchise; no promises, inducements or representations not contained in this Agreement have been made, or shall any be of any force or effect, nor binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Planet Beach reserves the right to change Planet Beach's policies, procedures, standards, specifications or manuals at Planet Beach's discretion. Nothing in the Agreement or in any related agreement is intended to disclaim the representation we made in the franchise disclosure document.

26.2. Survival. Any provisions of this Agreement which may be reasonably interpreted to impose any obligation after termination or expiration hereof, shall survive such termination or expiration and be binding upon the parties.

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

26.4. Construction. The terms "franchisee" and "you" shall be construed to refer to the male or female gender in all cases where the franchisee is an individual, masculine or feminine modifiers and pronouns notwithstanding. The term "Franchisee" and "you" include all persons or entities identified as "franchisee" in the Data Sheet. The term "principals" shall include your general and limited partners if you are a partnership; your officers, directors and shareholders if you are a corporation; and your members and managers if you are a limited liability company. The Section captions are inserted only for convenience and reference, and are not intended to define, limit or describe the scope, intent or language of this Agreement or any provisions hereof

26.5. Binding Agreement. This Agreement shall be binding upon the parties and their heirs, executors,

personal representatives, successors and assigns. All franchisee signatories to this Agreement and all partners of a partnership franchisee, all officers, directors and shareholders of a corporate franchisee, and all members and managers of a limited liability company franchisee, shall be jointly and severally liable for the performance of all terms, covenants and conditions hereof.

27. _____PERSONAL GUARANTY OF SHAREHOLDERS, PARTNERS, MEMBERS
_____AND MANAGERS

You acknowledge that all partners in a limited partnership, shareholders in a corporate franchisee, or members and managers in a limited liability company franchisee are obligated to execute a Guaranty Agreement in which each agrees to personally abide by all of the terms and conditions of this Agreement, and guarantees to Planet Beach your performance of this Agreement and your financial obligations. Unless all such partners, shareholders, or members and managers execute such Guaranty Agreement concurrently herewith, this Agreement shall, at Planet Beach's option, become null and void and confer no rights upon you nor any partner, shareholder, member or manager. All guarantors shall be jointly and severally liable for the performance of all of the terms, covenants and conditions hereof. If you are an individual(s), or subsequent to execution hereof, you assign this Agreement to an individual(s), such individual's spouse hereby personally and unconditionally guarantees without notice, demand or presentment the payment of all of your monetary obligations under this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses further agree to be bound by the restrictions upon your activities upon transfer, termination or expiration of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses shall execute the Guaranty Agreement in the form attached as Exhibit 3 to this Agreement.

28. _____REPRESENTATIONS AND ACKNOWLEDGMENTS

28.1. No Warranties. Planet Beach makes no warranties, express or implied, nor any representation whatsoever other than as expressly set forth herein.

28.2. No Authority. NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE PLANET BEACH EXCEPT AN AUTHORIZED OFFICER OF PLANET BEACH BY WRITTEN DOCUMENT. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY OR ON BEHALF OF PLANET BEACH, WHICH HAVE CAUSED YOU TO ENTER INTO THIS AGREEMENT. YOU UNDERSTAND THAT WHETHER YOU SUCCEED AS A FRANCHISEE IS DEPENDENT UPON YOUR EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF YOUR EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND THE CONTROL OR INFLUENCE OF PLANET BEACH. YOU FURTHER UNDERSTAND THAT SOME FRANCHISEES ARE MORE, OR LESS, SUCCESSFUL THAN OTHER FRANCHISEES AND THAT PBFC HAS MADE NO REPRESENTATIONS THAT YOU WILL DO AS WELL AS ANY OTHER FRANCHISEE.

28.3. Receipt. THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF PLANET BEACH'S FRANCHISE DISCLOSURE DOCUMENT, FINANCIAL STATEMENTS AND CONTRACTS FOR THE PLANET BEACH SPA FRANCHISE AT LEAST 14 CALENDAR DAYS PRIOR TO EXECUTION OF THIS AGREEMENT OR PAYMENT OF ANY MONIES FOR THE FRANCHISE. THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF THIS AGREEMENT, WITH ALL BLANKS COMPLETED AND WITH ANY AMENDMENTS AND EXHIBITS, AT LEAST 7 CALENDAR DAYS PRIOR TO EXECUTION OF THIS AGREEMENT.

28.4. Your Business Efforts. YOU, AS AN INDEPENDENT BUSINESS PERSON OR ENTITY,

RECOGNIZE THAT THERE ARE ECONOMIC HAZARDS IN CONNECTION WITH THE OPERATION OF ANY BUSINESS, INCLUDING THE TYPE CONTEMPLATED BY YOU PURSUANT TO THIS AGREEMENT. YOU ACKNOWLEDGE THAT PLANET BEACH DOES NOT GUARANTEE YOUR SUCCESS, FINANCIAL OR OTHERWISE, EVEN THOUGH YOU MAY FOLLOW OR RELY ON PLANET BEACH'S ADVICE, RECOMMENDATIONS, PROGRAMS, POLICIES AND PROCEDURES. YOU ACKNOWLEDGE THAT YOU HAVE MADE AN INDEPENDENT INVESTIGATION OF THE FRANCHISED BUSINESS AND THAT NO REPRESENTATION HAS BEEN MADE BY PLANET BEACH REGARDING THE POTENTIAL OR FUTURE PROFITABILITY OF THE FRANCHISED BUSINESS, NOR OF THE FUTURE NUMBER OF PLANET BEACH SPAS AND ANY BENEFITS FLOWING THEREFROM. YOU UNDERSTAND THAT ANY INCOME OR PROFITS YOU MAY REALIZE WILL BE PRIMARILY THE RESULT OF YOUR EFFORTS AND LABORS, AND NOT THOSE OF PLANET BEACH OR THIRD PARTIES. THIS FRANCHISE IS NOT A SECURITY AND YOU AGREE NOT TO RELY ON PLANET BEACH OR ANY THIRD PARTY TO PRODUCE INCOME FOR YOU PURSUANT TO THIS AGREEMENT.

28.5. Opportunity to Review by Your Advisors. YOU ACKNOWLEDGE THAT PLANET BEACH HAS RECOMMENDED, AND THAT YOU HAVE HAD THE OPPORTUNITY TO OBTAIN, REVIEW OF THIS AGREEMENT AND PLANET BEACH'S FRANCHISE DISCLOSURE DOCUMENT BY YOUR LAWYER, ACCOUNTANT OR OTHER BUSINESS ADVISOR PRIOR TO EXECUTION HEREOF.

28.6. Execution Of Agreement. EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF YOU ARE A PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF SUCH PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY WARRANTS TO PLANET BEACH, BOTH INDIVIDUALLY AND IN HIS CAPACITY AS PARTNER, OFFICER, MEMBER OR MANAGER, AS APPLICABLE, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP, ALL OF THE SHAREHOLDERS OF THE CORPORATION, OR ALL OF THE MEMBERS AND MANAGERS OF THE LIMITED LIABILITY COMPANY, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER THEIR INTEREST IN THE PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY.

28.7. Execution in Duplicate. THIS AGREEMENT MAY BE EXECUTED IN DUPLICATE, EACH OF WHICH SHALL BE DEEMED AN ORIGINAL.

The parties hereto, intending to be legally bound, have hereunto executed this Agreement the day and year first above written.

THE NEXT PAGE IS THE SIGNATURE PAGE

PLANET BEACH FRANCHISING CORPORATION

By: _____

This Agreement is not fully executed until signed by the
CEO or COO of Planet Beach Franchising Corporation:

FRANCHISEE

Witness

Witness

MULTI-UNIT OPTION AGREEMENT

This Multi-Unit Option Agreement ("Agreement") entered into this ___ day of _____, 20__~~42~~⁴, between Planet Beach Franchising Corporation, a Louisiana corporation, with an address at 514564 Taravella Road, Marrero, Louisiana 70072 (hereafter "Planet Beach"), and _____ (hereafter "you").

Background

- A. Contemporaneous with the execution of this Agreement, you and Planet Beach have entered into a Single Unit Franchise Agreement (the "First Franchise Agreement") for the right to establish and operate a single Planet Beach Contempo Spa (the "First Spa") and paid the Initial Franchise Fee.
- B. Planet Beach offers qualified franchisees the right and option to open and operate 2 or 4 additional Planet Beach Contempo Spas (the "Additional Spas") during the term of the option period (defined below) and otherwise upon the terms and conditions of this Agreement.
- C. You wish to purchase an option to establish and operate _____ Additional Spas under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Agreement

- 1. **Grant of Option.** In consideration of your payment to Planet Beach of a \$_____ option fee (the "Option Fee"), which is due and payable upon your execution of this Agreement, Planet Beach grants you the right and option to establish and operate _____ Additional Spas under the terms and conditions of this Agreement. This Option Fee is deemed fully earned upon payment and is nonrefundable.
4.
- 2. **Eligibility.** You must purchase this Option when you execute the First Franchise Agreement.
- 3. **Option Period.** You may not execute a lease for any Additional Spa prior to exercising your option pursuant to Section 4 below. Your option to establish 1 additional Spa will expire one year and one day from the date of the execution of this agreement. Your option to establish 2 additional Spas will expire three years and one day from the date of the execution of this agreement. Your option to establish 4 additional Spas will expire four years and one day from the date of the execution of this agreement. If you fail to meet the option period listed above you no longer have an option for those additional Spas for which you do not have opened and operating, unless you request in writing an extension which will be approved at Planet Beach's sole discretion.
- 3.1. **Exercise of Option.** In order to exercise your option for each Additional Spa you must satisfy all of the following conditions, upon the exercise of each option:
4.

4.1.

Execute a new and current franchise agreement ("Additional Franchise Agreement(s)"), in the form of the First Franchise Agreement, for each of your Additional Spas, each with its own Data Sheet and Approved Location and Territory Addendum, but without the provision of a Grand Opening Specialist, the Term of which will coincide with the balance of the remaining Term under the First Franchise Agreement;

~~3.2.~~ 4.2.

You are not in default under this Agreement, or any other agreement with Planet Beach and/or its affiliate, including any other franchise agreement or development agreement and have fully and faithfully performed all of your material obligations under any such agreements throughout their respective terms;

~~4.3.~~ 4.3. Neither this Agreement, the First Franchise Agreement or any other agreement with you has expired or been terminated by Planet Beach and/or its affiliate;

~~4.3.~~ 4.4. You have timely paid any fees or other monies due to Planet Beach as and when they become due under the terms of the First Franchise Agreement or any other agreement with Planet Beach, including interest or principal due under any note payable to Planet Beach;

~~4.4.~~ 4.5. There has been no change in the effective control of you (by way of change in share ownership, membership or partnership interest, or otherwise) without Planet Beach's written consent; and

~~4.5.~~ 4.6. Your Designated Manager has successfully completed Planet Beach University On-line certifications and has successfully completed Franchisee and Manager School.

~~4.7.~~ Your Options may be applied only to opening a new Spa and may not be applied to already existing locations.

~~5.~~ 5. Sale or Assignment. Your rights under this Agreement are personal and you may not sell, transfer, or assign any right granted herein. Notwithstanding, if you are an individual or a partnership, you have the right to assign your rights under this Agreement to a corporation or limited liability company upon the same terms and conditions as provided in Section 23.6 of the First Franchise Agreement. Planet Beach has the right to assign this Agreement in whole or in part in its sole discretion.

6.

~~6.~~ Time of the Essence. Time is of the essence with respect to any time fixed for performance of any requirement any requirement set forth in this Agreement.

~~7.~~ 7. Acknowledgment. You acknowledge that this Agreement is not a franchise agreement and does not confer upon you any rights to use the Planet Beach Proprietary Marks or the System.

8. Notices. All notices, requests and reports to be given under this Agreement are to be in writing, and delivered by either hand, e-mail with a confirming receipt, overnight mail, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice).

~~9.~~ **Governing Law.** This Agreement shall be deemed to have been made in the State of Louisiana and shall be construed according to the laws of Louisiana without regard to its conflict of laws, La. CC Arts. 3515 et seq., and any amendments and/or revisions thereto.

9.

~~10.~~ **10. Mediation.** At Planet Beach's option, all claims or disputes between you and Planet Beach or its affiliates arising out of, or in any way relating to, this Agreement, or any of the parties' respective rights and obligations arising out of this agreement, shall be submitted first to mediation, in the Parish of Jefferson, Louisiana, under the auspices of the National Franchise Mediation Program ("NFMP"), in accordance with the NFMP's Commercial Mediation Rules then in effect. Before commencing any legal action against Planet Beach or its affiliates with respect to any such claim or dispute, you must submit a notice to Planet Beach, which specifies, in detail, the precise nature and grounds of such claim or dispute. Planet Beach will have a period of 30 days following receipt of such notice within which to notify you as to whether Planet Beach or its affiliates elects to exercise its option to submit such claim or dispute to mediation. You may not commence any action against Planet Beach or its affiliates with respect to any such claim or dispute in any court unless Planet Beach fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either:

(i) ~~(i)~~ as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or

~~(ii)~~ as a result of a written declaration by Planet Beach. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by NFMP and the mediator's fees. Planet Beach's rights to mediation, as set forth herein, may be specifically enforced by Planet Beach.

11.

~~11. Arbitration.~~ All disputes and claims relating to this Agreement or any other agreement entered into between the parties, the rights and obligations of the parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, shall be settled by arbitration in Jefferson Parish, Louisiana in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed by the Federal Arbitration Act, as amended. Any discovery to be conducted under any proceeding hereunder shall be conducted pursuant to the Rules of Federal Procedure. The following shall supplement and, in the event of a conflict, shall govern any arbitration: If the claim is for less than \$35,000 than the matter shall be heard before a single arbitrator. If the claim, or a counterclaim, is for \$35,000 or more, the matter shall be heard before a panel of three (3) arbitrators and each party shall appoint its own arbitrator, and the appointed arbitrators shall appoint a "neutral" arbitrator from the AAA's list of arbitrators. Arbitrability will be decided by the arbitrator. Neither party shall pursue class claims and/or consolidate the arbitration with any other proceeding to which the franchisor is a party. Each party must bear its own costs of arbitration including the fee for their respective arbitrator; provided, however, that the neutral or the single arbitrator's fee shall be shared equally by Planet Beach and you.

Whether the matter is heard by a single arbitrator or three, the arbitrator's award shall be rendered within 7 days of the close of the hearing and shall include all fees, costs and attorneys' fees for the prevailing party. The arbitrators shall have no authority to amend or modify the terms of the Agreement. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration, except to the extent such issue may have been determined in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District for the Eastern District of Louisiana and, if confirmed, may be subsequently entered in any court having competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

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

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

~~14. Jurisdiction and Venue.~~ With respect to any proceeding not subject to arbitration, the parties agree that any action at law or in equity instituted against either party to this Agreement shall be commenced only in the 24th Judicial District for the Parish of Jefferson, Louisiana or the United States District Court for the Eastern District of Louisiana at Planet Beach's discretion.

14.

15. Jury Trial Waiver. With respect to any proceeding not subject to arbitration, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver shall apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this

Agreement, the performance of either party, and/or your purchase from Planet Beach of the franchise, option and/or any goods or services.

- 16. Waiver of Punitive Damages.** You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against Planet Beach, its affiliates, successors or assigns, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, recovery shall be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.
- 17. Class Action Waiver.** You hereby agree to waive any class action proceeding or counterclaim against Planet Beach, its affiliates, successors or assigns, whether at law or equity, regardless of which party brings suit. This waiver shall apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or your purchase from Planet Beach, its affiliates, successors or assigns of the franchise and/or any goods or services.
- 18. Attorneys' Fees.** If either party institutes any judicial or arbitration proceeding to enforce any monetary or non-monetary obligation or interpret the terms of this Agreement and Planet Beach prevails in the action or proceeding, you shall be liable to Planet Beach for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.
- 19. Nonwaiver.** Planet Beach's failure to insist upon strict compliance with any provision of this Agreement shall not be a waiver of Planet Beach's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Planet Beach respecting any breach or default shall not affect Planet Beach's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement shall be cumulative. Planet Beach's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.
- 20. Severability.** The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Planet Beach reserves the right to terminate this Agreement.
- 21. Construction of Language.** Any term defined in the First Franchise Agreement which is not defined in this Agreement will be ascribed the meaning given to it in the First Franchise Agreement. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you,

their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

22. Successors. References to "Planet Beach" or "you" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 5 of this Agreement.

23. Additional Documentation. You must from time to time, subsequent to the date first set forth above, at Planet Beach's request and without further consideration, execute and deliver such other documentation or agreement and take such other action as Planet Beach may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that you fail to comply with the provisions of this Section, you hereby appoint Planet Beach as your attorney-in-fact to execute any and all documents on your behalf, reasonably necessary to effectuate the transactions contemplated herein.

24. No Right to Offset. You may not withhold all or any part of any payment to Planet Beach or any of its affiliates on the grounds of the alleged nonperformance of Planet Beach or any of its affiliates or as an offset against any amount Planet Beach or any of its affiliates may owe or allegedly owe you under this Agreement or any related agreements.

25. State Law Applies. If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which your Spa is located, then the valid law or regulation of that state applicable to the franchised business will supersede any provision of this Agreement that is less favorable to you.

26. Entire Agreement. This Agreement contains the entire agreement between the parties concerning the purchase and operation of additional Spas; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor shall any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Planet Beach reserves the right to change Planet Beach's policies, procedures, standards, specifications or manuals at Planet Beach's discretion. In the event of a conflict between this Agreement and any Additional Franchise Agreement(s), the terms, conditions and intent of this Agreement shall control.

