

FRANCHISE DISCLOSURE DOCUMENT

4EVER FRANCHISOR LLC
a Delaware limited liability company
5458 Town Center Road, #19
Boca Raton, Florida 33486
Telephone: (561) 320-8111
E-mail: info@fyinstitute.com
www.fyinstitute.com



We offer and award franchises for the right to independently own and manage a center (each, a “Center”) that: (i) features aesthetic, cosmetic, anti-aging, weight loss and related services and procedures that focus on mental and physical health to individual clients (each, a “Client”) via a third-party professional entity, physician, aesthetician, registered nurse or other care provider (each, a “PE” or “Applicable Provider”) that (a) has the appropriate education/degree, licenses, certifications and/or other qualifications necessary to provide the kind of service at issue, and (b) you, as the manager of the Center, contracts with or otherwise engages to provide these types of services (collectively, the “Applicable Services”) to Clients at the Center; and (ii) provides administrative, other-back office support and management services (collectively, the “Management Services”) in connection with the overall operations of the Center, pursuant to a form of management services that complies with applicable laws where the Center is located (a “Management Services Agreement” or “MSA”). Each Center is authorized to and must utilize (a) the proprietary marks, logos and trade dress we designate from time to time, including our current primary marks 4EVER YOUNG and 4EY (collectively, the “Proprietary Marks”), and (b) the system of operations we and our principals have developed for the ownership and management of a Center (collectively, the “System”).

We may also offer qualified parties the right to develop multiple franchised Centers within a defined geographical area we designate (a “Development Area”) and in accordance with an agreed-upon mandatory development schedule (a “Development Schedule”) that we set forth in the form of area development agreement (“Development Agreement” or “ADA”) that you enter into with us. As of the Issue Date, we expect and intend to offer development rights in connection with a minimum of two (2) franchised Centers without any maximum on the number of franchised Centers we determine to award you the right to develop.

The total investment necessary to begin operation of a single franchised Center ranges from \$521,650 to \$754,900. This includes \$60,000 that must be paid to the franchisor or its affiliates prior to opening.

The total investment necessary to develop multiple franchised Centers pursuant to a Development Agreement will depend on the number of franchises we award you the right to develop. By way of example, the total investment necessary to begin operations under a Development Agreement that awards you the right to develop a total of three (3) franchised Centers ranges from \$606,650 to \$839,900, including: (i) a development fee amounting to \$145,000 that is payable to us upon execution of your development agreement; and (ii) the estimated initial investment to open and commence operations of the first Franchised Business you commit to develop within you development area under this agreement.

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, franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Attn: Dan Amin, c/o 4Ever Franchisor LLC, 5458 Town Center Road., #19, Boca Raton, Florida 33486; (561) 320-8111.

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, 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 be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 28, 2025, as amended August 18, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only 4EVER YOUNG business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchise have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a 4EVER YOUNG franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experience.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About This Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own states.
2. **Spousal Liability.** Your spouse must sign a document 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. If you are an entity, then each of your owners and, at our option, their respective spouses must sign such a document.
3. **Mandatory Minimum Payments.** You must make minimum royalty payments regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.
4. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
5. **Short Operating History.** 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. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

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 will 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 before the expiration of its term except for good cause. Good cause will 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.

**THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE
RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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

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

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Law Building, Lansing, Michigan 48913, telephone (517) 373-7117.

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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EXHIBITS:

- A. LIST OF STATE ADMINISTRATORS/STATE AGENTS FOR SERVICE OF PROCESS
- B-1 FRANCHISE AGREEMENT
- B-2 SAMPLE FORM OF MANAGEMENT SERVICES AGREEMENT (or MSA)
- C. DEVELOPMENT AGREEMENT
- D. TABLE OF CONTENTS FOR OPERATIONS MANUAL
- E. LIST OF CURRENT AND FORMER FRANCHISEES
- F. FINANCIAL STATEMENTS
- G. SAMPLE FORM OF GENERAL RELEASE
- H. STATE-SPECIFIC ADDENDA TO THE DISCLOSURE DOCUMENT
- I. FRANCHISEE QUESTIONNAIRE
- J. STATE EFFECTIVE DATES
- K. RECEIPTS

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

The franchisor is 4EVER FRANCHISOR LLC. For ease of reference in this Disclosure Document, Franchisor is typically referred to as “we,” “us,” or “our” and the person who is considering the franchise is referred to as “you” or “your.” If you are a corporation, limited liability company, partnership or other legal entity (“legal entity”), certain provisions of the franchise agreement and any related agreements will apply to your shareholders, members, partners, officers, managers and directors (“principals”).

Franchisor

We are a Delaware limited liability company formed on August 18, 2023. We do business under our then-current Proprietary Marks and our corporate name. Our principal business address is 5458 Town Center Road, #19 Boca Raton, Florida 33486. Exhibit A contains our agents for service of process.

We offer and award franchises for the establishment, development, and operation of preventative health clinics under our then-current Proprietary Marks (“Franchised Businesses” or “Business” or “4Ever Young Center”). We do not engage in any other business activities and have not offered franchises in any other line of business.

While our Predecessor began offering franchises in January 2019, we began offering franchises on October 16, 2023.

Parents, Predecessors, and Affiliates

Our direct parent company is 4Ever HoldCo LLC, a Delaware limited liability company with a business address of 5458 Town Center Road, #19 Boca Raton, Florida 33486 (“HoldCo”). HoldCo’s parent company is HM Companies LLC, a Delaware limited liability company with a business address of 5458 Town Center Road, #19 Boca Raton, Florida 33486 (“Highmount Madison”). Neither HoldCo nor Highmount Madison have offered franchises in any other line of business, and they do not operate the type of business being sold under this disclosure document.

Our predecessor is 4Ever Young Franchising, LLC, a Florida limited liability company with a business address of 5458 Town Center Road, #19 Boca Raton, Florida 33486 (“Predecessor”). Predecessor was formed on December 7, 2018, and offered franchises from January 2019 to October 2023. On October 11, 2023, HoldCo acquired substantially all of the assets of Predecessor, and then HoldCo assigned the existing franchise agreements and related assets to us.

As of the Issue Date, we do not have any affiliates that we have designated as the sole or approved supplier of any item or service that a System franchisee is required to purchase and/or utilize in connection with the operation of a Franchised Business (each, an “Approved Supplier”). We expect to form an affiliate entity at some point in the near future to serve as such as the designated/approved supplier for (a) retail inventory that franchised Centers will be authorized to offer and sell from the Premises, including nutritional supplements and branded apparel/merchandise, and/or (b) digital or other marketing-related services and collateral. As disclosed more fully in this Disclosure Document, we have the right to designate or otherwise approve any party to serve as the supplier/provider (each, an “Approved Supplier”) for any item or service you are required to purchase and/or utilize in connection with your Franchised Business.

We do not currently have any affiliates that have offered franchises or licenses in any line of business that would require disclosure in this Item. Except as provided herein affiliates (a) do not engage in any other

line of business, (b) have not offered franchises or licenses in this line or any other line of business, and (c) do not offer products or services to our System franchisees.

While not a required disclosure, please note that we have affiliates that each own and operate the three (3) affiliate-owned Centers located in Florida as of the Issue Date.

Overview of Franchised Business

Franchise Agreement, Proprietary Marks and System

You must enter into our then-current form of franchise agreement to govern each franchised Center you are awarded the right to develop and open (each, a “Franchised Business”). Our current form of franchise agreement as of the amended Issue Date is attached to this Disclosure Document as Exhibit “B” (the “Franchise Agreement”). Under your Franchise Agreement, you are licensed and required to utilize our then-current Proprietary Marks and System in the operation of your Franchised Business.

In certain states, applicable laws will require that you (as our System franchisee): (i) engage a third-party Professional Entity (or “PE”) that is licensed to provide the Applicable Services to provide certain of such services from the Center premises; and (ii) enter into a compliant form of MSA with that PE to provide the Management Services and otherwise facilitate the PE’s provision of the Applicable Services. In states where applicable laws permit you to operate a franchised Center directly (as a physician or otherwise), you will need to ensure that you are able to comply with your monetary and other obligations under the franchise agreement to comply with applicable laws related to the corporate practice of medicine and otherwise.

Our System is comprised of various information and standards/specifications we have developed in conjunction with our affiliates and principals: (a) proprietary standards and specifications for certain of the services; (b) interior and exterior designs, décor, and color schemes for the buildout and/or construction of a franchised Center; (c) standards and specifications for the furniture, fixtures, and equipment necessary to operate a System Center, (d) templates and other document forms for use, review and markup by Franchisee’s counsel before using in connection with the Franchised Business, (e) sales techniques, and merchandising, marketing, advertising, and inventory management methodologies, including established relationships with third-party providers of certain Approved Products (including the proprietary products that are utilized in connection with certain Applicable Services and treatments performed by the Applicable Provider(s) at a franchised Center); (e) standardized procedures for managing a System Center, and (f) established vendor relationships and/or software programs for use in connection with a franchised Center.

We identify our System by our then-current Proprietary Marks, which may include trade names, service marks, trademarks, logos, emblems, and indicia of origin, distinctive trade dress, and any other trade names, trademarks, and service marks we may now or in the future designate in writing for use in connection with the System. We continue to develop, use, and control the Proprietary Marks in order to identify for the public the source of products and services marketed under the System, and to represent the System’s high standards of quality, appearance, and service. We may supplement, substitute, discontinue or otherwise modify our Proprietary Marks and/or System as we determine appropriate at any time upon prior written notice to you (via the Manuals or otherwise).

Approved Premises and Designated Territory

Unless you have a site that we have already approved for your Franchised Business prior to executing your Franchise Agreement with us, we will designate a geographical area in the “Data Sheet” attached to your Franchise Agreement as Exhibit A wherein you will be permitted to look for and secure an approved

Premises for your Franchised Business (your “Site Selection Area”). Upon securing an approved Premises, we will update your Data Sheet to include: (i) the specific Premises details; and (ii) a geographical area that is typically drawn around that Premises wherein you will be afforded certain territorial rights as disclosed more fully in Item 12 of this Disclosure Document (your “Designated Territory”), if applicable.

Approved Services and Approved Products Generally

As of the Issue Date, there are a wide array of Approved Services provided at System Centers include, but are not necessarily limited to, the following: (i) hormone therapy replacement therapy for men and women, (b) intravenous vitamin (“IV”) therapy, (c) nutraceuticals, (d) nutritional counseling and other assisted weight loss, (e) Dermalplaning®, (f) micro-needling, (g) customized facials, including certain proprietary facial skin enhancement systems and other treatments designed specifically for the skin on or around the facial area, other skin enhancement treatments or “boosts” (targeting skin coloration and sunspots), and (h) injectable treatments that, as of the Issue Date, include Juvéderm®, Dysport®, Botox®, Restylane®, Sclerotherapy®, Sculptra® and other products that we have the right to designate and require be utilized (each, an “Approved Product”).

In addition to inventory and supplies, we may designate other retail merchandise, including branded apparel and other products bearing the Proprietary Marks, as part of the “Approved Products” you will be authorized and required to offer at the Premises.

We may supplement, substitute, discontinue and/or otherwise modify and update the Approved Services and/or Approved Products via our operations manual and/or other instructional manual (collectively, the “Manuals”) or otherwise upon prior written notice, as we determine appropriate in our discretion.

As of the Issue Date, we have certain System Centers that are more mature and are authorized to offer additional services that involve proprietary equipment (including but not limited to Coolsculpting®, Morpheus8, Clear + Brilliant®, and OptimasMAX®) and may require additional training and/or personnel. Please be advised that our standard franchise offering does not require or authorize new System franchisees to provide these services, and this Disclosure Document expects and assumes that you will not be authorized to provide these services until such time that your Franchised Business has been open and operating for a period of at least six (6) months and the parties mutually agree on a rollout program for such services in light of the performance and financials associated with the Franchised Business.

Applicable Services at the Center by Applicable Provider(s)

As of the Issue Date, the majority of the Approved Services that are provided to new and existing Clients at existing System Centers (whether affiliate-owned or franchised) are “Applicable Services” that must be supervised and/or performed by a physician, aesthetician, registered nurse or other “Applicable Provider” that has all education, degrees, licenses and/or other qualifications to provide the specific services at issue under the applicable laws, regulations and statutes where your Franchised Business is located. Only an Applicable Provider may provide any services or products that, under applicable law, are deemed “medical” in nature.

If applicable, we expect that the Applicable Provider, if required to provide any Applicable Services at your Center, will be either (i) a PE (corporation or other business entity), or (ii) other qualified third party that you contract or engage via an MSA (described more fully below) or other modified form of agreement that you and your counsel determine is permitted under applicable law. In this kind of structure, our standard franchise offering assumes and expects that the Franchisee entity will be a non-professional, non-licensed, management services organization (which is sometimes referred to in the industry as an “MSO”).

Form of MSA

If your Center requires that certain Approved Services be provided by an Applicable Provider, you (or the entity that you form to serve as “Franchisee” under your Franchise Agreement”) will be required to enter into a form of MSA with that third-party PE or other professional in a form that complies with the applicable laws where your Franchised Business is located.

As part of your pre-opening due diligence, we highly recommend, and may require you to engage an attorney that has appropriate experience regarding the industry-specific laws and regulations related to (a) the ownership and management of a franchised Center, (b) the provision of Applicable Services at such a Center via one (1) or more Applicable Providers, and (c) the form and content of an MSA that will allow you (as the Franchisee) and any Applicable Provider to ensure compliance with the industry-specific laws and regulations discussed more fully below in this Item 1 and your obligations as the “Franchisee” under your Franchise Agreement with us. We may require you to engage this counsel to (a) prepare a “Legal Opinion Letter” that details the factual and legal analysis to demonstrate that your contemplated Franchised Business operations will not run afoul of applicable law or the Franchise Agreement terms (as discussed more fully below in this Item), and (b) work with Franchisee (you) to prepare a form of management services or other agreement that you (as the Center manager and owner) will enter into with a PE for the latter to provide the Applicable Services that are authorized for offer and sale from your Premises.

For purposes of this Disclosure Document, we will refer to this form of management services or other agreement you and your counsel submit to us as part of your Legal Opinion Letter as your “MSA”.

We will provide a “template” form of MSA as part of our Manuals, but you will be responsible for ensuring that (a) your counsel reviews this form and modifies the form to the extent necessary to comply with applicable industry-specific laws, and (b) the final form of MSA you determine to use in connection with the PE (and any payments and services exchanged under that agreement) do not violate such laws or prohibit you from complying with your obligations under your Franchise Agreement with us. You will be required to have an MSA in effect with the PE at all times during the term of the Franchise Agreement. Our current template, for informational purposes only, is provided as an Exhibit to our then-current form of franchise agreement attached to this Disclosure Document, and we may update this sample/template form in our then-current Manual(s). Regardless, it will be the responsibility of you and your counsel to ensure that: (i) the MSA complies with applicable laws; and (ii) the MSA does not contradict, and otherwise permits, you (as the System franchisee) to comply with your obligations under your Franchise Agreement.

Unless specifically permitted by applicable law, you (as the Franchisee and manager of the Center) must not: (i) provide any actual medical services at your franchised Center; or (ii) supervise, direct, control, or suggest to the Applicable Provider or its physicians or employees, the manner in which the Applicable Provider provides or may provide medical and any other Applicable Services to its Clients.

Under the laws of most states, we understand that you must also ensure that prospective and existing Clients visiting the Center are notified in writing and otherwise made aware that (a) they are the Applicable Provider’s patients, and (b) it is the Applicable Provider (and not Franchisee directly) that is supervising and/or providing any Applicable Services and/or corresponding Approved Products.

Pre-Opening Due Diligence Regarding Operations Structure

Various federal and state laws are applicable to the practice of medicine and it is critical that you do not engage in any practices or activities that are, or may appear to be, the practice of medicine. Under a typical form of MSA, the PE is responsible for offering and providing any “medical” or other Applicable Services

from and at the Studio in accordance with all applicable law, and securing and maintaining all required licenses, registrations and certifications.

In the event a Franchisee proposes to have any kind of common ownership between the Franchisee entity that is managing the Center and a PE or other Applicable Provider that is providing any kind of Applicable Services at the Center, you (a) may, upon our request, be required to provide us with a legal opinion demonstrating the validity and compliant nature of that ownership structure as part of a Legal Opinion Letter, and (b) indemnify, defend and hold us harmless for any claims arising out of any non-compliant activities stemming or related to the ownership structure that you determine to use for Franchisee and/or form of MSA used with that PE (or other eligible provider).

While you are solely responsible for conducting the appropriate due diligence into the kind of ownership structure and form of MSA your Franchised Business must and/or may be permitted to utilize, here are some potential points to consider when discussing with your counsel and other business advisors:

- In certain states, the Franchisee that owns the Franchised Business may be required to have a fully licensed physician or licensed professional entity operate the Franchised Business generally;
- A System Franchisee will most likely be required by relevant state or local laws and health care regulations to enter into an MSA with one or more fully-licensed physicians or professional entities that will in turn render professional medical services at the medical center;
- In certain states, a Franchisee may nevertheless be allowed to be owned – in whole or in part – by one or more locally licensed physicians; regardless, ownership of each franchised Center must strictly adhere to and comply with all requirements of local, state, and federal health care practices laws, regulations, and governing board requirements.
- When reviewing the relevant laws and regulations that might apply to your Franchised Business, the term “affiliated physician” may be used at times to refer to locally-licensed facial/aesthetic and/or age-management physicians, other specialty physicians and medical personnel, such as nurses, technicians, and medical receptionists, that will actually render patient care services at your franchised Center.
- In the experience of our Affiliate Shops to date, locally licensed physicians or professional entities may be required to employ, control and/or supervise any/all affiliated physicians – meaning locally-licensed facial aesthetic and age-management physicians, other specialty physicians and medical personnel such as nurses, technicians, and medical receptionists who actually render patient care services to Clients at your franchised Center). In certain states, we understand that relevant health care practice rules may require that a physician (a) own the Applicable Provider (whether a PE or otherwise) that provides any Applicable Services at a Center, and (b) must be available to give general ongoing supervision to the company’s physicians, nurses, and medical technicians and assistants (i.e., be “captain-of-the- ship”).

Multi-Unit Offering under Development Agreement

We also offer qualified individuals the right to open and operate multiple Franchised Businesses within a defined geographical area (the “Development Area”) by: (i) executing our current form of development agreement (the “Development Agreement”) attached as Exhibit D to this Disclosure Document; and (ii) paying our then-current development fee upon execution of your Development Agreement, which will depend on the number of Franchised Businesses you agree to open (the “Development Fee”).

You will be required to enter into our then-current form of Franchise Agreement for each Franchised Business you are required to open under the Development Agreement, which may contain materially different terms than our current Franchise Agreement that you sign contemporaneously with your Development Agreement to govern the initial Franchised Business you are awarded the right to develop. You must then ensure that you open and commence operations of each additional Franchised Business in the Development Area in accordance with the mandatory development schedule set forth in your Development Agreement (the “Development Schedule”).

Market and Competition

The target market for potential Clients of a Franchised Business includes members of the general public. The market for the products and services offered by Franchised Businesses is well developed and highly competitive. System Businesses compete with other businesses, including franchised operations, national chains, other System franchisees, local physicians and independently owned companies offering services similar to the Approved Services and/or Approved Products, respectively, to the general public and target audiences.

Industry-Specific Laws and Regulations

You are responsible for operating the Franchised Business in full compliance with all applicable laws, rules and regulations. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of your franchised Center. The relevant industry associated with the provision of Applicable Services and/or managing a Center where such services are provided is heavily regulated and strictly enforced.

Below are examples of potential healthcare regulatory issues that you should research to determine their application to the operation of your franchised Center. It is entirely your responsibility to investigate and comply with all general and special laws in the jurisdiction of your franchise, and we strongly advise you to consult with an attorney and contact federal, state and local agencies before signing a Franchise Agreement or other contract with us in order to determine your legal obligations and evaluate the possible effects on your costs and operations. State laws and regulations vary greatly from state to state so it is critical that you evaluate the specific laws and regulations applicable to the geographic area in which you operate.

- General. When engaging in this industry, federal, state, and local jurisdictions have laws, rules, and regulations that may apply to your Franchised Business, including: rules and regulations related to health and safety; flow of funds; licensing of medical and mental health practitioners including medical doctors, licensed counselors, and licensed therapists; licensing and requirements as to the administration of services and products; ownership and control of PE; construction, zoning, health and safety requirements; employee practices; equal access for the disabled including, requirements imposed by The Americans with Disability Act of 1990; and numerous others that may affect the operation, construction and location requirements of your Franchised Business. Key aspects of the healthcare regulatory rules and regulations are outlined below for your reference; however, you should investigate and evaluate how all regulations and requirements specific to your Franchised Business’s geographic area, including but not limited to those listed above and below, apply and impact your operations.
- Federal Stark. The federal physician self-referral prohibitions (42 U.S.C. § 1395nn, “Stark”) as written apply only to those practices that provide care to patients that are federal program patients under Medicare, Medicaid, and TRICARE. Since the business operating at and in connection with your Franchised Business may be accepting and receiving reimbursement from governmental

insurance plans, these Stark regulations would be applicable. Stark prohibits a physician from referring program patients for the furnishing of designated health services (“DHS”) to an entity with whom the physician (or an immediate family member) has a financial relationship. Additionally, the entity may not present, or cause to be presented, a claim or bill to any individual, third-party payor, or other entity, for DHS furnished pursuant to a prohibited referral.

A “physician” includes a Doctor of Medicine or osteopathy, Doctor of Dental Surgery or dental medicine, doctor of podiatric medicine, a Doctor of Optometry, or a chiropractor but does not include physician assistants, nurse practitioners, or other mid-level licensed non-physician providers. A “referral” includes a request by a physician for an item or service for which payment may be made under a federal payor program, a request for a consultation with another physician, the performance or ordering of any test or procedure by that consulting physician, the request or establishment of a plan of care by a physician that includes a DHS, and the certifying or recertifying of the need for any DHS for which payment may be made under a federal payor program.

It is important to remember that a financial relationship under Stark can be either direct or indirect ownership or a direct or indirect compensation arrangement. In examining the model, Stark would find “indirect compensation arrangements” existing if:

- there is an unbroken chain of ownership, investment interests or compensation arrangements between the referring physician (or a member of his or her immediate family) and the entity providing DHS;
- the referring physician (or a member of his or her immediate family) receives aggregate compensation from the entity in the chain with which the physician (or a member of his or her immediate family) has a direct financial relationship that varies with, or takes into account, the volume or value of referrals or other business generated by the referring physician for the entity providing DHS¹; and
- the entity providing DHS has actual knowledge of, or acts in reckless disregard or deliberate ignorance of the fact that the referring physician (or a member of his or her immediate family) receives aggregate compensation that varies with, or takes into account, the volume or value of referrals or other business generated by the referring physician for the entity providing DHS.

Recognizing that there are certain arrangements that Stark applies to but are unlikely to result in fraud, Stark created exceptions to this general prohibition allowing a financial arrangement between a physician (or immediate family member) and entity furnishing DHS if the arrangement meets all of the requirements of a specific exception. Failure to meet one element of an exception will cause the arrangement to violate Stark (unless another exception applies). Accordingly, it is important to review and be familiar with the Stark’s impact on your Franchised Business and consult with a

¹ Under Stark, if the financial relationship between the physician (or immediate family member) and the entity in the chain with which the physician (or immediate family member) has a direct financial relationship is ownership or investment interest, the determination as to whether the aggregate compensation varies with, or takes into account, the volume or value of referrals or other business generated by the referring physician for the entity providing DHS is measured by the non-ownership or non-investment interest closest to the referring physician (or immediate family member).

healthcare attorney to ensure that your Franchised Business is meeting all of the requirements of a Stark exception.

- Federal Anti-Kickback. The Federal Anti-Kickback regulations (42 U.S.C. §1320a-7b) as written apply only those medical practices that provide care to patients that are federal program patients under Medicare, Medicaid, and TRICARE. Since the business operating at and in connection with your Franchised Business may be accepting and receiving reimbursement from governmental insurance plans, these Federal Anti-Kickback regulations would be applicable. Additionally, even if the business being operated at your Franchised Business is not receiving reimbursement from a governmental insurance plan, it is important to still be familiar with these regulations as states often incorporate the Federal Anti-Kickback framework into their own rules which are payor indifferent (as discussed below), i.e. they may apply to your Franchised Business even though the services and products offered and provided by the Franchised Business are not reimbursed or paid for by a third-party payer. Accordingly, it is important to review and be familiar with the Federal Anti-Kickback's impact on your Franchised Business and the rules within your state.

Federal Anti-Kickback prohibits any person from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, to any person, in return for or to induce such person to do either of the following: (1) refer an individual to a person for the furnishing or arranging for the furnishing of an item or service for which payment may be made in whole or in part under Medicare, Medicaid, TRICARE or other Federal health care programs (as defined by 42 U.S.C. § 1320a-7b(f)); or (2) purchase, lease, order or arrange for or recommend the purchasing, leasing or ordering of any good, facility, service or item for which payment may be made in whole or in part under any Medicare, Medicaid, TRICARE or other Federal health care programs (as defined by 42 U.S.C. § 1320a-7b(f)). Federal Anti-Kickback has been broadly interpreted to cover any arrangement where one purpose of the remuneration was to obtain money for the referral of services or to induce further referrals. Furthermore, remuneration is more than just payment of funds and has been interpreted to include anything of value.

The Office of Inspector General (“OIG”) enacted “safe harbors” to protect those transactions it deemed not likely to result in abuse of the Medicare program. Transactions that satisfy every element of a particular safe harbor are not considered violations and would not be grounds for prosecution. However, failure of a financial arrangement to meet every element of a safe harbor does not make the financial arrangement illegal, per se, but instead heightens the potential that the arrangement may be scrutinized by the OIG. Accordingly, when an arrangement does not fit squarely within a safe harbor, the arrangement should be structured to meet as many of the elements of the safe harbor as possible and the parties to the arrangement should incorporate safeguards, where possible, to limit the likelihood of the arrangement improperly influencing referrals. One of the most important safeguards is to ensure the compensation paid to all ACPs at the Franchised Business (regardless of whether a MSA must be utilized due to CPOM) under the arrangement is consistent with fair market value. As an example, you cannot compensate a provider extra based on provision of patients to the Franchised Business. Further, any payments and fees paid by the PE to the Franchisee under the MSA need to be consistent with fair market value for the services that the Franchisee is providing. It is recommended that you obtain a third-party appraisal on the business structure to confirm that the fee is at fair market value.

Another important aspect of compliance with Federal Anti-Kickback is that all arrangements and policies implemented must be compliant in both form and substance. In other words, the sample MSA that is provided will be written in a way that strives to be compliant with as many aspects of certain safe harbors as possible. However, if the actual day-to-day operations of the Franchised

Business do not follow the procedures outlined in the MSA, there will not be protection from scrutiny.

- Federal Travel Act. Federal prosecutors have recently used the Travel Act to transform violations of state bribery laws into violations of federal law. The Travel Act generally provides that it is a federal felony to engage in interstate commerce with the intent to promote or carry on any unlawful activity – which includes violation of a state bribery law. State bribery statutes include not only those prohibiting commercial bribery, but also those addressing illegal remuneration regarding improper payments in connection with referral for services. No assurances can be given that Federal prosecutors would not use the Travel Act in connection with the model.
- Duty to Collect. Under Medicare regulations, the cost amount attributable to a procedure must be uniformly applied regardless of an individual's coverage (providing the "lesser of costs or charges" principle). Medicare will not allow a physician to bill Medicare directly for the cost of a procedure and then bill an uninsured individual a lesser amount for the same procedure. Under the "lesser of costs or charges" principle, Medicare assumes that billed procedure costs represent the true low cost. Billing an even lower cost to uninsured individuals would signal to Medicare that they are not receiving the lowest charge. Therefore, procedure costs must be the same across the board and only affected by Medicare percentage reductions, not an individual's coverage. However, even though a set procedure cost would apply, the total costs collected could possibly differ.

Medical services and supplies provided by physicians and suppliers to Medicare patients are normally covered and paid for under Part B of the Medicare program. Part B pays physicians based on fee schedules or reasonable charges (also called Medicare allowed charge or the Medicare approved charge). Medicare Part B pays 80% of the Medicare allowed charge and the patient pays the remaining 20%. This remaining 20% is known as "coinsurance" and is applied against a patient's Medicare deductible. The payment that is collected from each patient when they see the physician is known as the patient's "copayment". The copayment for Part B Medicare is 80% of the lesser of Medicare allowed charge or the physician's charge for the services.

Until HIPAA, the Medicare/Medicaid statute targeted health care payments practices and business arrangements only in connection with Medicare and Medicaid programs. Initially, the Medicare legislation prohibited certain billing activities under the Medicare and Medicaid programs when program patients were involved. With HIPAA, the new health care laws extended both civil and criminal penalties for fraudulent billing activities to all federal health care programs. As such, one must comply with the Medicare and Medicaid programs billing requirements or be subjected to certain penalties when billing for program patients. Under HIPAA, civil monetary fines can now be imposed for offering remuneration to individuals who bill for program patients, if the person making the offer knows or should know that the remuneration will influence the patient to order or receive items or services from a particular provider.

