FRANCHISE DISCLOSURE DOCUMENT

THE TEN SPOT LTD.
A Delaware Company
10-163 Sterling Road
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The franchise being offered is to own, establish and operate a beauty bar and grooming boutique (each, a "Beauty Bar") specializing in (a) manicures, pedicures, facials, body waxing and other grooming services we authorize (collectively, the "Approved Services"), and (b) certain designated beauty and/or other grooming-related products that we designate or otherwise approve for retail sale from your Beauty Bar (collectively, the "Approved Products"), utilizing our the then-current proprietary marks (the "Proprietary Marks") and a system of business operations that we and our affiliates have developed (the "System"). We also offer qualified parties the right to develop multiple franchised Beauty Bars within a defined geographical area (each, a "Development Area"). The total investment necessary to begin operation of a single franchised Beauty Bar will depend, in part, on the model you determine you want to use to manage and select suppliers/providers in connection with the construction and buildout of that Beauty Bar (each, a "Buildout Model"), which are described more fully in this Disclosure Document.

The total investment necessary to begin operation of a single franchised Beauty Bar utilizing Buildout Model No. 1 is $295,000 to $399,000, which includes $60,750 that must be paid to us or our affiliate(s).

The total investment necessary to begin operation of a single franchised Beauty Bar utilizing Buildout Model No. 2 is $316,500 to $429,500, which includes $54,250 that must be paid to us or our affiliate(s).

The total investment necessary to operate multiple Beauty Bars under our form of area development agreement depends on (a) the number of franchises we grant you the right to develop, and (b) the Buildout Model you elect to utilize in connection with the development of each Beauty Bar. By way of example, the estimated initial investment associated with entering into an area development agreement for the right to develop three (3) Beauty Bars is between $370,000 to $504,500, which includes (i) a $125,000 development fee that is paid to us, and (ii) your total investment to begin operation of your initial Beauty Bar (depending on which model you choose to build).

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 Kristen Gale, c/o The Ten Spot Ltd., 10-163 Sterling Road, Toronto, ON M6R 2B27, and at (416) 561-4253.

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

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

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

Issuance Date: August 20, 2019

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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION (AT OUR OPTION) AND LITIGATION ONLY IN OHIO. OUT-OF-STATE MEDIATION OR LITIGATION IN OHIO MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH OR ARBITRATE AGAINST US IN OHIO THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT DELAWARE LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOUR SPOUSE MUST SIGN A DOCUMENET THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS (PERHAPS INCLUDING YOUR HOUSE) AT RISK IF YOUR FRANCHISE FAILS.

4. YOU MUST MAKE MINIMUM ROYALTY PAYMENTS OR ADVERTISING CONTRIBUTIONS REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THESE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

5. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.

6. YOU MUST MAKE MINIMUM ADVERTISING AND OTHER PAYMENTS REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.