~~15. Jury Trial Waiver. With respect to any proceeding not subject to arbitration, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings a suit. This waiver shall apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or your purchase from Planet Beach of the franchise, option and/or any goods or services.~~

|

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|

~~16. Waiver of Punitive Damages. You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against Planet Beach, its affiliates, successors or assigns, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, recovery shall be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.~~

|

~~17. Class Action Waiver. You hereby agree to waive any class action proceeding or counterclaim against Planet Beach, its affiliates, successors or assigns, whether at law or equity, regardless of which party brings suit. This waiver shall apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or your purchase from Planet Beach, its affiliates, successors or assigns of the franchise and/or any goods or services.~~

~~18. Attorneys' Fees. If either party institutes any judicial or arbitration proceeding to enforce any monetary or non-monetary obligation or interpret the terms of this Agreement and Planet Beach prevails in the action or proceeding, you shall be liable to Planet Beach for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.~~

|

~~19. Nonwaiver. Planet Beach's failure to insist upon strict compliance with any provision of this Agreement shall not be a waiver of Planet Beach's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Planet Beach respecting any breach or default shall not affect Planet Beach's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement shall be cumulative. Planet Beach's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.~~

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~~20. Severability. The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Planet Beach reserves the right to terminate this Agreement.~~

|

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|

~~22. Successors. References to "Planet Beach" or "you" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 5 of this Agreement.~~

~~23. Additional Documentation. You must from time to time, subsequent to the date first set forth above, at Planet Beach's request and without further consideration, execute and deliver such other documentation or agreement and take such other action as Planet Beach may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that you fail to comply with the provisions of this Section, you hereby appoint Planet Beach as your attorney in fact to execute any and all documents on your behalf, reasonably necessary to effectuate the transactions contemplated herein.~~

~~24. No Right to Offset. You may not withhold all or any part of any payment to Planet Beach or any of its affiliates on the grounds of the alleged nonperformance of Planet Beach or any of its affiliates or as an offset against any amount Planet Beach or any of its affiliates may owe or allegedly owe you under this Agreement or any related agreements.~~

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~~25. State Law Applies. If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which your Spa is located, then the valid law or regulation of that state applicable to the franchised business will supersede any provision of this Agreement that is less favorable to you.~~

~~26. Entire Agreement. This Agreement contains the entire agreement between the parties concerning the purchase and operation of additional Spas; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor shall any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Planet Beach reserves the right to change Planet Beach's policies, procedures, standards, specifications or manuals at Planet Beach's discretion. In the event of a conflict between this Agreement and any Additional Franchise Agreement(s), the terms, conditions and intent of this Agreement shall control.~~

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

PLANET BEACH FRANCHISING CORPORATION

By: _____

This Agreement is not fully executed until signed by the CEO or COO of Planet Beach Franchising Corporation:

FRANCHISEE:

Witness _____ Franchisee _____

Witness _____ Franchisee _____

EXHIBIT I
TO
PLANET BEACH FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

SCHEDULE OF AUTHORIZED AND APPROVED PRODUCTS AND SERVICES

For purposes of the Franchise Agreement, the following products and services are currently “Authorized and Approved Products and Services” as described in Section 9.3.

PBFC: for private label products and UMO related products and accessories.

Australian Gold: for Australian Gold, Swedish Beauty, Designer Skin private label and co-branded products.

Whiter Image: for teeth whitening products.

Legacy: for private label candles.

Dream Time: for authorized retail products.

Matworks: for all Spa flooring covering needs including vinyl base, adhesives and transition materials.

Spa furniture vendors as approved by PBFC: for all Spa furniture including lobby and service room furniture.

ACIGI Relaxation – Cyber Relax Massage Chair

AMI – Aqua Massage: Massage and Hydrotherapy equipment and authorized accessories.

JTL Enterprises – HydroMassage (Dry Hydrotherapy Massage)

Ergoline – UV Equipment (International only)

ETS – UV Equipment (Domestic only)JK Ergoline – Equipment (Domestic only)

Australian Gold - Autobronze Spray booth equipment and supplies. Mobile airbrush system and supplies.

MTI – Mystic Tan Booths: UV Free/Spray Tanning equipment and authorized retail products.

Photo Medex: Lumiere` (Facial Unit) and authorized retail products.

Sybaritic, Inc. – Hydration Station and SlimCapsule equipment and authorized products.

UMO – UMO Facial & Hand Spa

O2 Innovations – Oxygen Unit

~~Therassage~~ Sunlighten – Far Infrared Massage Bed, Sauna and Chairs

Workflow One – Printed Materials

Pel Hughes – Printed Materials/Direct Mail

Professa Grafix – Printed Materials

Valpak – Marriage Mail

Spa Boom – Online Gift Certificates

Entera - Exterior and Interior signage, all branding elements, wall systems, retail fixtures, cash wrap

PLANET BEACH FRANCHISING CORPORATION

By: _____

FRANCHISEE

Witness

Witness

EXHIBIT 2
TO
PLANET BEACH FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

APPROVED LOCATION AND TERRITORY ADDENDUM

The undersigned franchisee has the right to establish one Planet Beach Spa at the following Approved Location (as defined in Section 2 of the Franchise Agreement):

Your Protected Territory generally will be a circle, the center of which will be your location as defined by your signed lease and verified by you. The actual size and dimensions of your Territory may be less than stated below and will depend upon the specific variables of your Site, including population density, marketing and development trends, traffic flow and natural and man-made boundaries. A map plotting the Protected Territory will be attached hereto upon securing a site for your location.

If a radius is used to determine your Territory, then the radius of the circle will be based on where the Spa site is located and will range from:

- (i.) one-half of a mile (½ mile) if your Spa is located in a Downtown area or the Central Core of a large city; to
- (ii.) two miles (2.0 miles) if your Spa is located in any other Area.

Your Protected Territory shall exclude: (i) any area that is across a state line, river, navigable waterway, interstate, highway or other natural or man-made boundary; and (ii) regional shopping malls, train stations, bus stations and airports.

PLANET BEACH FRANCHISING CORPORATION

By: _____

FRANCHISEE

Witness

Witness

EXHIBIT 3
TO
PLANET BEACH FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

GUARANTY AGREEMENT

WHEREAS, a Franchise Agreement dated _____, _____, has been entered into between Planet Beach Franchising Corporation and _____ (referred to as "Franchisee") for the operation by Franchisee of a Planet Beach location; and

WHEREAS, the undersigned guarantor desires to guarantee the obligations of Franchisee to Planet Beach Franchising Corporation;

NOW, THEREFORE, the parties hereto, intending to be legally bound, do hereby agree as follows:

The undersigned, as a person with an interest in a Planet Beach franchise, agrees to personally and unconditionally guarantee the obligations of Franchisee to Planet Beach and shall personally be subject to and bound by all terms, conditions, restrictions and prohibitions contained in the Planet Beach Franchising Corporation's Single Unit Franchise Agreement including, without limitation, the confidentiality provisions, covenants, and indemnification provisions contained in Sections 12, 18 and 19.2, respectively. Further, the undersigned agrees to personally act as surety for the full and faithful performance of all of the financial obligations, commitments and payments required of the Franchisee in any such subject Franchise Agreement. The undersigned agrees that Planet Beach Franchising Corporation does not have to pursue any remedies it may have against the Franchisee or any other individual guarantor; but, rather, it may proceed directly and primarily against the undersigned with or without joining the Franchisee or other guarantors as principals or as named parties in any such proceeding. The undersigned is jointly and severally liable for such obligations, commitments and payments required of the Franchisee.

Witness

Guarantor, Individually

Witness

Guarantor, Individually

ACKNOWLEDGMENT BY GUARANTOR

WHEREAS, a Guaranty Agreement dated _____
_____ is being entered into between Planet Beach Franchising Corporation and _____ (“Guarantor”), whereunderwhere under Guarantor has guaranteed the obligations of a corporate, limited partnership or limited liability company franchisee to Planet Beach Franchising Corporation, or is the spouse of an individual franchisee of Planet Beach Franchising Corporation, and

WHEREAS, Planet Beach Franchising Corporation and Guarantor desire to clarify the relationship between them.

NOW, THEREFORE, Guarantor acknowledges that Guarantor has conducted an independent investigation of the Planet Beach Franchising Corporation franchise program and recognizes that the business venture contemplated by the franchisee involves business risk and success will be largely dependent upon the ability of the franchisee, Guarantor and other persons with an interest in the franchise as independent business persons. Planet Beach Franchising Corporation expressly disclaims the making of, and Guarantor acknowledges not receiving, any guaranty or warranty, express or implied, nor any representation as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement. Guarantor further represents that Guarantor is not a party to any agreement which might interfere with the performance required of persons with an interest in the franchise under the Planet Beach Franchising Corporation's Single Unit Franchise Agreement, and that entering into such agreement shall not in any way interfere with or constitute a breach of any prior existing contract to which Guarantor is a party.

Witness

Guarantor, Individually

Witness

Guarantor, Individually

EXHIBIT 4
TO
PLANET BEACH FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

RIDER TO LEASE

THIS RIDER TO LEASE made this ____ day of _____, 20____, by and between _____, with principle offices at _____ (hereinafter "Landlord"); and _____, with principle offices at _____ (hereinafter "Tenant"); and Planet Beach Franchising Corporation, a Louisiana Corporation, with its principal address at 5145 Taravella Road, Marrero, Louisiana 70072 (hereinafter "Franchisor").

This Rider supplements and forms a part of that certain lease between Landlord and Tenant, dated _____, 20____, (the "Lease") for leased premises located at _____ (the "Premises"). This Rider is entered into in connection with Franchisor's grant of a franchise to Tenant to operate a franchised business at the Premises. It is intended to provide Franchisor the opportunity to preserve the Premises as a spa operated under Franchisor's brand in the event of any termination of the lease or any franchise agreement between Franchisor and Tenant, and to assure Landlord that, if Franchisor exercises the option to assume the Lease as provided in this Rider to Lease, any defaults of Tenant under the Lease will be cured by Franchisor before it takes possession of the Premises. Landlord agrees that Franchisor will have the right, but not the obligation, to assume the Lease of the Premises attached hereto as Exhibit A, on the terms, covenants and conditions hereinafter set forth.

I. DEFAULT BY TENANT UNDER THE LEASE

1.0 Landlord will send Franchisor copies of all notices of default it gives to Tenant at the same time it gives such notices to Tenant. If Tenant fails to cure any default within the period specified in the Lease, Landlord will promptly give written notice to Franchisor, specifying the default Tenant has failed to cure. Franchisor will have the right and option to assume the Lease by giving written notice to Landlord and Tenant within thirty (30) days after the date of receipt of Landlord's notice that Tenant has failed to cure a default under the Lease.

1.1 Landlord will deliver possession of the Premises to Franchisor promptly after Landlord receives Franchisor's written notice exercising its option to assume the Lease. Franchisor, upon taking possession of the Premises, will cure the defaults specified by Landlord and will execute and deliver to Landlord an assumption of the Tenant's rights and obligations under the Lease.

1.2 Franchisor will not be required to cure defaults and/or begin paying rent until Landlord delivers possession of the Premises to Franchisor. If it becomes necessary for Landlord to pursue legal action in order to evict Tenant and deliver possession of the Premises to Franchisor, Franchisor will, upon written request by Landlord, pay into an escrow account with Landlord's attorney, such amounts as are necessary to cure Tenant's defaults. If Landlord is unable to deliver possession of the Premises to Franchisor within nine (9) months after the date of Franchisor's exercise of its option to assume the Lease, Franchisor will have the right, at any time until Landlord delivers possession of the Premises, to rescind the option exercise, by written notice to Landlord, whereupon all amounts in escrow shall be returned to Franchisor.

II. TENANT'S FAILURE TO EXTEND THE LEASE TERM.

2.0 If the Lease contains the term renewal or extension right(s) and if Tenant allows the term to expire without exercising said right(s), Landlord will give Franchisor written notice thereof, and Franchisor will have the right and option to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease by giving written notice to Landlord within thirty (30) days of receipt of Landlord's notice. If Franchisor exercises such right(s) Landlord and Franchisor will promptly execute a lease assumption agreement that will provide for Franchisor's assumption of the Lease effective at the commencement of the extension or renewal term.

III. TERMINATION OF A FRANCHISE AGREEMENT.

3.0 Franchisor will have the right and option to assume the Lease if any franchise agreement between Franchisor and Tenant is terminated for any reason during the term of the Lease. If any franchise agreement between Franchisor and Tenant is terminated and Franchisor desires to assume the Lease it may give written notice to Landlord requesting that Landlord specify any existing defaults by Tenant under the Lease. Within fifteen (15) days after receipt of such notice, Landlord will give Franchisor written notice specifying any existing defaults by Tenant under the Lease.

3.1 If any franchise agreement between Franchisor and Tenant is terminated, Tenant shall, within ten (10) days after written demand by Franchisor, assign all of its right, title and interest in the Lease to Franchisor. If Tenant fails to do so, Tenant hereby designates Franchisor as its agent to execute any and all documents, agreements and to take all action that may be necessary or desirable to effectuate the assignment of the Lease and the relinquishment of any and all of Tenant's right there under. Landlord consents to such assignment, subject to Franchisor executing an assumption of the Lease in form reasonably satisfactory to Landlord and curing all defaults of Tenant under the Lease before taking possession of the Premises. Tenant further agrees to promptly and peaceably vacate the Premises and to remove its personal property at the written request of Franchisor. Any property not so removed by Tenant within ten (10) days following receipt of such written request shall be deemed abandoned by Tenant.

3.2 Tenant agrees that termination of any franchise agreement for the Premises shall, at the option of Landlord, be a default under the Lease.

IV. ADDITIONAL PROVISIONS

4.0 Tenant shall remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to Franchisor. Franchisor shall be entitled to recover from Tenant all amounts it pays to Landlord to cure Tenant's defaults under the Lease, including interest and reasonable collection costs.

4.1 Prior to taking possession of the Premises pursuant to its rights under this Rider to Lease, Franchisor will cure the defaults specified by Landlord and execute and deliver to Landlord an assumption of the Tenant's right and obligation under the Lease. Franchisor corporation will pay, perform and be bound by all of the duties and obligations of the Lease applicable to Tenant, except that Franchisor may elect not to assume or be bound by the terms of any amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, which shall not be unreasonably withheld.

4.2 After Franchisor assumes Tenant's interest in the Lease, Franchisor will not be subject to any provision of the Lease that requires the Tenant to continuously operate a business in the Premises during any period that the business in the Premises is closed for remodeling or while the Franchisor is seeking to obtain and train a new franchisee to operate a franchised business in the Premises.

4.3 After Franchisor assumes Tenant's interests in the Lease, Franchisor may, without Landlord's consent, sublet the Premises to a franchisee of Franchisor provided the Franchisor remains primarily liable under the Lease.

4.4 After Franchisor assumes Tenant's interest in the Lease, Franchisor may assign this Lease so long as Franchisor remains liable for the payment of rent and the performance of Tenant's duties and obligations under the Lease. Franchisor may also, with the prior written consent of Landlord, assign without recourse its rights under the Lease. Landlord shall not unreasonably withhold its consent to an assignment to a franchisee of Franchisor who meets Franchisor's financial qualification requirements. Upon receipt by Landlord of an assumption agreement in form reasonably satisfactory to Landlord pursuant to which such franchisee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of Tenant to be performed under the Lease, Franchisor shall be released from all liability as tenant under the Lease accruing after the date of the effective date of the assignment.

4.5 If the Lease or Franchise Agreement for the Premises is terminated and Franchisor does not exercise its option to assume the Lease, Tenant agrees, upon written demand by Franchisor, to promptly remove signs, décor and other items which Franchisor reasonably requests be removed as being distinctive and indicative of Franchisor's trademarks and trade dress. Franchisor may enter upon the Premises without being guilty of trespass or tort to effect such de-identification if Tenant fails to do so within ten (10) days after receipt of written demand from Franchisor. Tenant shall pay Franchisor for its reasonable cost and expenses in effecting de-identification. Franchisor shall defend, indemnify and hold Landlord harmless from and against any claims arising from Franchisor's de-identification of the Premises.

4.6 BY EXECUTING THIS RIDER TO THE LEASE, FRANCHISOR DOES NOT HEREBY ASSUME ANY LIABILITY WITH RESPECT TO THE PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE, UNLESS AND UNTIL FRANCHISOR EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATION, AS HEREINABOVE DESCRIBED.

4.7 All notices hereunder shall be delivered by certified mail to the addresses described in the Lease or to such other address as any party hereto may, by written notice instruct that notices be given. In the case of Franchisor, notices should be sent to: Director of Location Development, 5145 Taravella Road, Marrero, Louisiana, 70072, until further notice.

THE NEXT PAGE IS THE SIGNATURE PAGE

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS LEASE OPTION RIDER TO BE EXECUTED AS OF THE DATE FIRST ABOVE WRITTEN.

Witness/Attest:

Landlord

By: _____
President

Individually

Tenant

By: _____
President

Individually

PLANET BEACH FRANCHISING CORPORATION

By: _____

EXHIBIT 5
PLANET BEACH FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

Sublicense Agreement

THIS SUBLICENSE AGREEMENT ("Sublicense" or "Agreement") is made this _____ day of _____, 200____, (the "Effective Date") by and between Planet Beach Franchising Corporation ("Planet Beach"), a Delaware corporation with an address at 5145 Taravella Road, Marrero, LA 70072 and _____ ("Franchisee" or "You"), a _____ having principal offices at _____.