Providers who participate in the Medicare program are expected to make a "good faith" effort to collect copayments. Non-collection of a copayment is not a per se violation of any Federal laws. Providers may waive the copayments in consideration of a particular patient's financial hardship. Notwithstanding, the routine waiver of copayments is a violation of Federal laws. As such, under HIPAA the waiver of coinsurance and deductible amounts can be considered unlawful remuneration. However, HIPAA created a safe harbor provision to allow waivers in limited circumstances. It will not be unlawful remuneration if: (1) the waiver is not offered through advertisements; (2) there is no routine waiver of coinsurance or deductibles; and (3) the waiver occurs after determining in good faith that the individual is in financial need. This hardship safe harbor must not be used routinely. It should be used occasionally to address the special financial

needs of a particular patient. Except in such special cases, the provider must make a good faith effort to collect the copayments or deductibles. Therefore, even though individuals are charged the same amount for a procedure, the amount ultimately collected can differ as long as the requirements of the safe harbor are met.

To ensure compliance with HIPAA, every effort should be made to collect any payments and those efforts should be documented. For outstanding payments a waiver may occur after “good faith” efforts are taken. There should be a uniform, reasonable set of criteria for making a determination and it would also be good practice to have the individual certify the financial trouble.

Many states have also passed their own statutes and regulations regarding the duty to collect, and it is important to have a healthcare attorney evaluate the state laws applicable to your Franchised Business to determine if there are stricter penalties or provisions that could result in greater liability.

- State Anti-Kickback. As mentioned above, states often develop their own anti-kickback provisions that are payor indifferent and therefore not restricted to only services provided to federal program patients. Additionally, states often incorporate the same safe harbors and protections as the Federal Anti-Kickback, so arrangements protected under the federal level will typically also be protected at the state level, but it is important to have a healthcare attorney evaluate the state’s anti-kickback regulations applicable to your Franchised Business.
- Disclosure Law. Many states require that physicians make a proper disclosure to their patients regarding their affiliation with a person or entity if they will receive, directly or indirectly, remuneration for securing or soliciting the patient. These regulations are typically payor indifferent. It is important to have a healthcare attorney evaluate the state disclosure regulations applicable to the state your Franchised Business will be operating.
- Commercial Bribery Statute. Many states have a payor indifferent commercial bribery statute. Typically, a person commits an offense if he or she intentionally or knowingly solicits, accepts, or agrees to accept any benefit from another person on agreement or understanding that the benefit will influence the conduct of the fiduciary in relation to the affairs of his beneficiary.” A “fiduciary” may include a broad range of licensed healthcare providers. It is important to have a healthcare attorney evaluate the state’s commercial bribery statute applicable to the state your Franchised Business will be operating.
- Regulations Related to Ownership. Many states have laws restricting ownership and control of medical practices by lay persons or corporations (commonly referred to as the corporate practice of medicine doctrine, or “CPOM”). A state’s CPOM doctrine can include a wide range of restrictions such as prohibiting a lay person or corporation from employing a physician to practice medicine and collecting the professional fees, restricting the ownership percentage of a practice that can be physician, non-physician provider such as a nurse practitioner, or lay person, and who can serve in management positions of a practice. These ownership and control restrictions applicable in your state may determine the structure for your Franchised Business and/or terms and structure of your MSA with the PE. CPOM restrictions can also dictate the manner in which funds must flow within your franchise structure, especially if operating using a structure where funds need to follow a specific route from professionals to non-professionals. These flow of funds concerns can be addressed in the MSA. Under no circumstance may a lay person (including you as an owner if unlicensed) administer, control, influence, or direct the supervision, administration, delivery or performance of medical or other services requiring an Applicable Provider.

- Regulations Related to Diagnosis and Treatment. A variety of Applicable Providers may (under applicable law) be employable by you or the Center being managed, such as physicians, nurse practitioners, physician assistants, registered nurses, and/or estheticians. However, state regulations and oversight boards determine how much power and ability each license grants the holder regarding certain procedures. It is critical that state law be determined for which Applicable Provider can conduct a primary patient evaluation and diagnosis, develop the treatment plan, as well as who can perform the procedure. Generally, only a physician, nurse practitioner (subject to proper supervision), or physician assistant (subject to proper supervision) may conduct the initial evaluation and diagnosis. State laws, medical boards, nursing boards, and other regulatory agencies will need to be analyzed to determine what procedures and policies need to be implemented through the creation of standard operating procedures. The concept of form and substance will be vital to compliance as your operations need to follow and adhere to the standard operating procedures as written.
- Regulations Related to Delegation and Supervision. Following the primary consultation of a patient, analysis will need to be conducted regarding which Applicable Providers can be delegated procedures and administer the treatment plan. States will vary on regulations such as medical director qualifications, NP and PA ability to practice independently, supervision and medical records review. Further distinctions will need to be made between medical and non-medical treatments. Based on the applicable delegation needed and requirements of the jurisdiction, delegation and supervision agreements may need to be prepared and entered into between the physician and non-physician providers, or other supervisor roles as outlined by the state. These agreements often are required in instances where prescriptive authority is being delegated by one party to another, which can be integral to the operation of the Franchised Business.
- HIPAA Regulations. Various federal and state laws regulate the privacy and security of patient healthcare information. For example, under the federal Health Insurance Portability and Accountability Act (HIPAA), as amended by the federal Health Information Technology for Economic and Clinical Health (HITECH) Act, healthcare professionals have certain legal obligations to keep patient healthcare information confidential, and are also required to disclose that information to patients and third parties when requests are properly submitted. In addition, you must ensure the privacy and security of patient healthcare information you share with any “business associate” as defined under the HITECH Act, such as service providers, attorneys, or third-party billing companies. The HITECH act requires that any practice subject to federal law must have a HIPAA compliance plan addressing the policies and procedures for security and privacy of patient health information. Many states also have laws regulating the privacy and security of patient healthcare information and these laws may impose even greater restrictions and obligations on your business regarding the privacy and security of patient healthcare information.
- Each state has specific regulations and laws related to the operation of any facility where “medical services” of any kind are offered. All states have specific regulations on operating any facility where medical services are offered. Some states require that the facility offer all medical services or have contracts in place with other facilities that will provide services not offered. Regardless, you must ensure that all medical procedures must follow recommendations and requirements of national, state, and local medical associations, individual state medical boards, and other appropriate medical regulation entities.
- You should be particularly aware of the various federal, state, and local statutes, rules, regulations, ordinances, requirements, directives, and guidance relating specifically to the furnishing of health care services and items (“Health Care Requirements”). Health Care Requirements impose restrictions and requirements relating to many aspects of the rendering of health care services and

items, including those relating to the following: health care facility licensing; billing, claims submission and reimbursement; patient rights and privacy; personnel qualifications/licensing; and fraud and abuse. Violations of Health Care Requirements may subject a person or entity to civil and criminal liability. This discussion of Health Care Requirements is not a substitute for individual legal advice and counsel or guidance from regulatory agencies, as appropriate. Our System requires you to manage your franchised Center in full compliance with all applicable laws, including Health Care Requirements. We are not responsible to notify you of changes to the laws and Health Care Requirements summarized in this Disclosure Document. You are solely responsible for investigating and monitoring all changes and for keeping abreast of new Health Care Requirements.

- Advertising and Promotion. There are extensive federal, state and local laws, rules and regulations that regulate the type of marketing that you may or may not make as to the products and services offered by a Franchised Business, the results that a customer or patient may or may not achieve, and whether or not the products and services are authorized, cleared and/or approved by any government agency or authority, and the ACP(s) that may or may not be administering, supervising and/or performing the products and services. You must consult with your own lawyer to ensure that the marketing and promotion of your Franchised Business, its services, and the underlying location complies with all applicable laws, rules and regulations.
- General Franchise Business Laws. You will also be subject to federal and state laws and regulations that apply to businesses generally, including rules and regulations involving employment practices, wage and hour laws, immigration and employment laws. You must review federal minimum wage and overtime laws, as well as similar laws within your state to ensure compliance with labor and wage laws currently in existence and those that may later be adopted. You should consult with your attorney concerning these and other local laws, rules and regulations that may affect the operation of your Franchised Business.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Center and the other licenses applicable to Center personnel (whether you determine to employ or otherwise engage such individual personnel). You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files. You must comply with all state and local laws and regulations regarding the operation of a facial aesthetic and age management center. Each state also has medical, nursing, physician assistant and other boards that determine rules and regulations regarding their respective members and the scope of services that may legally be offered by those members. The laws and regulations generally include requirements for the medical providers to hold required state licenses and registrations to work as medical doctors, nurse practitioners, and physician's assistants in the state where the Center is located, and to hold required certifications by, or registrations in, any applicable professional association or registry. These laws and regulations vary from state to state and may change over time.

If you are awarded a franchise under this Disclosure Document, you must agree and acknowledge that (i) we are not engaging in the practice of medicine, nursing or any other professions/business that requires specialized training, certification, license or educational degree., and (ii) the Franchise Agreement does not, and may not be construed to, interfere, limit or otherwise affect the independent exercise of judgment (medical or otherwise) in connection with the Approved Services by the PE and/or other individual(s) that provide those Approved Services that constitute "medical services" under at your Franchised Business. You are solely responsible, at your own expense, to investigate and to comply with all laws, regulations, and rules in the state where you wish to manage a center including laws that regulate the corporate practice of medicine, related "captain-of the-ship" regulations/restrictions and/or the sharing of patient payments.

At all times throughout the term of your Franchise Agreement, you must continue to monitor and advise us of any changes to the applicable laws where your franchised Center is located and any related impact and/or corrective/remedial action you are undertaking with your business advisors/team to address any negative impact the change might have on the operation of your Franchised Business.

ITEM 2 BUSINESS EXPERIENCE

Co-Chief Executive Officer: Dan Amin

Mr. Amin has served as our Co-CEO since October 2023 in Boca Raton, FL. Prior to that, he was a Co-Founder and Managing Partner of Highmount Madison from May 2022 to October 2023, in Boston, MA. Mr. Amin served as the Head of Corporate Development at Pampered Chef (a Berkshire Hathaway company) from July 2018 to June 2020 in Chicago, IL. He was previously an Investor at Centerbridge Partners from June 2016 to June 2018 and worked in the investment banking division at Golman Sachs from June 2014 to July 2016 in New York City, NY.

Co-Chief Executive Officer: James Kapnick

Mr. Kapnick has served as our Co-CEO since October 2023 in Boca Raton, FL. Prior to that, he was a Co-Founder and Managing Partner of Highmount Madison from May 2022 to October 2023 in New York City, NY. He was also an Investor at ClearSky from October 2017 to April 2020 and was previously in the investment banking division at Goldman Sachs from June 2016 to July 2018 in New York, NY.

Co-Founder, Chief Evangelist: Carlton Washington

Mr. Washington has served as our Chief Evangelist since October 2023, and served the same role for 4Ever Young Franchising, LLC from January 2021 to October 2023 in Boca Raton, FL. He has also served as our predecessor's Co-Owner from December 2018 to October 2023 in Boca Raton, FL. He served as Co-Owner of DUYWASHMAN LLC in Boca Raton, Florida from May 2014 to October 2023.

Co-Founder, Chief Wellness Officer: Deniz Duygulu

Mr. Duygulu has served as our Director of Wellness and Compliance since October 2023, and served the same role for 4Ever Young Franchising, LLC from January 2021 to October 2023 in Boca Raton, FL. He has also served as our predecessor's Co-Owner from December 2018 to October 2023 in Boca Raton, FL. He also served as Co-Owner of DUYWASHMAN LLC in Boca Raton, Florida from May 2014 to October 2023.

Chief Strategy Officer: Slade Gicca

Ms. Gicca has served as our Chief Strategy Officer since June 2024 in Boca Raton, FL. Prior to that, she served as our Executive Vice President and served the same role for 4Ever Young Franchising, LLC from January 2023 to October 2023, after serving as Vice President of Operations from January 2021 through January 2023 in Boca Raton, FL. She has also served as our predecessor's Practice Manager from December 2018 to October 2023 in Boca Raton, FL. Ms. Gicca also served as Practice Manager for DUYWASHMAN LLC in Boca Raton, Florida from August 2015 to October 2023.

Senior Vice President of Operations: Alyssa Pivirotto

Ms. Pivirotto has served as our Senior Vice President of Operations since May 2024 in Denver, CO. Prior to that, she held several positions for WellBiz Brands including Senior Manager, Director, Senior Director and ultimately Vice President from April 2019 to April 2024 in Denver, CO. From January 2016 to March 2019, Ms. Pivirotto served as a Franchise Business Manager for Pure Barre in Denver, CO.

Senior Vice President of Marketing: Katherine LeBlanc

Ms. LeBlanc has served as our Senior Vice President of Marketing since August 2024 in New Orleans, LA. Prior to that, she served as a Fractional CMO from December 2023 to August 2024 in Metairie, LA. From July 2021 to September 2022, she served as the Chief Marketing Officer at Smalls Sliders in Baton Rouge, LA. From September 2018 to August 2021, she served as the Chief Marketing Officer at Twist Brands in Mandeville, LA.

Senior Vice President of Development: Patrick Pantano

Mr. Pantano has served as our Senior Vice President of Development since July 2024 in Philadelphia, PA. Prior to that, Mr. Pantano served as the Vice President of Franchise Development for Federal Donuts & Chicken from December 2023 to July 2024 in Philadelphia, PA. Prior to that, he was Vice President of Franchise Development for Blo Blow Dry Bar from January 2021 to December 2023 in Philadelphia, PA. Prior to that, Mr. Pantano served as Vice President of Franchise Development for RetroFitness, LLC from October 2019 to January 2021 and Director of Franchise Development for RetroFitness, LLC from March 2013 to October 2019 in West Palm Beach, FL.

**ITEM 3
LITIGATION**

Prior Concluded Action Not Involving Franchisor

Level Hormone Therapy, LLC v. Suntrust Banks, Inc., DUYWASHMAN, LLC, and Carlton W. Washington, 2014-CA-015189 (Palm Beach County, Florida Circuit Court, filed December 19, 2014). Level Hormone Therapy, LLC sued our predecessor's affiliate DUYWASHMAN, LLC ("Duywashman") and Carlton Washington ("Washington") for tortious interference with a business relationship. This lawsuit was settled on February 27, 2017 without any admission of liability on the part of Duywashman or Washington. The parties exchanged releases and Duywashman and Washington collectively agreed to pay \$10,000.00 to Level Hormone Therapy, LLC as a settlement term and the parties dismissed the action.

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

**ITEM 4
BANKRUPTCY**

We do not have any bankruptcy information that we are required to disclose in this Item.

ITEM 5 INITIAL FEES

Franchise Agreement

Initial Franchise Fee

You must pay us an initial franchise fee amounting to \$60,000 in a lump sum at the time you enter into your Franchise Agreement with us, which is deemed fully earned when paid and is non-refundable upon payment.

Discount for Qualified U.S. Military Veterans

For qualified individuals who were honorably discharged from any branch of the United States Military or are current military reservists, the Initial Franchise Fee for the first Franchised Business is discounted by \$2,500. This will only apply to the first franchise you are awarded by us.

Development Agreement: Development Fee

If we award you the right to develop multiple Franchised Businesses within a given Development Area, you must pay us a one-time Development Fee upon execution of your Development Agreement. Your Development Fee will depend on the number of Franchised Businesses we grant you the right to develop within the Development Area, and is calculated as follows: (i) \$110,000 for the right to develop two Franchised Businesses; (ii) \$145,000 for the right to develop three Franchised Businesses; (iii) \$170,000 for the right to develop four Franchised Businesses; and (iv) if you agree to develop five or more Franchised Businesses, your Development Fee will be \$170,000 for the first four Franchised Businesses, plus \$20,000 for each additional Franchised Business beyond the fourth. The minimum number of Franchised Businesses you may be permitted to open under a Development Agreement is two.

You will be required to enter into our then-current form of franchise agreement for each Franchised Business you wish to develop under your Development Agreement, but you will not be required to pay any additional Initial Franchise Fee at the time you execute each of these franchise agreements. If you enter into a Development Agreement, you must execute our then-current form of Franchise Agreement for the initial Franchised Business we grant you the right to develop within your Development Area concurrently with the Development Agreement. Your Development Fee will be deemed fully earned upon payment and is not refundable under any circumstances.

Other Relevant Disclosures

Except as provided in this Item, we expect and intend to impose the fees above uniformly on our new System franchisees.

**ITEM 6
OTHER FEES**

Name of Fee	Amount	Due Date	Remarks
Royalty Fee (or "Royalty")	<p>An amount equal to the greater of: (i) 7% of the Gross Revenue generated by your Franchised Business; or (ii) a minimum royalty (the "Minimum Royalty") of:</p> <p>(a) \$0 per month for the first 6 calendar months starting upon the earlier of when the Franchised Business opens or the deadline to open;</p> <p>(b) \$2,500 per month for calendar months 7 through 12; and</p> <p>(c) \$5,000 per month in each subsequent month.</p>	<p>On or before a given day each calendar month based on the Gross Revenue of the Franchised Business over the preceding calendar month</p> <p>We reserve the right to collect Royalties on a weekly, rather than monthly, basis upon notification to you.</p>	<p>Your Royalty Fee will begin once your Franchised Business opens. We may require you to pay your Royalty Fee and other reoccurring amounts via electronic funds transfer ("EFT").</p> <p>If we have not collected Royalties as of the end of a given month of operations amounting to at least the Minimum Royalty, then we have the right to collect a shortfall payment from your designated EFT account amounting to (a) the Minimum Royalty, less (b) the Royalties you actually paid to us in that month of operations (the "Shortfall Payment").</p> <p>Please see Notes 1, 2 and 3, including (a) the definition of "Gross Revenue" under your Franchise Agreement, and (b) our current System practices and policies for Royalty Fee and other recurring fee collection.</p>
Contribution to Brand Development Fund (or "Fund")	An amount equal to 2% of the Gross Revenue generated by your Franchised Business (your "Fund Contribution").	Payable monthly at the same time and in the same manner as the Royalty Fee.	We administer a brand development Fund to market, advertise, promote and otherwise develop the System, Proprietary Marks, Approved Services and Approved Products and our brand generally.
Local Advertising Requirement (or "LAR")	<p>Minimum of \$7,500 per month.</p> <p>Your LAR may be subject to increase as detailed more fully in the "Remarks" column.</p>	As arranged	<p>Currently, your LAR must be paid to a third-party Approved Supplier to provide certain local marketing, advertising and/or promotional services within or around your Designated Territory that comply with our then-current System practices, standards and specifications.</p> <p>This is the minimum amount you must currently expend on advertising, marketing and promoting your Franchised Business, that may include (as we designate and without limitation); (i) digital, (ii) local events, (iii) grass roots marketing efforts, and (iv) all other marketing efforts. We reserve the right to (a) modify or otherwise designate the Approved Suppliers from which you must acquire services/products to promote your Franchised Business as part of your LAR, and/or (b) request that you provide us with invoices detailing the expenditures you may each month on advertising and marketing (to ensure compliance and consistency with your financial reporting).</p>

Name of Fee	Amount	Due Date	Remarks
Licensing Fees in Connection with Required Software	<p>Then-current fee(s) charged by our then-current Approved Supplier for the software license at issue</p> <p>Currently, \$649 per month for the Required Software used for point of sale (POS).</p>	As arranged or agreed	<p>You must use any and all software that we designate (collectively, the “Required Software”) in connection with your Franchised Business, and we may require that you use us or one (1) or more Approved Supplier(s) to initially set up and/or license such Required Software. Certain Required Software licensing rights may be acquired “over the shelf” (or online), provided it meets our then-current System standards and specifications (including specific program name and version).</p>
Technology Fee	Currently, \$179 per month.	Payable monthly in the same manner as the Royalty.	<p>We collect a Technology Fee in connection with: (i) technology products or services we determine to (a) associate or utilize in connection with the System, and (b) use the Technology Fee to cover all or certain portion of the corresponding costs; and (ii) some customer record management (CRM) functions and related reporting (the “Center Management Software”).</p> <p>If we increase or otherwise modify the Technology Fee, we will provide you with 30 days’ prior written notice; provided however, that we will not increase the potential maximum fee (currently \$1,000 per month) more than 10% per calendar year.</p>
Training Fee	<p>Our then-current training fee for the kind of training being provided (the “Training Fee”).</p> <p>Currently, our Training Fees amounts to \$500/day per trainer in connection with any training for which we reserve the right to charge a fee. We may increase this to be up to \$3,000/day per trainer.</p>	Prior to trainers being sent and/or providing training.	<p>We reserve the right to charge our general Training Fee in connection with (a) re-training or replacement training with regards to the portions of the initial training that are designed for the franchisee owner and/or Designated Manager and/or a given Applicable Provider, (b) any training we require you to complete to cure a default under your Franchise Agreement with us (“Remedial Training”), (c) additional training you request we provide (other than the kind of day-to-day assistance described below), or (d) training we provide on-site at your Franchised Business. We will not charge any training fee in connection with minor, day-to-day assistance that we provide remotely over the phone or via email, subject to our availability.</p> <p>Please note you will also be responsible for the costs and expenses that are incurred in connection with you and your personnel attending training</p>

Name of Fee	Amount	Due Date	Remarks
Certain Ongoing Inventory Purchases	<p>As of the Issue Date, neither we nor our affiliates are an Approved Supplier for any ongoing inventory</p> <p>If and when we or our affiliate do become an Approved Supplier, amount payable will vary based on demand and sales generated by your Franchised Business</p>	As invoiced	<p>We expect that, at some point in the future, we will designate an affiliate entity to serve as the Approved Supplier for: (i) nutritional and other supplements that are authorized for resale at a franchised Center; and (ii) certain proprietary or branded lines of apparel of other merchandise.</p> <p>We also reserve the right to designate us or our affiliate(s) as the Approved Supplier for any other item you must purchase in connection with your Franchised Business (which we refer to as a “Required Item” in this Disclosure Document).</p>
Music/Video Licensing Fee	<p>Then-current fee charged by our Approved Supplier</p> <p>Currently, approximately \$99 per month</p>	As incurred.	This fee is charged by our third-party Approved Supplier for music licensing.
Annual Conference Registration Fee	<p>Our then-current registration fee that we charge in connection with any annual conference we determine to conduct</p> <p>Currently, we expect our conference registration fee to be \$750, with a maximum registration fee of \$1,500 per attendee.</p>	As invoiced.	<p>We may schedule and hold an annual conference, as we deem advisable in our sole discretion, and require that you attend such conference.</p> <p>If you do not attend the Annual Conference, we reserve the right to charge you a non-attendance fee amounting to the then-current registration fee.</p> <p>You will be responsible for the costs and expenses you incur in connection with any annual conference/convention (lodging, travel, meals, etc.), and we reserve the right to charge you our then- current registration fee.</p>
Transfer Fee	\$20,000	Payable prior to obtaining our consent to your proposed transfer.	<p>There are other conditions that you and the proposed transferee must meet in order for us to approve any proposed transfer/assignment of the Franchise Agreement.</p> <p>The Development Agreement is not transferrable.</p>
Relocation Fee	Our costs and expenses incurred in connection with evaluating the relocation proposal and, at our option, a relocation fee of \$1,000	As arranged	We will evaluate any proposed relocation of your Premises as discussed more fully in Item 12 of this Disclosure Document.

Name of Fee	Amount	Due Date	Remarks
Advertising Cooperative Fee	If such a Cooperative is established and involve your Franchised Business, then your contribution to such a Cooperative will not exceed your then-current Local Advertising Requirement	As arranged	If we assign your Franchised Business to an Advertising Cooperative, then this will be paid to us or the Advertising Cooperative as we determine. Any payments made towards or in connection with an Advertising Cooperative we establish and/or approve will be credited against your Local Advertising Requirement and/or Fund Contribution, in our discretion and subject to applicable laws. If there is an affiliate-owned Center in your Cooperative, then our Affiliate will be able to vote on all matters that you and the other Cooperative members have the right to vote on.
Audit Fees	Actual cost of Audit.	Within 30 days of receiving invoice	Payable if audit reveals that you have underreported the Gross Revenue of your Franchised Business by 2% or more for any designated reporting period. See Note 4.
New Product or Supplier Testing	The actual costs we incur in connection with the evaluation/testing procedure, not to exceed \$1,000 per request.	As incurred	If you propose an alternate supplier or product/service that we have not already authorized for use in connection with your Franchised Business, we may require that you reimburse us (or cover in advance) the actual costs we incur in connection with evaluating your proposal. Please see Item 8 of this Disclosure Document for additional information.
Violation in Connection with Mystery or “Secret” Shopper Program and/or other Quality Control, compliance, or Quality Assurance Program	Then-current fee charged by our Approved Supplier for such program services Currently, we reserve the right to be reimbursed the \$150 to \$200 incurred if you fail a “mystery shop” inspection If we (or a third-party that we designate) perform the inspection, we will charge you \$350 per inspection	As Incurred	If we dispatch a mystery shopper, “secret shopper”, or compliance auditor to (a) assess customer satisfaction with the Franchised Business based on surveys and/or on-site visits that we or our designee conduct, (b) determine whether the products/services utilized and offered/provided by you and/or other System franchisees meet all of you then- current quality control requirements, or (c) determine whether your Franchised Business is operating to brand standards, you will be responsible for the third- party costs of conducting such surveys or quality assurances in connection with your Franchised Business if such a program reveals a deficiency in operations. Our right to charge a fee in connection with any deficiency associated with any quality control program we implement at your Franchised Business is in addition to any default or other rights/remedies that we have under the Franchise Agreement.
Interest	The greater of (a) 1.5% per month (18% per year), or (b) highest commercial contract interest rate applicable laws permit	Upon demand.	Payable on all delinquent payments. Please see Note 6 for additional information and be advised that, in California, the highest permitted interest rate is 10% per annum.

Name of Fee	Amount	Due Date	Remarks
Collection Charges	Varies	Upon demand.	You must pay all collection charges associated with our efforts in collecting any amounts owed to you or us under the Franchise Agreement.
Attorneys' Fees and Related Costs	Will vary according to circumstance.	Upon demand.	You must reimburse us for our attorneys' fees and any court costs that we incur in connection with attempting to (or actually) enforcing or protecting our rights under your Franchise and/or Development Agreement.
Fees on Default and Indemnity	Attorneys' fees, costs, interest, audit costs, default fees.	Upon demand.	Payable in addition to other payments to us.
Indemnification	Will vary according to circumstance.	Upon demand.	You must reimburse us for our attorneys' fees and other costs that we incur in connection with any third-party claims brought against us that arise out of, or are related to, the operation of your Franchised Business.
Insurance	Actual costs and expenses	Upon demand.	If you fail to obtain required insurance, we may obtain such insurance at your expense (but are not required to do so). Otherwise, these payments are made directly to your third-party insurance provider.
Non-Sufficient Fund (NSF) or Dishonored Check Charge	\$100	Upon demand.	Payable if a check you provide to us is returned or dishonored by the bank, or if your EFT Account does not have sufficient funds to cover amounts you owe under the Franchise Agreement as they become due and owing to us. This provision is subject to any state-specific laws regarding NSF-related fees.
Late Reporting Fee	We currently reserve the right to charge you \$250 per delinquent report	As incurred and invoiced	In the event you fail to send us any required reports on time, we may charge you this fee in addition to any other remedies we might have.
Non-Compliance Fee	Up to \$500 per week per violation	Upon demand	We may charge you our then-current non-compliance fee for each violation until it is cured.
Costs Associated with De-Identifying Upon Expiration or Termination of the Franchise Agreement	Actual costs and expenses	As incurred and invoiced	Upon the expiration or termination of the Franchise Agreement, you shall immediately cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System; and remove all trade dress, physical characteristics, color combinations, and other indications of operation under the System from the Premises. You agree that we may enter upon the Premises at any time to make such changes at your sole risk and expense and without liability for trespass.

Name of Fee	Amount	Due Date	Remarks
Management Fee	Up to 8% of the Gross Revenue of your Franchised Business during the period of time we or our representative manages your Franchised Business on your behalf (the "Management Fee"), plus the costs and expenses we incur.	As incurred	The Management Fee will only be due to us if (a) you are in material default under your Franchise Agreement or become disabled (and unable to perform as the "Franchisee" under your Franchise Agreement), and (b) we exercise our right to temporarily operate your Franchised Business in an effort to assist in getting the operations of the Franchised Business back into compliance with the Franchise Agreement and System standards.
Public or Private Offerings Review Fee (Development Agreement only)	\$3,500 for the costs to review the information.	As incurred and invoiced	You acknowledge that the written information used to raise or secure funds can reflect upon us. You agree to submit any written information intended to be used for that purpose to us before its inclusion in any registration statement, prospectus or similar offering circular or memorandum.
On-Site Evaluation Fee (Development Agreement Only)	Actual costs and expenses incurred in connection with conducting an on-site evaluation of any proposed Premises for your second and any additional Franchised Businesses under your ADA	As incurred and invoiced	You must reimburse us for reasonable expenses we incur for any additional on-site evaluations under the Development Agreement, including, but not limited to, the cost of travel, lodging, meals and wages of our representatives and employees.