WHEREAS, Planet Beach owns certain software products for employee management, point-of-sale functions, appointment booking, marketing, inventory control, and the integration and implementation of various internal business and reporting functions, which software products (the "Licensed Software") are proprietary to and owned by Planet Beach; and

WHEREAS, Planet Beach requires that each of its franchisees use such Licensed Software in connection with the operation of its Planet Beach facilities; and

WHEREAS, each of the parties hereto desires to enter into a sublicense agreement pursuant to which Franchisee shall be permitted to use the Licensed Software in accordance with the terms and conditions set forth and established herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, Planet Beach and Franchisee hereby agree as follows:

LICENSE. Planet Beach hereby grants to Franchisee a non-exclusive, limited, non-transferable license (the "License" or the "Sublicense") to use the Licensed Software distributed to You by Planet Beach hereunder, along with associated documentation (the "Documentation"), solely in connection with the operation by you of your Planet Beach Facility and subject to the terms and conditions set forth in this Sublicense Agreement.

The Licensed Software shall also include any updates which Planet Beach distributes to Franchisee during the term of this Sublicense Agreement. Franchisee's rights to use the Licensed Software are limited to a single approved location. Planet Beach specifically retains all right, title and interest in and to all proprietary and intellectual property rights in and to the Licensed Software, including without limitation, trade secrets, copyrights, trademarks, patents, functionality and business methodology embodied therein, and the like. All rights not expressly granted to Franchisee herein are specifically reserved to Planet Beach.

LIMITATIONS ON USE. You may not rent, lease, sell or otherwise transfer or distribute copies of the Licensed Software or Documentation to any other person or entity for any reason. You may not modify or translate the Licensed Software or the Documentation for any reason. You may not reverse assemble, reverse compile or otherwise attempt to create the source code from the Licensed Software. You may not use the name of the Software or its brand or refer to the Software directly or indirectly in any papers, articles, advertisements, sales presentations, news releases or releases to any third party without the prior written approval of Planet Beach for each such use. You may not release the results of any performance or functional evaluation of any portion of the Licensed Software to any third party

without prior and express written approval of Planet Beach for each such release.

BACKUP AND TRANSFER. You may obtain a copy of the Licensed Software from Planet Beach for essential backup ~~purposes~~purposes; provided the copy is retained at Franchisee's approved location. **You may not** sublicense, assign, delegate, rent, lease, time-share or otherwise transfer this license or any of the related rights or obligations to any person or entity for any reason. Any attempt to make any such sublicense, assignment, delegation or other transfer by you shall be void and of no legal effect and shall automatically be deemed a material breach of this Agreement, which breach shall trigger an automatic termination of this Agreement.

If Planet Beach authorizes a sale of your franchise and transfer of your rights under your Franchise Agreement to a third party (the 'Transferee') you must notify the Transferee that it will be obligated to enter into a new Sublicense Agreement with Planet Beach, and that a "Re-License Fee" of \$250.00 will be required to be paid to Planet Beach to secure Planet Beach's authorization to use the Licensed Software and the Documentation and to receive technical support.

OWNERSHIP. You own only the magnetic or other physical media on which the Licensed Software and related Documentation are recorded or fixed. All content accessed through the Licensed Software is the property of the applicable content owner and may be protected by applicable copyright law. This Sublicense gives you no rights whatsoever to such content.

TERM AND TERMINATION. The term of this Sublicense is concurrent with the term of your Planet Beach Franchise Agreement unless earlier terminated as provided herein. This Sublicense (and all of your rights hereunder) automatically terminates if you fail to comply with its terms and conditions. You agree that, upon such termination, in accordance with Planet Beach's direction, you will either destroy (or permanently erase) all copies of the Licensed Software and Documentation, or return the original Licensed Software and Documentation to Planet Beach, together with any other material you have received from Planet Beach in connection with the Licensed Software.

MAINTENANCE AND SUPPORT. During the term of this Sublicense, you will receive technical support services from Planet Beach.

- (a) **Exclusions.** Technical support does not include non-software related issues, provision of software upgrades, data recovery, after hours emergency support, and data restoration. If Harms determines that you have a problem with hardware such as a printer or computer, you may be required to contact the appropriate manufacturer directly. Warranties for hardware are provided by the hardware manufacturer, and not by Planet Beach.
- (b) **Data Backup.** Certain locations may be susceptible to power outages and/or fluctuations that can cause a computer to crash or shut down. You are strongly recommended to install and maintain battery backups to keep computers from being shutdown improperly. **WARNING:** Shutting down your computer while the Licensed Software is in use may damage the databases and potentially cause a loss of data. Planet Beach is not responsible for any such losses of data, nor does Planet Beach assume responsibility or liability for any losses or damages arising, directly, or indirectly, from your improper use or maintenance of the Software or your hardware. On occasion, data may be damaged to the extent that intervention by a Planet Beach programmer is necessary to recover or fix the databases. These types of services are NOT included in this Sublicense and the fees for such services are subject to the discretion of Planet Beach.

WARRANTY. THE LICENSED SOFTWARE AND THE DOCUMENTATION IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND EITHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

REPRESENTATIONS AND WARRANTIES BY FRANCHISEE. As a condition to the grant of this License to use the Licensed Software, Franchisee hereby represents, warrants and covenants as follows:

- (a) That it will use the Licensed Software only in conformance with the terms and conditions of this Sublicense Agreement;
- (b) That it will not rent, lease, sublicense, distribute, transfer or copy the Licensed Software or any component(s) thereof except as explicitly authorized herein;
- (c) That it will only use the Licensed Software for its own internal business use in connection with the operation of its Planet Beach Facility and not for the benefit of any other person or entity; and
- (d) That it will not adapt, modify or reverse engineer the Licensed Software in any way, or use it or them to create source code or a derivative work.

LIMITATION OF REMEDIES. Your exclusive remedy in connection with the Licensed Software and the Documentation is that you are entitled to return any defective media containing the Licensed Software together with the Documentation to Planet Beach. IN NO EVENT WILL PLANET BEACH BE LIABLE FOR ANY INDIRECT DAMAGES OR OTHER RELIEF ARISING OUT OF YOUR USE OR INABILITY TO USE THE LICENSED SOFTWARE INCLUDING, BY WAY OF ILLUSTRATION AND NOT LIMITATION, LOST PROFITS, LOST BUSINESS OR LOST OPPORTUNITY, OR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING LEGAL FEES, ARISING OUT OF SUCH USE OR INABILITY TO USE THE LICENSED SOFTWARE, EVEN IF PLANET BEACH HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM BY ANY OTHER PARTY.

DISCLAIMER. EXCEPT AS MAY OTHERWISE BE EXPRESSLY PROVIDED IN THIS AGREEMENT, PLANET BEACH DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE LICENSED SOFTWARE, OR ANY COMPONENT OF THE FOREGOING, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES REGARDING QUALITY, CORRECTNESS, COMPLETENESS, COMPREHENSIVENESS, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE (IRRESPECTIVE OF ANY COURSE OF DEALING, CUSTOM OR USAGE OF TRADE), OR ANY REPRESENTATION THAT THE SOFTWARE WILL MEET FRANCHISEE'S REQUIREMENTS OR THAT FRANCHISEE'S USE THEREOF WILL BE UNINTERRUPTED OR ERROR-FREE, EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES.

REMEDIES FOR THIRD PARTY INFRINGEMENT. In the event the Licensed Software or any portion thereof is held by any court of competent jurisdiction to infringe the rights of a third party or to violate a patent, and its use is enjoined, your sole remedy shall be to be provided with (i) modified Licensed Software, the functionality of which has not been impaired in any material respect and that is non-infringing or non-violative, or (ii) the right to continue to use the infringing Licensed Software for any remaining unexpired portion of the License Term, or (iii) equally suitable non-infringing software to

replace the infringing Licensed Software.

INDEMNIFICATION. Franchisee shall indemnify and hold Planet Beach harmless from and against any and all losses, liabilities, obligations, damages, penalties, judgments, suits, costs, expenses or disbursements of any kind (including, without limitation, attorneys' fees and expenses) against, or incurred by, Planet Beach to the extent such claims, damages, liabilities or costs relate to, have arisen in connection with, or result directly or indirectly from the breach by Franchisee of any term or condition of this License.

CONFIDENTIALITY.

- (a) **Confidential Information.** Franchisee acknowledges that it is the policy of Planet Beach to maintain as confidential all information that should reasonably be understood by Franchisee to be confidential or proprietary, including, without limitation, information relating to the Licensed Software and the Documentation, the business methods, marketing strategies, tools, systems, procedures, products and services, customers, and potential customers of Planet Beach (the "Confidential Information"), and Franchisee further acknowledges that such Confidential Information is of great value to the respective party that disclosed it. Confidential Information shall not include information that (i) is now or subsequently becomes available to the public through no fault or breach of Franchisee, (ii) Franchisee rightfully possessed prior to disclosure to it, (iii) is independently developed or acquired by Franchisee without the use of any Confidential Information of the party disclosing it, or (iv) is rightfully obtained by Franchisee from a third party who has the right to disclose the information.
- (b) **Nondisclosure of Confidential Information.** Franchisee acknowledges that it has acquired and will acquire Confidential Information as a result of and in connection with the performance of its obligations under this Sublicense Agreement and that it is reasonably necessary to protect the goodwill of Planet Beach. Accordingly, it agrees not to directly or indirectly (except where authorized herein), disclose or divulge any Confidential Information to any third parties, or to use any Confidential Information for the furtherance of its own business or financial interests or those of anyone else. Franchisee further agrees that it will not permit, cause or authorize any third parties to divulge any Confidential Information that Franchisee lawfully disclosed to such third party.
- (c) **Compelled Disclosure.** In the event any Confidential Information is required to be disclosed by applicable law, subpoena or similar process or pursuant to a request by a government or regulatory agency, then, to the extent legally permitted, Franchisee shall, prior to any such disclosure, promptly notify Planet Beach of such request for disclosure in order to give the appropriate party the opportunity to object to or seek to limit the scope of such disclosure. Notwithstanding any provision herein to the contrary, Franchisee may disclose any Confidential Information to any regulatory agency having jurisdiction over it without the prior written approval of Planet Beach to such disclosure.
- (d) **Remedies for Breach of Confidentiality Obligations.** Any breach or threatened breach by Franchisee of any confidentiality provision of this Sublicense Agreement may, because of the unique nature of the Confidential Information, cause irreparable harm to the party disclosing the Confidential Information and shall entitle that party, in addition to any other legal remedies, to apply to any court of competent jurisdiction to enjoin such breach or threatened breach.

MISCELLANEOUS PROVISIONS

- (a) Assignment. Franchisee's rights and obligations under this Agreement may not be assigned and any attempted assignment in violation of this provision shall be null and void and of no force or effect.
- (b) Notices. Any notice or other communication under this Agreement shall be in writing and shall be deemed given if delivered (i) personally or mailed by registered mail (return receipt requested) at the addresses set forth on the first page hereof, or at such other address as shall be specified by notice given pursuant hereto, (ii) by confirmed facsimile transmission, or (iii) by electronic mail for which a delivery receipt has been generated.
- (c) Severability. The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of the remaining terms or provisions hereof, which shall remain in full force and effect.
- (d) No waiver. No failure or successive failures on the part of either party to enforce any covenant or agreement contained herein, and no waiver or successive waivers on its or their part of any condition of this Agreement shall operate as a discharge of such covenant, agreement, or condition, or render the same invalid, or impair the right of either party, its respective successors and permitted assigns, to enforce the same in the event of any subsequent breach or breaches by the other party, its successors or permitted assigns.
- (e) Governing Law. The parties agree that the laws of the United States and the State of Louisiana (without giving effect to its conflicts of law principles) govern all matters and actions arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement. The parties further agree to the personal jurisdiction by and venue in the state and federal courts with jurisdiction in Jefferson Parish, Louisiana, and waive any objection to such jurisdiction or venue. The prevailing party in any action relating to this Agreement shall be entitled to payment of all costs, expenses, losses, damages and reasonable attorneys' fees incurred in defending or prosecuting any such claim, suit or proceeding. The determination of the "prevailing party" for these purposes shall be made by the court exercising jurisdiction over the matter.
- (f) Entire Agreement. This Sublicense Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all previous agreements and understandings, whether oral or written, express or implied, with respect to its subject matter. Except as may be expressly authorized herein, this Agreement may not be altered, amended, or modified except by written instrument signed by the duly authorized representatives of both parties.
- (g) The defined term "Franchisee" as used in this Sublicense includes Franchisee's officers, directors, managers, members, employees, agents, and representatives.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

FRANCHISEE(S):

By: _____
Name: _____
Title: _____

PLANET BEACH FRANCHISING CORPORATION

By: _____
Name: _____
Title: CEO or COO of Planet Beach Franchising Corporation

EXHIBIT 6
TO
PLANET BEACH FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

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

In consideration of my being a _____ of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. _____, doing business as _____ (the "Franchisee"), has acquired the right and franchise from Planet Beach Franchising Corporation (the "Company") to establish and operate a Planet Beach Spa (the "Spa" or "Franchised Business") and the right to use in the operation of such Spa, the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of Planet Beach Spas (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location (the "Approved Location"):

2. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information").

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

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Company's Operations Manual (the "Manual") and other general assistance during the term of this Agreement.

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

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree that I shall hold in strict confidence all Confidential Information and all other Information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any

such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchise and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, and continuing for 2 years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business selling any product or products which are the same as, or substantially similar to, any of the products or services offered by a Planet Beach location (except at a Planet Beach location), which is or is intended to be, located within:

- 7.1. the Franchisee's Territory as defined in the Franchise Agreement;
- 7.2. 10 miles of Franchisee's Territory; or
- 7.3. 10 miles of any Planet Beach location operating under the System and the Proprietary Marks.

This restriction does not apply to my ownership of less than 5% beneficial interest in the outstanding securities of any publicly-held corporation.

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

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

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

11. This Agreement shall be construed under the laws of the State of Louisiana without regard to its conflict of laws, La. CC Arts. 3515 et seq., and any amendments and/or revisions thereto. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature: _____

Signature: _____

Name: _____

Name

Address: _____

Address: _____

Title: _____

Title:

Witness: _____

Witness: _____

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT 7
TO
PLANET BEACH FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

**CONDITIONAL ASSIGNMENT
OF FRANCHISEE'S TELEPHONE NUMBERS, E MAIL ADDRESSES, and URLs**

1. _____, doing business at _____

_____ ("Assignor"), in exchange for valuable consideration provided by Planet Beach Franchising Corporation ("Assignee"), receipt of which is hereby acknowledged, hereby conditionally assigns to Assignee all telephone numbers, email addresses, and URLs utilized by Assignor in the operation of its Spa at Assignor's above-referenced address. Those numbers, email addresses, and URLs are as follows:

2. The conditional agreement shall become effective automatically upon termination of Assignor's franchise. Upon the occurrence of that condition, Assignor shall do all things required by the respective provider to assure the effectiveness of the assignment of telephone numbers, email addresses, and URLs as if the Assignee had been originally issued such telephone numbers, email addresses, URLs and the usage thereof.

3. Assignor agrees to pay the respective provider on or before the effective date of assignment all amounts owed for the use of the telephone number(s), email addresses, and URLs. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the respective provider to effectuate this agreement, and agrees to fully cooperate in effectuating this assignment.

ASSIGNOR:

_____ Date: _____

_____ Date: _____

ASSIGNEE:

PLANET BEACH FRANCHISING CORPORATION

By: _____ Date: _____

EXHIBIT 8
TO
PLANET BEACH FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

STATEMENT OF PROSPECTIVE FRANCHISEE

(Note: Dates and answers must be completed in the Prospective Franchisee's own handwriting.)

1. The date of my first face-to-face meeting with a Planet Beach Franchise Marketing Representative to discuss the possible purchase of a Franchise.

_____, 20____.
Date
_Franchisee's Initials _____

2. The date on which I received a Franchise Disclosure Document about the Planet Beach Spa Franchise.

_____, 20____.
Date
Franchisee's Initials _____

3. The date when I received a fully completed copy (other than signatures) of the Franchise Agreement I later signed.

_____, 20____.
Date
Franchisee's Initials _____

4. The earliest date on which I signed the Franchise Agreement or any other binding document (not including the Receipt page).

_____, 20____.
Date
_Franchisee's Initials _____

5. The earliest date on which I delivered cash, check or other consideration to the Franchise Marketing Representative, broker, Planet Beach Franchising Corporation ("Franchisor") or any other person or company.

_____, 20____.
Date
_Franchisee's Initials _____

Representations:

No promises, agreements, contracts, commitments, understandings, "side-deals", options, rights-of-first-refusal or otherwise have been made to or with me with respect to any matter (including but not limited to any representations or promises regarding advertising (television or otherwise), marketing, site location, operational assistance or otherwise) nor have I relied in any way on any such except as expressly set forth in the Franchise Agreement, written Option Agreement, or written addendum signed by me and the _____ President of _____ Franchisor except _____ as follows: _____

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)

Franchisee's Initials _____

No oral, written or visual claim or representation, promise, agreement, contract, commitment, understanding or otherwise which contradicted, expanded upon or was inconsistent with the Disclosure Document or the Franchise Agreement was made to me by any person or entity, except as follows: _____

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)

Franchisee's Initials _____

No oral, written or visual claim or representation (including but not limited to charts, tables, spreadsheets or mathematical calculations) which slated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) was made to me by any person or entity, except as follows: _____

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)

Franchisee's Initials _____

No contingency, condition, prerequisite, prior requirement, proviso, reservation, impediment, stipulation, provision or otherwise exists with respect to any matter (including but not limited to obtaining financing, selection, purchase, lease or otherwise of a site, operational matters or otherwise) and/or with respect to my fully performing ail of my obligations under the Franchise Agreement and/or any other documents to be executed by me nor have I relied in any way on any such, except as expressly set forth in a writing signed by me and the CEO and COO of Franchisor, except as follows: _____

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)

Franchisee's Initials _____

I hereby understand that there will be no refunds. Franchisee's Initials _____

Franchisor does not make or endorse nor does it allow any marketing representative, broker or other individual to make or endorse any oral, written, visual or other claim or representation (including

but not limited to charts, tables, spreadsheets or mathematical calculations) which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) with respect to this or any other Franchise, whether made on behalf of or for Franchisor, any Franchisee or other individual and expressly disclaims any such information, data or results.

In addition, Franchisor does not permit any promises, agreements, contracts, commitments, understandings, "side-deals", options, rights-of-first-refusal or otherwise or variations of, changes in or supplements to the Franchise Agreement or the existence of any contingencies or conditions to Franchisee's obligations except by means of a written Addendum signed by Franchisee and Franchisor.

If any such representations, "side-deals", contingencies or otherwise have been made by you by any person or otherwise exist, immediately inform the CEO of Franchisor.

The prospective franchisee understands and agrees to all of the foregoing and certifies that all of the above statements are true, correct and complete.

FRANCHISEE

Dated: _____

Dated: _____

All of the above is true, correct and complete to the best of my knowledge, information and belief.

Franchise Marketing Representative

APPROVED:

PLANET BEACH FRANCHISING CORPORATION

By: _____

EXHIBIT G
PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
TERMINATION OF FRANCHISE AGREEMENT AND RELEASE
UPON TRANSFER TO AN AUTHORIZED FRANCHISEE

**TERMINATION OF FRANCHISE AGREEMENT AND RELEASE
UPON TRANSFER TO AN AUTHORIZED FRANCHISEE**

This Termination of Franchise Agreement and Release (the "Agreement") is made this ____ day of _____, 20__, by and between Planet Beach Franchising Corporation, a Delaware corporation, with its principal offices at 5145 Taravella Road, Marrero, Louisiana 70072 ("PBFC") and _____ hereinafter referred to as "Transferor(s)" with an address at _____.

BACKGROUND

- A. On or about _____, Transferor(s) entered into a franchise agreement (the "Franchise Agreement") with PBFC for the right to operate a PBFC Spa (the "Spa").
- B. Transferor has satisfied all conditions of transfer as specified in the Franchise Agreement and now desires to sell the Spa located at _____, to _____ who has been approved by PBFC as authorized transferee.
- C. Transferor agrees to pay all royalties, national advertising, tech fees and any and all open invoices incurred while under its ownership upon execution of this Agreement. Furthermore, transferee agrees to assume payments of royalties, national advertising, and technology fees going forward and agrees to assume responsibility for any unpaid amounts due from Transferor.

AGREEMENT

In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

- 1. Subject to the terms and conditions contained in this Agreement, the Franchise Agreement and all rights and obligations between PBFC and Transferor arising from or related to the Franchise Agreement are terminated, effective as of the date of this Agreement.
- 2. Notwithstanding anything in this Agreement to the contrary, the parties agree that Transferor shall remain bound by all of the post-term covenants and obligations contained in the Franchise Agreement including, without limitation, those relating to the Confidential Operating Manual, Confidential Information, Covenants, Confidentiality and Non-Competition Agreement (Section 5, 12, 18 and Exhibit 6).
- 3. Transferor represents and warrants that all of Transferor's monetary obligations to PBFC and its subsidiaries and affiliates will be satisfied immediately upon execution of this Agreement.
- 4. Transferor, for itself and all persons and entities claiming by, through or under it, release, acquit and forever discharge PBFC and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates,

successors and assigns (the "PBFC Releases") 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 it, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the PBFC Releases arising out of or related to the offer, sale and operation of the Spa, and the parties' rights or obligations under the Franchise Agreement.

5. This Agreement constitutes the entire integrated agreement of the parties with respect to the subject matter contained in this Agreement, and may not be subject to any modification without the written consent of the parties.
6. This Agreement shall be construed under the laws of the State of Louisiana, which laws shall control in the event of any conflict of law.
7. This Agreement shall be for the benefit of and binding upon the parties and their respective representatives, successors and assigns.
8. Each party acknowledges that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Agreement.
9. In the event that PBFC retains the services of legal counsel to enforce the terms of this Agreement, it shall be entitled to recover all costs and expenses, including reasonable attorney's fees, incurred in enforcing the terms of this Agreement.
10. Transferor agrees that it has and had a relationship with PBFC at its offices in Louisiana and that, with the exception of PBFC's right to seek injunctive relief in any appropriate jurisdiction, any action by or against PBFC arising out of or relating to this Agreement shall be commenced and concluded in the State of Louisiana pursuant to the mediation, arbitration, venue, and jurisdiction provisions of the Franchise Agreement.
11. This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement shall not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of the Agreement. Executed facsimile copies of this Agreement shall be deemed to be effective as original signatures.

I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

PLANET BEACH FRANCHISING CORPORATION

Witness: _____ By: _____

TRANSFEROR(S)

Witness: _____ By: _____

Witness: _____ By: _____

TRANSFeree(S)

Witness: _____ By: _____

Witness: _____ By: _____

EXHIBIT H
PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

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EXHIBIT I

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT**

CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

I, _____, in consideration of the approval by Planet Beach Franchising Corporation ("PBFC") to review certain confidential information including, without limitation, certain manuals and/or other information relating to the operation of a Planet Beach franchise ("Confidential Information") before completing my contemplated purchase of such franchise, hereby agree to maintain the confidentiality of all such Confidential Information in recognition that such information is confidential and is divulged only to Planet Beach franchisees. In the event that I am unable to consummate the contemplated purchase of the Planet Beach franchise or to otherwise become a Planet Beach franchisee, I shall not disclose any of this information to any other person. I further represent and warrant that I shall not use such information in any other capacity except as an authorized Planet Beach franchisee. I hereby acknowledge that I shall not reproduce any of the Confidential Information being entrusted to me today, nor shall I make any oral or written notes regarding any of the information contained therein.

I acknowledge and agree that disclosure or unauthorized use of any of the Confidential Information presented to me is likely to cause PBFC immediate and irreparable harm, which is not compensable in money damages. I hereby consent, in the event of my unauthorized use or disclosure of such Confidential Information, to the entry of injunctive relief in favor of PBFC, including temporary restraining orders and preliminary injunctions, without the requirement of bond, under the usual equity rules.

I HAVE READ THE ABOVE CONFIDENTIALITY AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND IT AND AGREE TO BE BOUND BY ITS TERMS.

Dated: _____

Dated: _____

EXHIBIT J

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT**

STATE TANNING AND AIR BRUSH TANNING REGULATORS

State Tanning Regulators

ALABAMA

Department of Public Health
Contact: Kirk Whatley, Director
(334) 206-5391
201 Monroe St., Suite 700
Montgomery, AL 36104

Jefferson County, AL – (205) 930-1206

Contact James Archer. This County lets Spas know what to expect, and which regulations they will enforce, and then within 30 days comes out, performs inspection and gives Spa a score. No training requirements. Common citations are cleanliness, exceeding tanning time and errors on client records.

ALASKA

Department of Health and Social Services
Section of State Laboratories
Radiological Health Program
Contact: Clyde E. Pearce
(907) 334-2107
4500 Boniface Parkway
Anchorage, AK 99507-1270

ARIZONA

Radiation Regulatory Agency
Contact: John Lamb
(602) 255-4845
4814 S. 40th St.
Phoenix, AZ 85040
www.arra.state.az.us

ARKANSAS

Department of Health
Division of Radiation Control
Contact: Jared Thompson
(501) 661-2922
4815 W. Markam St.
Little Rock, AR 72205

CALIFORNIA

Department of Consumer Affairs
Barbering and Cosmetology Program
Enforcement Division
Contact: Cindy Walton, Assl Bureau Chief
(916) 445-0713
400 R St., Suite 4080
Sacramento, CA 95814

COLORADO

Department of Public Health and Environment
Consumer Protection Division
Contact: Barbara Hruska, Program Manager
(303) 692-3620
4300 Cherry Creek Drive, S.
Denver, CO 80222
http://www.cdphe.state.co.us

CONNECTICUT

Department of Environmental Protection
Radiation Division
Contact: Dr. Edward L. Wilds, Jr.
(860) 424-3029
79 Elm St.
Hartford, CT 06106

DELAWARE

Division of Public Health-HSP
Contact: Rob Brinsfield, Program Administrator,
Office of Radiation Control
(302) 739-3787
Jesse Cooper Building
P.O. Box 637
Dover, DE 19903

FLORIDA

Department of Health
Bureau of Facility Program
Contact: Ken Widergren, Environmental
Specialist
(850) 487-0004
2020 Capitol Circle, S.E., Bin #A08
Tallahassee, FL 32399-1710

GEORGIA

Governor's Office of Consumer Affairs
Contact: Barry W. Reid, Administrator
(404) 656-3790
2 Martin Luther King Jr. Drive, S.E.,
Suite 356
East Tower
Atlanta, GA 30334

HAWAII

Department of Health
Radiation Section
Contact: Russell Takata

(808) 586-4700
591 Ala Moana Blvd., Room 245
Honolulu, HI 96813

IDAHO

Department of Health and Welfare
Division of Health Bureau of Laboratories
Contact: Dave Eisenreger
(208) 334-2235 or 208-334-5879
2220 Old Penitentiary Road
Boise, ID 83712

ILLINOIS

Department of Public Health
Division of Food, Drugs and Dairies
Contact: Ron Gottrich, Melissa Estes
(217) 782-7532
525 W. Jefferson
Springfield, IL 62761-0001
<http://www.legis.state.il.us/ilcs/ch210/ch210act145.html>
<http://www.idph.state.il.us/rulesregs/77-0795.htm>

INDIANA

Professional Licensing Agency
Contact: Angle Stallings or Adrian Burns
(317) 232-7215
302 W. Washington St., Room E304
Indianapolis, IN 46204-2700

IOWA

Department of Health Bureau of Radiological Health
Contact: Don Flater, Bureau Chief
(515) 281-3478
Lucas State Office Building
Des Moines, IA 50319

KANSAS

Board of Cosmetology
Contact: Mary Lou Davis, Administrative Officer
(785) 296-3155
2708 N.W. Topeka Blvd.
Topeka, KS 66617-1139

KENTUCKY

Department of Health Services
Division of Radiation & Toxic Agents Control
Branch

Contact: John Volpe, Branch Manager
(502) 564-3700
275 E. Main St.
Frankfort, KY 40621

LOUISIANA

Department of Health and Hospitals
Food and Drug Unit
Contact: Tony Vaecarella
(504) 763-5484
(225) 763-5484 (after April 1, 1999)
6867 Bluebonnet Blvd.
Baton Rouge, LA 70810

MAINE

Radiation Control Program
Division of Health Engineering
Contact: Gay Mullen
(207) 287-5676
State House Station 10
Augusta, ME 04333

MARYLAND

Department of Environment
Contact: Roland Fletcher, Program Manager
(410) 631-3300
2400 Broening Highway
Baltimore, MD 21224

MASSACHUSETTS

Department of Public Health
Air & Radiation Management Administration
Radiological Health Program
Contact: Bob Watkins, Senior Radiation Scientist
(617) 727-6214
174 Portland St.
Boston, MA 02114

MICHIGAN

Bureau of Health Systems
Radiation Safety Section
(517) 241-1989
P.O. Box 30664
Lansing, MI 48909

MINNESOTA

Food and Drug Administration
Contact: Howard Manresa, Compliance Officer

(612) 334-4100
240 Hennepin Ave.,
Minneapolis, MN 55401

MISSISSIPPI

Division of Radiological Health
Contact: Herman Gaines, Health Physicist
AdministratlorAdministrator
(601) 987-6893
3150 Lawson St.
Jackson, MS 39213

MISSOURI

Department of Health
Section for Environmental Public Health
Contact: Daryl Roberts
(573) 751-6090
P.O. Box 570
Jefferson City, MO 65102

MONTANA

Department of Public Health and Human
Sciences
Radiological Control Program
Contact: George Eicholtz
(406) 444-5266
P.O. Box 202951
Cogswell Building
Helena, MT 59620-2951

NEBRASKA

Department of Health & Human Services
Regulation and Licensure
Public Health Assessment Division
Contact: Julia Schmitt, Program Manager
(402) 471-0170
P.O. Box 95007
Lincoln, NE 68509

NEVADA

Department of Human Resources, Health
Division
Radiological Health Section
Contact: Stan Marshall, Supervisor
(702) 687-5394, ext. 276
1179 Fairview, Suite 102
Carson City, NV 89701-5405

NEW HAMPSHIRE

Department of Health and Human Services
Division of Public Health Services

Office of Health Management
Contact: Dianne Luby, director
(603) 271-4501
6 Hazen Drive
Concord, NH 03301

NEW JERSEY

Department of Health and Senior Services and
Consumer Environmental Services
Contact: James A. Brownlee, Director
(609) 588-3124
P.O. Box 369
Trenton, NJ 08625-0360

NEW MEXICO

Environmental Department
Hazardous and Radioactive Materials Bureau
Contact: Mark Garcia
(505) 827-1557
P.O. Box 26110
2044 Galisteo St., Building A
Santa Fe, NM 87502

NEW YORK

Department of Health
Bureau of Environmental Radiation Protection
Contact: Michael Dreibelbis,
Senior Radiological Health Specialist
(518) 458-6476
2 University Place, Room 325
Albany, NY 12203

NORTH CAROLINA

Department of Environment and Natural
Resources
Division of Radiation Protection
Contact: Amy Sawyer
(919) 571-4141
3825 Bartett Drive
Raleigh, NC 27609-7221

NORTH DAKOTA

Health Department Division of Environmental
Engineering
Radiation Control Program
Contact: Ken Wangler, Manager of Programs
(701) 328-5188
P.O. Box 5520
1200 Missouri Ave., Room 304
Bismarck, ND 58506-5520

OHIO

Board of Cosmetology
Contact: Terry Tomlin, Tanning Coordinator
(614) 644-6134
101 Southland Mall
3700 S. High St.
Columbus, OH 43207-4041

OKLAHOMA

Department of Environmental Quality
Radiation Management Section
Contact: Pam Bishop
(405) 702-5100
707 N. Robinson, 5th Floor
P.O. Box 1677
Oklahoma City, OK 73101-1677

OREGON

Health Division Radiation Protection Services
Contact: Phil Wilson
(503) 731-4014, ext. 659
800 N.E. Oregon, No. 21
Portland, OR 97232

PENNSYLVANIA

Bureau of Radiation Protection
Division of Radiation Control
Contact: Ed Burtsavage, Health Physicist
(717) 783-5920
P.O. Box 8469
Harrisburg, PA 17105-8469

RHODE ISLAND

Office of Occupational and Radiological Health
Contact: Marie Stoeckel
(401) 222-2438
3 Capitol Hill, Room 206
Providence, RI 02908

SOUTH CAROLINA

Department of Health and Environmental
Control
Bureau of Radiological Health
Contact: T. Pearce O'Kelley, Bureau Chief
(803) 737-7404
2600 Bull Sl.
Columbia, SC 29201

SOUTH DAKOTA

Department of Health
Office of Health Protection

(605) 773-4823
600 E. Capitol Ave.
Pierre, SD 57501-2536

TENNESSEE

Division of Consumer Affairs
Contact: Charles D. Randies
(615) 741-4737
500 James Robertson Parkway, 5th Floor
Nashville, TN 37243-0600

TEXAS

Department of Health, Drugs and Medical
Devices Division
Contact: Tom Brinck, Director of Programs
(512) 719-0237
1100 W. 49th St.
Austin, TX 78756

UTAH

Department of Environmental Quality
Division of Radiation Control
Contact: William Sinclair, Director
(801) 536-4250
P.O. Box 144850
168 N. 1950 W.
Salt Lake City, UT 84114-4850

VERMONT

Radiation Control Program
Division of Health Protection
Office of Occupational and Radiological Health
Contact: Paul Clemmons, Senior Physicist
(802) 865-7730
108 Cheny St.
Burlington, VT 05402

VIRGINIA

Division of Health Hazards Control
Main St. Station
(804) 786-5932
P.O. Box 2448
1500 E. Main, Room 240
Richmond, VA 23219

WASHINGTON

State Department of Health
Radiation Protection
Contact: Mike Odlaug
(360) 236-3237
P.O. Box 47827

Olympia, WA 98504-7827

WEST VIRGINIA

Office of Environmental Health Services
Radiological Health Program
Contact: Beattie DeBord,
Chief of Radiological Health Program
(304) 558-2981
815 Quartier St., Suite 418
Charleston, WV 25301

WISCONSIN

Department of Health and Family Services
Division of Public Health
Radiation Protection Section
Contact: Mark Bunge
(608) 267-4784
P.O. Box 309
Madison, WI 53701-0309

WYOMING

Department of Agriculture
Consumer Health Services Section
Contact: Chuck Higgens, Manager
(307) 777-6594
2219 Carey Ave.
Cheyenne, WY 82002

EXHIBIT K
PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
STATE SPECIFIC ADDENDA

**PLANET BEACH FRANCHISING CORPORATION
AMENDMENT TO FRANCHISE AGREEMENT AND
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF CALIFORNIA**

**THE PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT ("FDD")
CONTAINS INFORMATION REQUIRED BY BOTH
THE FEDERAL TRADE COMMISSION AND THE STATE OF CALIFORNIA.
THIS ADDENDUM TO THE FDD CONTAINS INFORMATION
REQUIRED EXCLUSIVELY BY THE STATE OF CALIFORNIA
AND IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FDD.**

*** * ***

**THE INFORMATION CONTAINED HEREIN MUST BE
REVIEWED IN CONJUNCTION WITH THE FDD**

PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

Table of Contents

1. ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

**ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA**

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 *et seq.*, the Franchise Disclosure Document for Planet Beach Franchising Corporation for use in the State of California shall be amended as follows:

Item 3 of the FDD is supplemented to include the following:

Neither the franchisor nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such person from membership in such association or exchange.