Explanatory Notes

Generally. Except as otherwise stated in this Item, all fees listed in this Item 6 Chart are imposed by, and payable to, us and are uniformly imposed on all of the franchisees in our System. These fees are payable in U.S. dollars and are non-refundable unless otherwise stated in this Item. Unless otherwise stated, the fees outlined in the Chart above apply to the Franchise Agreement only (and not the Development Agreement).

1. Royalty Fee and Other Fees. Your Royalty Fee, as well as any other fees payable to us or our affiliates under the Franchise Agreement, shall be collected by us via EFT from the bank account you are required to designate solely for use in connection with your Franchised Business (your "EFT Account"). You must provide us with the details of your EFT Account prior to opening and execute all documents necessary to authorize us to make withdrawals from this account throughout the term of your Franchise Agreement, including our then-current EFT Withdrawal Authorization form that is attached as an Exhibit to our current form of Franchise Agreement. You must provide us with advance written notice of any change to the information related to your EFT Account.

In the event your Franchised Business is located in a state that prohibits payment of our standard Royalty Fee that is based on a percentage of Gross Revenue as described in the Chart above, then in our discretion we may (in the alternative) (a) increase your Royalty Fee, as applied to the permissible portion of your Gross Revenue that is not otherwise restricted or prohibited, to a rate/amount determined by us so that the net amount of the Royalty Fee paid to us shall not be less than the Royalty Fee we would have received had the federal, state, and/or local government agency, entity, law, rule and/or regulation not prohibited your payment of your Royalty Fee based on Gross Revenue related to a restricted activity; or (b) charge you a fixed fee royalty in accordance with the following royalty schedule (the "Alternative Recurring Amount").

Alternative Recurring Amount	
Calendar Month (Full or Partial) of Operation Following Earlier of Opening Date and Required Opening Deadline	Monthly Alternate Recurring Amount due in that Calendar Month of Operation
Months 0-6	\$0 Per Month
Months 7-12	\$2,500 Per Month
Months 13-24	\$5,000 Per Month
Months 25-36	\$8,000 Per Month
Months 37-48	\$10,000 Per Month
Months 49-60	\$12,000 Per Month
Months 61-72	\$14,000 Per Month
Months 73+	\$16,000 Per Month

Renewals and Transfers: During any applicable renewal term, the Alternative Recurring Amount shall be determined by Franchisor but, shall not be less than the Alternative Recurring Amount applicable after month 72 and shall be subject to increase as determined by Franchisor. In the event of a transfer, the starting Alternative Recurring Amount shall be based upon the number of months the Franchised Business had been operating prior to the transfer.

2. Collection Interval; Reporting Obligations. As of the Issue Date, we expect that our Approved Supplier for the payment processing services and POS-related software will collect the Gross Revenue of each Franchised Business and deduct the Royalty Fee and other recurring fees owed to Franchisor as of that date before remitting the balance of those funds to the EFT Account associated with that Franchised Business. We reserve the right to change the interval at which we collect your Royalty Fee, Fund Contribution and other recurring fees payable to us or our affiliates under the Franchise Agreement upon written notice to you. For example, we may collect these recurring fees on a weekly rather than monthly basis.

Regardless, you are required to provide us with a monthly Gross Revenue report detailing your Gross Revenue from the preceding calendar month, along with your calculated Royalty Fee, Fund Contribution (if appropriate) and other information that we reasonably require (the “Gross Revenue Report”) on the final business day of the month. We may also require you to use a Computer System and/or related software that provide us with automatic access to such Gross Revenue Reports.

3. Definition of Gross Revenue. “Gross Revenues” means the total selling price of all services and products sold at, from, or through your Business, whether or not sold or performed at or from the Center, including the full redemption value of any gift certificate or coupon sold for use at the Center (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation), and all income and revenue of every other kind and nature related to the Business operation, whether for cash or credit and regardless of collection in the case of credit, including amounts received by Franchisee from any PE or other Applicable Provider pursuant to any MSA for Management Services (or otherwise). This will include any business interruption insurance proceeds that you receive in connection with your Franchised Business.

“Gross Revenues” does not include: (i) any revenues or receivables by you as payment for medical or physician services, if we determine that we cannot legally receive a royalty based on such amounts; or (ii) any sales tax and equivalent taxes that are collected by you for or on behalf of any governmental taxing authority and paid thereto.

In the event the PE or other Applicable Provider you contract with fails to pay you any amounts that it is obligated to pay you under the form of MSA (once it has been reviewed and modified by your

healthcare counsel only to extent necessary to comply with applicable laws/regulations), the amounts that your Applicable Provider fails to pay you will be included and accounted for in calculating (a) Gross Revenues, and (b) your recurring payment obligations to Franchisor under your Franchise Agreement.

4. Fund Contributions. Fund Contributions are equal to 2% of the Gross Revenue generated by your Franchised Business. The Fund may be used for (among other things) product and technology development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the internet; social media; administration expenses; brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future Centers; agency and consulting services; research; and any expenses approved by us and associated with your Center. We have sole discretion over all matters relating to the Fund.

5. Right to Inspect/Audit. We have the right to inspect your books and other financial information associated with your Franchised Business during the term of the Franchise Agreement. If we conduct an audit and it reveals that you have underreported your Gross Revenue by two percent (2%) or more, than we may require you to (a) pay the costs we incur in connection with conducting the audit of your Franchised Business (including any fees paid to auditors and/or attorneys), and/or (b) provide us with annual audited financial statements regarding the operation of your Franchised Business.

6. Interest on Late Payments. Interest begins to accrue on the due date of any payment that has not been timely received or is not paid in full.

ITEM 7 ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee ¹	\$60,000	Lump sum	Upon signing your Franchise Agreement	Franchisor
Travel and Living Expenses While Training ²	\$500 to \$1,000	As arranged	As incurred	Third parties, including hotel and transportation providers.
Furniture, Fixtures and Equipment Not Used in the Provision of Applicable Services ³	\$16,900 to \$23,000	As arranged	As incurred	Approved Supplier and Certain Other Third-Party Suppliers
Security Deposit ⁴	\$4,000 to \$16,400	As arranged	As incurred	Third-Party Landlord
Leasehold Improvements ⁵	\$140,000 to \$270,000	As arranged	As incurred	Third-Party Contractors and Providers
Inventory and Supplies ⁶	\$25,000 to \$30,000	As arranged	As incurred	Approved Supplier(s)
Computer and POS System (including AV and IT) ⁷	\$25,000 to \$30,000	As arranged	As incurred	Approved Supplier(s) for our Computer System hardware and Required Software
Licenses and Permits ⁸	\$500 to \$4,000	As arranged	As incurred	Third-Party Providers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to Be Made
Insurance Premiums – Pre-Opening and Initial 3 Months of Operation ⁹	\$2,000 to \$4,500	As arranged	As incurred	Third-Party Insurance Provider
Architectural/Engineering Services ¹⁰	\$7,500 to \$26,000	As arranged	As incurred	Approved Supplier(s)
Project Management ¹¹	\$15,000 to \$17,500	As arranged	As incurred	Approved Supplier(s)
Operational Equipment for use in Connection with Applicable Services ¹²	\$40,000 to \$50,000	As arranged	As incurred	Approved Supplier(s)
Signage and Graphics ¹³	\$12,000 to \$22,500	As arranged	As incurred	Approved Supplier(s)
Initial Marketing and Training Spend ¹⁴	\$25,000	As arranged	As incurred	Approved Supplier(s)
Accountant and Attorneys' Fees ¹⁵	\$18,250 to \$25,000	As arranged	As incurred	Third-Party Professionals, including your counsel, who may be required to prepare a Legal Opinion Letter upon our request
Additional Funds – 3 months ¹⁶	\$130,000 to \$150,000	As arranged	As incurred	Labor costs to third parties; Approved Suppliers and other Third-Party Providers; Landlord and/or other parties with whom Franchisee contracts
Total Estimated Initial Investment¹⁷	\$521,650 to \$754,900			

Explanatory Notes to Chart 7(A) Above:

Generally. Unless negotiated with a third-party, non-affiliated supplier, all payments disclosed in this Item are generally non-refundable. Please note that the estimates above are, in part, based on (a) our experience establishing, operating and franchising System Centers in Florida, (b) estimates we have received from our Approved Suppliers and certain other third-party suppliers, and (c) the experience of certain of our business advisors in working with franchise brands that have a business with a similar footprint and/or business concept as the Franchised Business offered in this Disclosure Document.

Our standard franchise offering assumes that a System franchisee will timely open and commence operations of the Franchised Business within the time period set forth in Item 11 of the FDD and open before the “Rent Commencement Date” or comparable date under the terms of the lease agreement.

1. Initial Franchise Fee. The Initial Franchise Fee is due upon execution of your Franchise Agreement and is deemed fully earned upon payment and non-refundable. Please see Item 5 of this Disclosure Document for additional information on this initial fee.

2. Travel and Living Expenses during Initial Training. This range is intended to cover the costs and expenses that you will incur in connection with you and up to one (1) other person (including, if engaged, your initial Applicable Provider) attending and completing the appropriate portion(s) of our Initial Training Program that are prescribed for an individual that serves in that role for your company. Our standard franchise offering assumes that you will manage the day-to-day operations of the Center and provision of the Management Services, including managing your Center’s personnel that are not Applicable Providers. As such, the estimated range above does not account for the costs/expenses associated with any Designated Manager’s required initial training before it can resume management responsibilities at your Franchised Business. You are solely responsible for these costs and expenses, which may be higher than the range

above if more than two (2) individuals come to the portion of training that takes place at our corporate training location.

3. Furniture, Fixtures and Equipment Not Utilized in Connection with Provision of Applicable Services. This range is intended to cover the (a) fixtures associated with the buildout of the Franchised Business such as countertops, sinks and other furnishings that are fixed or otherwise made part of the Premises itself, (b) furniture for use in the Client seating area, the Center's office operations and rooms where the Applicable Services are provided to Clients of the Center, and (c) equipment that must be purchased for use in connection with the Franchised Business other than the Computer/POS System and equipment for use in connection with the provision of Applicable Services (which are accounted for in the ranges detailed more fully in Explanatory Note Nos. 7 and 11 below).

4. Security Deposit. This range is intended to cover the costs associated with the security deposit under the lease you negotiate and enter into with the landlord of your approved Premises. The low end assumes that the security deposit will amount to one (1) months' rent, while the high end of this range assumes that your deposit may include up to two (2) months of rent (first month and last month). This range is primarily representative of 2024 market conditions and excludes outliers with no security deposit and one with a three (3) month security deposit of \$27,427.

Except for the first month of rent that is accounted for on the high end of this estimate, this range does not include the ongoing rent and other occupancy-related charges you will be required to pay to the landlord of your approved Premises over the first three (3) months your franchised Center is open and being actively managed by you. The estimated rent is accounted for under "Additional Funds" to the extent those amounts will not be covered by the Gross Revenues you are generating in connection with the Center management and Applicable Services being provided by Applicable Providers from the Premises of your Center.

This range is based on the experience of (a) our predecessor and affiliates in connection with the Affiliate Centers' respective operations, (b) the System franchisees that have developed and commenced operating their locations, or otherwise committed to a lease for an approved Premises, in connection with a franchised Center, (c) our general experience in connection with the franchise network and system based on information that we get from our System franchisees and third-party consultants in the franchise industry, and (d) quotes that we received from one (1) or more third-party consultants in the site selection and commercial real estate industry. It is important that we convey and explain that real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this estimated initial investment table does not reflect the potential cost of purchasing real estate.

5. Leasehold Improvements. This range is intended to cover the costs associated with building out the approved Premises of your Franchised Business to be consistent with System standards and specifications for the design and layout of a typical Franchised Business. The estimate assumes that your Franchised Business be located at a Premises that is between 1,500 and 2,000 square feet in size and that otherwise meets our then-current System criteria and standards for a Center premises. The estimated figures include remodeling walls, ceilings, floors, and other construction including electrical, plumbing and carpentry work. Leasehold improvement costs may be affected by many factors, including local market pricing, use of union labor, delivery condition of the building, tariffs on input materials, and other external factors that may increase the associated costs.

This range expects and assumes that you and your business advisors will negotiate with the landlord of your Premises to get tenant improvement allowance or credit ("TI") that is consistent with the experience of our affiliate-owned Centers, other System Centers and quotes and information we have compiled based on

industry statistics and experience with general contractors and similar providers for this kind of buildout. The low-end of this estimate assumes that you will be taking over a Premises that is already built out and can be converted into a System Center Premises by using some of the existing design and layout, while the high-end of this estimate assumes that your Premises will be require more construction and improvements.

Please note that we expect and strongly recommend that all System franchisees negotiate any TI allowance/credit or reimbursement with the landlord of your Premises (a) before entering into any lease with than landlord, and (b) after you have conducted appropriate due diligence into the estimated hard and soft construction costs associated with the construction or other buildout of a System Center from the contemplated Premises (so it understands the net costs associated with such buildout at the Premises before agreeing to lease the same). Our approval of a given site you propose as your Premises does not constitute a guaranty, representation or other statement as to your ability to build out that Premises at costs that are within the estimate range set forth in the Chart for this investment category – you must take all steps and conduct all initial due diligence to make that determination with your business advisors and any potential contractors that you engage with to provide quotes for the buildout at the Premises at issue. Please note that this range excludes several outliers with a footprint of greater than 2,200 square feet.

Certain geographical areas that are considered “premium” markets (e.g. New York City, New Jersey, Los Angeles, Miami, etc.) are likely to have higher construction costs that a typical 4Ever Young and are not contemplated in our above analysis.

6. Inventory and Supplies. This range is intended to cover the estimated costs associated with procuring an initial stock of (a) operational inventory, including items that are Approved Products or otherwise used in connection with the provision of Applicable Services, (b) retail inventory such as branded merchandise and other items for resell at the Franchised Business (branded and otherwise), and (c) other supplies necessary to operate the Franchised Business and provide the Management Services and other Approved Services from the Premises of the Franchised Business. The actual costs incurred in connection with your initial inventory and supply items prior to opening and during the first three (3) months of operation will vary from other System franchisees and we expect that the amount will depend largely on the anticipated and actual demand for the Applicable Services within your Designated Territory and surrounding area.

7. POS System and other Computer System Components (including AV and IT). This range is designed to cover the estimated costs that a new System franchisee will typically incur in connection with (a) acquiring the computer hardware components designated by us as part of the System’s Computer System, (b) acquiring the components of the prescribed point of sale (“POS”) system, and (c) initially setting up and licensing the POS and customer record management (“CRM”) software we prescribe for use in operating a Franchised Business, as well as all other software we require you to use in connection with the operation of your Franchised Business (collectively, the “Required Software”), as of the Issue Date. Please note that we will have independent, electronic access to your Computer System and all Required Software used in connection with the Franchised Business, as disclosed more fully in Item 11 of this Disclosure Document under “Computer System” heading.

8. Licenses and Permits. This range is designed to cover the estimated costs that our Affiliate Centers and System franchisees have incurred in connection with acquiring any licenses or permits necessary to own and operate a Franchised Business from a Premises that offers and provides Management Services and, via an Applicable Provider where required by applicable law, the Applicable Services.

9. Insurance Premiums. The insurance you must maintain is described in Item 8. Our estimate does not include other insurance policies you may have to maintain under the terms of your lease or as may be

required by law or other third parties. The unearned portions of the insurance premiums are generally refundable depending on your insurer.

10. Architectural/Engineering Services. This range is designed to cover the estimated fees and other costs associated with engaging a third-party architect and, if necessary, engineer to perform services in connection with preparing drawings and other services designed to progress the buildout of your approved Premises that is consistent with our then-current System standards and specifications for the same. As of the Issue Date, we do not have an Approved Supplier that we require you to use to perform these kinds of services, to the extent necessary, but we are willing to work with you to recommend any architects and/or engineers that (a) have worked on Center drawings before, and (b) we understand to be licensed to provide such services under the applicable state and other laws where the approved Premises is located.

11. Project Management (in Connection with Buildout of Franchised Business). Franchisees are strongly encouraged, but not required, to use our current Approved Suppliers for real estate project management and construction assistance. Should you choose not to work with our partner, you will be solely responsible for site search, lease negotiation, finding and hiring a general contractor, procurement, signage, and all other facets of your building project. You are required to comply with all brand standards throughout your project, according to our then-current Brand Standards Manual, including ordering all required products, including all furniture, fixtures, finishes, and equipment. You will also be required to submit documentation related to project completion as we specify and in the format we specify.

12. Equipment Utilized in Connection with Provision of Certain Applicable Services. This range is intended to cover the estimated and expected costs for the equipment that a System Franchisee will need to have on-site at the Premises of the Franchised Business for Applicable Providers to utilize when providing certain of the Applicable Services to clientele. The estimated costs of other equipment that a Franchised Business must have on-site prior to opening is covered under the investment range described more fully in Explanatory Note No. 3. This range includes 1 InBody® device, 1 HydraFacial Syndeo® device, 1 SkinPen®, and 1 IV Hood as well as other ancillary attachments. This estimated range does not include the costs associated with the equipment used to provide CoolSculpting® or aesthetic laser (Optimas Max® or Clear and Brilliant®) services (the “Optional Equipment”) because our standard franchise offering expects and assumes that you will not be providing these Applicable Services until after the Franchised Business has been open and operating for at least six (6) months. Should you determine to deviate from our standard franchise offering and acquire this Optional Equipment prior to opening your Franchised Business, your estimated costs would be significantly higher. We expect that these equipment costs may vary based on the location of the Franchised Business, as well as any unique design or layout issues with a given Premises.

13. Signage and Graphics. The cost of signage and graphics may vary from location to location depending on lease requirements, local ordinances and restrictions, location frontage, and related factors. This estimated range is intended to cover the one (1) exterior sign that is acquired from our Approved Supplier, which is what our standard franchise offering expects and assumes will be appropriate and required. We will not approve any other design or format for our System signage, unless a franchisee can demonstrate that a modification is necessary to comply with certain specifications of the shopping center, mall or other venue where the Premises is located and, in such an event, (a) any modification will need to be approved by us, and (b) you will need to advise us of this potential issue when submitting the Premises for our approval. The costs incurred may be higher should you determine to install more than one (1) exterior sign, which we would also need to approve prior to any ordering or installation.

14. Initial Marketing and Training Spend. This is the amount that you will typically expend in connection with (a) the initial marketing plan you develop and implement to promote the opening and initial launch of your Center, and (b) amounts you will incur in connection with certain pre-opening sales activities designed to generate clientele, (c) the Initial On-Site Training and other pre-opening training that we

provide to you and your Initial Training Team (as described more fully in Item 11 of this Disclosure Document) at or around the time that you open, as we determine appropriate in our discretion, and (d) other pre-opening investments that we determine in our discretion. You may be required to expend all or some portion of these funds on marketing materials and/or services that must be purchased from one or more of our Approved Suppliers. We will determine and designate the exact amount you must expend as your Initial Marketing and Training Spend after you have secured your Premises and at some point before we commence your “Opening Support Program” designed to generate interest and potential Clients prior to and/or around the time you initially open the Center to the public.

15. Accountant and Attorneys’ Fees. We strongly suggest and may require that you meet with an attorney and/or other business advisor before you enter into any Franchise Agreement with us to determine the kinds of laws, regulations and/or restrictions might be involved with or otherwise impact the operation of a new franchised Center within the state or region where you are contemplating locating a Franchised Business. We also may require that you engage specialized legal counsel to prepare and provide us with a written legal opinion that demonstrates or supports your position that the contemplated structure and operations of your Franchised Business – if undertaken and implemented – will not violate any of the Industry-Specific Laws regarding the corporate practice of medicine, fee-sharing or similar remuneration-related statute or otherwise (the “Legal Opinion Letter”). We may condition your right to open or attend certain training on you first providing us with this Legal Opinion Letter. If we do not require you to provide us with a Legal Opinion Letter before opening or attending training, then we still reserve the right to require you to provide us with a Legal Opinion Letter in the future.

16. Additional Funds – 3 Months. You will need additional capital to support on-going expenses during the initial three (3) months after you open your Franchised Business. The estimate includes items such as rent (that a typical Franchised Business might incur over first 3 months of operations after timely opening that are not accounted for under “Security Deposit” range above), non-variable and certain other payroll and/or other personnel compensation, additional advertising/marketing activities, repairs and maintenance, bank charges, rental cost of the CoolSculpting® equipment, miscellaneous supplies and equipment, state tax, and other miscellaneous items. This range does not include any draw or salary for you. These figures are estimates and we cannot guarantee that you will not have additional expenses in the first three months you are operating your Franchised Business. In calculating this estimate, we relied on (a) the experience of our Centers using the Proprietary Marks and System in the State of Florida only, (b) estimates we received from our Approved Suppliers and other third-party suppliers, and (c) the experience of our consulting team that has worked with other franchise concepts that have a similar footprint and/or industry concept.

17. Total Estimated Initial Investment. The figures in this table are estimates. We do not offer direct or indirect financing to you for any items. The availability of financing through third-party lenders, if any, will depend on factors such as the lending policies of such financial institutions, the collateral you may have, your creditworthiness, and the general availability of financing. Unless otherwise noted above, all of the expenditures listed in the Item 7 Chart above are non-refundable.

It is important to note and explain that you may need to secure an approved Premises for your Franchised Business before you and/or your suppliers are in a position to establish the actual construction, furnishing and other associated with that specific Premises, given such suppliers will need to account for all variables such as size of Premises, leasehold allowances, landlord’s work, and/or building code requirements. We recommend you conduct pre-lease due diligence with a third-party general contractor or other business advisor with experience in construction to determine as much as you can about all the buildout costs associated with turning the contemplated Premises into a System Center. If the due diligence reveals an estimated buildout that exceeds the high end of this estimate, then it will be a business decision for you as to whether or not to move forward (provided we otherwise approve the site you are proposing).

B. Multiple Franchises Under Development Agreement (3-Pack as Example)

YOUR ESTIMATED INITIAL INVESTMENT¹

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee ²	\$145,000	Lump Sum	Upon signing of Development Agreement	Franchisor
Initial Investment to Open Initial Franchised Business ³	\$461,650 to \$694,900	See Chart 7(A) above in this Item		
TOTAL⁴	\$606,650 to \$839,900	This is the total estimated initial investment to enter into a Development Agreement for the right to develop a total of three (3) Franchised Businesses, as well as the costs to open and commence operating your initial Franchised Business for the first three months (as described more fully in Chart A of this Item 7).		

Explanatory Notes to Chart 7(B) Above:

1. Generally. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Development Agreement for the right to own and operate three Franchised Businesses, as well as the initial investment to open your first Franchised Business under your Development Schedule.
2. Development Fee. The Development Fee is non-refundable. The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and this Development Fee is for the right to open and operate a total of three Franchised Businesses (provided you comply with your development obligations under the Development Agreement). Your Development Fee will be calculated as follows: (i) \$110,000 for the right to develop two Franchised Businesses; (ii) \$145,000 for the right to develop three Franchised Businesses; (iii) \$170,000 for the right to develop four Franchised Businesses; and (iv) if you agree to develop five or more Franchised Businesses, your Development Fee will be \$170,000 for the first four Franchised Businesses, plus \$20,000 for each additional Franchised Business beyond the fourth. The minimum number of Franchised Businesses you may be permitted to open under a Development Agreement is two.
3. Estimated Initial Investment to Open Initial Franchised Business. This figure represents the total estimated initial investment required to open the initial Franchised Business you agreed to open and operate under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for initial Franchised Business you must open within the Development Area at the same time you execute your Development Agreement. The range includes all the items outlined in Chart 7(A) of this Item, except for the Initial Franchise Fee (because you are not required to pay any Initial Franchise Fee for those Franchised Businesses you open under the Development Agreement).
4. Total. This is the Development Fee plus our estimated initial investment to open and commence operating your initial Franchised Business within your Development Area. This range does not include any of the costs you will incur in opening any additional Franchised Business(es) that you are granted the right to open and operate under your Development Agreement.

ITEM 8

RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing through our confidential Manuals and other proprietary guidelines and writings that we prepare for your use in connection with the Franchised Business and System. We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, which we will notify you of in writing, and you will be solely responsible for costs associated with complying with any modifications to the System.

Approved Services and Approved Products; Required Items

You may only market, offer, sell and provide the Approved Services and Approved Products to the prospective and existing Clients of your Franchised Business. You may only directly provide the Franchisee Services in connection with your Franchised Business that are primarily designed to generate Clients and manage Client projects.

You must also ensure you acquire and use all Required Items that we set forth in the Manuals prior to or after you open your Franchised Business, some of which you must purchase from one (1) or more of our Approved Suppliers as of the Issue Date as set forth more fully below.

We will provide you with a list of our then-current Approved Services and Approved Products, along with their standards and specifications, as part of the Manuals or otherwise in writing prior to the opening of your Franchised Business. We may update or modify this list in writing at any time.

If you wish to offer any product or service to prospective or existing Client(s) that are not part of our then-current Approved Services or Approved Products, or wish to use any item as a substitute for one (1) of our then-current Required Items or other item that has not otherwise been approved/designated by us in writing, then you must obtain (a) our prior written approval as described more fully in this Item, and you may be required to (b) provide a Legal Opinion Letter or other evidence sufficient to demonstrate that any new or modified service or product and/or other item proposed can be utilized and/or provided at your franchised Center in compliance with all applicable laws and regulations.

Approved Suppliers

We have the right to require you to purchase any items or services necessary to operate your Franchised Business from a supplier that we approve or designate (each, an “Approved Supplier”), which may include us or our Affiliate. We will provide you with a list of our Approved Suppliers in writing as part of the Manuals or otherwise in writing, and we may update or modify this list as we deem appropriate.

As of the Issue Date, we have one (1) or more Approved Suppliers for each of the following services or items that must be purchased for use in connection with your Franchised Business (each, a “Required Item”): (i) certain of the Approved Products, including (a) branded merchandise and other items (such as nutritional supplements) that a System Center is authorized to offer for retail sale at the Premises, (b) Approved Products, including third-party proprietary inventory that is utilized in connection with certain Applicable Services and treatments), as well as other operational inventory and supplies, (c) certain FFE that must be purchased and used in connection with the initial development and equipping of a franchised Center, including the equipment that must be purchased, installed and subsequently used in connection with the provision of Applicable Services to Clients at the Franchised Business (via an Applicable Provider, to the extent required by applicable laws), (d) the software designed to provide POS and CRM functions with

respect to a Franchised Business's operations, as well as all other Required Software, certain inventory and supplies for use in connection with the Management Services being provided in connection with your Center, and (e) initial and ongoing marketing materials, including those services and collateral on which you must expend your Local Advertising Requirement and Initial Marketing and Training Spend. As previously disclosed, we may update or modify the list of Approved Suppliers via the Manuals or otherwise upon prior written notice.

As of the Issue Date, you must use our Center Management Software which is licensed to you under the Franchise Agreement, and we are the sole supplier of such software.

We expect and intend to establish one (1) or more affiliate(s) at some point in the near future to serve as an Approved Supplier for (a) supplements, branded merchandise and/or other retail inventory items that a Franchised Business will be authorized to offer and sell, (b) certain initial and ongoing marketing services, and (c) any technology services we determine to provide as part of the Technology Fee. Regardless, we reserve the right to designate ourselves or any of our affiliates as the designated or Approved Supplier for any Required Item upon prior written notice via the Manuals or otherwise.

In the future, we reserve the right to designate us or any affiliate of ours as the Approved Supplier for any additional or other item or service that you are required to purchase and/or utilize in connection with your Franchised Business. This includes any proprietary products we develop or have developed for use in your Franchised Business, including private-label products that bear our Proprietary Marks.

If you wish to purchase a product or service that we require you to purchase from an Approved Supplier from an alternate source, then you must obtain our prior written approval as outlined more fully in this Item 8 below. We may provide our standards and specifications for a given Required Item directly to the Approved Supplier we have designated or otherwise approved as the source for that item/service. We may determine to provide these standards and specifications to an alternative supplier you propose if: (i) we approve the supplier in writing as outlined more fully in this Item; and (ii) the alternative supplier agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

As of the Issue Date, none of our officers own an interest in any Approved Supplier (other than us) from which you must directly purchase or lease any Required Item in connection with your Franchised Business.

Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your "Required Purchases." We estimate that purchases from approved suppliers would represent approximately ninety percent (90%) percent of your total purchases and leases in establishing your Business, and sixty to seventy percent (60-70%) of your total purchases and leases in the continuing operation of the Business, and that purchases in accordance with our specifications represent approximately 95% of your total purchases and leases in establishing your Business, and 60% of your total purchases and leases in connection with the ongoing operations of your Franchised Business.

We reserve the right to derive revenue from any of the purchases (items or services) that our System franchisees are required to make in connection with the Franchised Business. In the fiscal year ended December 31, 2024, based on our most recent audited financial statements, we derived revenue totaling \$1,233,031 on account of our System franchisees' required purchases in 2024. This amount represents 29% of our total revenue of \$4,288,632.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Franchised Business that are not Approved Products and Services; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before:

(i) using or offering the non-approved product or service in connection with your Franchised Business; or

(ii) purchasing from a non-approved supplier. You must pay our then-current supplier or non-approved product evaluation fee when submitting your request (currently, a fee not to exceed \$1,000 per request). We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products and request that you reimburse our actual costs associated with the testing/inspection.

We will notify you in writing within 120 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (but are not required to) make it available to you upon request. Each supplier that we approve of must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously-approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

Purchasing Cooperatives and Right to Receive Compensation

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Centers in our System. If we do establish those types of alliances or programs, we may: (i) limit the number of approved suppliers with whom you may deal; (ii) designate sources that you must use for some or all products, equipment and services; and (iii) refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System. We do not currently have any purchasing cooperative(s) with certain suppliers, but we reserve the right to create such purchasing cooperatives in the future.

We and/or our affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other Franchised Businesses in the System, such as rebates, commissions or other forms of compensation. These payments may range from less than 1% up to 20% or more of the total purchase price of those items. Our intention is to reinvest payments that we receive from suppliers back into the system, but we reserve the right to use these payments

for any purpose that we deem appropriate. We and/or our affiliate(s) may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees. Any rebates we or our affiliates received in the last fiscal year are disclosed under the “Required Purchases and Right to Derive Revenue” heading above in this Item.

Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

Advertising and Marketing

All advertising and promotional materials and other items we designate must bear the Proprietary Marks in the form, color, location and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements we prescribe in the Manuals or otherwise. You must obtain our approval before you use any advertising and promotional materials or plans in connection with your Franchised Business if we have not prepared or approved them during the 12 months prior to the date of your proposed use.

As of the Issue Date, you must expend your Local Advertising Requirement on digital marketing creative and placement services that are provided by our third-party Approved Supplier. You may also be required to expend your Initial Marketing and Training Spend (or some portion of that amount) on marketing, promotional and/or advertising services that you engage our Approved Supplier to provide.

Premises and Lease

You must obtain our approval of the Premises for your Franchised Business before you acquire the site. You must also provide us with a copy of the lease for the Premises before you execute the contract or lease, and we may condition our approval of any site you propose on the form of lease containing our prescribed collateral assignment of lease terms and certain other addendum terms that are set forth in the form of “Lease Addendum” attached to our current form of Franchise Agreement. You must also ensure that you comply with all of our then-current System standards and specifications related to the build-out, remodeling and/or construction of your Franchised Business at the Premises.

If we grant you the right to develop multiple Franchised Businesses under a Development Agreement, you will typically sign our then-current franchise agreement for each Franchised Business opened under your Development Schedule prior to or at the time you secure a Premises for that Franchised Business.

Insurance

You must obtain and maintain the insurance coverages and policies that we prescribe in the Franchise Agreement, which we may always update, supplement and/or otherwise modify upon prior written notice to you via the Manuals or otherwise.

Each insurance policy shall be written on an occurrence basis, unless occurrence basis is unavailable, and shall be primary to any insurance or self-insurance maintained by us. All coverages shall be underwritten by companies licensed in your state, and insurance is to be placed through insurers with a current A.M. Best rating of no less than A-, VII unless otherwise acceptable to us. You shall assess your own risks and if you deem appropriate and/or prudent, maintain higher limits and/or broader coverage. You are not relieved of any liability or other obligations assumed pursuant to the Franchise Agreement by reason of your failure to

obtain or maintain insurance in sufficient amounts, duration, or types. Required insurance shall not be cancelable without 30 days' prior written notice to us.

All required coverages must be purchased through Marsh McLennan Agency, the 4Ever Young brand's sole designated vendor for insurance in the United States, except for Workers' Compensation and Owned Auto insurance. Workers' Compensation and Owned Auto coverage may be purchased from reputable insurers who meet the standards as provided above.

If you wish to pursue an insurance exception request, you must obtain detailed quotes from both Marsh McLennan Agency and your proposed alternative broker and provide complete copies to your Operations Business Coach no later than 30 days prior to your renewal date to allow for a timely review of your request. You may not proceed with any alternative vendors until you receive approval for your insurance exception request. If approved, insurance exception requests are valid for one year, and you will be required to reapply for an insurance exception request no later than 30 days prior to your policy's renewal date.

We may require that these policies name us as an additional insured and contain a waiver of subrogation in our favor. The policies must provide us with written statutory cancellation notice and non-renewal. We may periodically increase required coverage limits or require additional or different coverage to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances. You must deliver to us (and in the future maintain on file with us) valid and current certificates of insurance showing that all required insurance is in full force and effect, or any other evidence of coverage that we may require from time to time.

As of the Issue Date, you must acquire and maintain the following coverages in the minimum amounts corresponding to that coverage set forth in the Chart below prior to and at all times the Franchised Business opens and commences operations, subject to Franchisor's right to increase, supplement or otherwise modify these insurance-related requirements upon prior written notice via the Manuals or otherwise:

Coverage Type	Amounts	Coverage Level
General Liability Insurance	\$1,000,000	Per Occurrence
	\$2,000,000	In the Aggregate
Damage to Premises Rented to you and/or Fire Damage Legal Liability	\$300,000	Per Occurrence
Professional Liability Coverage (1-4 locations)	\$1,000,000	Per Occurrence
	\$2,000,000	In the Aggregate
Professional Liability Coverage (5-9 locations)	\$2,000,000	Per Occurrence
	\$4,000,000	In the Aggregate
Professional Liability Coverage (10+ locations)	\$3,000,000	Per Occurrence
	\$5,000,000	In the Aggregate
Hired and Non-Owned Auto Liability	\$1,000,000	Combined Single Limit
Owned Auto Covered (If Applicable)	\$1,000,000	Combined Single Limit
Workmen's Compensation (If Applicable)	As required by law	Per Employee
Employers Liability	\$1,000,000	Per Occurrence
	\$1,000,000	Per Employee
	\$1,000,000	In the Aggregate
Employment Practices Liability	\$500,000	Per Occurrence
Cyber Liability/Data Privacy	\$1,000,000	In the Aggregate
Sexual Abuse and Molestation	\$100,000	Per Occurrence
	\$300,000	In the Aggregate
Umbrella Liability (3-4 locations)	\$1,000,000	Per Occurrence
	\$1,000,000	In the Aggregate
Umbrella Liability (5-9 locations)	\$2,000,000	Per Occurrence
	\$2,000,000	In the Aggregate
Umbrella Liability (10+ locations)	\$3,000,000	Per Occurrence
	\$3,000,000	In the Aggregate
Business Income and Expense	At least 12 months' income replacement	Recommended or as Required by Landlord or Lender
Business Personal Property and Tenant Improvements and Betterments	Full Replacement Cost	Recommended or as Required by Landlord or Lender
Any other coverage that (a) Franchisor periodically requires to satisfy insurance-related obligations via the Manuals, System Site or otherwise in writing, or (b) your independent legal counsel identifies as required or recommended coverage.		

Computer Hardware and Software

You must purchase any and all computer hardware, software and peripherals in accordance with our System standards and specifications. As of the Issue Date, we require you to purchase certain Computer/POS System components, as well as the Required Software that provides POS and CRM services in connection with the Franchised Business, from our Approved Supplier. We may require you to purchase any other component of Required Software from one (1) of our Approved Suppliers in the future upon written notice. Your Premises must have Internet Wi-Fi access that both the personnel and Clients visiting the Premises of your Franchised Business will be able to access (on different networks), but you may require this from any third-party provider so long as the service meets our System standards.

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.

Franchisee's Obligations	Section in Franchise Agreement	Section in Development Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Sections 2, 5, and 6	Section 1 and Exhibit A	11, 12
b. Pre-opening purchases/leases	Sections 5 and 6	Nothing Additional (see Franchise Agreements signed)	7, 8, 11
c. Site development and other pre-opening requirements	Sections 2, 5, and 6	Sections 1, 5 and Exhibit A	11
d. Initial and ongoing training	Sections 5 and 6	Nothing Additional (see Franchise Agreements signed)	11
e. Opening	Sections 5 and 6	Nothing Additional (see Franchise Agreements signed)	11
f. Fees	Sections 3, 4, 9, and 13(E)	Section 2	5, 6, 7, 8, 11
g. Compliance with standards and policies/Manual	Sections 5 and 6	Nothing Additional (see Franchise Agreements signed)	8, 11, 14, 16
h. Trademarks and proprietary information	Section 7	Nothing Additional (see Franchise Agreements signed)	13, 14
i. Restrictions on products/services offered	Sections 5 and 6	Nothing Additional (see Franchise Agreements signed)	8, 16
j. Warranty and customer service requirements	Section 6	Nothing Additional (see Franchise Agreements signed)	16
k. Territorial development and sales quotas	Sections 2 and 6	Section 1 and Exhibit A of the Development Agreement	12
l. Ongoing product/service purchases	Sections 5 and 6	Nothing Additional (see Franchise Agreements signed)	8, 11
m. Maintenance, appearance & remodeling requirements	Section 6	Nothing Additional (see Franchise Agreements signed)	6
n. Insurance	Sections 6 and 11	Nothing Additional (see Franchise Agreements signed)	6, 7, 8
o. Advertising	Sections 4, 5, 6, and 9	Nothing Additional (see Franchise Agreements signed)	6, 7, 8, 11
p. Indemnification	Section 11	Nothing Additional (see Franchise Agreements signed)	6
q. Owner's participation/management/staffing	Section 6	Nothing Additional (see Franchise Agreements signed)	15
r. Records and reports	Sections 4, 6, and 10	Nothing Additional (see Franchise Agreements signed)	11
s. Inspections and Audits	Section 5 and 10	Nothing Additional (see Franchise Agreements signed)	6, 11, 13
t. Transfer	Section 13	Section 8	6, 17
u. Renewal	Section 3	Nothing Additional (see Franchise Agreements signed)	17
v. Post-termination obligations	Sections 14(B) and 16	Section 9	17
w. Non-competition covenants	Section 14	Section 9 (in addition to covenants in Franchise Agreements signed)	17
x. Dispute resolution	Sections 19 and 21	Sections 11 through 19	17

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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. Pre-Opening Obligations

Prior to the opening of your Franchised Business, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. If you have entered into a Development Agreement, we will designate your Development Area where you will have the right to secure a Premises (each of which we must approve) for each of your Franchised Businesses, in accordance with our then-current System standards and criteria for a franchised Center. (Development Agreement, Section 1 and Exhibit A);
2. We will provide site selection guidelines and assistance (as described more fully below in this Item 11), as we deem appropriate in our discretion, in connection with selecting the Premises for each of your Franchised Business(es). We will also review any proposed lease or purchase agreement for each location that you propose as a Premises for any Franchised Business, and we may condition our approval of any proposed Premises on the corresponding agreement containing certain terms we describe more fully in this Item. (Franchise Agreement, Section 2(B));
3. Once you secure an approved Premises within the Site Selection Area from which you will open and operate your Franchised Business, we will define your Designated Territory for that Franchised Business and include its boundaries in an amendment to the Data Sheet attached as an Exhibit to your Franchise Agreement that is signed by us. (Franchise Agreement, Section 2(B));
4. We will provide you with online access to, or otherwise loan you, one (1) copy of our confidential and proprietary Manuals. You must operate your Franchised Business in accordance with the Manuals and all applicable laws and regulations. The Manuals may be amended or modified by us to reflect changes in the System. You must keep the Manuals confidential and current, and you may not copy any part of the Manuals. You are required to keep a copy of the Manuals at your Premises, and if there is a dispute relating to the contents of the Manuals, then the master copy (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to the Manuals in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The table of contents for our two (2) primary Manual(s) as of the Issue Date are attached to this Disclosure Document as Exhibit D, including our current Operations Manual (totaling around 60 pages) and our current Training Manual (totaling around 505 pages). Please note that certain portions of the Manuals may be provided via update or communications from be set forth on a website or web portal that is controlled and/or registered to us (each, a "System Site"), and you will be solely responsible for ensuring compliance with these "online" portions of the Manuals as well. (Franchise Agreement, Section 5(D));

5. We will provide you with a list of our Required Items and Approved Suppliers (to the extent we have designated them) and specifications for the Required Items (to the extent we have them), either as part of the Manuals or otherwise in writing. (Franchise Agreement, Section 5(D)). As of the Issue Date, be advised that we (as the Franchisor) is not involved in the delivery or installation of these Required Items;
6. We will review and approve the proposed layout and design of your Premises as well the equipment, furniture and fixtures used in connection with your Franchised Business, as we deem appropriate and advisable in our discretion. (Franchise Agreement, Section 5(D));
7. If we require you to submit a Legal Opinion Letter, then we will review the form of opinion letter that your independent counsel prepares to confirm that the structure of your Franchised Business, whether or not such structure and operations involves entering into an MSA with one (1) or more Applicable Providers, is set up in a manner that complies with all applicable laws including, without limitation, the industry-specific laws and regulations disclosed more fully in Item 1 to this Disclosure Document. Our review and acknowledgement of receipt with regards to your Legal Opinion Letter does not, and may not be construed to, constitute any kind of approval, agreement to or acceptance of the legal opinion set forth by your counsel, and you will be required to indemnify, defend and hold us and related parties harmless in connection with any claims or other damages arising out of or relating to (a) any incorrect legal opinion or position in the Legal Opinion Letter, or (b) any actions or operations under taken by the Center or any Applicable Provider in contravention or violation of the laws or regulations applicable to your Franchised Business operations. (Franchise Agreement, Section 2);
8. Provide our initial training program as described more fully under the next heading of this Item (Franchise Agreement, Section 5); and
9. Review and retain the form of MSA that your counsel prepares to ensure compliance with applicable law and the terms of your agreements with us. (Franchise Agreement, Section 2).
10. Provide access to the Center Management Software to be used in the operation of your Franchised Business, which will be licensed to you by us under the Software License Agreement (see Exhibit H to the Franchise Agreement).

B. Initial Training and Related Disclosures/Information

We will provide our initial training program comprised of: (i) certain “Classroom Training” that you and your management will have remote access to and must complete online via webinar or other learning management system we designate to (a) monitor/track participation and progress, and/or (b) test competency levels, if and as we determine appropriate (collectively, the “Remote Training”); and (ii) on-site training, assistance and support that you, your management, your initial Applicable Provider(s) and other Center personnel that will be involved in the initial operations of the Center (the “Initial Trainee Team”) must participate and complete to our satisfaction (the “Initial On-Site Training”), which we expect will last up to five (5) days shortly before and shortly after the contemplated opening of your Franchised Business. Additionally, we may require you to participate in additional “Classroom Training” and hands-on training that we will provide to you and your initial management over a period of up to five (5) days at our corporate headquarters or other designated training location (in Boca Raton, Florida or otherwise) (which we refer to as our “Corporate Training”).

1. Certain portions of the Classroom Training may involve instruction provided by video or other digital technology while at our designated corporate training location.

2. We may condition your ability to attend our Corporate Training and/or us providing you with any Initial On-Site Training on you: (i) expending the required amounts on the marketing and pre-opening sales activities we designate or otherwise approve in connection with your initial marketing plan, (ii) achieve certain pre-opening benchmarks related to lead generation, presales, pre-open bookings, membership sales, and / or hiring adequate staff to operate the Franchised Business (described in the Manuals and updated at our discretion); (iii) undertaking all steps to establish and provide us with access to your EFT Account consistent with your Franchise Agreement, including providing Franchisor and/or its designee with a signed and completed copy of the authorization form attached to your Franchise Agreement as an Exhibit, as well as any other authorizations and approvals necessary for us or our designee to access such EFT Account; (iv) demonstrating that you have obtained all required insurance coverages as set forth in the Franchise Agreement and the Operations Manual; (v) providing us with completed and signed copies of all agreements and contracts that are attached as Exhibits to your Franchise Agreement, to the extent such documents have not been signed or need to be updated or completed at that time; and (vi) providing us with your attorney's Legal Opinion Letter wherein counsel provides an analysis and explanation of how your contemplated franchised Center's management and operations, including the provision of Applicable Services by an Applicable Provider that enters into an MSA with you to perform such services at the Premises (collectively, the "On-Site Training Pre-Conditions").
3. If you have appointed a manager to run the day-to-day operations of the Franchised Business (the "Designated Manager"), then this Designated Manager must participate in and complete all components of the initial training program that we designate. We may permit or require that you, your Designated Manager and/or other Center personnel (other than Applicable Providers) to attend all or certain components of the Remote Training and/or Initial On-Site Training that are designed to cover the areas of instruction that are more specific to the roles and corresponding responsibilities you have identified for these individuals.
4. You are also solely responsible for all costs and expenses you (and your personnel) incur in connection with completing the appropriate Remote Training, Corporate Training and Initial On-Site Training, including personnel and other trainee wages.
5. In the event we determine that you and your Initial Trainee Team need more than five (5) days of Initial On-Site Training based on our representatives' reports and/or your team's competency testing results, we may require that: (i) you and your Initial Trainee Team participate in and complete additional Initial On-Site Training beyond those five (5) days; and (ii) you cover or reimburse the costs that we incur in connection with our representatives providing such additional on-site instruction and assistance, including additional travel, lodging and meals over that additional time period (to the extent beyond 5 days).
6. We currently have a set training schedule, but we expect and intend to provide Corporate Training on an as-needed basis once each franchisee has completed any introductory Remote Training and otherwise complied with the Pre-Training Conditions, and Initial On-Site Training on an as-needed basis to each franchisee and its Initial Trainee Team after the franchisee at issue has completed the Corporate Training and otherwise demonstrated that all other pre-opening requirements under that franchisee's Franchise Agreement have been satisfied. We expect to provide the Initial On-Site Training around one to two weeks prior to the contemplated opening of a given Franchised Business, and no Franchised Business may open until it has completed all initial training described in this Item (unless we agree otherwise in writing).

7. Instructional materials, including components of the Manuals, will be provided to you and used as necessary as you proceed through the Initial Training Program. The initial training program is subject to change without notice to reflect updates in the materials, methods and Manuals, as well as changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained.
8. We will typically provide the Initial On-Site Training once you demonstrate to us that you have secured Certificate of Occupancy with respect to your approved Premises and have otherwise undertaken all steps and actions necessary to otherwise open your franchised Center to the public.
9. We typically require that you and your management and other required trainees complete Initial On-Site Training when it is being provided around the opening of your franchised Center. Failure to complete all required initial training to our satisfaction prior may result in default and, if not cured, termination of the Franchise Agreement.
10. As of the Issue Date, our Initial Training Program will be supervised by Alyssa Pivrotto, who has ten (10) years of experience in franchising and multi-unit operations within the health, fitness, and beauty industries. We reserve the right to appoint and substitute other individuals to assist in providing training, but all of our training personnel will typically have at least one (1) year in the subject matters that they teach. We will provide you with access with one (1) copy of our proprietary instructional materials prior to or upon your attendance at our Initial Training Program, which may include our Manuals and certain other instructional materials that we develop.
11. Once we provide you and your Initial Training Team (your initial management and other Center personnel responsible for Management Services) with On-Site Training at your Premises, you or your Designated Manager will be solely responsible for training all subsequent personnel that works at your Franchised Business.
12. The details of our Initial Training Program are set forth in the Chart below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Meet 4EverYoung	2 hours	1 hour	Boca Raton, FL or other designated corporate training location; and/or Premises of Franchisee's Center
Services, Memberships & Supplements	4 hours	3 hours	Boca Raton, FL or other designated corporate training location; and/or Premises of Franchisee's Center
Vendor Review & Inventory Control	2.5 hours	2.5 hours	Boca Raton, FL or other designated corporate training location; and/or Premises of Franchisee's Center
In Center Procedures Luxury Service	5.5 hours	7 hours	Boca Raton, FL or other designated corporate training location; and/or Premises of Franchisee's Center
Staff & Training	3.5 hours	7 hours	Boca Raton, FL or other designated corporate training location; and/or Premises of Franchisee's Center

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Marketing	4.5 hours	0 hours	Boca Raton, FL or other designated corporate training location; and/or Premises of Franchisee's Center
Financial & Business Management	3 hours	3 hours	Boca Raton, FL or other designated corporate training location; and/or Premises of Franchisee's Center
Support Tools & Resources	5 hours	4 hours (observing)	Boca Raton, FL or other designated corporate training location; and/or Premises of Franchisee's Center
Total	30 hours	27.5 hours	

Explanatory Notes

1. Portions of any "Classroom" training may be provided to you via webinar or other online/electronic method that allows us to administer, provide, track report and deliver e-learning education courses and training via a software application (and, if applicable, confirm that you have passed any corresponding test in connection with such training).
2. These hours do not include an additional 10-15 hours of required virtual or remote training, provided by third-party vendors for the required technology platforms (described under the subheading below).
3. In addition to the remote instruction/classes and the portion of our Initial Training Program that is provided at our training facility or corporate offices as described in the Training Chart above, we will send one (1) or more of our trainers to your Franchised Business to provide the Initial On-Site Training to your initial personnel team at the Center, subject to Explanatory Note No. 3 below. Please note, however, that (a) certain of the "On-the-Job" training described in the Training Chart above may be provided or covered during the training we provide at our designated training facility or corporate offices, and (b) certain portions of on-site assistance may be provided instead by remote instruction.
4. As of the Issue Date, we may determine to provide all or certain portions of the Initial Training Program that are capable of being provided remotely via webinar or similar online LMS system to adjust and account for health and safety of both you, your Initial Training team and our training team (due to pandemic and/or similar context in the future).

Third-Party Training in Connection with Certain Approved Products

At times, the third parties associated with the promotion, manufacture and/or distribution/sale of a given Approved Product, Required Item and/or equipment associated with the provision of Applicable Services may offer and/or require additional training or instruction that these third parties will conduct to provide additional information, guidance and any relevant updates regards the Approved Products and use of same in connection with the provision of the Approved Services. Such training will typically be provided at your franchised Center and/or via remote instruction and, regardless, you will be required to ensure that the appropriate personnel and/or contracted providers at your Franchised Business participate in and successfully complete such third-party training and/or instruction. You will be responsible for any wages or other compensation, as well as any other expenses that you and your personnel incur, in connection with completing such third-party training. (Franchise Agreement, Section 6).

Other Training-Related Disclosures

You will be solely responsible for ensuring that your Center personnel participates in, and successfully completes, the On-Site Training we provide at the Premises of your franchised Center prior to and around the time the Center is opened to the public. You must also ensure that Center personnel – other than your Applicable Provider(s) – completes all portions of our pre-opening Initial Training Program that we determine designate for you to provide to such personnel directly. If and when we determine to establish a System-associated orientation program designed to present general and introductory information to the Applicable Provider(s) that you have contracted with regarding (a) the System and Proprietary Marks, (b) brand generally, and/or (c) the core values and culture of a System Center, and/or (d) the kind of Applicable Services the provider will be able to perform at the Center and corresponding equipment/supplies that will be in stock at the Premises for use in connection with the provision of those services/treatments (collectively, the “Orientation Program”), you must notify your Applicable Providers of the Orientation Program and request that they review the same before undertaking any future services at your Premises. (Franchise Agreement, Section 6).

C. Site Selection

You must assume all costs, liabilities, expenses and responsibility for: (i) locating, obtaining and developing a Premises for your Franchised Business; and (ii) constructing, equipping, remodeling and/or building out the Premises for use as a Franchised Business, all in accordance with our System standards and specifications. We may provide you with our current written site selection guidelines, to the extent such guidelines are in place, and any other site selection counseling and assistance we believe is advisable. Our guidelines for site selection may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location. We may then use these factors in determining the suitability of your proposed site for the Premises of your Franchised Business. We may require you to use our Approved Suppliers for site-selection assistance. (Franchise Agreement, Section 5(F)).

In deciding whether to approve a site, we may also consider, among other things: (i) demographic characteristics, traffic patterns, allowed design and building, parking, visibility, allowed signage, and the predominant character of the neighborhood surrounding the proposed site; (ii) competition from other businesses selling similar services and/or products within the area, along with the proximity of the Premises to these businesses and the nature of all other businesses in proximity to the proposed site; (iii) zoning restrictions, soil and environmental issues, and other commercial characteristics; and (iv) the size, appearance, and other physical characteristics of the proposed site.

We must also have the opportunity to review any lease or purchase agreement for proposed Premises before you enter into such an agreement. We will have the right to review the lease and you must ensure that: (i) you and the landlord of the Premises enter into a form of addendum or otherwise integrate the terms of that addendum (collectively, the “Lease Addendum Terms”), which includes (without limitation) a collateral assignment of lease and other entry rights upon termination or expiration of your Franchise Agreement, into the lease or other occupancy agreement for the Premises; and (ii) receiving a written representation from the landlord of the Premises that you will have the right to operate the Franchised Business, including offering and selling the Approved Services and Approved Products, throughout the term of your Franchise Agreement. As part of the Lease Addendum Terms, we will have the option, but not the obligation, to assume or renew the lease for the Premises (the “Lease”) for all or part of the remaining term of the Lease if you are in material default of your Franchise Agreement and/or Lease and/or fail to timely cure that default.

We will use reasonable efforts to approve or reject any proposed location (and corresponding lease/purchase agreement) within 30 days of the date you provide us with all requested materials. If we determine that an

on-site evaluation is necessary, then you must: (i) submit to us in the form we specify a description of the site prior to our representative conducting its on-site evaluation, including evidence that the site satisfies our site selection guidelines and any other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site; and (ii) reimburse us for the expenses incurred in connection with such an evaluation. If we do not provide our specific approval of a proposed location within this 30-day period, the proposed location will be deemed rejected. Our approval only means that the site meets our minimum requirements for a Franchised Business.

Site Selection Area if Opening a Single Franchised Business (and no Development Agreement)

You must secure a Premises that we approve within six (6) months of executing your Franchise Agreement for that Franchised Business, or we may terminate that Franchise Agreement, which must be located within the site selection area set forth in the Data Sheet to your Franchise Agreement (the “Site Selection Area”). Subject to the note below regarding multi-unit development within a Development Area, please note that your Site Selection Area will not be exclusive and other System franchisees and developers may be afforded the right to search for an approved Premises within any portion of your Site Selection Area. Once you secure your approved Premises, however, you will be awarded a Designated Territory as disclosed more fully in Item 12 of this Disclosure Document.

Multi-Unit Development within Development Area Awarded under a Development Agreement

If you enter into a Development Agreement with us for the right to develop multiple Franchised Businesses, then you must ensure that you secure a Premises for each Franchised Business you develop such that you have enough time to buildout and otherwise develop and open each such Franchised Business by the opening deadline set forth in your Development Schedule. The location you propose in connection with each such Franchised Business developed pursuant to a Development Agreement will need to be approved by us in accordance with our then-current System standards and criteria (to the extent reduced to writing and provided to you in the Manuals or otherwise).

Once you secure an approved Premises for a given Franchised Business opened within your Development Area, we will determinate and designate the Designated Territory for that franchised Center in writing (consistent with Item 12 of this Disclosure Document below). If you are developing the Franchised Business to fulfill your commitment under a Development Agreement with us, your Site Selection Area will be your Development Area until your agreement expires and/or is terminated.

D. Time to Open

Single Franchised Business

Except as provided under this heading of Item 11, you must open and commence operations of your Franchised Business within 12 months from the date you execute your Franchise Agreement for that Franchised Business. (Franchise Agreement, Section 6(C)).

We estimate that it will take between six (6) to 12 months to open your Franchised Business from the time you execute your Franchise Agreement. Your total timeframe may be shorter or longer depending on the time necessary to obtain an acceptable Premises, to obtain financing, to obtain the permits and licenses for the construction and operation of the Franchised Business, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Franchised Business, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Franchised Business, including purchasing any inventory or supplies needed prior to opening. If you do not open or operate your Franchised

Business within this 12-month period, then we may terminate your Franchise Agreement unless we agree to extend your opening deadline in writing signed by both parties (Franchise Agreement, Section 6(D)).

Multi-Unit Development under Development Agreement

If you have entered into a Development Agreement to open and operate multiple Franchised Businesses, your Development Agreement will include a Development Schedule containing a deadline by which you must have each of your Franchised Businesses open and operating. Your Development Schedule may depend on the number of Franchised Businesses you are granted the right to open and operate.

If you fail to open any Franchised Business within the appropriate time period outlined in the Development Agreement, we may terminate your Development Agreement. (Development Agreement, Section 14). You will not have any further development rights within the Development Area upon termination of your Development Agreement, except to continue operating the Franchised Business(es) that were already open and operating as of the termination date. We must approve of the Premises you choose for each Franchised Business you are required to open under the Development Agreement.