Item 5 of the FDD is supplemented to include the following:

California Franchise Investment Law requires that Planet Beach deposit into an escrow account with a national bank located in the State of California. The initial franchise fee will be held in an escrow account with the U.S. Bank National Association until the opening of the Planet Beach location.

Item 10 of the FDD does not apply to California residents. Planet Beach is not offering financing in California.

Item 17 of the FDD shall be supplemented to include the following:

California Business & Professions Code Sections 20000 through 20043 provides rights to the franchisee concerning termination or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will California Business & Professions Code Sections 20000 through 20043 provide rights control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires application of the law of the State of Louisiana. This provision may not be enforceable under California law.

The franchise agreement requires legal proceedings, including binding arbitration, to occur in Jefferson Parish, Louisiana with each party bearing its own cost of arbitration including, but not limited to, the fee for their respective arbitrator; provided, however, that the neutral or single arbitrator's fee shall be shared equally by both parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of a franchise agreement that restricts venue to a forum outside the State

of California.

Section 31125 of the California Corporation Code requires the franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

You must sign a release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business Professions Code 2000 through 20043).

Our website has not been reviewed or approved by the California Department of Corporations. Any complaints concerning the content of this website may be directed to the California Department of Corporations at www.corp.ca.gov.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

**PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF HAWAII**

**THE PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT ("FDD")
CONTAINS INFORMATION REQUIRED BY BOTH
THE FEDERAL TRADE COMMISSION AND THE STATE OF HAWAII.
THIS ADDENDUM TO THE FDD CONTAINS INFORMATION
REQUIRED EXCLUSIVELY BY THE STATE OF HAWAII
AND IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FDD.**

*** * ***

**THE INFORMATION CONTAINED HEREIN MUST BE
REVIEWED IN CONJUNCTION WITH THE FDD**

PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF HAWAII

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1. ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF HAWAII
2. ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION FRANCHISE AGREEMENT REQUIRED BY THE STATE OF HAWAII

**ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF HAWAII**

For franchises and franchisees subject to the Hawaii Franchise Disclosure Law the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Planet Beach Franchising Corporation Franchise Disclosure Document.

Item 5 and Item 7 of the disclosure document are amended to include the following disclosure:

The State of Hawaii 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 and the Planet Beach location has opened.

Item 21 of the disclosure document is amended to include the following disclosure: ~~Craig please review~~

OVER THE LAST THREE FISCAL YEARS THE FRANCHISOR HAD A NET INCOME / (LOSS) OF ~~(\$708,392)~~758,247 IN 2009~~8~~, ~~(\$708,392)~~1,791,933 IN 2010~~09~~ AND ~~\$271,751~~271,751+791,933 IN 2011~~0~~ RESULTING IN NEGATIVE STOCKHOLDERS EQUITY OF \$2,615,180 ~~F-S2,615,180~~975,093 AS OF 2011~~0~~ FISCAL YEAR END.

**ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF HAWAII**

The State of Hawaii 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 and the Planet Beach location has opened. Upon opening for business you must submit the initial franchise fee to Planet Beach Franchising Corporation.

Franchisee's Initials/Date

Franchisor's Initials/Date

**PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF ILLINOIS**

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT ("FDD")
CONTAINS INFORMATION REQUIRED BY BOTH
THE FEDERAL TRADE COMMISSION AND THE STATE OF ILLINOIS.
THIS ADDENDUM TO THE FDD CONTAINS INFORMATION
REQUIRED EXCLUSIVELY BY THE STATE OF ILLINOIS
AND IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FDD.**

*** * ***

**THE INFORMATION CONTAINED HEREIN MUST BE
REVIEWED IN CONJUNCTION WITH THE FDD**

PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS

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**AMENDMENT TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS-Legal-must-review**

This Amendment shall pertain to franchises sold in the State of Illinois and shall be for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement ("Agreement") to the contrary, the Agreement shall be amended as follows:

1. Section 25.1 of the Agreement shall be supplemented as follows:

However, the choice of law should not be considered a waiver of any right conferred upon you by the provisions of the Illinois Franchise Disclosure Act of 1987 and the Rules and Regulations under the Act with respect to the offer and sale of a franchise and the franchise relationship. As required under Illinois law, the laws of the State of Illinois will govern.

2. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Agreement is inconsistent with Illinois law, Illinois law will control.
3. To the extent that the limitations period set forth in Section 24.1 of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, the Act will control; it being the intent of the parties that Section 25.3 of the Franchise Agreement shall not prohibit Franchisee from instituting a private civil action under Section 26 of the Illinois Franchise Disclosure Act within the limitations periods set forth in Section 705/27 of the Act.

Franchisee's Initials/Date

Franchisor's Initials/Date

**ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS**

For franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987 and the Illinois General Rules and Regulations under the Franchise Disclosure Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Planet Beach Franchising Corporation Illinois Franchise Disclosure Document.

Item 17 shall be supplemented to include the following disclosure:

The conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Illinois law, 815 ILCS 7051-44.

The franchise agreement provides that Louisiana law applies. However, the foregoing choice of law should not be considered a waiver of any right conferred upon you by the provisions of the Illinois Franchise Disclosure Act of 1987 and the Rules and Regulations under the Act with respect to the offer and sale of a franchise and the franchise relationship. As required under Illinois law, the laws of the State of Illinois will govern.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Agreement is inconsistent with Illinois law, Illinois law will control.

**PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF INDIANA**

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT ("FDD")
CONTAINS INFORMATION REQUIRED BY BOTH
THE FEDERAL TRADE COMMISSION AND THE STATE OF INDIANA.
THIS ADDENDUM TO THE FDD CONTAINS INFORMATION
REQUIRED EXCLUSIVELY BY THE STATE OF INDIANA
AND IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FDD.**

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**THE INFORMATION CONTAINED HEREIN MUST BE
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PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF INDIANA

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**AMENDMENT TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF INDIANA**

This Amendment shall pertain to franchises sold in the State of Indiana and shall be for the purpose of complying with Indiana statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

1. Section 1 of the Franchise Agreement entitled "Franchise Grant" is supplemented by the following provision:

Ind. Code §§23-2-2.7-1(2) and 23-2-2.7-2 (6) prohibit any provision in a franchise agreement allowing a franchisor to establish, and prohibit a franchisor from establishing a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the Territory granted the franchisee by the Franchise Agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area. To the extent that any provision of the Franchise Agreement conflicts with Indiana law, Indiana law will control.

2. Section 21.3 of the Franchise Agreement entitled "Conditions for Transfer" is supplemented by the following provision:

To the extent you are required to execute a release in favor of Planet Beach Franchising Corporation, such release shall exclude liabilities arising under the Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-1 (5).

3. Ind. Code §23-2-2.7-1(10) prohibits any provision in the Franchise Agreement which limits litigation brought for breach of the Agreement in any manner whatsoever. To the extent that any provision of the Franchise Agreement conflicts with Indiana Code §23-2-2.7-1 (10), Indiana law will control.

4. Section 19.2 of the Agreement entitled "Indemnification" is supplemented by the following provision:

; provided, however, such indemnification obligations shall exclude liability caused by your proper reliance on or use of procedures or materials provided by PBFC or caused by PBFC's negligence.

5. Section 18.2 of the Agreement entitled "After the Term of this Agreement" is supplemented by the following provision:

Notwithstanding the above, the covenant not to compete is limited to your non-exclusive area under this Agreement.

6. Section 21.4 of the Franchise Agreement entitled "Death or Disability" is supplemented by the following provision:

Ind. Code §23-2-2.7-2(3) makes it unlawful for a franchisor to deny the surviving spouse, heirs, or estate of a deceased franchisee the opportunity to participate in the ownership of the franchise under a valid franchise agreement for a reasonable time after the death of the franchisee, provided that the surviving spouse, heirs or estate maintains all standards and obligations of the franchise.

Further, the term “6 months” shall replace any shorter term in Section 21.4.

7. Section 25.1 of the Agreement entitled “Governing Law” is supplemented by the following provision:

However, the foregoing choice of law should not be considered a waiver of any right conferred upon you by the provisions of the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law with respect to the offer and sale of a franchise and the franchise relationship. Notwithstanding anything in this Agreement to the contrary, this Agreement shall be governed by the Indiana Franchise Disclosure Law Ind. Code § 23-2-2.5 and the Indiana Deceptive Franchise Practices Law Ind. Code § 23-2-2.7.

8. Sections 25.1 entitled “Governing Law” and 24.4 entitled “Arbitration” of the Agreement are both supplemented by the following provision:

Indiana franchisees are allowed access to Indiana courts. Any provision which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of Indiana with respect to any matter governed by the Indiana Deceptive Franchise Practices Law and Indiana Franchise Disclosure Law is void.

Franchisee’s Initials/Date

Franchisor’s Initials/Date

**ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF INDIANA**

For franchises and franchisees subject to the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Planet Beach Franchising Corporation Franchise Disclosure Document.

Item 8. Item 8 of the Franchise Disclosure Document is amended to include the following disclosure:

The Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-1(4) prohibits provisions in a franchise agreement subject to the Law which allow the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee. To the extent that any provision of the Franchise Agreement conflicts with Indiana Law, Indiana Law will control.

The Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-2(6) makes it unlawful for any franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee. To the extent that any of Planet Beach Franchising Corporation's business practices conflicts with Indiana Law, Indiana Law will control.

Item 12. Item 12 of the disclosure document is amended to include the following disclosure:

Ind. Code §23-2-2.7-1(2) prohibits any provision in the Agreement which allows PBFC to establish a franchisor-owned outlet engaged in a substantially identical business to that of the Franchised Business within the Territory. Ind. Code §23-2-2.7-2(4) prohibits any franchisor who has entered into any franchise agreement with a franchisee who is either a resident of Indiana or a nonresident operating a franchise in Indiana from establishing a franchisor-owned outlet engaged in a substantially identical business to that of the Franchised Business within the Territory. To the extent that any provision of the Agreement or PBFC's business practices conflict with Indiana law, Indiana law will control.

Item 17. Item 17 of the disclosure document is amended to include the following disclosure:

To the extent you are required to execute a release in favor of PBFC, such release shall exclude liabilities arising under the Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-1.

Ind. Code §23-2-2.7-2(3) makes it unlawful for a franchisor to deny the surviving spouse, heirs, or estate of a deceased franchisee the opportunity to participate in the ownership of the franchise under a valid

franchise agreement for a reasonable time after the death of the franchisee, provided that the surviving spouse, heirs or estate maintains all standards and obligations of the franchise. To the extent that the Franchise Agreement requires a surviving spouse, heirs or an estate representative to assume liability under the Franchise Agreement and to complete training, the Franchise Agreement has been amended in accordance with Indiana Law to provide that all such conditions must be met within 6 months of the franchisee's date of death.

Ind. Code §23-2-2.7-1(10) prohibits any provision in the Agreement which limits litigation brought for breach of the Agreement in any manner whatsoever. To the extent that any provision of the Agreement conflicts with Indiana law, Indiana law will control.

The choice of law provision contained in the Franchise Agreement should not be considered a waiver of any right conferred upon you by the provisions of the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law with respect to the offer and sale of a franchise and the franchise relationship. Notwithstanding anything in this Agreement to the contrary, the Franchise Agreement shall be governed by the Indiana Franchise Disclosure Law IC §23-2-2.5 and the Indiana Deceptive Franchise Practices Law IC §23-2-2.7, under Ind. Code §23-2-2.7.

Indiana franchisees are allowed access to Indiana courts. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of Indiana with respect to any matter governed by the Indiana Deceptive Franchise Practices Law and Indiana Franchise Disclosure Law is void.

The post term covenant not to compete is limited to your non-exclusive area under the Franchise Agreement pursuant to Ind. Code §23-2-2.7-1(9).

PLANET BEACH FRANCHISING CORPORATION
AMENDMENT TO FRANCHISE AGREEMENT AND
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF MARYLAND

THE PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT ("FDD")
CONTAINS INFORMATION REQUIRED BY BOTH
THE FEDERAL TRADE COMMISSION AND THE STATE OF MARYLAND.
THIS ADDENDUM TO THE FDD CONTAINS INFORMATION
REQUIRED EXCLUSIVELY BY THE STATE OF MARYLAND
AND IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FDD.

*** * ***

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**AMENDMENT TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT AND THE MULTI-UNIT OPTION AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

This Amendment shall pertain to franchises sold in the State of Maryland and shall be for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

Pursuant to Code of Maryland Regulations section 02.02.08.16L, any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law. Section 4.2.8 of the Franchise Agreement is amended accordingly.

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to agree to any release, estoppel or waiver of liability as a condition of purchasing a franchise. To the extent that the Franchise Agreement may require you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase your franchise, it is hereby amended to state that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

Section 14-227 of the Maryland Franchise Registration and Disclosure Law provides that any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires the franchisor to file an irrevocable consent to be sued in Maryland. Accordingly, section 25.1 of the Franchise Agreement is amended to provide that you may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.

Section 23.2.1 of the Franchise Agreement provides that Planet Beach Franchising Corporation may terminate you if you file a petition in bankruptcy or bankruptcy proceedings are commenced naming you as debtor. These provisions may not be enforceable under federal bankruptcy law.

Franchisee's Initials/Date

Franchisor's Initials/Date

**ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND**

For franchises and franchisees subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Planet Beach Franchising Corporation Franchise Disclosure Document:

Item 17.

The Franchise Agreement provides that we may terminate the Franchise Agreement if you voluntarily or involuntarily file for bankruptcy, as described in the “Summary of Cause Defined” (provision (h.)). This provision may not be enforceable under federal bankruptcy law.

Pursuant to Code of Maryland Regulations Section 02.02.08.16L, any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law.

Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires the franchisor to file an irrevocable consent to be sued in Maryland. Accordingly, the Summary of the Choice of Forum (provision (v.)) is amended to provide that you may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.

Section 14-227 of the Maryland Franchise Registration and Disclosure Law provides that any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

**PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE
DISCLOSURE DOCUMENT FOR PLANET BEACH FRANCHISING CORPORATION
STORES CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF MICHIGAN**

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT ("FDD")
FOR PLANET BEACH FRANCHISING CORPORATION STORES
CONTAINS INFORMATION REQUIRED BY BOTH
THE FEDERAL TRADE COMMISSION AND THE
STATE OF MICHIGAN. THIS ADDENDUM TO THE FDD
CONTAINS INFORMATION REQUIRED EXCLUSIVELY BY THE
STATE OF MICHIGAN AND IS BEING PROVIDED
TO YOU AT THE SAME TIME AS THE FDD.**

*** * ***

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PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MICHIGAN

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- I. NOTICE REQUIRED BY THE STATE OF MICHIGAN.

NOTICE

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchises from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is 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 franchise unless provision has been made for providing the required contractual services.

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

Any questions regarding the notice should be directed to the Michigan Department of Attorney General, 670 Law Building, Lansing, MI 48913, (517) 373-7117.

**PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF MINNESOTA**

**THE PLANET BEACH FRANCHISING CORPORATION
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PLANET BEACH FRANCHISING CORPORATION.
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MINNESOTA

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**AMENDMENT TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA**

This Amendment shall pertain to franchises sold in the State of Minnesota and shall be for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

1. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Agreement, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Franchise Agreement.
2. Planet Beach Franchising Corporation will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.
3. Section 25.1 of the Agreement shall be supplemented by the following provision:

Pursuant to Minn. Stat. Sec. 80C.21, this Section shall not in any way abrogate or reduce any of your rights as provided in Minnesota Statutes, Chapter 80C, including but not limited to the right to submit matters to the jurisdiction of the courts of Minnesota.
4. Minn. Stat. §80.C.21 and Minn. Rule 2860.4400J prohibit Planet Beach Franchising Corporation from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
5. To the extent you are required to execute a general release in favor of Planet Beach Franchising Corporation, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. §80C.01 *et seq.* as provided by Minn. Rule 2860.4400J.
6. The first sentence of Section 25.6 shall have no further force or effect and the following shall be substituted in lieu thereof:

Nothing herein contained shall prevent PBFC from applying to and seeking to obtain from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, and/or other emergency relief available to safeguard and protect its interest prior to the filing of any arbitration proceeding or pending the trial or handing down of a decision or award pursuant to any arbitration proceeding conducted hereunder. Except as otherwise provided in this Agreement, any dispute between PBFC and Franchisee arising out of or relating to this Agreement shall, at PBFC's option, be determined by arbitration.

7. Any claims brought pursuant to the Minnesota Franchises Act, §80.C.01 *et seq.* must be brought within 3 years after the cause of action accrues. To the extent that any provision of the Franchise Agreement

imposes a different limitations period, the provision of the Act shall control.

Franchisee's Initials/Date

Franchisor's Initials/Date

**ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR THE STATE OF MINNESOTA**

For franchises and franchisees subject to the Minnesota Franchise Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Planet Beach Franchising Corporation Franchise Disclosure Document.

Item 5

The State of Minnesota has imposed an escrow requirement of the initial franchise fee and other initial payments owed by franchisees to Planet Beach Franchising Corporation until Planet Beach Franchising Corporation has completed its pre-opening obligations under each franchise agreement. The initial franchise fee will be held in an escrow account with the U.S. Bank National Association until the opening of the Planet Beach location.

Item 13

Planet Beach Franchising Corporation will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17.

Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Disclosure Document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is

a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of §§80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

Minn. Stat. §80.C.21 and Minn. Rule 2860.4400J prohibit Planet Beach Franchising Corporation from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

To the extent you are required to execute a general release in favor of Planet Beach Franchising Corporation such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. §80C.01 *et seq.* as provided by Minn. Rule 2860.4400J.

**PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF NORTH DAKOTA**

**PLANET BEACH FRANCHISING CORPORATION
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THE FEDERAL TRADE COMMISSION AND THE STATE OF NORTH DAKOTA.
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AND IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FDD.**

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PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

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**AMENDMENT TO THE PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA**

This Amendment pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Section 18 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants not to compete may not be enforceable under North Dakota law.
2. Section 25.1 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota.

3. Section 25.1 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants specifying that the agreement is governed by the laws of a state other than North Dakota may not be enforceable in North Dakota.

4. Section 24 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants requiring North Dakota franchisees to consent to termination or liquidated damages may not be enforceable in North Dakota.

5. Section 25.4 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants requiring arbitration at a location that is remote from the site of the franchisee's business may not be enforceable in North Dakota.

6. Section 25.8 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants requiring North Dakota franchisees to consent to waiver of trial by jury may not be enforceable in North Dakota.

7. Section 25.9 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages may not be enforceable in North Dakota.

Franchisee's Initials/Date

Franchisor's Initials/Date

**ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NORTH DAKOTA**

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Planet Beach Franchising Corporation Franchise Disclosure Document.

1. Item 5 is amended by the addition of an escrow requirement of the initial franchise fee with the U.S. Bank National Association until the opening of the Planet Beach location.

2. Item 17 is amended by the addition of the following language to the original language that appears therein;

(a) Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in North Dakota, except in certain instances as provides by law.

(b) Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

(c) Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(d) Any provision in the Franchise Agreement which requires a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

3. Section 25.4 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenant requiring North Dakota Franchisees to consent to a limitation of claim within one year may not be enforceable in North Dakota.

4. Section 25.8 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenant requiring North Dakota Franchisees to consent to waiver of trial by jury may not be enforceable in North Dakota.

5. Section 25.9 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenant requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages may not be enforceable in North Dakota.

Franchisee's Initials/Date

Franchisor's Initials/Date

**PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF NEW YORK**

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT ("FDD")
CONTAINS INFORMATION REQUIRED BY BOTH
THE FEDERAL TRADE COMMISSION AND THE STATE OF NEW YORK.
THIS ADDENDUM TO THE FDD CONTAINS INFORMATION
REQUIRED EXCLUSIVELY BY THE STATE OF NEW YORK
AND IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FDD.**

* * *

**THE INFORMATION CONTAINED HEREIN MUST BE
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PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK

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STATEMENT REQUIRED BY THE STATE OF NEW YORK

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

**AMENDMENT TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, the parties to the attached Planet Beach Franchising Corporation Franchise Agreement (the "Agreement") agree as follows:

- 1) Sections 4.2.8 of the Agreement with respect to your execution of a general release shall be supplemented by the following provision:

Provided that all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the GBL of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the nonwaiver provisions of Sections 687.4 and 687.5 of New York's GBL be satisfied.

- 2) Section 19.2 of the Agreement shall be supplemented to include the following provision:

Notwithstanding the above, you shall indemnify **PLANET BEACH FRANCHISING CORPORATION** and hold **PLANET BEACH FRANCHISING CORPORATION** harmless from liabilities resulting from your breaches and civil wrongs only.

- 3) Section 21.1 of the Agreement shall be supplemented to include the following provision:

In the event of such an assignment, **PLANET BEACH FRANCHISING CORPORATION** will ascertain that its assignee, in **PLANET BEACH FRANCHISING CORPORATION'S** reasonable judgment, possesses the economic resources to fulfill **PLANET BEACH FRANCHISING CORPORATION'S** obligations to its franchisees.

- 4) Section 25.1 of the Agreement shall be supplemented by the following provision:

However, the foregoing choice of law shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the New York State General Business Law.

- 5) The first sentence of Section 25.6 of the Agreement, shall have no further force or effect and the following shall be substituted in lieu thereof:

Nothing herein contained in this Agreement shall bar either party's right to seek to obtain injunctive relief against threatened conduct that will cause a loss or damage, under the usual equity rules, including the applicable rules for seeking to obtain restraining orders and preliminary injunctions. Except as otherwise provided in this Agreement, any dispute between **PBFC** and Franchisee arising out of or relating to this

Agreement shall, shall at **PBFC**'s option, be determined by arbitration.

- 6) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under New York law.
- 7) **PLANET BEACH FRANCHISING CORPORATION'S** termination of the Franchise Agreement because of your insolvency or bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

Franchisee's Initials/Date

Franchisor's Initials/Date

**ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 the Franchise Disclosure Document for Planet Beach Franchising Corporation for use in the State of New York shall be amended as follows;

1. Item 3 shall be supplemented by the following:

Neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

Neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded *nolo contendere* to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Neither we, our predecessor, any person identified in Item 2 or an affiliate offering franchises under our principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

- 2) Item 5 shall be supplemented by the following:

All franchisee fees are applied to the franchisor's general operating fund. All obligations of franchisor, whether to franchisees or otherwise, are paid out of this fund.

- 3) Item 4 shall be supplemented by the following:

During the 20-year period immediately before the application for registration, neither we nor our affiliate, any predecessor, current officers or general partner has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a

principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after our officer or general partner held this position in the company or partnership.

- 4) Section "j" under the section labeled "assignment of contract by us" in Item 17 shall be supplemented by the following provision:

However, no assignment shall be made except to an assignee who, in our good faith judgment, is willing and able to assume your obligations under the Franchise Agreement.

- 5) Section "m" under the section in Item 17 titled "conditions for our approval of transfer" shall be supplemented as follows with respect to your execution of a general release:

Provided, however, that all rights you enjoy and any causes of action which arise in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder remain in force; it being the intent of this proviso that the nonwaiver provisions of the GBL Sections 687.4 and 687.5 be satisfied.

**PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF RHODE ISLAND**

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT ("FDD")
CONTAINS INFORMATION REQUIRED BY BOTH
THE FEDERAL TRADE COMMISSION AND THE STATE OF RHODE ISLAND.
THIS ADDENDUM TO THE FDD CONTAINS INFORMATION
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PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
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**ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND**

For franchises and franchisees subject to the Rhode Island statutes and regulations, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Planet Beach Franchising Corporation Franchise Disclosure Document.

Item 17:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in the franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

**PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF VIRGINIA**

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PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF VIRGINIA

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**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT ADDENDUM
REQUIRED BY THE STATE OF VIRGINIA**

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 any other laws of Virginia, that provision may not be enforceable.

Section 13.1-564 of the Virginia Retail Franchising Act, which may supersede the franchise agreement in your relationship with the franchisor regarding the area of cross default terminations (Franchise Agreement Section 22.4). There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the area of cross default terminations.

In the event of a conflict of laws, the provisions of the Virginia Retail Franchising Act, Section 13.1-564 shall prevail.

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.

The undersigned does hereby acknowledge receipt of this addendum.

Franchisee's Initials/Date

Franchisor's Initials/Dates

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT ADDENDUM
REQUIRED BY THE STATE OF VIRGINIA**

Item 5

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.

**PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF WASHINGTON**

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PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF WASHINGTON

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I. FRANCHISE AGREEMENT ADDENDUM

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT ADDENDUM
REQUIRED BY THE STATE OF WASHINGTON**

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.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the slate of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

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.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

The State of Washington has imposed an escrow requirement of the initial franchise fee that is paid to Planet Beach Franchising Corporation. The initial franchise fee will be held in an escrow account with the U.S. Bank National Association until the opening of the Planet Beach location.

The undersigned does hereby acknowledge receipt of this addendum.

Franchisee's Initials/Date

Franchisor's Initials/Dates

Franchisee's Initials/Date

Franchisor's Initials/Dates

**PLANET BEACH FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
CONTAINING ADDITIONAL INFORMATION
REQUIRED BY THE STATE OF WISCONSIN**

**PLANET BEACH FRANCHISING CORPORATION
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PLANET BEACH FRANCHISING CORPORATION
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**AMENDMENT TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WISCONSIN**

This Amendment shall pertain to franchises sold in the State of Wisconsin and shall be for the purpose of complying with the Wisconsin Fair Dealership Law. Notwithstanding anything which may be contained in the body of the Franchise Agreement to be contrary, the Agreement shall be amended as follows:

Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between Franchisor and Franchisee inconsistent with the Law.

Franchisee's Initials/Date

Franchisor's Initials/Date

**ADDENDUM TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF WISCONSIN**

For franchises and Franchisees subject to the Wisconsin Fair Dealership Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Planet Beach Franchising Corporation's Wisconsin Franchise Disclosure Document.

Item 17.

For Wisconsin Franchisees, ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract between Franchisor and Franchisee inconsistent with the Law.

EXHIBIT L

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT**

INFORMATION RELATING TO AREA REPRESENTATIVES

Business Experience

Don Campbell: North Texas

From 1996 until 2001, Mr. Campbell was the owner and President of P.C. Concessions in Texas. In October 2001, he became a Planet Beach franchisee in Longview, Texas. He became a Planet Beach Area Representative in March of 2002.

Teresa Normand: North Florida

Mrs. Normand worked as a Registered Nurse at Precision Home Health in Baton Rouge, Louisiana from 1995 until 1997. She then transferred to Our Lady of the Lake Home Health in Baton Rouge until 1999. From February 1999 until May 2000, she worked as a manager at the first Baton Rouge Planet Beach location (LA0012). Mrs. Normand became a Planet Beach franchisee in the Baton Rouge market in April 2000 (LA0027). In February 2001, Mrs. Normand became an Area Representative for the Northern Florida market.

Tim Normand: Central Louisiana

Mr. Normand was employed as a Physical Therapy Assistant for Our Lady of the Lake Home Health in Baton Rouge, Louisiana from October of 1995 until August 2000. In December 1997, Mr. Normand became a Planet Beach franchisee in the Baton Rouge market (LA0012). Shortly thereafter, in March 1998, Mr. Normand became an Area Representative for Planet Beach for the Central Louisiana market. In February 2000, Mr. Normand became a multi-unit franchise operator with the addition of a second Planet Beach location (LA0025). From September 2000 until December 2005, Mr. Normand was employed by Planet Beach Franchising Corporation with the primary role of assisting with Franchise Real Estate Development.

Brad and Sally Olson: State of Arizona

Since 1981, Lieutenant Colonel Brad Olson has served with the United States Air Force and was the F-15 Program Manager in Tucson, Arizona. From 1996 until 1998, Ms. Olson worked as a Special Education Teacher's Assistant in the Clark County School District in Arizona. From 1998 until 2000, Ms. Olson held the same position at Amphitheatre School District in Arizona. Since May 2000, the Olson's have co-owned and managed Swedish Tans, LLC and Golden Ventures, LLC in Oro Valley, AZ. The Olson's became an Area Representatives in August 2001.

Mandy Bryant and Mark Verges: Pinellas, Polk, Hardee, Highlands, DeSoto, Charlotte, Glades, Okeechobee, Martin, and Hillsborough Counties, FL

Ms. Bryant has been an Area Representative in Central Florida since 2005. She is also currently Executive Director of Spa Performance and Education for PBFC. From November of 2003 until 2006, Ms. Bryant was a Director of Salon Research and Development for Planet Beach Franchising Corporation in Louisiana. From April of 2000 until December of 2002, Ms. Bryant was the Director of Salon Performance, and from May of 1999 until March of 2000, Ms. Bryant was a Salon Performance Consultant and Grand Opening Specialist for Planet Beach Franchising Corporation. Since 2005, Mr. Verges has been an Area Representative for Central Florida. From October 2008 until December 2009, he served as Director of International Operations for Planet Beach International, LLC. He is currently employed in a Regional position over the Community Coffee House Division. Mr. Verges was a Director and Media Representative for Circuit City of New Orleans. From February of 2000 until April of 2005,

Mr. Verges was a Market Leader and a Location Manager for Circuit City. From March of 1998 until February of 2000, Mr. Verges was a Sales Manager/Market Trainer for Circuit City. From April of 1995 until March of 1998, Mr. Verges was a Sales Manager for Circuit City.

Richard and Julie Spencer: Pasco, Manatee and Sarasota Counties, FL and 5 licenses in Hillsborough County, FL

From February 1, 1990 until March of 2003, Mr. Spencer was a Unicenter Analyst Technician for Raymond James Financial in Saint Petersburg, Florida. From January 2000 until 2005, Mrs. Spencer worked as a physical therapist for Sullivan Rehabilitation in Brandon, Florida. Mr. and Mrs. Spencer became Area Representatives in January of 2005.

Brent and Candace Marek: Wake County, NC

From December 1995 until January 2006, Mr. Marek worked for Bayer Crop Science in North Carolina as the National Market Manager. From January of 2004 until the present Mr. and Mrs. Marek have been the owners of three Planet Beach locations in the North Carolina area. Mrs. Marek worked for National Life Group based out of Vermont from December 2002 until December 2004 at their local Raleigh, NC office. Mr. and Mrs. Marek became Area Representatives in June of 2007.

Matthew James: Albany and Saratoga Counties, NY

From April of 2004 until the present, Mr. Matthew James has been self-employed. From January of 2002 until February of 2004, Mr. James was the Owner and President of Park West Bar and Grill located in Lewiston, New York. From January of 2000 until December of 2001, Mr. James was a Parts Department Manager for Reusselaer Honda located in Troy, New York. Mr. James became an Area Representative effective March 31, 2005.

Richard Morton: Hartis, Brazoria, Fort Bend, Galveston, and Montgomery Counties, TX

From October of 2001 until April of 2005, Mr. Richard Morton was a Real Estate Appraiser for Fox & Bubela located in Houston, TX. From November of 2000 until October of 2001, Mr. Morton was retired. From August of 1978 until November of 2000, Mr. Morton was an Area Manager for SBC, Inc. located in Dallas, Texas. Mr. Morton became an Area Representative effective March 31, 2005.

James Barnes: Ada, Canyon, Jem, and Elmore Counties, ID

From September 1993 until October 2003, Mr. Barnes was President and publisher of Idaho Press-Tribune. Mr. Barnes became an Area Representative effective November of 2005.

Brandon and Julie Price: Missoula, Flathead, Yellowstone, Lewis, Clark, Cascade, Meagher, Gallatin, Wheatland, Golden Valley, Silverbow, and Jefferson Counties, MT

From August 2005 until the present, Mr. Price has been a science teacher at Capital High School in Helena, MT. From August 2004 until June 2005, Mr. Price was a science teacher at Anderson Middle School in St. Helena, MT. From October 2000 until June 2004, Mr. Price was a science and math teacher at Clear Creek Middle School in Gresham, OR. From July 2004 until the present, Ms. Price has been a sales associate for Real Estate Montana. From July 2003 until July 2004, Ms. Price was a real estate broker for Remax Equity Group. From February 2002 until February 2003, Ms. Price worked in Inbound Sales for AT&T Broadband in Portland, OR. From November 2000 until August 2001, Ms. Price worked in sales for the Prop Shop in Portland, OR. The Prices became Area Representatives effective February

2006.

Sandra and Timothy Whitton: Colorado excluding Denver County

From July 2005 until the present, Mr. Whitton has been the Director of IT for Echostar Communications located in Englewood, CO. From March 2003 until June 2005, Mr. Whitton was the Director of ERP Apps Dev for Echostar Communications. From July 1999 until February 2003, Mr. Whitton was the Director of Business Integration for Echostar Communications. From June 1992 until the present, Mrs. Whitton has been the Vice President of Operations at TDI, Inc. located in Centennial, CO. The Whittons became Area Representatives effective October 2005.

Paul and Lydia Iantosca: Norfolk County, MA

From May 1997 until September 2002 Mr. Iantosca was the Manager for Exotic Flowers. From October 2002 until January 2004 Mr. Iantosca was the Manager at Columbine Custom Planet Floral. From January 2004 until April 2006 Mr. Iantosca served as the Operations Manager and Sales Representative for Louisburg Gardens. Mr. Iantosca has been working for Exotic Flowers since April 2006. Mrs. Iantosca served as a Sales and Trading Assistant from March 1999 until April 2003. Since May 2003, Mrs. Iantosca serves as the Premier Client Manager of Bank of America. Mr. and Mrs. Iantosca became Area Representatives in May 2006.

Lloyd and Russine Zellner, Clark County, NV

Mr. Zellner served as an information technology consultant from January 2000 through June 2004. From June 2004 until June 2006, he served as the Chief Information Officer for CWFUSA. Mrs. Zellner has been a performer for many years in the Las Vegas area. Mr. and Mrs. Zellner became Area Representatives in February 2007.

Kevin Nunes: Stanislaus, San Joaquin, and Contra Costa Counties, CA

From April 1, 1998 until July 2010, Mr. Nunes has worked for Minnesota based carrier Northwest Airlines as a Purser. Mr. Nunes became an Area Representative in May 2007.

Mona Archuleta-Jones and James Jones: Sandoval and Bernalillo Counties, NM

Mr. Jones worked as a Production Manager for BHP San Juan Mine in Farmington, New Mexico from 2000 until 2007. From 2007 to the present he has been Vice President of Operations for BHP San Juan Mine in Farmington, New Mexico. Mrs. Archuleta-Jones worked as a Director of Sales and Marketing for Martiott Courtyard in Farmington, New Mexico from June 2001 until October 2002. She worked as a District Sales Manager for CellularOne of NE Arizona from January 2003 until December 2003. From January 2004 until February 2005 she worked as a Certified Travel Consultant for Discovery Travel in Farmington, New Mexico. Mr. and Mrs. Jones became Area Representatives in April 2008.