E. Post-Opening Obligations

After the opening of your Franchised Business, we (or our designee) will (or, if applicable) may provide the following assistance:

1. We may offer, and require you and your Designated Manager and/or any Applicable Provider(s) you engage to attend, additional training programs and/or refresher courses, as we deem necessary in our sole discretion (“Additional Training”). While you have the option to attend any Additional Training we offer, subject to the availability of our classes, we may require that you and your Designated Manager attend up to five (5) days of Additional Training each year at our headquarters in Boca Raton, Florida or other location we designate. You will be required to pay our then-current Additional Training Fee for any Additional Training you and your employees request to attend and any Remedial Training that we require. You will also be solely responsible for all expenses incurred in attending Additional Training. (Franchise Agreement, Section 5(A));
2. We may provide you with continuing consultation and advice, as we deem necessary in our sole discretion, regarding the management and operation of the Franchised Business. We may provide this assistance by telephone, facsimile, intranet communication, Skype®, Zoom® or comparable communication method/channel, as we deem advisable and subject to the availability of our personnel. Certain of this advice and consultation may be provided based on certain reports, guest satisfaction surveys and other brand quality measurements we impose in connection with the operation of your Franchised Business, and such advice/consultation will be subject to your timely provision of any reports we require you to submit. (Franchise Agreement, Section 5(G-H));
3. We may also provide you with additional on-site assistance and/or training, subject to the availability of our field representatives and, upon our request, payment of our then-current Training Fee in connection with any: (i) additional training or on-site assistance that you request we provide; (ii) Remedial Training you or your personnel are required to attend; and/or (iii) training that we provide to any replacement personnel, including any Corporate Training that such personnel must receive prior to undertaking any corresponding duties or responsibilities at your Center. (Franchise Agreement, Section 5(H));

4. We will approve or deny any advertising/marketing materials you wish to use in connection with your Franchised Business as described more fully below in this Item 11 under the heading “Advertising and Marketing.” (Franchise Agreement, Section 5(I));
5. We will approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Section 6(K));
6. We may schedule and hold a franchise conference, as we deem advisable in our sole discretion, to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. In the event we schedule a conference, we may require you to attend for up to five (5) days each year, and it may be combined with our affiliate’s annual System conference for Center owners. You will be responsible for the costs and expenses you incur in connection with any franchise conference and you will be required to pay our then-current attendance/registration fee (Franchise Agreement, Section 5(Q));
7. We will display the contact information of your Franchised Business on the website that we or our designee maintains to advertise and promote the brand, our Proprietary Marks and other Center locations, provided you are in compliance with the terms of your Franchise Agreement. Please see below in this Item 11 under the heading “Advertising and Marketing” for further information;
8. We will administer and maintain a brand development Fund for the benefit of the System, as described more fully below in this Item. (Franchise Agreement, Section 9(F));
9. We may, as we deem appropriate in our discretion, establish and maintain a website or other online portal of any kind that will be accessible by our franchisees, which may be used for purposes of (a) providing updates, supplements and supplemental information that will constitute part of one (1) or more Manual, (b) providing webinars and other training, including portions of our Initial Training Program, (c) providing advertising templates or other marketing/promotional materials, as well as information related thereto, and (d) otherwise communicate with our franchisees regarding the brand, System and/or specific operational/promotional aspects of a Franchised Business (collectively, the “System Site”). (Franchise Agreement, Section 5(E));
10. We will conduct, as we deem advisable in our sole discretion, inspections of the premises and audits of the Franchised Business and your operations generally to ensure compliance with our System standards and specifications. We may also prepare written reports outlining any recommended or required changes or improvements in the operations of a System franchise, as we deem appropriate in our sole discretion, and detail any deficiencies that become evident as a result of any inspection or audit. (Franchise Agreement, Section 5(L));
11. We will supplement, revise or otherwise modify the Manuals and/or a System Site as we deem necessary or prudent in our sole discretion, which may, among other things, provide new operations concepts and ideas. We may provide you with these updates through various mediums, including mail, e- mail and our System-wide intranet. (Franchise Agreement, Section 5(D-E)); and
12. We may: (i) research new services, products and equipment and methods of doing business and provide you with information we have developed as a result of this research, as we deem appropriate in our sole discretion; and (ii) create and develop additional products and services to be offered or provided as Approved Products, Management Services and/or Applicable Services (to be provided by Applicable Providers) from a System Center, including proprietary products and services that

may be sold under the Proprietary Marks (or other marks) we designate. (Franchise Agreement, Section 5(K)).

We may, but are not required to, provide you with assistance on establishing prices at which you must sell your products and services, subject to applicable law.

F. Marketing and Advertising

All advertising and promotion that you use in connection with your Franchised Business must be approved by us and conform to the standards and requirements that we specify. We may make available to you from time to time, at your expense, certain promotional materials, including coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. You will be required to purchase and display any signage in certain parts of your Franchised Business that have high visibility for purposes of notifying customers and prospective customers of specials/promotions regarding our Approved Products and/or Approved Services (and, if appropriate, the fact that the Applicable Services are being provided by Applicable Providers as required by applicable laws). (Franchise Agreement, Section 9(B)).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to use to us for our prior written approval at least 30 days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 15 days of the date we receive the materials from you. If you do not receive our written approval during that time period, however, the proposed materials are deemed disapproved and you may not use such materials. Once approved, you may use the proposed materials for a period of 90 days, unless we: (i) prescribe a different time period for use; or (ii) require you to discontinue using the previously-approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 9(B)). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Designated Territory.

Initial Marketing and Training Spend. In addition to the Local Advertising Requirement, you will be required to expend a minimum of \$25,000 to \$35,000 in connection with the initial marketing and other necessary activities for you and the personnel of your Franchised Business to be ready to open your Center and/or generate potential clients and increase sales consultation appointments, both prior to opening and after any “soft” opening. (Franchise Agreement, Section 9(C)). We expect you will expend these amounts within the period that typically commences around 30-90 days prior to the contemplated opening of your Center and typically ending around 30 days following your soft opening. We may require that you expend any portion of these funds on products and services that you must purchase from our Approved Suppliers. We expect to typically designate the exact amount you must expend as part of your Initial Marketing and Training Spend closer to the time you must start expending these funds on (a) promoting the initial launch and new operations of your franchised Center from the Premises, and/or (b) undertaking various pre-opening sales campaigns and/or calls designed to generate potential Client consultations, appointments and/or interest for when your franchised Center is in a position to open to the public.

Local Advertising Requirement (or LAR). We require that you expend a minimum of \$7,500 as your Local Advertising Requirement each month (also referred to as your “LAR”). (Franchise Agreement, Section 9(D)). You may be required to expend all or any portion of your Local Advertising Requirement on materials, products and services that are provided by our Approved Suppliers.

As of the Issue Date, we require that you pay a third-party Approved Supplier the LAR as consideration for certain digital marketing management and placement services that are provided on an ongoing basis on behalf of your franchised Center and brand generally. In the future, we reserve the right to require that the LAR funds be paid, in whole or in part, to any Approved Supplier we designate. (Franchise Agreement, Section 9(E)).

Brand Development Fund (or “Fund”). We have established a brand development fund (the “Fund”) for the benefit of the System. Under the current form of Franchise Agreement, System franchisees will contribute to the Fund an amount equal to 2% of the Gross Revenue generated by the Franchised Business.

1. We will administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities that we believe will enhance the image of the System. We will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing.
2. We will account for the Fund contributions separately from our other funds and not use the Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. The Fund is not our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest, determined from time to time by Franchisor, which provides Franchisor with a return commensurate with the prevailing interest rate charged by persons in the business of lending money under similar circumstances) to cover deficits, or invest any surplus for future use. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that is principally a solicitation for the sale of franchises, except that we may indicate that there are franchises available on any and all advertising/marketing that is covered by the Fund. We may incorporate the Fund or operate it through a separate entity if we deem appropriate. Any Center owned by us and/or any Affiliate Center may, but is not obligated to, contribute to the Fund in the same manner that each franchised Center is required to contribute.
3. We are not required to spend any of your Fund Contributions in the Designated Territory you are granted under your Franchise Agreement, and we will provide you with an accounting of the Fund within 120 days after our fiscal year end (upon your written request). We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. If we do not spend all Fund Contributions in a given year, we may rollover any excess contributions into the Fund for use during the following year. We will have the right to modify or discontinue the Fund, as we deem appropriate in our sole discretion. (Franchise Agreement, Section 9(F)).

4. In 2024, the Brand Development Fund spent 26% of its funds on creative, 60% on website development and maintenance, and 6% on other marketing efforts (e.g., local center marketing, research). We did not collect any Fund Contributions prior to or during 2024, and therefore we will use future Fund Contributions to pay down the Fund’s deficit.

Advertising (or other Advisory) Council. Currently, we have not established an advertising council (the “Advertising Council”), but we reserve the right to do so in the future. If we establish an Advertising Council, it will serve in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund (if established in the future). At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. We will have the right to modify or dissolve an Advertising Council (if created) at any time. (Franchise Agreement, Section 9(G)).

Regional Advertising Cooperatives (“Cooperatives”). We reserve the right to establish regional advertising cooperatives that are comprised of a geographical market area that contain two or more Centers (whether a Franchised Business or Affiliate-owned) (each a “Cooperative”). If we assign your Franchised Business to a Cooperative we establish, you must work with the other Center owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the Centers within the geographical boundaries of the Cooperative. If you are designated as a member of a Cooperative, you may be required to contribute to the Cooperative in an amount not to exceed the then-current Local Advertising Requirement. All amounts paid to a Cooperative will be credited toward your Local Advertising Requirement and/or Fund Contributions at our discretion and subject to applicable laws. We have not established any Cooperatives as of the Issue Date of this Disclosure Document. We reserve the right to establish the governing rules, terms, and operating procedures of any Cooperative and make them available for Franchisee’s review. (Franchise Agreement, Section 9(I)).

Online Directories. As another means of advertising, you must ensure that the Franchised Business is listed in appropriate Internet-based telephone directories that we designate. You must ensure that your Franchised Business has a dedicated telephone line that is not used for any other purpose.

Remodeling. We may require you to make such additions, alterations, repairs, and replacements at the Premises and to the fixtures, furnishings, signs and inventory therein to comply with Franchisor’s then-current System trade dress, standards and specifications.

G. Computer System: Hardware and Software Requirement and Related Disclosures

We have the right to specify or require that you use certain brands, types, makes, and/or models of computer hardware and software in connection with the Franchised Business, which currently includes:

Hardware
Front Desk – 2 Computers & Monitors (minimum)
Nurse Station – 1 Computer & Monitors (minimum)
Administration Station – 1 Laptop (minimum)
2 tablets (minimum)
1 Cash Drawer, 1 Card Reader, 1 Printer/Scanner and 1 Scanner
1 Firewall, 1 Switch, 2 Access Points
5 TVs (minimum), 6 Speakers (minimum)

We may also require you to use designated software in connection with the Computer System and Franchised Business (the “Required Software”). (Franchise Agreement, Sections 4(C) and 10(C)). In addition to the Computer System above, we typically recommend that franchised Facility owners consider acquiring video camera(s) and other security system components. We reserve the right to approve all of the foregoing hardware before it is used in connection with your Franchised Business, and none of the foregoing hardware may be used for any other purpose other than operating your Franchised Business. You will also need to maintain Internet access via cable broadband or comparable hi-speed connection. (Franchise Agreement, Sections 4(C) and 10(C)).

The approximate pre-opening and initial setup costs of the hardware/software associated with the current Computer System components is approximately \$29,000, some of which must be acquired or licensed (as applicable) from one (1) or more of our Approved Supplier(s). This estimated investment is built into and accounted for as part of the “Computer and POS System, Including AV and IT” estimated range (between \$15,000 and \$35,000) in Item 7 above – which is a more comprehensive package of Required Items that must be purchased from one (1) or more of our Approved Suppliers. In addition, you must pay us a monthly Technology Fee (currently \$179 per month) in connection with technology products or services we determine to (a) associate or utilize in connection with the System, and (b) use the Technology Fee to cover all or certain portion of the corresponding costs. We reserve the right to increase or otherwise modify the Technology Fee at any time upon 30 days’ prior written notice; provided however, that we will not increase the potential maximum fee (currently \$1,000 per month) more than 10% per calendar year. Included in the Technology Fee is the licensing and use of the Center Management Software for your Franchised Business. You must sign the Software License Agreement attached as Exhibit H to the Franchise Agreement to use and gain access to the Center Management Software.

We have a right and you are required to ensure that we are provided with independent and electronic, remote access to the information stored in your POS software and all other components of your Computer System that are related to the operation of a Franchised Business, including without limitation, all information related to customer transactions, operations, inventory, sales and other unit level economics. We have the right to review and inspect your business operations in person as well as disclosed elsewhere in this Disclosure Document. Regardless of what physical or other inspections we determine to conduct in connection with your Franchised Business, there will be no contractual limitations on what we must have remote, independent and 24/7 access to electronically via our right to access your Computer System and all Required Software used in connection with the Franchised Business.

Neither we nor our affiliates nor any third party have any obligation to provide ongoing maintenance, repairs, upgrades, or updates. You must keep your Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System as we direct from time to time in writing. We estimate that you will spend between approximately \$500 to \$1,500 annually on maintenance and support contracts for your Computer System, which includes any upgrades to the Computer System. The Computer System range does not include the investment associated with the security or sound system you must purchase and utilize in connection your Center operations. Franchisor and its Affiliates have no obligation to provide ongoing maintenance, repairs, upgrades, or updates to the Computer System.

You must have the components necessary to ensure that the entire Premises of the Franchised Business has access to the Internet via Wi-Fi connection. We may require that: (i) you comply with our standards and specifications for Internet access and speed; and (ii) the Computer System, including Business Management System, be programmed to automatically transmit data and reports about the operation of the Franchised Business to us. We will also have the right to, at any time without notice, electronically and independently connect with your Computer System to monitor or retrieve data stored on the Computer System (or for any other purpose we deem necessary). There are no contractual limitations on our right to access the

information and data on any component of your Computer System. We may also require you to use a Computer System and/or related software that is administered through us and provides us with automatic access to all data and reports that might be created by such Computer System and/or software, including any security camera footage. (Franchise Agreement, Section 6(R)).

You are also required to participate in any System-wide area computer network, including any System Site that you are provided access to as our System franchisee, that we implement, and may be required to use such networks or System Site to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved local advertising materials; (iv) communicate with us and other System franchisees; and (v) complete certain components of any ongoing training we designate. (Franchise Agreement, Section 4(C)).

H. Website and Internet Use

Except as approved in advance in writing by us, you must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including any profile on Facebook, Instagram, LinkedIn, Instagram, Pinterest, Twitter, YouTube or any other social media and/or networking site. Any such Internet website or presence is considered “advertising” and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more of the above presences on the Internet, you must: (i) establish and operate your World Wide Web or Internet site in accordance with System standards and any other policies we designate in the Manuals or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s).

We have the right to establish and maintain a primary website, that may, without limitation, promote the Proprietary Marks and/or the System (the “Website”), including the contact information of your Franchised Business. For so long as you remain compliant with your obligations under the governing Franchise Agreement, we agree to establish an interior or other page on our brand Website to display the contact information associated with the Franchised Business. We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We (or our Affiliate) are the sole registrant of the Internet domain name, www.4everyoung.com, www.4everyoungantiaging.com, www.fyinstitute.com, as well as any other Internet domain names that we or our affiliates register in the future. You must not register any Internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

You also agree and acknowledge that you will access and utilize any System Site we establish for use in connection with the System, including without limitation, to publish and circulate updates to the System Manual(s).

ITEM 12 TERRITORY

Approved Premises and Relocation

You will operate the Center at a specific location approved by us (referred to as your “Premises”).

You will not be permitted to relocate your Center without our prior written approval, which may be withheld in our discretion. You will be assessed a relocation fee of \$1,000 at the time you submit the proposed location for your relocated Center. Generally, we do not approve requests to relocate your Center after a site selection has been made and you have opened for business unless (a) it is due to extreme or unusual events beyond your control, and (b) you are not in default of your Franchise Agreement. If we approve your relocation request, we retain the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection.

Designated Territory

Once you have secured your Premises, we may award you a Designated Territory within which you will have certain territorial rights. Your Designated Territory will typically be the geographic area comprised of a radius around the Premises of your franchised Center that is approximately two and a half (2.5) miles or that contains a population of around 60,000, provided your Premises is located in a rural or suburban area. If your Center is located in an urban area, such as a city, major metropolitan downtown area or similarly situated/populated central business district (a “Central Business District”), then your Designated Territory may be limited to a five (5) block radius around the Premises or the perimeter of any larger building in which the Premises is located. We may also determine the boundaries of a given Designated Territory so that it contains a certain population or subset of population demographics. We have the right, but not the obligation, to adjust the boundaries of the Designated Territory to reflect population changes in the event of an increase or decrease in the population of your Designated Territory from when it was originally granted to you, by sending written notice to you of the revised boundaries.

We will determine and designate your Designated Territory as we deem appropriate in our discretion and, regardless of how we demarcate your territory, we do not have a minimum Designated Territory that a new Franchised Business or other Center must be awarded. If we determine to base your Designated Territory on population or other demographics at some point in the future, then we expect and intend that the sources we use to determine the population within your Designated Territory will be supplied by (a) the territory mapping software we determine to license or otherwise use, or (B) publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

The size of your Designated Territory will likely vary in size and shape from the Designated Territory awarded to other System franchisees or Centers due to various factors, including without limitation, the location and demographics (including market saturation thresholds and competition count) surrounding your Premises. The boundaries of your Designated Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map.

If and when you are granted a Designated Territory, then we will not open or locate, or license any third party the right to open or locate, another Center utilizing the Proprietary Marks and System from a physical location within that Designated Territory, until such time that your Franchise Agreement expires or is terminated (subject to the next paragraph in this Item).

Franchisor does reserve the right to locate a Center at certain “Non-Traditional Sites” even if those sites are located within your Designated Territory and, as such, we must include the following disclosure in this Item: You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except as expressly provided in the Franchise Agreement, you will have no right to exclude, control or impose conditions on the location, operation or otherwise of present or future Centers, using any of the other brands or Marks that we now, or in the future, may offer, and we may operate or license Centers or

distribution channels of any type, licensed, franchised or company-owned, regardless of their location or proximity to the premises and whether or not they provide services similar to those that you offer. You do not have any rights with respect to other and/or related businesses, products and/or services, in which we may be involved, now or in the future.

Solicitation and Related Rights Within and Outside a Center's Designated Territory

While you and other System Centers will be permitted to have Approved Services provided to potential and existing Clients that visit or otherwise reach out to your Center, you will not be permitted to actively solicit or recruit clients outside your Designated Territory unless we provide our prior written consent. You will not be permitted to advertise and promote your Franchised Business via advertising that is directed at those outside your Designated Territory without our prior written consent, which we will not unreasonably withhold provided (a) the area you wish to advertise in is contiguous to your Designated Territory, and (b) that area has not been granted to any third party in connection with a Center (or Development Agreement) of any kind.

We reserve the right to "occupy" any social media websites/pages and be the sole provider of information regarding the Center on such websites/pages (e.g., a system-wide Facebook page). At our request, you will promptly modify or remove any online communication pertaining to the Center that does not comply with the Franchise Agreement or the Manual. You are not prohibited from obtaining members over the Internet provided your Internet presence and content comply with the requirements of the Franchise Agreement.

Development Agreement and Development Area

If you are granted the right to open two or more Franchised Businesses under our form of Development Agreement, then we will provide you with a Development Area upon execution of this agreement. The size of your Development Area will substantially vary from other System developers based on: (i) the number of Franchised Businesses we grant you the right to open and operate; and (ii) the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Data Sheet.

Each Franchised Business you timely open and commence operating under our then-current form of franchise agreement will be operated: (i) from a distinct site located within the Development Area that we approve (consistent with Item 11 of this Disclosure Document); and (ii) within its own Designated Territory that we will determine and designate in writing once the site for that Franchised Business has been secured. We will approve sites for additional Franchised Businesses developed under your Development Agreement using our then-current site selection criteria and standards as of the date you make a proposal for each such Franchised Business.

We will not open or operate, or license a third party the right to own or operate, a Center utilizing the Proprietary Marks and System from a physical location within the Development Area until the earlier of: (i) the date we define the Designated Territory of the final Franchised Business you were granted the right to operate under the Development Agreement; or (ii) the expiration or termination of the Development Agreement for any reason. We do reserve the right to locate Centers at certain "Non-Traditional Sites" within your Development Area and, for this reason, we must provide the following disclosure: You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Upon the occurrence of any one of the events referenced in subparts (i) and (ii) in the preceding paragraph, your territorial rights within the Development Area will be terminated, except that each Franchised Business

that you have opened and are continuously operating as of the date of such occurrence will continue to enjoy the territorial rights within their respective Designated Territories awarded in connection with those Centers and agreed to by Franchisor in the applicable and governing form of franchise agreement for each such Center.

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your exclusive rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

Reserved Rights Under Both Franchise Agreement and Development Agreement

We and our affiliates reserve the exclusive right to conduct the following activities under the Franchise Agreement and/or Development Agreement (as appropriate): (i) establish and operate, and license any third party the right to establish and operate, other Centers and Franchised Businesses using the Marks and System from any physical location outside of your Designated Territory(ies) and, if applicable, Development Area; (ii) market, offer and sell products and services that are similar to the products and services offered by the Franchised Business under a different trademark or trademarks at any location, within or outside the Designated Territory(ies) and, if applicable, the Development Area; (iii) use the Marks and System, as well as other such marks we designate, to distribute any Approved Products and/or Services in any alternative channel of distribution, within or outside the Designated Territory(ies) and, if applicable, Development Area (including the Internet, mail order, catalog sales, toll-free numbers, wholesale stores, etc.), as further described below; (iv) to (a) acquire, merge with, be acquired by, or otherwise affiliate with, any other company, and (b) have us or any successor/acquiring entity own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Services (but under different marks), within or outside your Designated Territory(ies) and, if applicable, Development Area; (v) market, offer and provide the Approved Services directly to personnel in their respective residence, office or other location of choice and not from a Center located anywhere inside or outside of the Designated Territory; (vi) own and operate Centers in “Non- Traditional Locations” including, but not limited to, airports, malls, any captive venue that requires a ticket or other membership to access, military bases, academic institutions, hospitals, sports arenas and stadia, train stations, casinos, both within or outside your Designated Territory(ies) and, if applicable, Development Area; and (viii) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in your Franchise Agreement and, if applicable, your Development Agreement.

In addition to the above, we have the right to manage, contract with and control any and all relationships with a prospective or existing Client that wishes to contract for any Applicable Services to be performed at locations or areas that comprise more than one (1) Designated Territory (each, an “Applicable Multiple-Market Account”). Once it is determined by you and/or other personnel of your Franchised Business that a given prospective or existing Client is a potential Applicable Multiple-Market Account, then you must provide us with that party’s name and relevant information and we will have the right to contract with and designate the appropriate System Centers at which that Client’s requested Applicable Services will be provided to the individual(s) at issue.

Neither the Franchise Agreement nor Development Agreement grants you any right to engage in any of the activities outlined in the preceding paragraphs under this subheading in Item 12, or to share in any of the proceeds received by us, our affiliates or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders

(via alternate channels of distribution) within your Designated Territory and, if applicable, Development Area.

Internet Sales / Alternative Channels of Commerce

We may sell products and services to clientele located anywhere, even if such products and services are similar to those services/products that System Centers are authorized to offer and sell from their respective Premises. We may use the Internet or other alternative channels of commerce to sell Franchisor's brand products and services. You may only sell the products and services from your approved Center location, and may only use the internet or alternative channels of commerce to offer or sell the products and services, as permitted by us. We will require you to submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise.

Additional Required Disclosures

Neither the Franchise Agreement nor the Development Agreement provides you with any right or option to open and operate additional Franchised Businesses (other than as specifically provided for in your Development Agreement if you are granted multi-unit development rights). Regardless, each Franchised Business you are granted the right to open and operate must be governed by its own specific form of Franchise Agreement.

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. Neither we nor our affiliates have established, nor do we presently intend to establish, other franchised or company-owned businesses that are similar to the Franchised Business and that provide the Approved Products and Approved Services under a different trade name or trademark, but we and our affiliate(s) reserve the right to do so in the future without your consent.

ITEM 13 TRADEMARKS

We grant you a limited, non-exclusive license to use our then-current Proprietary Marks in connection with the operation of your Franchised Business only at your Premises and within your Designated Territory, provided you use these Proprietary Marks as outlined in your Franchise Agreement(s) and our Manuals. The following Proprietary Mark(s) is owned by Franchisor's affiliate 4Ever Marketing and IP LLC (the "TM Licensor"), and registered on the Principal Register of the United States Patent and Trademark Office (or "USPTO"):

Mark	Registration Number	Registration Date
4EVER YOUNG	6,026,433	April 7, 2020

TM Licensor has granted us the perpetual right to use and sublicense others to use the Proprietary Marks, as well as other Marks under a trademark license agreement with an effective date of October 11, 2023. TM Licensor may terminate the trademark agreement if any misuse of these Proprietary Marks materially impairs the goodwill associated with these Proprietary Marks, if we violate any provision of the license agreement or we do not comply with TM Licensor's instruction concerning the quality of these Proprietary Marks. If the trademark agreement is terminated, any then-existing sublicenses (franchises) will continue for the term of the sublicenses, provided that the sublicensees (franchisees) comply with all other terms of their franchise agreements. The trademark license agreement contains no other limitations.

When appropriate, we will work with the TM Licensor to ensure that all required affidavits pertaining to these registrations have been filed or will be filed by the deadlines for our then current Proprietary Marks.

If you have entered into an MSA, you will have the limited right to allow the PE or other Applicable Provider to utilize the Proprietary Marks within the Center Premises in connection with providing the Applicable Services to clientele, subject to the appropriate language regarding such license being included in the executed form of MSA you enter into with such a third party.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending infringement, opposition, or cancellation proceedings involving the Proprietary Marks.

As of the Issue Date, there are no pending material federal or state court litigation regarding our use or ownership rights in any of the Proprietary Marks. To our knowledge, there are no infringing uses that could materially affect your use or our ownership rights in the Proprietary Marks or our rights in 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 affiliate's ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlements. We have the right, but not the obligation, to take action against uses by others that may constitute 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, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement.

We reserve the right, at our sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks for use in identifying the System and the businesses operating under these marks. You must comply with any changes, revisions and/or substitutions at your sole cost and expense.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

You do not receive the right to use any item covered by a patent or copyright, but you can use the proprietary information in the Manual. The Manuals are described in Item 11. Item 11 also describes the limitations on the use of the Manual by you and your employees.

We have no registered copyrights, nor are there any pending patent applications that are material to the franchise. However, we claim copyrights on certain forms, advertisements, promotional materials, software source code and other Confidential Information as defined below.

To our knowledge, there currently are no effective determinations of the U.S. Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us that could materially affect your use of the copyrighted materials in any state. No agreement requires us to protect or defend any copyrights or you in connection with any copyrights.

We may revise our System and 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.

In general, our proprietary information includes “Confidential Information” as defined in our current Franchise Agreement, some of which is contained in our Manual, and includes, among other things, all information (current and future) relating to the operation of the Center or the System, including, among other things, all: (i) manuals, training, techniques, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation and franchising of the Centers; (ii) designs, specifications and information about products and services and (iii) all information regarding members and suppliers, including any statistical and/or financial information and all lists. We disclose to you Confidential Information needed for the operation of a Center, and you may learn additional information during the term of your franchise. We have all rights to the Confidential Information and your only interest in the Confidential Information is the right to use it under your Franchise Agreement.

Both during and after the term of your Franchise Agreement, you must use the Confidential Information only for the operation of your Center under a Franchise Agreement with us; maintain the confidentiality of the Confidential Information; not make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and (iii) follow all prescribed procedures for prevention of unauthorized use or disclosure of the Confidential Information.

We have the right to use and authorize others to use all ideas, techniques, methods and processes relating to the Center that you or your employees conceive or develop. You also agree to fully and promptly disclose all ideas, techniques and other similar information relating to the franchise business that are conceived or developed by you and/or your employees. We will have a perpetual right to use, as well as authorize others to use, those ideas and related work product without compensation or other obligations.

We and/or our affiliates/principals have developed certain trade secrets and other confidential information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Franchised Business. We will provide our trade secrets and other confidential information to you during training, the Manuals, and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your Franchised Business. You may only divulge trade secrets and/or other confidential information to employees who must have access to it to operate the Franchised Business. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non- Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, techniques or materials concerning the franchised business and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or personnel, must be promptly disclosed to us and will be deemed our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed without additional compensation to you. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the

System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Manuals, trade secrets or any other Confidential Information – all of which you must acknowledge are owned by us (subject to applicable laws) – in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

While we recommend that you personally participate and manage the day-to-day operations of your Franchised Business, you may hire a Designated Manager to manage daily operations with our approval. Both you and your Designated Manager will be required to complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities).

We will not unreasonably withhold our approval of any Designated Manager you propose, provided the Designated Manager has completed our Initial Training Program and otherwise demonstrated that he/she a good handle on our System standards and specifications for daily operations of a Center. If the franchisee is a business entity, we do not require the Designated Manager to own an interest in the entity, but the Designated Manager must sign our prescribed form of Confidentiality and Non-Competition Agreement. Your Franchised Business must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our Initial Training Program. In the event that you operate more than one Franchised Business, you must have a properly trained Designated Manager at each Center you own and operate. You must keep us informed at all times of the identity of any personnel acting as Designated Manager, and obtain our approval before substituting a new Designated Manager at any of your locations.