Scott Shewey and Thomas Senechal: Fayette County, KY

~~Mr. Shewey worked as Front Desk Supervisor for Ponle Vedm Inn and Club from May 2004 until December 2004. From January 2005 to the present he has been the Director of Lodging at the Lodge and Club. Mr. Senechal held the positions of Office Manager and Marketer for Tauber-Souza Group at Long and Foster Realty from January 2006 until September 2006. From October 2006 to the present Mr.~~

~~Seneecal has held the position of Sales Manager for Ocean Style Tile Inc. Mr. Shewey and Mr. Seneecal became Area Representative in January 2009.~~

Michael Boyer: Miami, FL

From 2006 until present, Mr. Boyer has been a Planet Beach Franchisee. From 1996 to 2007 Mr. Boyer was a Program Manager for Sun Microsystems. While working for Sun Microsystems, he worked in the California Bay Area offices from 1996-2000, the Prague, Czech Republic office from 2000-2003, and Miami from 2004-2007. Mr. Boyer became an Area Representative effective August 2009.

Michael Schwartz: ~~of~~ San Francisco, CA

Mr. Schwartz has over 25 years of experience working with early stage, mid-size and large companies, including MCI, Worldcom, and most recently Incentra LLC. He's worked in a variety of industries including Telecommunications, Technology Sales, and high-end Manufacturing. Most recently, Mike was SVP of the NW Sales Region for Incentra, a provider of IT services and solutions to more than 3,000 enterprise customers. Prior to being promoted, he was the VP of Sales Operations, Systems and Automation. Mr. Schwartz became a Planet Beach Area Representative in January 2011.

Mr. Schwartz was a founding partner for Equity Pier LLC., a boutique CXO consulting firm for early stage and start-up companies. Mike's professional experience also includes serving as COO, and Director of Billing and Audit Control. He spent over 15 years with MCI in a variety of positions including Sales, Marketing and Business Development. Mr. Schwartz has a Bachelors Degree in Business Administration from the School of Management at Boston University.

Litigation

Bryce and Neda Burk v. Planet Beach Franchising Corporation, (No. 017-190429-01, 17th District Court, Tarrant County, Texas). In the fall of 2001, Mr. and Mrs. Burk filed a breach of contract suit to recover a \$15,000 franchise fee paid for the right to open and operate a second Salon. Plaintiffs won summary judgment in the amount of \$15,000 plus attorneys' fees, costs and interest. PBFC appealed this judgment and the Burks, on behalf of their corporation, Nani Kai, Inc., filed a subsequent suit alleging business disparagement, deceptive trade practices and civil conspiracy (Nani Kai, Inc. v. Planet Beach Franchising Corporation and Don Campbell, No. 048-196553-02, 48th District Court, Tarrant County, Texas). PBFC filed an answer denying all allegations. The parties have settled all claims out of court.

EXHIBIT M

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT**

SAMPLE LENDING APPLICATIONS



9019 East Bahia Drive, #100
 Scottsdale, AZ. 85260
 Ph: 800-211-3071 EXT 110
 Fx: 800-211-3072

Finance/Lease Application

Debbie Neumann

Rev 10/04

Lessee:

Company Name: _____
 DBA: _____ Fed Tax ID: _____
 Address: _____
 City, State & Zip: _____
 Business Phone #: _____
 Contact Name: _____ Phone #: _____
 e-Mail: _____ Fax: _____
 Business Description: _____
 Time In Business Under Current Ownership: _____
 Type of Business: S-Corp LLC Proprietorship
 Partnership Corporation Non-Profit

Vendor

Company Name: _____
 Address: _____
 City, State & Zip: _____
 Telephone: _____ Fax: _____
 Contact: _____

Bank References

Principal Bank: _____
 Account Numbers: _____
 Telephone: _____
 Contact: _____

Personal Information on Officers, Partners or Owners

Name: _____
 Home Address: _____
 City, State & Zip: _____
 Telephone: _____
 Social Security #: _____ % Ownership: _____
 Signature: _____
 Print Name: _____
 Date: _____

Name: _____
 Home Address: _____
 City, State & Zip: _____
 Telephone: _____
 Social Security #: _____ % Ownership: _____
 Signature: _____
 Print Name: _____
 Date: _____

By signing below, the undersigned individual, who is either a principal of the credit applicant or a personal guarantor of its obligations, provides written instruction to Lessor or its designee (and any assignee or potential assignee thereof) authorizing review of his/her personal credit profile from a national credit bureau. Such authorization shall extend to obtaining a credit profile in considering this application and subsequently for the purposes of update, renewal or extension of such credit or additional credit and for reviewing or collecting the resulting account. A copy of facsimile copy of this authorization shall be valid as the original. By signature below, I/we affirm my/our identity as the respective individual(s) identified in the above application.

Equipment to be Leased (Attach equipment schedule if necessary)

Address of Installation: _____

Quantity	Model	Description	Serial Number(s)	Purchase Price (w/o tax)

Proposed Lease Terms

Number of Months: _____ Equipment Cost _____ Monthly Payment*: _____ Purchase Option: _____
*Does not include sales tax

I hereby represent all information is true, correct and complete. A facsimile copy of this authorization shall be valid as the original.

Signature: _____ Title: _____ Date: _____
(Authorizing Officer Signature)
(Please Print Name)

Please fax completed application to
 Debbie Neumann at 1-800-211-3072

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law is the Federal Trade Commission Equal Credit Opportunity, Washington, D.C. 20580.

If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact Lessor set forth above within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for the statement.

Lease Application

Company Information

Company Name

Address

City State Zip Code

Business Phone Number of Years in Business

Personal Information on Principal Owner(s)
 Please include as much information as you can
 provide on all owners of the company.

Name Social Security Number

Home Address

City State Zip Code

Home Phone Ownership Percentage

Authorization for Release of Financial Information
 The undersigned represents that all information provided with this Application is true and correct and hereby authorizes Beneficial Capital Leasing (BCL) to obtain from third parties, information it deems necessary to arrive at a decision regarding this Application. To help fight terrorism and money laundering, the information you provide will be verified. By signing below, the undersigned individual(s) as principal of and/or guarantor for the applicant, authorizes BCL, its designees, assigns or potential assigns, to review his/her personal credit profile provided by a national credit bureau in considering this Application and for the purpose of update, renewal, or extension of credit to the Applicant or the collection of any resultant accounts. The undersigned authorizes all deposit, borrowing, financial and trade information to be released to BCL by telephone or fax. A photocopy or facsimile of this authorization shall be valid as the original.

Name Date

FACTS & OPINIONS ABOUT LEASE FINANCING

80% of U.S. Companies lease some or all of their equipment.

Leasing has clearly gained popularity with small firms...
 It is so much easier than going to the bank.
 --The Wall Street Journal--

Firms now lease everything but time.
 --U.S. News and World Report--

WHY IS LEASING SO POPULAR...?

100% Financing

Can include installation, freight costs, % of inventory, and % of construction costs.

Simple...Hassle Free

Our effortless one-page application reduces paperwork and saves time.

Fast Response Time

We do the work for you! Our process allows you to spend your time running your business.

Less Risk

When leasing, the only collateral pledged is the leased equipment.

Pay Fewer Taxes

• Time leases can be structured to be tax deductible.

A Plan To Meet Your Needs

Leasing affords you more flexible payment terms and more options at the end of the lease.

BENEFICIAL CAPITAL



FINANCING

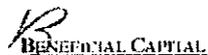
Beneficial Capital FINANCING

Is it right for you?

Should I pay cash?

- Do I want to use cash to immediately acquire all the equipment, construction and inventory I need?
- Will I benefit from immediate ownership?
- Do I want to use short-term financing to meet long-term capital needs?

For more information, call-
800.886.8944
 visit our website-
beneficialcapital.com



Should I choose Financing?

- Will the cash I save by financing be better utilized elsewhere in my business, such as advertising, salaries, promotions, overhead, etc.?
- Will I maximize my cash flow by paying for the equipment as it is used to generate income?
- Do I want to bundle large transactions into one?
- Do I want a transaction that is simple, fast, and cost effective?
- Do I want to plan my project with a payment structure that maximizes my cash flow?

Choose Success

1. Activate

Call toll free 1-800-886-8944. After a quick approval process, you will have access to your Financing line of credit.

2. Set-Up Your System

Consult with your sales representative to determine the equipment & price. Remember, financing by Beneficial Capital, we make it possible to include additional costs, such as inventory.

3. Choose a Financing Structure

Financing by Beneficial Capital provides innovative, comprehensive and cost effective financing options.

4. Complete the Transaction

Beneficial Capital will ensure that your equipment is ordered promptly and will bill you 30 to 45 days after the equipment is delivered.

Beneficial Capital FINANCING PROGRAMS

We offer solutions for:

Every Business Type

- Established
- Startup
- Expansions
- Remodels

More Than Equipment - Soft Costs

- Construction
- Inventory
- Electrical
- Etc...

Payments

- **Select Your Payment Program**
small payments to start you off
- **1, 2, 3 Program**
payments start at \$149 for 3 months
- **Principal Only Program**
no interest for 24 months
- **Best Rate Program**
best rate for above average credit



"Leaders in Salon & Spa Financing"

phone: 800.886.8944 fax: 314.241.0908
www.beneficialcapital.com



IN CONJUNCTION WITH OUR FINANCE PARTNER:



PRESENTS OUR:

UNSECURED BUSINESS LINES OF CREDIT PROGRAM

UBLOC™

(Credit Lines from \$40K – 100K)

ESTABLISHING AND BUILDING YOUR CORPORATE CREDIT is critical for a successful business. We have the expertise to accomplish this quickly and easily. We help facilitate the funding process, so that you can focus on building your thriving business as rapidly as possible.



**UNSECURED BUSINESS CREDIT LINE PROGRAM
Or Mini-SBA Jump-Start (Business Advantage)**

Are you 100% ready to act as a guarantor for your company and setup \$40,000 to \$100,000 in unsecured corporate credit lines and business loans? Do you have a business that would benefit from extra money to use for whatever you need including starting up a new Business? Well you have come to the right place. Diamond Financial can help achieve your goals.

What You Get:	Aggregate totals of \$40,000 to \$100,000 in Business credit lines (unsecured) and/or Mini-SBA (Micro Loans) range from \$7,500 - \$50,000
Business Requirements:	Clean business history, with no judgments or unpaid loans (new corps are OK) Business financials and history are not required; but will increase results
Officer Requirements:	At least one corporate officer must meet the following criteria For Unsecured Business Lines of Credit (UBLOC): <ul style="list-style-type: none"> • 715+ FICO Credit Score (\$40+ Vantage Score on Truecredit) • No derogatory credit marks within 12 months • No judgments, or collections in unpaid status • Absolutely No Bankruptcies • At least 3 established credit lines, 2 with \$5,000+ limits • Limited recent credit inquiries (12 in 1 year, no more than 4 per bureau) For Mini-SBA Loans: <ul style="list-style-type: none"> • 675+ credit Score • No Bankruptcies (shown on Credit report) The officer must maintain a clean profile through the program; this includes avoiding mortgage changes and additional car loans during the program.
Timeline:	Credit Lines: <ul style="list-style-type: none"> • Round 1 (14-30 days): First round: business funding (\$15K-\$50K) • Round 2 (30-60 days): Second round: personal funding (\$15K-\$35K) • Round 3 (45-75 days): Affiliated funds: Mini-SBA's, Venders, Equipment Business Loans: <ul style="list-style-type: none"> • Funding range of 2-5 weeks
Rates:	<ul style="list-style-type: none"> • Business Credit Lines – Prime Rate + 2 - 6% variable, (for current business owners) • Business Credit Cards (qualified new business Owner) 0 - 8% 1st yr., 8 - 12% after 1st yr. (variable) • Rates may vary upon market changes, Industry code, state of incorporation • Loans – Prime + 3 - 5%
Cost:	Credit Line Program: <ul style="list-style-type: none"> • \$2,000 consulting fee (after credit score/risk review and acceptance) • Plus 6% of all achieved funding (which can be paid from the line of credit)

You've got the Advantage – use it to its greatest potential! Contact your consultant today if any questions.

Diamond Financial Services
262 Highway 36 - West Keansburg, NJ 07734
Telephone: (732) 787-9191 Toll Free at: (877) 508-2274 Fax: (732) 495-7058
email: DonJ@easysba.com www.FranchiseFunding.net



Interested in seeing if you qualify?

Please fill out the information on this page and submit it. If financials exist, you may submit all documents below to qualify for larger amounts, lower APRs or to supplement average credit.

Company Name	
Credit Guarantor's Name	
Phone Number ()	
Guarantor's Street Address	Guarantor's City, State, Zip
Guarantor's Date of Birth	Email Address

You **MUST** include **ONE** of the following TRI-MERGE reports:

1. Your own tri-merge credit report less than 30 days old, from a reputable mortgage pull or bank OR
2. Login code to the following online credit monitoring system (we prefer not to pull your tri-merge to avoid new inquiries).

Website used www.Truecredit.com or	Date
Username	Password

You **MUST** include the following information.

- Has the guarantor had a Bankruptcy? Yes/No. If "Yes", you must provide a list of creditors defaulted on.
- Has the guarantor built business credit before? Yes/No.
 - If yes, you must include a list of banks and credit limits provided.
- Have you built business credit on the corporation we are going to be using? Yes/No.
 - If yes, you must include a list of banks and credit limits provided.

You **CAN** include the following to get better results. If you include these financials, it is all items listed or none.

- Personal financial statement - form available upon request
- Provide last 2 years complete business and personal tax returns
- Provide interim business financials
 - May consist of recent quarterly balance sheets and profit and Loss statements
- Provide last 3 months business bank statements

Will you be sending additional financials to be included with your application? Ycs/No

**Email these application pages and then mail any additional information to:
Diamond Financial Services**

262 Highway 36 - West Keansburg, NJ 07734
Telephone: (732) 787-9191 Toll Free at: (877) 508-2274 Fax: (732) 495-7058

email: DonJ@easvsba.com www.FranchiseFunding.net



262 Highway 36
West Keanburg, NJ 07734
877-508-2274

Business Advantage Profile

Business Information		
Loan amount requesting	Minimum \$	Maximum \$
Existing or New Business		
Legal Business Name		
Title (President, CEO, Principal, etc)		
Date Current Management Began		
Ownership Percentage		
Entity Type (LLC, S Corp, Corp, Sole Proprietor, Partnership, etc)		
Tax ID (EIN)		
Operating Business As		
Business Phone Number		
Business Fax Number		
Business Email Address		
Business Website		
Manager of Daily Operations		
Street Address (no PO Boxes)		
City, State, Zip		
County		
Name of Primary Bank		
Average Balance	\$	
Banks you currently have business lines of credit with and amounts		
Do you have requests for lines of credit with any other parties - If yes who		
State of Incorporation/Organization		
Date of Incorporation/Organization		
Date Operations Began		
Number of Owners		
Number of Other Employees		
Describe business/product/service		
Do you accept credit cards? How much monthly?		
Are you a Veteran of the Armed Forces?		
Income (If own a Business now)		
2008 Gross Sales	\$	
2008 Net Income	\$	
2007 Gross Sales	\$	
2007 Net Income	\$	
Total of all salaries paid to Owners	\$	
Total	\$	
Assets		
Total Liquid Assets for Business (cash, securities, etc.)	\$	
Other Business Assets	\$	
Commercial Building Value(s) - Owned	\$	
Total Accounts Receivable	\$	
Total	\$	
Email completed form to Donj@easysbe.com		



Thank you for your interest in Diamond Financial Services / Franchise Leasing where most all equipment is eligible. After receiving the items listed below we will try to get you prequalified for an equipment lease package.

Leasing some or all of your company's equipment is a sound financial decision

Here is a list of what you will need:

- ✓ Completed Leasing Application (see attached)
- ✓ Completed Personal Financial Statement (see attached)
- ✓ 2 years personal tax returns
- ✓ 2 years business tax returns (if applicable)
- ✓ 6 months current personal bank statements
- ✓ 6 months current business bank statements (if applicable)
- ✓ Written Transaction Summary (Business overview)
- ✓ Equipment list/ buy orders
- ✓ Start-up questionnaire (if start-up)

To get started please only return the attached Leasing application and personal financial statement via email to DonJ@easvsba.com or fax to the attention of Diamond Financial Leasing Department at 732-495-7058. Please do not fax tax returns, bank statements, equipment lists or the business plan. These additional items should be sent via regular mail to the following address:

Diamond Financial Services
Don Johnson
(Leasing Department)
262 Highway 36
West Keansburg, NJ 07734

Leasing options can provide cost-effective solutions that fit your specific needs, whether you're ready to lease or just interested in what we have to offer.

The attached applications do not commit you in any way, but with this information we can tell you whether you qualify and discuss the options that are available, so you can make a decision that's right for you.