Regardless of whether you have a Designated Manager, in certain states, applicable laws will require that you (as our System franchisee): (i) engage a third-party Professional Entity (or “PE”) that is licensed to provide the Applicable Services to provide certain of such services from the Center premises; and (ii) enter into a compliant form of MSA with that PE to provide the Management Services and otherwise facilitate the PE’s provision of the Applicable Services. The PE will engage, and if necessary, oversee, all ACPs, who must complete the appropriate initial training before seeing clients and/or performing any Applicable Services at the Premises in the event applicable law prohibits you from providing such services directly to clientele at the Premises. You must ensure and represent that you will have an appropriate Applicable Provider on-site to perform any ACP-Related Service that is scheduled or otherwise being performed on a day-to-day basis, and that such Applicable Provider(s) is/are trained with the appropriate System materials and information that we require for these kinds of providers. If you are an individual, then your spouse will also be required to sign the Franchise Agreement or, in the alternative, the form of Personal Guaranty attached to the Franchise Agreement as an Exhibit (the “Guaranty”). If you are a business entity (limited liability company, corporation, partnership, etc.), then (a) each of your shareholders/members/partners (the “Owners”), as applicable, must sign the Guaranty, and (b) at our option, the spouses of each such Owner must sign the Guaranty.

Development Operations under Development Agreement

Under a Development Agreement, you must designate and retain an individual throughout the term of the Development Agreement to act on behalf of you in all transactions concerning your obligations under the Development Agreement (the “Representative”). If you are an individual, you must perform all obligations of the Representative.

The Representative must use reasonable efforts to do the following, during the entire period he serves in that capacity: (1) maintain a direct or indirect ownership interest in the Franchised Business; (2) devote substantial time and reasonable efforts to the supervision and conduct of the Franchised Business and execute the Development Agreement as one of the Principals; and (3) meet our standards and criteria for a Representative as set forth in the Manuals or otherwise in writing by us.

If the Representative or any designee is not able to continue to serve in the capacity of Representative or no longer qualifies, you must promptly notify Franchisor and designate a replacement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must (1) sell or offer for sale only those products, merchandise, and services as we have expressly approved for sale in writing, (2) sell or offer for sale all types of products, merchandise, and services we specify, (3) refrain from any deviation from our standards and specifications without our prior written consent, and (4) discontinue selling and offering for sale any products, merchandise, and services which we may, in our discretion, disapprove in writing at any time. You must only offer and sell the Approved Products at retail, and you are not permitted to sell such Approved Products (including all retail merchandise) at wholesale or for re-sale of any other kind. All Approved Products, including inventory used in connection with the Approved Services, that are sold or offered for sale at the Center must meet our then-current standards and specifications, as established in the Manuals or otherwise in writing. The Franchise Agreement does not limit our right to make changes in the types of authorized products, merchandise, and services.

Any medical or other Applicable Services that require certain levels of education/degree, certification, licenses or similar qualifications in order for an individual to provide such services to a prospective or existing Client at the Center under the laws of the state where that Center located must (and may only) be performed at the Premises by one (1) or more Applicable Providers that have demonstrated he/she/they possess the qualifications necessary to perform the specific kind of ACP-Related Service(s) at issue.

Our standard franchise offering expects and assumes that the PE you enter into an MSA with will engage ACPs with the appropriate levels of education, board certifications, permits licenses, certifications and/or other qualifications necessary to provide the Applicable Services for which they have been engaged or hired from the Premises of your Franchised Business. Our Franchise Agreement does not limit our right to make changes in the types of authorized products, merchandise, and services. We have the right to specify the prices for the products and services you offer and sell, and to establish minimum and maximum prices for such products and services. You must strictly adhere to the lawful prices we establish, subject to applicable law. We retain the right to modify the prices from time-to-time in our reasonable discretion. You must comply with all of our policies regarding advertising and promotion, including the use and acceptance of coupons, gift cards or incentive programs. We do not limit your access to customers in that customers may patronize your Center even if they are not located within your Designated Territory, provided you comply with your advertising and solicitation obligations under your Franchise Agreement.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The following tables list important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

A. Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	Section 3	10 years from the signing of Franchise Agreement.
b. Renewal or Extension of the Term	Section 3	If Franchisee satisfies all of the requirements of the Franchise Agreement, Franchisee will have an option to renew the franchise relationship for 2 consecutive, 10- year periods.
c. Requirements for Franchisee to Renew or Extend	Section 3	Give timely notice; complete to Franchisor's satisfaction all maintenance, refurbishing, renovating and remodeling that Franchisor requires of the premises of the Franchise Business; not be in default of the Franchise Agreement or any other agreement and have complied with the standards and operating procedures prescribed by Franchisor; satisfy all monetary obligations owed to Franchisor or its affiliate; execution of the then-current form of franchise agreement, which may contain materially different terms and conditions than your original contract; sign a release subject to state law; and remain in possession of the premises of the Franchised Business.
d. Termination by Franchisee	Not Applicable	Franchisee may terminate under any grounds permitted by law.
e. Termination by Franchisor Without Cause	Not Applicable	Not Applicable.
f. Termination by Franchisor With Cause	Section 15	We have the right to terminate with cause. If we determine to terminate a Franchise Agreement you have entered into with us to meet your development obligations under your Development Agreement for cause (as set forth in this Chart below), then the termination of that Franchise Agreement will also be grounds for us to terminate your Development Agreement and any future/subsequent development rights you have thereunder.
g. "Cause" Defined – Curable Defaults	Section 15(C)	Curable defaults include: Franchisees failure to pay Franchisor amounts owed when due (5 days to cure); Franchisee fails to perform any of its obligations under the Franchise Agreement or any other Agreement between Franchisee and Franchisor or its Affiliates (15 days to cure); Franchisee fails to furnish reports, financial statements, tax returns, or any other documentation required by the Franchise Agreement (15 days to cure); or Franchisee engages in any conduct or practice which, in the reasonable opinion of the Franchisor, reflects unfavorably upon or is detrimental to the Marks, to the good name, goodwill or reputation of the Franchisor (5 days to cure).

Provision	Section in Franchise Agreement	Summary
h. "Cause" Defined – Non-Curable Defaults	Section 15(A) and Section 15(B)	Non-curable defaults include: material misrepresentation on Franchisee's application for the Franchise Agreement; understatement of Gross Revenue; Franchisee loses the right to possession of the premises or the Lease; if a guarantor or the manager fails to satisfactorily complete the initial training program; unauthorized transfers by Franchisee; Franchisee receives 3 or more notices of default in any consecutive 12 month period; Franchisee is adjudicated as bankrupt, insolvent, or commits any affirmative act of insolvency, or files any action or petition for insolvency; if the Franchisee ceases or takes any steps to cease the operation of the Franchised Business; or if the Franchisee or Franchisee's principal does not timely cure a default within the applicable cure period under a different franchise agreement or other agreement with Franchisor or such an agreement becomes subject to termination or is terminated; failure to offer only those Approved Products and Approved Services that Franchisor authorizes at the Franchised Business; any purchase of any non-approved item or service for use in connection with the Franchised Business; failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates.
i. Franchisee's Obligations on Termination/Non-Renewal	Section 16	Obligations include: cease operations of the Center; de-identification; payment of amounts due to Franchisor and its affiliates; return the Manuals and all other confidential information or items imprinted with any of the Marks; sell to Franchisor products, furnishings, equipment, signs, fixtures, stationery, forms, packaging, and advertising materials at Franchisor's option; modify the interior and exterior of the premises of the Center; if termination is a result of Franchisee's default Franchisee must pay to the Franchisor all costs and expenses incurred as a result of that default; compliance with post- termination non-competition agreement; transfer all telephone and facsimile numbers, all listings and email addresses and social media accounts; and others.
j. Assignment of Contract by Franchisor	Section 13	The Franchisor may assign any or all of its rights arising from the Franchise Agreement, provided that the assignee agrees in writing to assume all obligations undertaken by the Franchisor.
k. "Transfer" by Franchisee – Defined	Sections 13(A) and 13(C)	Franchisee shall not sell, assign, transfer, mortgage, charge, grant a security interest in or otherwise encumber any of the Franchisee's right and interest hereunder or in any assets of the Franchised Business, nor shall any of the guarantors transfer any of their shares in the capital of the Franchisee nor shall the Franchisee amalgamate, merge, reorganize, or engage in any similar proceeding, without in each case obtaining the prior written approval of the Franchisor.
l. Franchisor Approval of Transfer by Franchisee	Section 13(A)	All transfers require our prior written consent, which will not be unreasonably withheld, and we have a right of first refusal to acquire any proposed transfer of interest.

Provision	Section in Franchise Agreement	Summary
m. Conditions for Franchisor Approval of Transfer	Section 13(E)	Conditions of approval include: submit a copy of the offer relating to the Transfer, information relating to the character and business background of the proposed transfer; Franchisee's monetary and other obligations have been satisfied; Franchisee is not in default of any provision of any agreement with Franchisor or its affiliates; transferor signs a general release (subject to state law); transferee enters into a written assignment and guaranty, if applicable; transferee meets our qualifications; transferee signs our then-current form of franchise agreement; transferee completes all required training programs; Franchisee pays a transfer fee to Franchisor amounting to \$10,000; and transfer is in compliance with applicable bulk sales legislation; and others.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Business	Section 13(D)	Except in certain circumstances, you must provide us with a period of 30 days to match any third-party bona fide offer to purchase any interest in the Franchise Agreement or Franchised Business. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o. Franchisor's Option to Purchase Franchisee's Business	16(G)	Upon termination or expiration of the Franchise Agreement, Franchisor has the option, but not the obligation, to purchase Franchisor's equipment and furnishings, inventory and supplies owned and used by the Franchisee in connection with the operation of the Franchised Business at a price equal to the lesser of the book value and the fair market value of the property in question; Franchisor also has the option to have Franchisee assign its lease to Franchisor.
p. Death or Disability of Franchisee	Section 13(B)	Upon the death or mental incapacity of any person holding any interest in the Franchise Agreement, in Franchisee, or in all or substantially all of the assets of the Center, an approved transfer must occur within 120 days.
q. Non-Competition Covenants During the Term of the Franchise	Section 14(A)	During the term of the Franchise Agreement, Franchisee, nor any officer, director, executive, manager, or member of the professional staff, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person (i) divert or attempt to divert any business or customer of Centers to any competing business (as defined in the Franchise Agreement), by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; (ii) own an interest in, manage, operate, or perform services for any competing business which is located within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor has used, sought registration of, or registered the Marks or similar marks, or operates or licenses others to operate a business under the Marks or similar marks; or (iii) subject to and as permitted by applicable law, employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat

Provision	Section in Franchise Agreement	Summary
r. Non-Competition Covenants After the Franchise Is Terminated or Expires	Section 14(B)(1) Section 14(B)(2)	For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation: (1) own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in or involvement with any Competing Business: (i) at the Premises; (ii) within the Designated Territory; (iii) within a 25-mile radius of the perimeter of the Designated Territory; (iv) within another Center's designated territory; or (v) within a 25-mile radius of any other Center's designated territory; (2) solicit business from customers of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose, or subject to and as permitted by applicable laws where the Franchised Business is located, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment; or (3) subject to and as permitted by applicable state law, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.
s. Modification of the Agreement	Section 18(D)	All amendments, changes, or variances from the Franchise Agreement must be in writing.
t. Integration / Merger Clause	Sections 18(E) and 22	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you.
Dispute Resolution by Mediation or Arbitration	Section 21(B) Section 21(C)	You must first submit all dispute and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation or arbitration, which will take place, at our option, at our then-current corporate headquarters (currently Boca Raton, FL). You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. (subject to applicable state law)

Provision	Section in Franchise Agreement	Summary
v. Choice of Forum	Section 21(D) and 21(E)	Subject to the other dispute resolution provisions set forth in the Franchise Agreement and disclosed above in this Item, all claims and causes of action arising out of the Franchise Agreement must be brought in the state or, if appropriate, federal court of general jurisdiction that is closest to, or encompassing, our then-current corporate headquarters (currently Boca Raton, FL). (subject to applicable state law)
w. Choice of Law	Section 21(A)	The Franchise Agreement is governed by the laws of the state of Florida without reference to this state's conflict of laws principles, except that any franchise-specific or franchise-applicable laws of Florida, including those related to pre-sale disclosure and the franchise relationship generally, will not apply to this Agreement or franchise awarded hereunder unless the awarding of said franchise specifically falls within the scope of such Florida laws, regulations or statutes without reference to and independent of any reference to this choice of law provision. (subject to state law)

B. Development Agreement

	Provision	Section in Development Agreement	Summary
a	Term of the Franchise	Section 6.1, Exhibit A	The Development Agreement will commence on the date it is fully executed and end on the earlier of (a) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule or (b) the day that the final Franchised Business is opened.
b	Renewal or extension of the term	Not Applicable	Not Applicable
c	Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d	Termination by franchisee	Not Applicable	Not Applicable.
e	Termination by franchisor without cause	Not Applicable	Not Applicable.
f	Termination by franchisor with "cause"	Section 6.2	<p>We may terminate your Development Agreement with cause.</p> <p>If we determined to terminate your Development Agreement for cause (along with any future development rights that have not been exercised thereunder), such termination will not be grounds (in and of itself) for Franchisor to terminate any existing Franchise Agreements that have been entered into with Franchisor and that govern any Franchised Business that Developer has already opened and commenced operating as of the termination of the Development Agreement, unless the grounds for terminating the Development Agreement is also an independent grounds for terminating such Franchise Agreement(s).</p>
g	"Cause" defined – curable defaults	Section 6.2	You will be provided notice and 30 days to cure any default caused by your failure to meet your development obligations under the Development Schedule for any single Development Period.

	Provision	Section in Development Agreement	Summary
h	"Cause" defined - defaults which cannot be cured	Section 6.2	Your Development Agreement can be terminated by us, without an opportunity to cure, if: (i) you cease to actively engage in development activities in the DMA or otherwise abandon your development business for three (3) consecutive months, or any shorter period that indicates an intent by you to discontinue development of the Franchised Businesses within the DMA; (ii) you become insolvent or are adjudicated bankrupt, or if any action is taken by you, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit of creditors or a receiver is appointed by you; and (iii) any Franchise Agreement that is entered into in order to fulfill your development obligations under the Development Agreement is terminated or subject to termination by us, pursuant to the terms of that Franchise Agreement.
i	Franchisee's obligations on termination/non-renewal	Not Applicable	Not Applicable
j	Assignment of contract by franchisor	Section 8	We have the right to assign our rights under the Development Agreement.
k	"Transfer" by franchisee – defined	Section 8	Any transfer in you (if you are an entity) or your rights/obligations under the Development Agreement.
l	Franchisor approval of transfer by franchisee	Section 8	You may not transfer any rights or obligations under the Development Agreement without our prior written consent.
m	Conditions for franchisor approval of transfer	Not Applicable	Not Applicable
n	Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o	Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p	Death or disability of franchisee	Not Applicable	Not Applicable
q	Non-competition covenants during the term of the franchise	Not Applicable	Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the Development Agreement.
r	Non- competition covenants after the franchise is terminated or expires	Section 9	For a period of two (2) years after the termination/expiration/transfer of your Development Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with a Competing Business: (i) within the Designated Area; (ii) within a 25-mile radius of the perimeter of the Designated Area; (iii) within any other development area granted by Franchisor to any franchisee as of the date of expiration, transfer or termination of the Development Agreement; or (iv) within a 25 mile radius of the perimeter of any other development area granted by Franchisor to any franchisee as of the date of expiration, transfer or termination of the Development Agreement.
s	Modification of the agreement	Section 28	Your Development Agreement may not be modified, except by a writing signed by both parties.

	Provision	Section in Development Agreement	Summary
t	Integration/merger clause	Section 28	Only the terms of the Development Agreement (and ancillary agreements) and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and this Agreement may not be enforceable. Nothing in this Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u	Dispute resolution by arbitration or mediation	Sections 13 and 14	<p>You must first submit all dispute and controversies arising under the Development Agreement to our management and make every effort to resolve the dispute internally.</p> <p>At our option, all claims or disputes arising out of the Development Agreement must be submitted to non-binding mediation, which will take place, at our option, in (a) Boca Raton, FL, or (b) our then-current corporate headquarters. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation (subject to state law).</p>
v	Choice of forum	Section 16	All claims and causes of action arising out of the Development Agreement must be brought in the state or, if appropriate, federal court of general jurisdiction that is closest to Boca Raton, FL or the city and state where we have notified you in writing we have established our then-current corporate headquarters (subject to applicable state law).
w	Choice of law	Section 12	The Development Agreement is governed by the laws of the state of Florida, without reference to this state's conflict of laws principles (subject to state law), except that any franchise-specific or franchise-applicable laws of FL, including those related to pre-sale disclosure and the franchise relationship generally, will not apply to this Agreement or franchise awarded hereunder unless the awarding of said franchise specifically falls within the scope of such FL laws, regulations or statutes without reference to and independent of any reference to this choice of law provision (subject to state law).

ITEM 18 PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

ITEM 19 FINANCIAL PERFORMANCE PRESENTATIONS

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 franchised business or under particular circumstances.

BACKGROUND

As of December 31, 2024, there were three (3) affiliate-owned Centers (each, an “Affiliate Location”) and 56 Franchised Businesses.

In Part I of this Item below, we disclose the Gross Revenue generated by the three (3) Affiliate Locations over the 2022 through 2024 calendar years. Part I excludes the Franchised Businesses because they are discussed in Part II, III, and IV of this Item.

In Part II of this Item below, we disclose the Gross Revenue generated over the 2022 through 2024 calendar years, as applicable, by three (3) Franchised Businesses that were open and operating as of January 1, 2022. In Part II, we exclude: (i) the Affiliate Locations disclosed in Part I; (ii) the 46 Part III Franchised Centers because they were not open during the entire measurement period; and (iii) any Franchised Businesses that transferred ownership.

In Part III of this Item below, we disclose the monthly Gross Revenue over the first 24 months of operation (or lesser period of time) generated by each of the 46 Franchised Centers that opened at some point after January 1, 2022 and that operated for at least one full month in calendar years 2022, 2023 or 2024 (“Part III Franchised Centers”). Part III excludes the performance of (a) the Affiliate Locations disclosed in Part I, (b) the more mature Franchised Businesses that are disclosed in Part II of this Item, (c) any Franchised Businesses that transferred ownership.

In Part IV of this Item below, we disclose the average, median, high, and low Gross Revenues generated in 2024 for the 29 Franchised Businesses open more than 12 months as of December 31, 2024 (excluding Franchised Businesses that transferred ownership in 2023 or 2024).

In Part V of this Item below, we disclose selected KPIs and P&L Line-Items for Reporting Franchised Locations open for more than 12 months as of December 31, 2024. Reporting Franchised Locations include 15 Franchised Locations that were open for more than 12 months as of December 31, 2024 and that submitted standard P&L information. The other Franchised Locations were excluded because they did not provide the requested information.

In Part VI of this Item below, we disclose the average, median, high, and low metrics for selected KPIs and P&L Line-Items for Reporting Franchised Locations open for more than 12 months as of December 31, 2024. Reporting Franchised Locations include Franchised Locations that were open for more than 12 months as of December 31, 2024 and that submitted standard P&L information.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.

Part I: Gross Revenue Generated over 2022 through 2024 Calendar Years by each Affiliate Center

	Year Open	2022	2023	2024
Affiliate Location No. 1	2014	\$2,875,598	\$3,132,076	\$3,059,997
Affiliate Location No. 2	2017	\$1,998,686	\$2,267,321	\$2,210,355
Affiliate Location No. 3*	2022	\$1,105,358	\$2,234,112	\$2,365,033
Total Gross Revenue Generated by Affiliate Locations		\$5,979,642	\$7,633,509	\$7,637,409

*This Center did not open until March 2022.

Part II: Gross Revenue¹ Generated over 2022 through 2024 Calendar Years by each Franchised Center Operating Throughout Such Period of Time (Excluding Transfers)

	Year Open	2022	2023	2024
Franchised Business No. 1	2019	\$1,657,583	\$2,207,944	\$2,141,770
Franchised Business No. 2	2019	\$1,358,804	\$1,799,920	\$1,897,743
Franchised Business No. 6	2021	\$1,243,323	\$2,406,311	\$2,320,240

Explanatory Notes to Parts I and II of this Item 19

1. Gross Revenue Generally. For each Affiliate Location or Franchised Business disclosed in Part I and II of this Item, respectively, the term “Gross Revenue” means the total revenue generated (in U.S. Dollars) by that System location/business over the applicable measurement period noted in the Charts above, including without limitation, revenue generated under its MSA and/or otherwise in connection with the sale and provision of Approved Services and/or Approved Products at the Center (via an Applicable Provider or other legally-compliant structure). One Affiliate Center (Affiliate Location No. 1) also performs services with Optional Equipment, including CoolSculpting® and laser services.

Part III: Average, High, and Low Gross Revenue¹ by Month for the first 24 Months of Operation for the 46 Franchised Businesses Opened After January 1, 2022 and Operational for at Least One Full Month in Calendar Years 2022, 2023, or 2024 (Excluding Transfers)

	1 st Mo.	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th	Mo. 1-12 Total
Average	\$29,859	\$37,103	\$42,062	\$51,286	\$57,595	\$61,921	\$69,112	\$75,256	\$76,124	\$80,114	\$87,938	\$83,709	\$752,077
Median	\$29,524	\$34,790	\$36,735	\$46,183	\$54,677	\$56,222	\$66,489	\$69,526	\$75,359	\$73,202	\$84,693	\$76,312	\$703,712
High	\$62,287	\$92,968	\$87,947	\$121,816	\$146,066	\$136,044	\$137,119	\$186,392	\$168,028	\$194,448	\$201,821	\$185,997	\$1,720,932
Low	\$7,540	\$13,066	\$13,749	\$19,082	\$19,734	\$17,969	\$24,856	\$17,712	\$25,044	\$31,396	\$36,756	\$30,535	\$257,437
# / % Met or Exceeded Average	23 / 48%	23 / 49%	19 / 42%	16 / 38%	17 / 41%	19 / 49%	17 / 45%	15 / 43%	17 / 50%	13 / 42%	15 / 48%	10 / 33%	12 / 43%
# of Locations	46	45	43	40	39	37	36	33	32	29	29	28	28

	13 th	14 th	15 th	16 th	17 th	18 th	19 th	20 th	21 st	22 nd	23 rd	24 th	Mo. 13-24 Total
Average	\$85,326	\$89,649	\$92,272	\$96,102	\$94,288	\$94,541	\$108,137	\$104,674	\$100,392	\$110,648	\$107,815	\$120,473	\$1,204,317
Median	\$77,408	\$88,088	\$80,664	\$82,770	\$83,232	\$82,307	\$94,408	\$93,932	\$92,026	\$103,862	\$85,771	\$114,237	\$1,078,705
High	\$226,397	\$208,254	\$235,102	\$236,412	\$216,782	\$223,651	\$240,974	\$214,885	\$177,519	\$237,737	\$181,602	\$204,208	\$2,603,524
Low	\$28,398	\$15,439	\$47,288	\$41,610	\$38,737	\$57,417	\$56,010	\$57,624	\$55,666	\$71,587	\$61,294	\$66,519	\$597,590
# / % Met or Exceeded Average	10 / 40%	12 / 50%	7 / 32%	8 / 38%	8 / 40%	6 / 33%	6 / 40%	5 / 38%	4 / 33%	4 / 36%	5 / 45%	4 / 50%	5 / 63%
# of Locations	25	24	22	21	20	18	15	13	12	11	11	8	8

Explanatory Notes to Part III of this Item:

1. Gross Revenue Generally. For each Franchised Business disclosed in Part III of this Item, the term “Gross Revenue” means the total revenue generated (in U.S. Dollars) by that Franchised Business over the applicable month of operations immediately following the opening of that center, including without limitation, revenue generated under its MSA and/or otherwise in connection with the sale and provision of Approved Services and/or Approved Products at the Center (via an Applicable Provider or other legally-compliant structure) over that month of operations.

Part IV: Average, Median, High, and Low Gross Revenue¹ for the 32 Franchised Businesses Open More Than 12 Months as of December 31, 2024 (Excluding Franchised Businesses that Transferred in 2023 or 2024)

2024 Gross Revenue	
Average	\$1,111,838
Median	\$934,313
High	\$2,364,019
Low	\$404,250

Of the 32 Franchised Businesses that were open more than 12 months as of December 31, 2024 and are included in this Part IV, 10 (or 31%) met or exceeded the average.

Explanatory Notes to Part IV of this Item:

1. For each Franchised Business disclosed in Part IV of this Item, the term “Gross Revenue” means the total revenue generated (in U.S. Dollars) by that Franchised Business in calendar year 2024, including without limitation, revenue generated under its MSA and/or otherwise in connection with the sale and provision of Approved Services and/or Approved Products at the Center (via an Applicable Provider or other legally-compliant structure) in that year.

Part V: Selected KPIs and P&L Line-Items for Reporting Franchised Locations Open for at least 12 months as of December 31, 2024.

	Loc 1	Loc 2	Loc 3	Loc 4	Loc 5	Loc 6	Loc 7	Loc 8	Loc 9	Loc 10	Loc 11/12	Loc 13	Loc 14	Loc 15
KPIs														
# Customers	3,967	3,655	2,866	2,174	1,973	3,827	2,999	2,026	3,407	2,585	6,597	2,154	1,860	3,768
Revenue Per Customer	\$472	\$581	\$404	\$497	\$506	\$601	\$535	\$417	\$397	\$387	\$472	\$426	\$371	\$500
P&L Summary: \$ in '000														
Revenue	1,871	2,122	1,158	1,081	997	2,298	1,605	846	1,351	1,001	3,113	918	690	1,885
Cost of Goods	584	622	446	213	250	685	389	279	477	329	861	215	226	565
Gross Margin	1,287	1,500	712	868	747	1,613	1,216	566	875	671	2,251	703	464	1,320
Payroll	446	427	410	194	274	675	324	273	369	252	339	304	235	523
Marketing	169	195	136	138	136	162	204	148	130	98	418	132	168	117
Rent	39	137	112	162	108	166	62	143	107	111	112	84	83	126
Royalties / Brand Fund	115	134	69	68	67	138	114	57	94	30	255	66	41	132
Other OpEx	124	173	81	92	141	196	238	179	72	106	238	131	90	85
Adjusted Net Income	395	436	(96)	213	22	361	304	(233)	103	74	891	(14)	(155)	338
P&L Summary: % Revenue														
Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of Goods	31%	29%	39%	20%	25%	30%	24%	33%	35%	33%	28%	23%	33%	30%
Gross Profit	69%	71%	61%	80%	75%	70%	76%	67%	65%	67%	72%	77%	67%	70%
Payroll	24%	20%	35%	18%	27%	29%	20%	32%	27%	25%	11%	33%	34%	28%
Marketing	9%	9%	12%	13%	14%	7%	13%	17%	10%	10%	13%	14%	24%	6%
Rent	2%	6%	10%	15%	11%	7%	4%	17%	8%	11%	4%	9%	12%	7%
Royalties / Fund Contrib.	6%	6%	6%	6%	7%	6%	7%	7%	7%	3%	8%	7%	6%	7%
Other OpEx	7%	8%	7%	9%	14%	9%	15%	21%	5%	11%	8%	14%	13%	4%
Adjusted Net Income	21%	21%	-8%	20%	2%	16%	19%	-28%	8%	7%	29%	-1%	-22%	18%

Part VI: Average, Median, High, Low for Selected KPIs and P&L Line-Items for Reporting Franchised Locations Open for at least 12 months as of December 31, 2024.

	# / %				
	<u>High</u>	<u>Average</u>	<u>Median</u>	<u>Low</u>	<u>Exceeding Avg.</u>
<u>KPIs</u>					
# Customers	6,597	2,924	2,933	1,860	8 / 57%
Revenue Per Customer	\$601	\$438	\$472	\$371	9 / 64%
<u>P&L Summary: \$ in '000</u>					
Revenue	3,113	1,396	1,255	690	7 / 50%
Cost of Goods	861	409	418	213	8 / 57%
Gross Margin	2,251	986	871	464	7 / 50%
Payroll	675	336	331	194	8 / 57%
Marketing	418	157	143	98	7 / 50%
Rent	166	103	111	39	11 / 79%
Royalties / Brand Fund	255	92	81	30	8 / 57%
Other OpEx	238	130	127	72	8 / 57%
Adjusted Net Income	891	176	158	(233)	8 / 57%

Explanatory Notes to Parts V and VI of this Item:

1. # Customers includes the total number of customers that had an appointment at the location in 2024.
2. Revenue Per Customer is the average revenue per customer that had an appointment at the location in 2024.
3. Cost of Goods includes the total amount of products and goods (including injectables, skin care, pharmacy products, and medical supplies) that was sold or consumed by each Reporting Franchised Location in 2024.
4. Payroll includes wages, payroll taxes, and bonuses / commissions (adjusted for normalized employee commission structure) and excludes health benefits, and 401K benefits. The number and type of specific personnel varies among each Reporting Franchised Location but generally includes 1 to 2 front desk coordinators per Reporting Franchised Location, 1 full-time esthetician, 1 to 2 full-time nurse practitioners and/or physician assistant cosmetic injectors, and 1 full-time wellness specialist. Payroll Expenses does not include any amounts that you (or your manager) may pay yourself.
5. Marketing spend includes investments in digital marketing, digital marketing management fees, and local brand-building marketing activities for each Reporting Franchised Location.
6. Rent includes the total amount paid for rent, common area maintenance, and taxes for each Reporting Franchised Location.
7. Other OpEx include but are not limited to insurance, utilities, licenses / permits, bank and credit card fees, medical director fees, medical waste fees, office expenses, normalized telephone expenses (reflecting updated vendor contracts), software and technology fees, uniforms, and other miscellaneous expenses part of the operation of each Reporting Franchised Locations. Other Expenses exclude non-standard and one-time costs including health insurance, one-time legal expenses, 401K contributions, employee meals and entertainment, brand marketing events, uniforms, charitable contributions, recruiting costs, and severance. There are other expenses that will be incurred in the operation of your Franchised Business.
8. Data shown above represents actual Royalty and Fund Contributions paid by each Reporting Franchised Location in 2024. See Item 6 for Royalty and Fund Contributions that you will be required to pay for your Franchised Business.

9. Locations 11 and 12 are owned by the same Franchisee and they submit their information in the aggregate. As a result, the information for those two Franchised Businesses is combined in Location 11 / 12 in Part V. In Part VI, the information for Location 11 / 12 is also combined, but they were still considered to be two locations for purposes of calculating the average and medians.

General Notes to this Item 19

1. We encourage you to consult with your own accounting, business, and legal advisors to assist you in preparing your budgets and projections, and to assess the likely or potential financial performance of your franchise. We also encourage you to contact existing franchisees to discuss their experiences with the system and their franchise business. Existing System franchisees of ours are your best source of information about franchise operations.
2. Prior to entering into any Franchise Agreement with us, we strongly recommend that you first conduct due diligence with your attorney and other business advisors into the industry-specific laws that might impact the manner in which you are required to (a) own and manage Center, (b) establish a relationship with an Authorized Care Provider under an ACP Agreement, (c) ensure the ACP-Related Services, as well as any applicable Management Services, are structured and being provided in accordance with applicable laws and regulations where you contemplate developing one (1) or more Franchised Businesses. While we may not require you to provide us with a Legal Opinion Letter, we recommend that you engage counsel prior to even acquiring any franchise/development rights from us to provide an analysis of these industry-specific laws and potential management/operational structures for a franchised Center under such laws.
3. We also recommend you speak to your business advisors and conduct your own research regarding the prevailing pricing and rates charged by businesses that are similar or directly competitive with a System Center in and around your contemplated Site Selection Area, and consider that information when analyzing this franchise offering before you purchase a franchise or enter into a franchise agreement with us.
4. Please note that this Item 19 does not disclose the initial costs you will incur in connection with constructing, building out and otherwise developing your Franchised Business or its ongoing operations.
5. The figures provided in this Item do not describe any of the operating costs or expenses, including certain tax liabilities that you will be responsible for, professional fees and/or administrative expenses that you might incur in connection with opening and commencing operations of your Franchised Business, including legal and accounting fees that you incur prior to opening. We suggest you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a Franchised Business.
6. Interest expense, interest income, depreciation, amortization and other income or expenses will vary substantially from business to business, depending on the amount and kind of financing you obtain to establish your Franchised Business. You should consult with your tax advisor regarding depreciation and amortization schedules and the period over which assets of your Franchised Business may be amortized or depreciated, as well as the effect, if any, of any recent or proposed tax legislation.

There are no material financial and operational characteristics of the Affiliate Locations that are reasonably anticipated to differ materially from future operational franchise outlets.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, 4Ever Franchisor LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Dan Amin, c/o 4Ever Franchisor LLC at 5458 Town Center Road, 19, Boca Raton, Florida 33486, or at (561) 320-8111, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	6	16	+10
	2023	16	36	+20
	2024	36	56	+20
Company-Owned*	2022	2	3	+1
	2023	3	3	0
	2024	3	3	0
Total Outlets	2022	8	19	+11
	2023	19	39	+20
	2024	39	59	+20

TABLE 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR)
FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
Colorado	2022	0
	2023	1
	2024	0
Florida	2022	2
	2023	1
	2024	3
Indiana	2022	0
	2023	1
	2024	0
Total	2022	2
	2023	3
	2024	2

TABLE 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
AZ	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
CO	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	2	0	0	0	0	3
FL	2022	6	4	0	0	0	0	10
	2023	10	4	0	0	0	0	14
	2024	14	1	0	0	0	0	15
GA	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	3	0	0	0	0	3
IA	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
IL	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
IN	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
KS	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
NC	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	3	0	0	0	0	3
NE	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NJ	2022	0	1	0	0	0	0	1
	2023	1	3	0	0	0	0	4
	2024	4	4	0	0	0	0	8
OR	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
PA	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
SC	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
TX	2022	0	2	0	0	0	0	2
	2023	2	7	0	0	0	0	9
	2024	9	1	0	0	0	0	10
VA	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	2	0	0	0	0	3
Total	2022	6	10	0	0	0	0	16
	2023	16	20	0	0	0	0	36
	2024	36	20	0	0	0	0	56

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Florida	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Total	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Arizona	2	2	0
Florida	4	2	0
Georgia	3	3	0
New Jersey	1	1	0
North Carolina	1	1	0
Pennsylvania	2	2	0
Utah	2	2	0
Wisconsin	1	0	0
Total	16	13	0

Exhibit E contains a list of the names of all current franchisees and the address and telephone number of each of their outlets.

Exhibit E also contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated,

canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, we or our predecessor have had franchisees sign confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with 4Ever Young. You may wish to communicate with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We are not aware of any trademark-specific franchisee organizations associated with the franchise system being offered that require disclosure in this Item.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit F includes the audited financial statements of 4Ever Franchisor LLC (a limited liability company), which comprise the balance sheet as of December 31, 2024 and December 31, 2023, and the related statements of income and member's equity and cash flows period from August 18, 2023 (inception) to December 31, 2023, and the related notes to the financial statements. The Franchisor has not been in business for three years or more and cannot include all the financial statements required by the Rule for its last three fiscal years.

Also attached as Exhibit F are the interim unaudited financial statements dated as of May 31, 2025. Our fiscal year end is December 31.

ITEM 22 CONTRACTS

The following contracts are attached to this Disclosure Document:

Franchise Agreement (and Exhibits)	Exhibit B
Development Agreement (and Exhibits)	Exhibit C
Sample Form of General Release Agreement (example only)	Exhibit G
State-Specific Addenda (if and as applicable)	Exhibit H
Franchisee Questionnaire	Exhibit I

ITEM 23 RECEIPTS

A receipt in duplicate is attached to this Disclosure Document as Exhibit K. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to us.

EXHIBIT A TO THE FRANCHISE DISCLOSURE DOCUMENT**LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner (Agent) North Dakota Securities Department	600 East Boulevard Avenue State Capitol, 14th Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT B-1 TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

**4EVER FRANCHISOR LLC
FRANCHISE AGREEMENT**

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Exhibit D: EFT Withdrawal Authorization Form	
Exhibit E: Form of Confidentiality and Non-Competition Agreement (for use by Franchisee for Management Personnel of the Franchised Business and/or Officers/Directors/Manager of the Franchisee)	
Exhibit F: Conditional Assignment of Telephone/Facsimile Numbers and Domain Names	
Exhibit G: Business Associate Addendum	
Exhibit H: Software License Agreement	

**4EVER FRANCHISOR LLC
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into on this ____ day of _____, 20____ (“Effective Date”), by and between: (i) 4Ever Franchisor LLC, a Delaware limited liability company with its principal place of business at 5458 Town Center Road, #19, Boca Raton, Florida 33486 (the “Franchisor”); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the “Franchisee”).

RECITATIONS

A. Franchisor and its affiliate, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the “System”) related to the establishment, development, opening, and operation of a center (each, a “Center”) that: (i) features aesthetic, cosmetic, anti-aging, weight loss and related services and procedures focus on mental and physical health to individual clients (each, a “Client”) via a third-party physician, aesthetician, registered nurse or other care provider that (a) has the appropriate education/degree, licenses, certifications and/or other qualifications necessary to provide the kind of service at issue (each, a “PE” or “Authorized Care Provider”), and (b) Franchisee, as the manager of the Center, contracts with or otherwise engages to provide these types of services (collectively, the “Applicable Services”) to Clients at the Center, all pursuant to a form of management services agreement (or comparable agreement that complies with applicable laws) that Franchisee acknowledges it is responsible for preparing and ensuring complies with applicable law (a “Management Services Agreement” or “MSA”); and (ii) provides administrative, other back-office support and management services in connection with the overall operations of the Center (collectively, the “Management Services”) pursuant to that MSA and comparable agreement that complies with applicable laws. For purposes of this Agreement, the Applicable Services, as well as any Management Services that Franchisee provides on behalf of a PE or other Authorized Care Provider and other services that Franchisor authorizes for provision in connection with the operation of a Franchised Business, shall be referred to collectively as the “Approved Services”.

B. Franchisor’s System is comprised of various proprietary and, in some cases, distinguishing elements such as: proprietary methodology and procedures for the establishment and operating procedures of a franchised Center, as well as the acquisition, promotion and offering of Approved Products via an Authorized Care Provider; existing relationships with suppliers of certain of the Approved Products, including certain third-party proprietary products that are utilized in connection with certain of the Applicable Services) as well as various items and services you will need to purchase and/or utilize in connection with the establishment and/or ongoing operation of the franchised Center; site selection guidelines and criteria for the prototypical premises of a franchised Center; standards and specifications for the design, layout and construction of the interior and exterior of a typical Center; standards and specifications associated with trade dress and décor of a typical Center; standards and specifications for the furniture, fixtures and/or equipment located within the Franchised Business; established relationships with approved or designated suppliers for certain inventory and other supplies/ingredients necessary to provide the Approved Services; and standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Franchised Business. Franchisor may change, improve, further develop, or otherwise modify the System from time to time, as Franchisor deems appropriate in Franchisor’s discretion.

C. The System and Centers are identified by Franchisor’s Proprietary Marks, including its current principal mark 4EVER YOUNG as of the date of this Agreement, as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor owns or has obtained a license to use and license others to use in connection with the System. The parties agree and acknowledge that

Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

D. Franchisor is in the business of granting qualified individuals and entities a franchise for the right to independently own and operate a single Center utilizing the Proprietary Marks and System at a location that Franchisor approves in writing.

E. Franchisee recognizes the benefits derived from being identified with Franchisor, appreciates and acknowledges the distinctive and valuable significance to the public of the System and the Proprietary Marks, and understands and acknowledges the importance of Franchisor's high and uniform standards of quality, appearance, and service to the value of the System.

F. Franchisee further agrees and acknowledges that: (i) the provision of certain Approved Services at and from the premises of the franchised Center may be deemed to constitute the provision of "medical" or other services that are highly and strictly regulated by both federal and applicable state laws and regulations where the franchised Center will be located; and (ii) Franchisor may require Franchisee to engage independent third-party counsel to prepare a legal opinion letter on Franchisee's behalf that (a) references and analyzes the applicable laws/regulations that will or could be deemed to apply in connection with Franchisee's ownership and management of the franchised Center, (b) provides a legal opinion regarding how the ownership and operations of the Franchisee's contemplated franchised Center should or must be structured to comply with such applicable laws and regulations, and (c) provides factual and legal information and/or arguments to demonstrate that Franchisee's contemplated ownership structure, form of MSA, payment of fees under this Agreement, and overall management and operational structure of the franchised Center, each comply with these applicable laws/regulations as well as the terms and obligations under this Agreement, and (d) if applicable, highlight any proposed changes to the form of MSA or any other contractual term hereunder for review, analysis and, if related to Franchisee's obligations hereunder, considering entering into an addendum to this Agreement to address the relevant points raised in Franchisee's counsel's opinion letter (collectively, the "Legal Opinion Letter").

G. After conducting preliminary due diligence with its business advisors, Franchisee now desires to acquire a franchise for the right to operate a single franchised Center from a premises that Franchisor approves (in accordance with the procedure outlined in this Agreement below), and has submitted an application to obtain such a franchise from Franchisor.

H. Franchisor is willing to grant Franchisee the right to operate a single franchised Center (the "Franchised Business") based, in part, the representations contained in the Franchisee's application and this Agreement that Franchisor materially relied upon in making its determination to award a franchise hereunder, and subject to the other terms and conditions set forth in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

Franchisee and each of its owners and/or guarantors hereby represent and warrant as follows:

A. Franchisor, itself or through any officer, director, employee, personnel or other agent, has not made, and Franchisee has not received, any oral, written, visual, express, or implied

information, representations, warranties, guarantees, or promises regarding the amount of sales levels or income Franchisee might expect to earn from the franchise granted hereby, except as set forth in the Franchise Disclosure Document that Franchisee acknowledges was timely disclosed prior to Franchisee entering into this Agreement (the “FDD”). Franchisee has received, read, and does understand this Agreement and any attachments.

- B. The business venture contemplated by this Agreement involves business risks, including those the various laws, regulations and other industry-specific requirements related to: (i) the management of a Center at which Applicable Services are performed by a PE or other Authorized Care Provider; (ii) the engagement of such Authorized Care Provider(s) via a form of MSA that is subject to review and appropriate modification by Franchisee’s independent legal counsel that specializes on these types of arrangements to ensure compliance with applicable laws/regulations; (iii) the kind of fees and other amounts that Franchisee must pay to Franchisor under this Agreement will not violate any applicable laws/regulations; and (iv) any requirements related to an Authorized Care Provider’s (a) contemplated ownership in Franchisee (if applicable), and/or (b) supervision of any aestheticians, registered nurses and/or other individuals that are involved in the provision of any of the Management Services, including an analysis of any “captain-of-the-ship” requirements that might apply, under applicable laws and regulations where the contemplated Franchised Business will be located.
- C. Franchisee’s success will be dependent upon Franchisee’s ability as an independent businessperson, as well as the qualities and performance of a PE or other Authorized Care Provider(s) with whom Franchisee determines to enter into a MSA to have such Authorized Care Providers perform any Applicable Services at the premises of the Franchised Business to new and existing Client(s).
- D. Under applicable laws and regulations where the Franchised Business is located, Franchisee may be required to ensure that all Clients that receive Approved Services or otherwise visit the Center to learn more about such treatments and services are notified that: (i) any Applicable Services performed at the Center are being performed by an Authorized Care Provider and not Franchisee; and (ii) the Client is or will be the “patient” of the Authorized Care Provider in connection with any Applicable Services that Client receives.
- E. Franchisee understands and agrees that the industry associated with the promotion and provision of Approved Services and related market are both well developed and complete, as set forth in the FDD. Franchisee agrees and acknowledges that: (i) any ACP-Related Services must be provided by a PE or other Authorized Care Providers in accordance with applicable law and pursuant to the terms of a signed MSA that Franchisee provides Franchisor with a copy of prior to that provider performing any Applicable Services or otherwise conducting any consultations in connection with the same in connection with the Franchised Business; (ii) Franchisee will be fully responsible and in control of ensuring compliance with the relevant laws and regulations, as well as all other personnel decisions (including the hiring, engagement or contracting of any PC or other Authorized Care Provider); and (iii) Franchisor’s standard franchise offering assumes and expects that all Authorized Care Provider(s) that Franchisee contracts with to provide Approved Services will already have all appropriate education, degree(s), board certifications, licensing, permits and/or qualifications, as well as satisfying any other regulatory requirements, to provide Applicable Services at and from the premises of the Franchised Business and pursuant to the aforementioned form of MSA with Franchisee.

- F. Franchisee acknowledges and agrees that Franchisor has fully and adequately explained each provision of this Agreement to Franchisee's satisfaction.
- G. Franchisee has consulted with Franchisee's own advisors with respect to the legal, financial and other aspects of this Agreement, the Franchised Center, and the prospects for such business. Franchisee has consulted with such advisors on all relevant issues, including those that will need to be analyzed and opined on to ensure compliance with applicable laws, such as those issues that may need to be addressed in a Legal Opinion Letter.
- H. Any written inquiries made to Franchisor by Franchisee pertaining to the nature of this franchise were answered in writing to the satisfaction of Franchisee, except that Franchisee agrees and acknowledges that Franchisor did not provide any legal advice or opinions regarding the industry-specific laws and regulations that will apply to Franchisee's management of the franchised Center and/or contracting with any PE or other Authorized Care Provider.
- I. Franchisee has had the opportunity and adequate time to independently investigate, analyze, and construe both the franchise being offered hereunder and the terms and provisions of this Agreement utilizing the services of legal counsel, accountants, and other advisors.
- J. Any and all applications, financial statements, and representations submitted to Franchisor by Franchisee, whether oral or in writing, were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement unless the same has been otherwise amended in writing. Franchisee states that he/she is not presently involved in any business activity that could be considered competitive in nature, unless heretofore disclosed to Franchisor in writing.
- K. Franchisee agrees not to contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Marks, trade secrets, methods, procedures, know-how, or advertising techniques which are part of Franchisor's business, or contest Franchisor's sole right to register, use, or license others to use such names or Proprietary Marks, trade secrets, methods, procedures, or techniques. Franchisee recognizes and acknowledges that, as of the date this Agreement is executed, Franchisor does not own formal federal trademark registrations for its primary Proprietary Marks and may modify such marks at any time it determines appropriate.
- L. Franchisee's signature to this Agreement has not been induced by any representation inconsistent with the terms of this Agreement or inconsistent with the Franchise Disclosure Document given to Franchisee by Franchisor.
- M. Franchisee represents and warrants that Franchisee (i) is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by Franchisee of the obligations under this Agreement and that Franchisee is not a party, and (ii) has not within the last ten (10) years been a party, to any litigation, bankruptcy, or legal proceedings other than those heretofore disclosed to Franchisor in writing.
- N. Franchisee agrees and acknowledges that it is solely responsible for ensuring that: (i) it acquires and maintains all business licenses, permits and approvals, including those that

are specifically required to offer and provide the all Management Services to the contracted PE or other Authorized Care Provider(s) that will be providing any Applicable Services at and from the Center and within the Designated Territory (defined below); and (ii) the Franchised Business is otherwise operated in full compliance with all federal, state and local laws and regulations where the Franchisee is located.

- O. Franchisee agrees and acknowledges that: (i) Franchisor may enter into franchise agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of a Center (franchised or otherwise); and (ii) the existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.

2. **GRANT OF FRANCHISE**

- A. **Grant of Franchise.** Franchisor hereby grants Franchisee, subject to the terms, conditions, and obligations of this Agreement, a non-exclusive right and license to use the Proprietary Marks and receive the other benefits of the System in connection with the establishment and ongoing management of a single Franchised Business.
- B. **Approved Premises.** The Franchised Business must be operated from a single location that Franchisor reviews and approves in writing (the "Premises").
- i. If the parties have not agreed on a Premises as of the date this Agreement is executed, Franchisor will designate a general marketing area (the "Site Selection Area") on the data sheet attached to this Agreement as Exhibit A (the "Data Sheet") wherein Franchisee must locate and secure the Premises as detailed in Section 6(A) of this Agreement.
 - ii. Franchisee acknowledges and agrees that: (i) it does not have any territorial rights within the Site Selection Area; (ii) Franchisor may permit other new franchisees to search for the location of their franchised Center within the same Site Selection Area that is assigned to Franchisee under this Agreement if Franchisor determines that the Site Selection Area is large enough to contain additional franchises; and (iii) potential locations for each franchised Center, and resulting Designated Territories (as defined below), within the Site Selection Area will be reviewed and rejected/granted on a first-to-propose basis.
 - iii. Once the Franchisor approves the Premises of the Franchised Business, the location will be set forth in the Data Sheet.
 - iv. Franchisee agrees and acknowledges that if Franchisor requires Franchisee to provide a Legal Opinion Letter, then Franchisee must consult with its counsel regarding the relevant issues that must be addressed in the Legal Opinion Letter and what impact a given site that Franchisee is contemplating as its Premises will or might have on that Legal Opinion Letter and/or the ownership and management of the Franchised Business from that Premises over the term of this Agreement.
- C. **Relocation of Premises.** Franchisee may only use the Premises to operate the Franchised Business. Franchisee may not relocate the Franchised Business to any location other than

the Premises without Franchisor's prior written consent, which Franchisor will not unreasonably withhold, provided: (i) Franchisee secures an alternate location for the Franchised Business within the Designated Territory (as defined below) that meets Franchisor's then-current site selection criteria for the premises of the Franchised Business; (ii) upon Franchisor's request, Franchisee provides Franchisor with a Legal Opinion Letter confirming whether or not the contemplated relocation site will have any impact on Franchisee's operation or management of the Franchised Business or compliance with laws; and (iii) Franchisee promptly reimburses Franchisor for the costs and expenses Franchisor incurs in connection with evaluating any relocation request.

D. **Designated Territory.** Upon locating and securing a Premises, Franchisor will designate a geographical area surrounding the Premises wherein Franchisor agrees that it will not open or locate, or license any third party the right to open or locate, another Center from a physical location that utilizes the System and Proprietary Marks (the "Designated Territory"), for so long as Franchisee is in compliance with this Agreement. The boundaries of the Designated Territory once determined by Franchisor, if and once awarded, will be set forth in the Data Sheet. Franchisor has the right, but not the obligation, to adjust the boundaries of the Designated Territory to reflect population changes in the event of an increase or decrease in the population of the Designated Territory from when it was originally granted to Franchisee, by sending written notice to Franchisee of the revised boundaries.

E. **Rights Not Granted.** Franchisee acknowledges and agrees that this Agreement does not afford Franchisee any rights or options to open any additional Centers and that Franchisee does not have any right to sub-license or subfranchise any of the rights granted hereunder. Franchisee may not use the Proprietary Marks or System for any purpose other than promoting and operating the Franchised Business at the Premises. Franchisor will have sole discretion as to whether it decides to grant Franchisee the right to open any additional Centers, each of which will be governed by a separate form of Franchisor's then-current franchise agreement.

F. **Reservation of Rights.**

1. Notwithstanding anything contained in this Agreement, Franchisor and its parent/affiliates reserve the exclusive right to conduct the following activities under the Franchise Agreement and/or Development Agreement (as appropriate): (i) establish and operate, and license any third party the right to establish and operate, other Centers and Franchised Businesses using the Marks and System at any location outside of Franchisee's Designated Territory(ies) and, if applicable, Development Area; (ii) market, offer and sell products and services that are similar to the products and services offered by the Franchised Business under a different trademark or trademarks at any location, within or outside the Designated Territory(ies) and, if applicable, the Development Area; (iii) use the Marks and System, as well as other such marks Franchisor designates, to distribute any Approved Products and/or Approved Services in any alternative channel of distribution, within or outside the Territory(ies) and Development Area (including the Internet, mail order, catalog sales, toll-free numbers, wholesale stores, etc.), as further described below; (iv) to (a) acquire, merge with, be acquired by, or otherwise affiliate with, any other company, and (b) have Franchisor or any successor/acquiring entity own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar

to the Approved Products and Approved Services (but under different marks), within or outside Franchisee's Designated Territory(ies) and, if applicable, Development Area; (v) market, offer and provide the Approved Services directly to personnel in their respective residence, office or other location of choice and not from a physical location, anywhere inside or outside of the Designated Territory; (vi) own and operate Centers in "Non-Traditional Locations" that include, but are not limited to, airports, malls, any captive venue that requires a ticket or other membership to access, military bases, academic institutions, hospitals, sports arenas and stadia, train stations, casinos, both within or outside Franchisee's Designated Territory(ies) and, if applicable, Development Area; and (vii) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in Franchisee's Franchise Agreement and, if applicable, Franchisee's Development Agreement. Franchisor also reserves the right to manage, contract with and otherwise market to a prospective or existing Client accounts that have been identified as requesting or requiring the provision of Applicable Services from Authorized Care Providers at or from multiple Centers that span across more multiple territories and/or regional (each, an "Applicable Multiple-Market Account").

2. **Modification of System.** Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System.
- G. **Submission of Legal Opinion Letter and Form of MSA** Notwithstanding anything in this Agreement to the contrary, Franchisee agrees and acknowledges that it will be solely responsible for engaging independent counsel to analyze and prepare the (a) Legal Opinion Letter, if required by Franchisor, and (b) form of MSA (or comparable agreement) that Franchisee contemplates entering into with any PE or other Authorized Care Provider for the provision of Applicable Services at the Center. Franchisee must submit the form MSA to Franchisor for review and retention, and Franchisor must acknowledge receipt of the same, at least 30 days prior to the contemplated opening of your Franchised Business and, at Franchisor's option, prior to providing any portions of the Initial Training Program to Franchisee and/or other Center management personnel. Franchisor may also require Franchisee to submit a Legal Opinion Letter prior to attending the Initial Training Program or before opening, and/or at any time during the term of this Agreement. Franchisee will also be responsible for providing Franchisor with any updates to either: (i) the conclusions in the Legal Opinion Letter (if applicable) and any corresponding modification in the operational structure and methods being utilized by the Franchised Business; and (ii) the form of MSA that Franchisee expects and intend to use, or has started using, with any PE or other Authorized Care Provider. Franchisee will be required to indemnify, defend and hold Franchisor and related parties harmless from any damages or claims arising out of Franchisee's breach of this Section or any management or other operations of the Franchised Business that does not comply with all applicable laws and regulations.

3. **TERM AND RENEWAL**

- A. **Initial Term.** Unless previously terminated pursuant to this Agreement, the term of this Agreement shall be for a period of ten (10) years ("Initial Term") commencing as of the Effective Date.

- B. **Renewal Requests and Conditions.** Franchisee may submit a request to renew this Agreement for up to two (2) additional, consecutive terms of ten (10) years each, and must provide each request to renew no less than six (6) months and no more than twelve (12) months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:
1. At the time the renewal request is made, Franchisee is not in default of any provision of this Agreement, any amendment thereof or successor hereto, or any other agreement between Franchisee and Franchisor or the landlord of the Premises. Franchisee must also have complied with the terms and conditions of all the foregoing agreements during the term of this Agreement, as Franchisor determines in its reasonable discretion.
 2. All obligations owed by Franchisee to Franchisor, its affiliates and landlord of the Premises must have been satisfied at the time of the renewal request, and must have been timely performed throughout the term of this Agreement.
 3. Franchisee must execute Franchisor's then-current form of franchise agreement, which may contain materially different terms and conditions from those contained in this Agreement, within thirty (30) days of the date Franchisee is provided with Franchisor's then-current form of franchise agreement.
 5. Franchisee executes a general release under seal, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its officers, directors, shareholders, and employees in their corporate and individual capacities, including without limitation, all claims arising under any federal, state, or local law, rule, or ordinance.
 6. Franchisee must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by Franchisor to the satisfaction of Franchisor.
 7. Franchisee or transferee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Premises and Center within the time frame required by Franchisor, including the design, equipment, signs, interior and exterior décor items, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly-opened System Center.
 8. Franchisee provides Franchisor with: (a) (i) any updates or modified positions regarding the regulatory compliance and other issues discussed in the Franchisee's Legal Opinion Letter (if applicable), or, (ii) in the alternative, provide a signed writing from its counsel that there does not appear to be any such updates or modified position from the original analysis and opinion rendered by Franchisee's counsel prior to the opening of the Franchised Business; or (b) or provide a Legal Opinion Letter if one was not initially provided by Franchisee.

4. **FEES AND PAYMENTS**

A. **Overview of Fees and Amounts Payable by Franchisee.** In consideration of the rights and license granted herein, Franchisee agrees and acknowledges that it must pay the following amounts to Franchisor or, as noted below, the supplier that Franchisor designates or approves in writing (each, an “Approved Supplier”):

1. *Initial Franchise Fee.* Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee amounting to Sixty Thousand Dollars (\$60,000.00) (the “Initial Franchise Fee”), which fee shall be deemed fully earned and non-refundable under any circumstances upon payment.
2. *Royalty Fee.* Franchisee must pay Franchisor an ongoing royalty fee amounting to the greater of: (a) seven percent (7%) of the Gross Revenue of Franchisee’s Franchised Business; and (ii) a minimum royalty (the “Minimum Royalty”) amounting to: (a) \$0 per month during the first six (6) calendar months following the earlier of the actual opening date or the deadline to open the Franchised Business, (b) \$2,500 per month for calendar months seven (7) through twelve (12) following the earlier of the actual opening date or the deadline to open the Franchised Business, and (c) \$5,000 per month in each subsequent calendar month comprising the term of this Agreement (collectively, the “Royalty Fee”). Franchisor reserves the right to collect the Royalty Fee on a weekly, rather than monthly, basis upon notification to Franchisee.
 - a. The Royalty Fee obligation commences upon the earlier of the date the Franchised Business is opened by Franchisee and the required opening date hereunder.
 - b. In the event the Royalty Fees paid to Franchisor in connection with a given month of Center operations does not amount to the applicable Minimum Royalty for that month of operation, then Franchisor will have the right to collect a shortfall payment via Franchisee’s EFT account (discussed more fully below in this Section) amounting to (a) the applicable Minimum Royalty for that month, less (b) the Royalty Fees actually paid to Franchisor in connection with the Franchised Business in connection with that month of operations.
 - c. The Royalty Fee, as well as all other recurring fees described in this Agreement, may be collected or remitted directly to Franchisor using any of the methods described more fully in Section 4(B) of this Agreement.
 - d. *Conditional Recurring Fee in Lieu of Royalty Fee Collection.* If and only if the Legal Opinion Letter (if applicable) prepared by Franchisee’s legal counsel determines that Franchisee is not permitted to remit the Royalty Fee as set forth in this Agreement without violating certain state or other laws and regulations applicable to where the Franchised Business is located, then the parties agree and acknowledge that Franchisee will remit the following recurring amount to Franchisor in lieu of the Royalty Fee obligation described in this Section 4(A)(2) above (the “Alternate Recurring Amount”):

Alternative Recurring Amount	
Calendar Month (Full or Partial) of Operation Following Earlier of Opening Date and Required Opening Deadline	Monthly Alternate Recurring Amount due in that Calendar Month of Operation
Months 0-6	\$0 Per Month
Months 7-12	\$2,500 Per Month
Months 13-24	\$5,000 Per Month
Months 25-36	\$8,000 Per Month
Months 37-48	\$10,000 Per Month
Months 49-60	\$12,000 Per Month
Months 61-72	\$14,000 Per Month
Months 73+	\$16,000 Per Month

During any applicable renewal term, the Alternative Recurring Amount shall be determined by Franchisor but, shall not be less than the Alternative Recurring Amount applicable after month 72 and shall be subject to increase as determined by Franchisor. In the event of a transfer, the starting Alternative Recurring Amount shall be based upon the number of months the Franchised Business had been operating prior to the transfer.