Diamond Financial Services
262 Highway 36 - West Keansburg, NJ 07734
Telephone: (732) 787-9191 Toll Free at: (877) 508-2274 Fax: (732) 495-7058 email: DonJ@easvsba.com
www.FranchiseLeasing.net www.FranchiseLeasing.com



DON JOHNSON
Business Finance Consultant:
Donj@easysys.com

262 Highway 36
West Keansburg, NJ 07734
Toll Free: (877) 508-2274 Phone: (732) 787-9191
Fax: (732) 495-7058

CREDIT APPLICATION

LEGAL BUSINESS NAME: _____ BUSINESS TELEPHONE NUMBER: _____ E-MAIL ADDRESS: _____

BUSINESS STREET ADDRESS: _____ CITY: _____ STATE: _____ ZIP: _____ CORPORATION PARTNERSHIP

PROPRIETORSHIP NON-PROFIT

DESCRIPTION OF BUSINESS: _____ FEDERAL TAX ID #: _____

BUSINESS NET PROFIT (LOSS) - PRIOR FISCAL YEAR \$: _____ ANNUAL SALES \$: _____

YEARS BUSINESS ESTABLISHED: _____ CURRENT OWNER SINCE: _____ NO. OF EMPLOYEES: _____

OWNERS/OFFICERS

NAME: _____ SOCIAL SECURITY NO.: _____ ADDRESS / ZIP CODE: _____ PHONE: _____

HOW LONG AT PRESENT ADDRESS: _____ PROPERTY: RENT BUY OWN

MORTGAGE PAYABLE TO: _____

NAME: _____ SOCIAL SECURITY NO.: _____ ADDRESS / ZIP CODE: _____ PHONE: _____

HOW LONG AT PRESENT ADDRESS: _____ PROPERTY: RENT BUY OWN

MORTGAGE PAYABLE TO: _____

BUSINESS BANK REFERENCE

NAME OF INSTITUTION	TYPE OF ACCOUNT	ACCOUNT NO.	PHONE	CONTACT

LEASE FINANCE REFERENCE

LESSOR/LENDER NAME	EQUIPMENT FINANCED	ACCOUNT NO.	PHONE	CONTACT

ATTACH A COMPLETE LIST WITH COSTS OF ALL EQUIPMENT NEEDED TO BE FINANCED:

TOTAL AMOUNT OF EQUIPMENT REQUEST: _____

CERTIFICATION AND SIGNATURES

By signing below, each undersigned individual(s), who is either a Principle of the credit applicant listed below or a Personal Guarantor of its obligations, provides written instruction to Aven Leasing, Inc., its designee and/or assignee or potential assignee authorizing review of his or her Personal Credit Profile from a National Credit Bureau or any other information relating to their personal or business credit status. This authorization is also valid for the release of Bank & Trade information. Such authorization shall extend to obtaining a Credit Profile in considering the application for the credit applicant and subsequently for the purpose of update, renewal or extension of such credit and for reviewing and collecting the resulting account. A photo static or facsimile copy of this authorization shall be valid as the original.

SIGNATURE OF AUTHORIZED SIGNER, TITLE DATE

SIGNATURE OF AUTHORIZED SIGNER, TITLE DATE

Personal Financial Statement

U.S. Small Business Administration

As of (date) _____

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock and each corporate officer and director, or (4) any other person or entity providing a guaranty on the loan.

Name: _____ Spouse's Name: _____
 Business Phone: _____ Residence Phone: _____
 Residence Address: _____
 Business Name of Applicant/Borrower: _____

Assets	Liabilities
--------	-------------

Total Checking Account \$ _____
 Total Savings in Banks \$ _____
 IRA / Retirement \$ _____
 Cash Value Of Life Insurance Complete Section 2 \$ _____
 Total Value Stocks & Bonds Describe in Section 3 \$ _____
 Total of all Real Estate Owned Describe in Section 4 Automobile - Present Value \$ _____
 Other Assets & Property- Business ownership, Franchise fee's, and Personal, etc. Describe in Section 5 \$ _____
Total Assets \$ 0 *Equals*

Total Credit Card Debt Describe in Section 2 \$ _____
 Auto Loan Balances Describe in Section 2 \$ _____
 Student Loan Balances Describe in Section 2 \$ _____
 Home Equity Loan Balances Describe in Section 2 \$ _____
 Real Est. Loan Balances Describe in Section 4 \$ _____
 Other Liabilities Describe in Section 7 \$ _____
 Unpaid Past Due Taxes Describe in Section 6 \$ _____
Total Liabilities \$ 0
Net Worth \$ 0
Total \$ 0

Section 1
 Current Salary \$ _____
 Current Spouse Salary \$ _____
 Real Estate Rental Income \$ _____
 Other income \$ _____ Describe other income: _____

Section 2 Notes Payable to Bank and Others (use attachment A if necessary)

Name and address of Note Holder	Original Balance	Current Balance	Payment Amount	Frequency (Monthly, etc.)	How Secured or Endorsed Type of Collateral
	\$	\$	\$	Monthly	
	\$	\$	\$	Monthly	
	\$	\$	\$	Monthly	
	\$	\$	\$	Monthly	
	\$	\$	\$	Monthly	
	\$	\$	\$	Monthly	
	\$	\$	\$	Monthly	
	\$	\$	\$	Monthly	
	\$	\$	\$	Monthly	

Section 3 Stocks and Bonds (use attachments if necessary)

Number of Shares	Name of securities	Cost	Market Value Quotation/Exch.	Date of Quote	Total Value
		\$	S		\$ 0
		\$	S		\$ 0
		\$	S		\$ 0
		\$	S		\$ 0

Section 4 Real Estate Owned (List Each Parcel Separately. Use attachments if necessary.)

	Property A	Property B	Property C
Type of Property	Residential	Residential	Residential
Address of Property			
Name and address of Title Holder			
Date Purchased			
Original Cost	\$	\$	\$
Present Market Value www.zillow.com	\$	\$	\$
Name and Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance	\$	\$	\$
Monthly Payment	\$	\$	\$
Status of Mortgage	Current	Current	Current

Section 5 Other Personal Property and Other Assets (describe, if any is pledged as security, state name and address of lien holder amount of lien, terms of payment, and if delinquent, describe delinquency)
 Personal Property (Estimated value of home furnishing, appliances, electronics, jewelry, etc.)

Value of Business
 Franchise fee's or other monies invested

Section 6 Unpaid Taxes (describe in detail, as to type, to whom payable, when due, amount and to what property if any, a lien attaches)

Section 7 Other Liabilities (describe in detail)

Section 8 Life Insurance Held (give face amount and cash surrender value of policies - name of insurance company and beneficiaries).

I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my credit worthiness. I certify the information contained in the Personal Financial Statement and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (reference 18 U.S.C 1001).

Signature Not required at this time Date _____

Signature Not required at this time Date _____

Please note: The estimated average burden hours for this completion of the form is 1.5 hours per response. If you have any question or comments concerning this estimated or any other aspect of this information, please contact Chief Administrative Branch US small Business administration, Washington DC 20416 and clearance office, Paper Reduction Project (3245-0138), Office of Management and Budget, Washington, DC 20503



Personal Family Budget

(Personal Financial Statement Attachment)

INCOME	MONTHLY	Yearly
Salary	\$ _____	\$ 0
Spousal Salary	\$ _____	\$ 0
Gross Rental Income	\$ _____	\$ 0
Other Income	\$ _____	\$ 0
New Business Manager Salary	\$ _____	\$ 0
Total Income	\$ 0	\$ 0
EXPENSES		
Residence Payment (Mortgage or Rent)	\$ _____	\$ 0
Rental Property Mortgage	\$ _____	\$ 0
Rental Expenses (impounds, cash expenses)	\$ _____	\$ 0
HELOC Payments	\$ _____	\$ 0
Installment Payments (List all debts on Financial Statement)	\$ _____	\$ 0
Auto Loan Payments (List all debts on Financial Statement)	\$ _____	\$ 0
Credit Card Payments (List all debts on Financial Statement)	\$ _____	\$ 0
Utilities & Phone	\$ _____	\$ 0
Food, Clothing	\$ _____	\$ 0
Income Tax	\$ _____	\$ 0
Property Tax	\$ _____	\$ 0
Alimony	\$ _____	\$ 0
Child Care/Support	\$ _____	\$ 0
Insurance Payments	\$ _____	\$ 0
Miscellaneous (10% of Monthly Income)	\$ _____	\$ 0
Total Expenses	\$ 0	\$ 0
Net Discretionary Income	\$ 0	\$ 0

I/we hereby certify that the above information is true and correct to the best of my/our knowledge and belief.

Not required at this time
 Signature _____ Date: _____

Not required at this time
 Signature _____ Date: _____

SOURCE OF CAPITAL INJECTION

SOURCE OF FUNDS	AMOUNT OF FUNDS
1. Cash on Hand	\$ 0
2. Cash in Checking Account Name: _____ Bank: _____ Acct#: _____	\$ 0
3. Cash in Savings Account Name: _____ Bank: _____ Acct#: _____	\$ 0
4. Sale of Investments Details: _____	\$ 0
5. Finance obtained by additional mortgage on personal real estate Details: _____	\$ 0
6. Sale of Asset Details: _____	\$ 0
7. Business Assets (already obtained) being transferred to this business Details: _____	\$ 0
8. Loan from other source Details: _____	\$ 0
9. Gift Details: _____	\$ 0
10. Other Additional Monies Invested towards new Business Details: _____	\$ 0
11. Other: Franchise Fees paid Details: _____	\$ 0
TOTAL CAPITAL INVESTMENT	\$ 0

Other information about source of funds:

Signature Not required at this time Title _____ Date: _____



Please complete the following

1. What is the best telephone number to contact you?
2. What is the best email address to contact you?
3. What is the name of the franchise/business you are seeking equipment for?
4. What is your estimated Total Project?
5. What is the total cost of equipment only?
6. Provide a brief description of the equipment you plan to lease (field will sdf expand as you type):
7. What are your current credit scores? Spouse/ partner credit scores (if co-applicant)?
Not sure? Visit either www.annualcreditreport.com or www.truecredit.com to find out!
8. Have you / spouse / partner filed for bankruptcy, within the last 10 years?
What year?
9. Will you and/or your spouse or partner be maintaining any present employment /income when the new business opens? You:
How much? (annually) Spouse How much? (annually)
Partner: How much (annually)?
10. Have any of the applicant's, ever been arrested? Yes No
Are they currently on probation? Yes No
Applicant's name:
What were they arrested for?
11. Do you have a 2nd mortgage or Home Equity Line Of Credit (HELOC) on any property(s)? Yes No
State address of the property(s) and the amount the line is open for (on each address):
12. In the event you are not qualified; can you obtain a co-signer (or partner)? Yes No
13. Answer the following, only if you presently own a business: Name of Business
 - a. How long in Business?
 - b. Estimated value of Business?
 - c. Is the business currently profitable?
 - d. What was your net profit last year?
 - e. Do you have a current SBA Loan on the business (provide balance/ term/ rate):
 - f. Other business loan (provide balance/ term/ rate):
 - g. What Bank(s) are the loans secured at?
14. Are you either a U.S. Citizen or Green Card holder? Yes No

Transaction Summary - Business Overview

What are the names of Lessee(s) and /or guarantors?
What type of business and what does the company do that you need equipment for?
If already open, how long have you been in business?
What is the purpose (benefit) of leasing equipment?
Detailed Equipment Description List to include Invoice, Vendor Name & Address, & cost breakdown
What terms are you interested in? (24 to 60 months)?



Lease Application

Call Toll Free 877-948-6200

Fax Application to 480-222-0312

Company Information			
Company Name _____			
Company Address _____		City / State _____	Zip _____
Business Phone _____		Business Fax _____	
E-Mail Address _____		Years in Business _____	
Type of Business <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> Non-Profit <input type="checkbox"/> Sole-Proprietor			
Nature of Business: _____			
Personal Information on Officers, Partners, or Guarantors			
Name _____	Title _____	Social Sec. # _____	%Ownership _____
Home Address _____		City / State _____	Zip _____
Do You OWN or RENT your personal residence? <input type="checkbox"/> OWN <input type="checkbox"/> RENT			
Name _____	Title _____	Social Sec. # _____	%Ownership _____
Home Address _____		City / State _____	Zip _____
Do You OWN or RENT your personal residence? <input type="checkbox"/> OWN <input type="checkbox"/> RENT			
Company Bank Reference (or attach last 3 months bank statements)			
Name of Bank _____		Account # _____	Open Date _____
Telephone _____		Contact / Officer _____	
Vendor Equipment Information			
Vendor Name _____		Phone # _____	Contact _____
Equipment Description _____			
Equipment Cost: \$ _____ <input type="checkbox"/> NEW EQUIPMENT <input type="checkbox"/> USED EQUIPMENT <input type="checkbox"/> NEW & USED EQUIPMENT			
Are you considering the purchase of any OTHER equipment at this time? <input type="checkbox"/> YES <input type="checkbox"/> NO			
Would you like to secure an ADDITIONAL approval for OTHER equipment? <input type="checkbox"/> YES <input type="checkbox"/> NO			
Additional amount needed: \$ _____			
Brief description of OTHER equipment: _____			
Declaration / Authorization			
The undersign agrees that the information provided above, together with any financial statements, schedules, or other materials provided to Paramount Financial Services, LLC, "PFS" is true, correct, and complete. The undersign authorizes PFS to obtain the credit history of the undersigned and the officers and principals of the company and to investigate (directly or indirectly) such credit history from any source.			
Signature _____		Title _____	
Print Name _____		Date _____	

Please Fax Completed Application To: 480-222-0312

EXHIBIT N

**PLANET BEACH FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT**

RECEIPT

RECEIPT

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

If PBFC offers you a franchise, PBFC must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[Maryland, New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan, Oregon, Washington and Wisconsin 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.]

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

The franchisor is Planet Beach Franchising Corporation, located at 5145 Taravella Road, Marrero, Louisiana, 70072. Its telephone number is (888) 290-8266.

Issuance date: _____

The franchise seller for this offering is _____, _____, Planet Beach
(Name) (Position)
Franchising Corporation, 5145 Taravella Road, Marrero, LA 70072, (888) 290-8266.

PBFC authorizes the respective state agencies identified in Exhibit B to receive service of process for it in the particular state.

I received a disclosure document dated _____ that included the following Exhibits:

- | | |
|---|---|
| Exhibit A - List of State Administrators | Exhibit 6 - Confidentiality and Non- |
| Exhibit B - Agents for Service of Process | —Competition Agreement |
| Exhibit C - List of Franchisees | Exhibit 7 - Conditional Assignment of Telephone |
| Exhibit D - List of Exited Franchisees | Numbers, Email Addresses, and URLs |
| Exhibit E - Financial Statements | Exhibit 8 - Statement of Prospective Franchisee |
| Exhibit F - Franchise Agreement | Exhibit G - Transfer/Termination Release |
| Exhibit 1 - Authorized Products and _____ | Exhibit H. - Table of Contents of Operations |
| _____Services | Manual |
| Exhibit 2 - Approved Location and _____ | Exhibit I - Confidentiality Agreement |
| _____Territory Addendum | Exhibit J - State Tanning Regulators |
| Exhibit 3 - Guaranty Agreement and _____ | Exhibit K - State Specific Addenda |
| _____Acknowledgment by Guarantor | Exhibit L -Information Relating to Area |
| Exhibit 4 - Rider to Lease | Representatives |
| Exhibit 5 - Sublicense Agreement | Exhibit M - Sample Lending Applications |

Exhibit N - Receipt

Date: _____

Signature of Prospective Franchisee

Print Name

Complete Below for a Partnership, Corporation or Limited Liability Corporation:

Name: _____

Title: _____

Name of Company: _____

Address: _____

You may return the signed receipt either by signing, dating, and mailing it to the Attention of Franchise Sales Department at Planet Beach Franchising Corporation at 5145 Taravella Road, Marrero, LA 70072, or by faxing a copy of the signed and dated receipt page to PBFC at (504) 361-5540.

RECEIPT

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

~~If PBFC offers you a franchise, PBFC must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.~~

~~[Maryland, New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]~~

~~[Michigan, Oregon, Washington and Wisconsin 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.]~~

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

~~The franchisor is Planet Beach Franchising Corporation, located at 5145 Taravolia Road, Marrero, Louisiana, 70072. Its telephone number is (888) 290-8266.~~

Issuance date: _____

The franchise seller for this offering is _____, _____, Planet Beach

(Name) (Position)
Franchising Corporation, 5145 Taravolia Road, Marrero, LA 70072 (888) 290-8266.

~~PBFC authorizes the respective state agencies identified in Exhibit B to receive service of process for it in the particular state.~~

I received a disclosure document dated _____ that included the following Exhibits:

- | | |
|---|---|
| Exhibit A List of State Administrators | _____ Competition Agreement |
| Exhibit B Agents for Service of Process | Exhibit 7 Conditional Assignment of Telephone |
| Exhibit C List of Franchisees | _____ Numbers, Email Addresses, and URLs |
| Exhibit D List of Exited Franchisees | Exhibit 8 Statement of Prospective Franchisee |
| Exhibit E Financial Statements | Exhibit 9 Transfer/Termination Release |
| Exhibit F Franchise Agreement | Exhibit H Table of Contents of Operations |
| Exhibit I Authorized Products and _____ | _____ Manual |
| _____ Services | Exhibit I Confidentiality Agreement |
| Exhibit 2 Approved Location and _____ | Exhibit J State Tanning Regulators |
| _____ Territory Addendum | Exhibit K State Specific Addenda |
| Exhibit 3 Guaranty Agreement and _____ | Exhibit L Information Relating to Area |
| _____ Acknowledgment by Guarantor | _____ Representatives |
| Exhibit 4 Rider to Lease | Exhibit M Sample Lending Applications |
| Exhibit 5 Sublicense Agreement | Exhibit N Receipt |
| Exhibit 6 Confidentiality and Non _____ | |

Date: _____
_____ Signature of Prospective Franchisee

_____ Print Name

Complete Below for a Partnership, Corporation or Limited Liability Corporation

Name: _____

Title: _____

Name of Company: _____

Address: _____

~~You may return the signed receipt either by signing, dating, and mailing it to the Attention of Franchise Sales Department at Planet Beach Franchising Corporation at 5145 Taravella Road, Marrero, LA 70072, or by faxing a copy of the signed and dated receipt page to PBFC at (504) 361-5540.~~