In the event Franchisee or Franchisor shall demonstrate that the Royalty Fee is collectible under applicable law after Franchisee has commenced payment of the Alternate Recurring Amount, then Franchisor shall have the right to impose that Royalty Fee upon 30 days' written notice.

3. *Fund Contribution.* Franchisee must contribute to the brand development fund for purposes of marketing, advertising, promoting and otherwise developing the System, Proprietary Marks and/or brand generally (the "Fund") in an amount equal to two percent (2%) of the Gross Revenue of the Franchised Business (the "Fund Contribution").
4. *Technology Fee.* Franchisee must pay Franchisor or its Approved Supplier a technology fee in the amount of \$179 per month in connection with technology products or services Franchisor determines to (a) associate or utilize in connection with the System, and (b) use the Technology Fee to cover all or certain portion of the corresponding costs (the "Technology Fee"). Included in the Technology Fee is the licensing and use of customer record management (CRM) functions and related reporting for the Franchised Business (the "Center Management Software"). Franchisee must sign the Software License Agreement attached as Exhibit H to use and gain access to the Center Management Software. Franchisor reserves the right, upon 30 days' prior written notice, to increase the Technology Fee; provided, however, that we will not increase the potential maximum fee (currently \$1,000 per month) more than 10% per calendar year.
5. *Required Software.* In addition to the Technology Fee, Franchisee must pay Franchisor or Franchisor's designated Approved Supplier in connection with (a) all computer hardware and related point-of-sale equipment that Franchisor designates or requires for use in connection with the operation of the Franchised Business (the "Computer System"), and (b) all software that Franchisor designates for point-of-sale (POS), and/or otherwise for use in connection with the Computer

System and Franchised Business (collectively, the “Required Software”). As described more fully in this Agreement, Franchisee must also ensure that: (i) Franchisor is afforded independent, electronic access to the Computer System and Required Software at all times during the term of this Agreement; and (ii) Franchisee’s compiling of all customer/client information, contracts and other data is collected and stored in accordance with all applicable data privacy and protection laws applicable to the information at issue, Sections 4(A)(5) and 8(M) of this Agreement, and the Business Associate Addendum attached and incorporated into this Agreement, at all times while Franchisee is in possession of and/or has any custodial or other rights with regards to such data (collectively, the “Client Information”).

6. *All Other Amounts Due in Connection with the Franchised Business (ONLY AS AND IF APPLICABLE AND REQUIRED UNDER LAWS WHERE FRANCHISED BUSINESS IS LOCATED).* In addition to the specified fees and amounts above, Franchisee will be required to pay or expend in connection with: (i) the local advertising and promotion of the Franchised Business via Franchisee’s local advertising requirement set forth in Section 9 of this Agreement (the “Local Advertising Requirement”); (ii) any and all ongoing training or tuition fees described herein; (iii) building out and constructing the Franchised Business, including all initial inventory and suppliers necessary to commence operations; (iv) a monthly music licensing fee; and (v) the items and services that Franchisee will be required to obtain and/or maintain throughout the term of this Agreement in accordance with Franchisor’s System standards and specifications. Franchisor may require Franchisee to purchase any of the foregoing items or services from Franchisor, its affiliate or any other Approved Supplier.

B. Method of Payment; EFT Account Authorization.

1. *Payment Collection Methods.* Franchisor reserves the right to collect any and all fees described in Section 4(A) that are not paid upon execution of the Franchise Agreement via any method that Franchisor determines appropriate, including without limitation: (i) by collecting the amounts owed directly through any payment processing software that Franchisor designates for use in connection with the Franchised Business before the balance of any Gross Revenue collected via such software is remitted to Franchisee; and/or (ii) via an electronic funds transfer program (the “EFT Program”) under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with EFT Program (the “EFT Account”).
2. *EFT Program Participation.* In the event any amounts are collected from or remitted to Franchisee via an EFT Program, Franchisee must immediately deposit all revenues from operation of the Franchised Business into this bank account immediately upon receipt, including cash, checks, and credit card receipts. At least ten (10) days prior to opening the Franchised Business, Franchisee shall provide Franchisor with: (i) Franchisee’s bank name, address and account number; and (ii) a voided check from such bank account. Contemporaneous with the execution of this Agreement, Franchisee shall sign and provide to Franchisor and Franchisee’s bank, all documents, including Franchisor’s form of EFT Authorization Form attached as Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor’s ability to

withdraw funds from such bank account via electronic funds transfer. Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account.

- C. **Franchisor's Right to Access Required Software and Other Computer System Components.** Franchisor may, without notice to Franchisee, have the right to independently and remotely access and view and access any (a) business management, POS, payment processing or other software that Franchisor requires or designates for use in connection with the Franchised Business, and/or (b) any other component of the computer system Franchisor requires for use in connection with the Franchised Business (collectively, the "Computer System") operations (collectively, the "Required Software") via the Internet or other electronic means or by visiting the Center, in order to obtain Gross Revenue and other available information that Franchisor reasonably requests about the Franchised Business. Franchisee must obtain and use the Computer System hardware, software and other components that Franchisor prescribed for use in connection with the Franchised Business, and utilize and participate in any intranet/extranet that Franchisor establishes in connection with the System.

D. **Definition of "Gross Revenue".**

1. For purposes of this Agreement, the term "Gross Revenue" means the total of all revenues received or receivable by Franchisee as payment for services, whether in cash or for credit or barter, or other means of exchange (and, if for credit or barter, whether or not payment is received therefor), on account of any and all goods, merchandise, services or products sold or provided in or from the Franchised Business or which are promoted or sold under any of the Proprietary Marks, during each accounting period of the Term, whether or not Franchisor authorizes or offers such services or products in its other locations, including; (a) revenues from sales of any nature or kind whatsoever, derived by Franchisee or by any other person or entity (including, if applicable, Franchisee's affiliate(s)) from the Franchised Business; (b) sales of Approved Services and/or Approved Products in contravention of this Agreement; and (c) the imputed amount of Gross Revenue used in calculating Franchisee's losses under any business interruption insurance, after the satisfaction of any applicable deductible; and (d) sales from vending devices including pay telephones. "Gross Revenue" includes and will be deemed to include (i) all sums and other consideration received or receivable by Franchisee under a MSA, or similar agreement, with any PE or other Authorized Care Provider that provides medical and /or other Applicable Services to Clients at or from the Premises, and, without duplication, (b) subject to any restriction on Franchisor's ability to collect a royalty on medical services, all sums and other consideration that any PE or other Authorized Care Provider that provides medical and other ACP-Related Services to clients of the Franchised Business that is received or is receivable in connection with the operation of the Franchised Business.
2. Notwithstanding the foregoing, "Gross Revenue" shall exclude the following: (i) any revenues or receivables by Franchisee as payment for medical or physician services, if Franchisor determines that, upon review of the Legal Opinion Letter (if applicable) or otherwise, it cannot legally receive a royalty based on such amounts; (ii) sums representing sales taxes collected directly from customers by Franchisee in the operation of the Franchised Business, and any sales, value added or other tax, excise or duty charged to customers which is levied or assessed against Franchisee by any Federal, state, municipal or local authority, based on sales of specific goods, products,

merchandise or services sold or provided at or from the Franchised Business, provided that such taxes are actually transmitted to the appropriate Governmental Authority; (iii) sums representing tips, gratuities or service charges paid directly by customers to employees of Franchisee or paid to Franchisee and promptly and to the extent turned over to such employees by Franchisee in lieu of direct tips or gratuities; (iv) proceeds from isolated sales of equipment and trade fixtures not constituting any part of Franchisee's products and services offered for resale at the Franchised Business nor having any material effect upon the ongoing operation of the Franchised Business required under this Agreement; (v) revenues received on account of sales of pre-paid gift cards and certificates; provided, however, that revenues received on redemption of such pre-paid gift cards and certificates shall be included as part of "Gross Revenue"; (vi) the amount of any returns, credits, allowances and adjustments to the extent the same are included in original calculation gross revenue; (vii) shipping expenses charged to customers, not to exceed Franchisee's actual shipping costs; and (viii) proceeds from insurance with respect to property damage or liability, to the extent that the amount of such proceeds was included in Franchisee's reported Gross Revenue.

3. The parties agree and acknowledge that Franchisee will be required to comply with all reporting obligations hereunder regardless of whether or not Franchisee's Legal Opinion Letter (if applicable) determines that the Alternate Recurring Fee must be collected instead of a Royalty Fee.

- E. **Right to Modify Payment Interval.** The parties agree and acknowledge that Franchisor may designate and subsequently modify the interval at which it collects Franchisee's Royalty Fee, Fund Contribution and other recurring fees under this Agreement upon written notice. In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.
- F. **Late Payments; Non-Sufficient Funds or Dishonored Check.** If any payment due under this Agreement is not received by Franchisor by the scheduled date due, Franchisee shall be in default under this Agreement. If any payment is overdue, interest begins to accrue on the due date of any payment that has not been timely received or is not paid in full. Franchisee shall pay interest to the Franchisor, in addition to the overdue amount, at a rate of the greater of (a) 1.5% per month (18% per year), or (b) highest commercial contract interest rate applicable laws permit. Franchisee must pay Franchisor \$100 if a check that Franchisee provides to Franchisor is dishonored by the bank or if Franchisee's EFT Account does not have sufficient funds to cover amounts owed to Franchisor under the Franchise Agreement.
- G. **Non-Compliance Fee.** In addition to all other rights and remedies available to Franchisor under this Agreement, in the event of Franchisee's default or non-compliance with this Agreement, the Manuals, or other policies and System standards, for which Franchisor notifies Franchisee of such default or non-compliance, Franchisor may require Franchisee to pay an administrative fee to Franchisor in an amount up to \$500 per occurrence, and up to \$500 for each week such default or non-compliance remains uncured (collectively, the "Non-Compliance Fee"). Such Non-Compliance Fee is intended to reimburse Franchisor for its damages and other losses incurred, as well as the time, expense, and other expenditure of resources incurred due to Franchisee's default or non-compliance. The additional weekly charge is Franchisor's best estimate of the ongoing costs to monitor Franchisor's action until the default or non-compliance is rectified and cured. The Non-Compliance Fee applies to each notice of non-compliance that Franchisor provides

Franchisee, for each separate event, action, or inaction of default or non-compliance. Franchisor's decision to require Franchisee to pay such administrative fee shall be without prejudice to Franchisor's right to terminate this Agreement and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

- H. **Taxes Owed by Franchisee.** No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor. All taxes, charges, or assessments shall be paid by Franchisee to the taxing authorities when due, in addition to the amounts due to Franchisor.
- I. **Security Interest.** Subject to and to the extent permitted by applicable law, Franchisee hereby grants to Franchisor a security interest in all of Franchisee's interests in the real estate where the franchise is located (if Franchisee purchases its Premises), and all improvements to that real estate if the Franchised Business. Franchisee further grants to Franchisor a security interest in all furniture, furnishings, equipment, fixtures, inventory, and supplies located at or used in connection with the Franchised Business, whether now or hereafter leased or acquired, together with all attachments, accessions, accessories, additions, substitutions, and replacements therefore, as well as all cash and non-cash proceeds derived from insurance, the disposition of any such collateral to secure payment and performance of all debts, liabilities, and obligations of any kind of Franchisee to Franchisor under this Agreement, whenever and however incurred, any promissory note given by Franchisee to Franchisor, or any other agreement between them. Franchisee hereby authorizes Franchisor to file and record all financing statements, financing statement amendments, continuation financing statements, fixture filings, and other documents necessary or desirable to evidence, perfect, and continue the priority of the security interests granted herein. Franchisee agrees and understands that it must promptly execute and deliver any such documents to Franchisor upon request. Franchisor will agree to subordinate its security interest to any security interest of a lender that provides Franchisee purchase money financing to acquire assets and/or leased equipment required to start the Franchised Business, if the secured party agrees with Franchisor in writing that in the event of any default by Franchisee, Franchisor shall have the right at Franchisor's option to be substituted as obligor to the secured party and to cure any default.
- J. **No Fee Splitting; No Referrals.** The parties mutually agree, acknowledge and recognize that payment of the Royalty Fee, Fund Contribution and/or other payments described are not intended to and shall not be interpreted or implied as permitting Franchisor to share in fees for medical services if prohibited by Applicable Law, but is acknowledged as the parties' negotiated fair market value compensation for the services and licenses furnished by Franchisor pursuant to this Agreement. The parties acknowledge and agree that none of the benefits granted to the parties under this Agreement is conditioned on any requirement or expectation that the parties make referrals or to be in a position to make or influence referrals to, or otherwise generate business for the other party. The parties further acknowledge that neither party is restricted from referring any service to, or otherwise generating any business for, any other entity of its choosing, provided that neither the Supervising Physician, PC nor Franchisee may directly or indirectly receive or accept rebates, benefits, allowances, or other material consideration from any Supplier or other vendor to the PC or Franchisee.

- K. **Restructuring of Fees.** If at any time during the Term, Franchisor interprets Applicable Law or there is a change to Applicable Law that, in either case, would cause (i) the reduction of, prevention or restriction upon Franchisee to pay Franchisor the full amount of the fees intended to be payable hereunder, including a royalty on the entire gross revenues received by Franchisee, its Affiliates and their business relationships from the benefits provided hereunder, or (ii) the imposition of unintended or unanticipated obligations on the Franchisor (e.g., joint employment with Franchisee or Franchisee's employees), then Franchisor may add to, modify or restructure the arrangements and payment obligations under this Agreement (including the Manuals) to allow the full or a comparable amount of the payments intended hereunder to be paid by Franchisee to Franchisor and for any and all new costs imposed on Franchisor to be reimbursed or paid by Franchisee. Franchisee shall cooperate with Franchisor in connection with any required or necessary changes, including payment of the Alternate Recurring Amount in lieu of the otherwise required Royalty Fee.

5. **DUTIES OF FRANCHISOR**

- A. **Initial Training Program.** Subject to Franchisee's payment of all initial amounts owed to Franchisor upon execution of the Franchise Agreement, Franchisor shall offer and make available an initial training program (the "Initial Training Program") for up to three (3) persons designated by Franchisee tuition-free, provided these individuals attend at the same time. One of the trainees must be Franchisee (or one of Franchisee's principals responsible for the Franchised Business if Franchisee is an entity) and, if applicable, the other attendee must be Franchisee's designated manager that will be responsible for the day to day management of the Franchised Business (the "Center Manager"). The Initial Training Program will be conducted at Franchisor's corporate training location or other Center that Franchisor designates, subject to the schedules and availability of Franchisor's training personnel. Franchisor will provide the Initial Training Program to additional owners of Franchisee or managers of the Franchised Business (subject to the availability of Franchisor's staff), provided Franchisee pays Franchisor its then-current initial training fee for each individual that attends in addition to the first three (3) persons (as well as any expenses incurred). Franchisor will provide the Initial Training Program to additional owners of Franchisee or managers of the Franchised Business (subject to the availability of Franchisor's staff), provided Franchisee pays Franchisor its then-current initial training fee for each individual that attends in addition to the first three (3) persons (as well as any expenses incurred). Franchisor may increase the initial training fee to be up to \$3,000 per day per trainer. Franchisor may condition Franchisee's ability to attend the Initial Training Program and/or Franchisor providing Franchisee with any initial on-site training on Franchisee: (i) expending the required amounts on the marketing and pre-opening sales activities Franchisor designates or otherwise approves in connection with Franchisee's initial marketing plan; (ii) achieve certain pre-opening benchmarks related to lead generation, presales, pre-open bookings, membership sales, and/or hiring adequate staff to operate the Franchise Business (described in the Manuals and updated at Franchisor's discretion); (iii) undertaking all steps to establish and provide Franchisor with access to Franchisee's EFT Account consistent with this Agreement, including providing Franchisor and/or its designee with a signed and completed copy of the authorization form attached to this Agreement as Exhibit D, as well as any other authorizations and approvals necessary for Franchisor or its designee to access such EFT Account; (iv) demonstrating that Franchisee has obtained all required insurance coverages as set forth in this Agreement and the Operations Manual; (v) providing Franchisor with completed and signed copies of all agreements and contracts that are attached as Exhibits to this Agreement, to the extent such

documents have not been signed or need to be updated or completed at that time; and (vi) providing Franchisor with Franchisee's attorney's Legal Opinion Letter wherein counsel provides an analysis and explanation of how Franchisee's contemplated franchised Center's management and operations, including the provision of Applicable Services by an Applicable Provider that enters into a management services agreement with you to perform such services at the Premises (collectively, the "On-Site Training Pre-Conditions").

- B. **Replacement Personnel Training.** Franchisor will also provide the Initial Training Program to any replacement personnel or those who attend but fail to complete the program as well, provided Franchisee pays Franchisor's then-current initial training fee (as well as any costs and expenses incurred).
- C. **Additional and Refresher Training.** Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee and its management to attend such courses. Franchisor may require Franchisee and its designated attendees to pay its then-current training tuition fee in connection with attending additional/refresher training (in addition to Franchisee's obligation to pay for any expenses incurred). Franchisor will not require Franchisee and its management to attend more than five (5) days of additional/refresher training each year.
- D. **Manual(s); System Sites.** Franchisor will loan Franchisee one (1) copy of its proprietary and confidential operations manual prior to the opening of the Franchised Business, as well as any other instructional manuals as Franchisor deems appropriate (collectively, the "Manuals"). Franchisor will also provide Franchisee with access to a list of: (i) all furniture, fixtures, equipment, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Business (collectively, the "Required Items"); (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items (collectively, the "Approved Suppliers"); and (iii) a list of the Approved Products and/or any other Approved Services then-authorized by Franchisor that Franchisee (or an appropriate Authorized Care Provider) must or may provide to prospective and existing Clientele from the Premises of the Franchised Business. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to Franchisee.
- E. **System Site(s).** Franchisor may also establish and maintain one (1) or more System web portals, website(s) and/or intranet for use by Franchisee and other Center owners (each, a "System Site"), wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed on the System Site (to the extent permitted by applicable law). In the event Franchisee or its personnel saves or prints out a hard copy of any Manual, then such electronic/hard versions of said Manual must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose). The provisions of this Section shall survive the term of this Agreement.
- F. **Proposals Regarding Premises; Site Selection Criteria.** Franchisor will provide Franchisee with site selection assistance and guidance with regards to Franchisee's selection of a Premises for the Franchised Business, including Franchisor's then-current site selection criteria, as it deems appropriate in its sole discretion. Franchisor may require

that Franchisee use an Approved Supplier for site selection assistance. Franchisor will also review and approve of any location the Franchisee proposes for the Franchised Business. Franchisor must approve of Franchisee's proposed location, as well as the lease for the Premises (the "Lease") or purchase agreement for the location, prior to Franchisee entering into any such agreement for that location to serve as the Premises of the Franchised Business. Franchisor may condition its approval of any Lease for the proposed Premises on the landlord's execution of the form of collateral assignment of lease and addendum attached to this Agreement at Exhibit C. Franchisor will use reasonable efforts to review and approve of any proposed Premises location and corresponding Lease within thirty (30) days of receiving all reasonably requested information from Franchisee.

- G. **Initial Marketing and Training Spend; Pre-Opening Support Program.** Franchisor may assist Franchisee, as it deems appropriate in its discretion, in connection with: (i) developing and conducting an initial marketing plan designed to generate pre-opening leads for prospective clientele and/or conversion of those leads; and (ii) otherwise promote the Franchised Business within the Designated Territory (the "Pre-Opening Support Program"), which program will be conducted at Franchisee's expense utilizing the initial marketing and training spend described in Section 9 of this Agreement (the "Initial Marketing and Training Spend").
- H. **Continuing Assistance.** Franchisor may, as it deems appropriate and advisable in its sole discretion, provide continuing advisory assistance in the operation of the Franchised Business. Franchisor's determination not to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.
1. Franchisor may provide such assistance via group webinar, Zoom®, Skype® or comparable remote meeting technology, intranet communication(s), telephone or other communication channel Franchisor deems appropriate, subject to the availability and schedules of Franchisor's personnel.
 2. In the event Franchisee requests that Franchisor provide any type of assistance or training on-site at the Franchised Business, then Franchisee may be required to pay Franchisor's then-current training tuition fee (the "Training Fee") in connection with such training (in addition to reimbursing Franchisor for any costs/expenses that Franchisor's personnel incurs in connection with providing such assistance).
- I. **Review of Advertising Materials.** Franchisor will review and approve/reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Business as described in Section 9 of this Agreement.
- J. **Website.** For so long as Franchisor has an active website containing content designed to promote Franchisor's brand, System and Proprietary Marks (collectively, the "Website"), Franchisor will list the contact information of the Franchised Business on this Website, provided Franchisee is not in material default under this Agreement. Franchisor may also provide Franchisee with one or more email address(es), as it deems appropriate in its discretion, which Franchisee must use only in connection with the Franchised Business.
- K. **Private Label Products.** Franchisor may directly, or indirectly through Franchisor's affiliates or designated vendors, develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks to be used by Franchisee and/or offered and sold by Franchisee from a retail or other section of the Premises of the

Franchised Business. Franchisee may be required to purchase these items from Franchisor or any other Approved Supplier that Franchisor designates.

- L. **Inspections of the Franchised Business and Premises.** Franchisor will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Business and, upon 48 hours' notice, of the Premises to ensure that Franchisee is operating its Franchised Business in compliance with the terms of this Agreement, the Manuals and the System standards and specifications. Such inspections may include inspections of the Premises and inspecting any and all books and records, and conducting mystery shop services. Inspections of the Premises will only occur during normal business hours and will only involve the physical area of the Premises specifically devoted to the Franchised Business. Franchisee is solely responsible for ensuring that the Franchised Business is being operated in compliance with all applicable laws and regulations. Franchisor reserves the right to be reimbursed the fee charged by the supplier of the mystery shop program if Franchisee fails a mystery shop inspection.
- M. **Administration of Fund.** If and when established, Franchisor will administer the Fund as it deems advisable to the System in its sole discretion as described more fully in Section 9 of this Agreement.
- N. **No Assumption of Liability.** Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site selection or other approval provided under this Section 5, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its designee in relation to the selection or development of the Premises is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Premises, that the development of the Premises is free of error, nor that the Franchised Business is likely to achieve any level of volume, profit or success.
- O. **Franchisee Acknowledgement Regarding Franchisor's Fulfillment of Pre-Opening Obligations.** If Franchisee believes Franchisor has failed to provide adequate pre-opening services as provided in this Agreement, Franchisee shall notify Franchisor in writing within sixty (60) days following the opening of the Franchised Business. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor fully complied with all of its pre-opening and opening obligations set forth in this Agreement.
- P. **Annual Conference.** Franchisor may establish and conduct an annual conference for Center owners and operators, and may require Franchisee to attend this conference for no more than five (5) days each year. Franchisee will be solely responsible for all expenses incurred in attending the annual conference (including any employee wages), and the then-current registration fee (which Franchisor may increase to be up to \$1,500 per attendee).
- Q. **Delegation of Duties.** Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

6. DUTIES OF FRANCHISEE

A. **Securing a Premises.** Franchisee must secure a Premises within the Designated Territory within six (6) months of executing this Agreement, unless Franchisor agrees to an extension of time in writing. If Franchisor has designated an Approved Supplier for site selection assistance, then it is strongly recommended that Franchisee use this Approved Supplier. If Franchisee is entering into a Lease for the proposed Premises, the form of Lease must be approved by Franchisor and Franchisee must ensure that the Lease contains the following terms as a condition to Franchisor's approval thereof:

1. The leased Premises will only be used as a Franchised Business offers only the Approved Products and Approved Services designated otherwise approved by Franchisor.
2. Franchisor has the right to enter the Premises to make any modifications necessary to protect Franchisor's Proprietary Marks;
3. Upon Franchisor's request, the landlord shall supply Franchisor with a current copy of the Lease;
4. The landlord will notify Franchisor in writing of and upon the failure of Franchisee to cure any default by Franchisee under the Lease, and provide Franchisor with an opportunity to cure the default on behalf of Franchisee within a reasonable period of time;
5. Franchisor will have the option, but not the obligation, to assume or renew the Lease and the occupancy of the business premises, including the right to sublease to another party operating a franchised Center, for all or any part of the remaining term of the Lease upon: (i) Franchisee's default or termination under this Agreement; or (ii) Franchisee's default, termination, or expiration (and failure to renew) of the Lease. In connection with this assumption, Franchisor will not be obligated to pay to the landlord past due rent, common area maintenance, and/or other charges attributable to more than one (1) month. The landlord shall give Franchisor thirty (30) days upon termination of Franchisee's rights under the Lease to exercise this option, which Franchisee must do in writing;
6. The Lease may not be amended, assigned, or terminated without Franchisor's prior written approval.

Upon the surrender of the Premises, Franchisee must conduct a physical inventory so that there is an accurate accounting of inventory, fixtures, furniture, supplies and equipment on hand, and shall provide a signed copy of this physical inventory to Franchisor as of the date of surrender of the Premises. Franchisor shall have the right to enter the Premises at its convenience and conduct said physical inventory on its own.

B. **Lease Compliance.** Franchisee must comply with both the Lease and any additional leasehold covenants and regulations of the building in which the Premises is located. In the event the landlord of the Premises terminates the Lease due to Franchisee's default thereunder, this termination will also constitute a material breach of this Agreement by Franchisee. In the event Franchisor provides appropriate notice as described in Section 6(A) above and assumes control of the Premises and the operation of the former Franchised

Business upon the termination or expiration of the Lease, the future operation of that Center by Franchisor shall not be as an agent of Franchisee and Franchisor shall not be required to account to Franchisee as a result thereof.

- C. **Buildout and Other Pre-Opening Development in Connection with Franchised Business.** Franchisee must complete all construction and build-out of the Premises in a manner consistent with Franchisor's System standards, specifications and any agreed-upon plans and open the Franchised Business to the public no later than twelve (12) months after the date this Agreement is executed. Franchisor may recommend that Franchisee use an Approved Supplier for construction management services. Franchisor must provide its prior written consent before Franchisee may open the Franchised Business, and Franchisor reserves the right to inspect the construction and/or build-out of the Franchised Business at any reasonable time prior to the opening date. Should Franchisee fail to open the Franchised Business for operation within the prescribed period (or, if applicable, within any extended period of time Franchisor approves in writing), this Agreement will be deemed terminated upon written notice from Franchisor to Franchisee without the necessity of further action or documentation by either party.
- D. **Licenses and Permits for Franchised Business.** Prior to opening, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the Franchised Business at the Premises in the Designated Territory, including all required licenses and permits related to: (i) the management of the Center via the performance of the Management Services; (ii) perform Franchisee's obligations under its MSA(s) with its then-current PE or other Authorized Care Provider(s); and (iii) the offer and provision of certain Applicable Services, as well as any other Approved Services, by Authorized Care Provider(s) and/or Franchisee's other personnel at and from the Premises of the Franchised Business.
- E. **Licensing Requirements for Personnel.** Franchisee must ensure that all Applicable Services provided at the Franchised Business are only conducted by individuals that have the necessary education, degrees, board certifications, licenses, permits and/or other qualifications to serve as an Authorized Care Provider for the type of Applicable Services at issue.
- F. **Provision of Authorized Services and Products Only.** Franchisee must: (i) only offer and sell only the Approved Products and Approved Services in connection with the Franchised Business; and (ii) not provide any of the Approved Services that require that a PE or other Authorized Care Provider provide (each, an "Applicable Service"), or consultations associated therewith, at the Center, except through an Authorized Care Provider that has entered into the form of MSA that Franchisee submits to Franchisor that counsel must prepare on Franchisee's behalf. Franchisee may not offer or provide any other products/services and must not deviate from Franchisor's System standards and specification related to the manner in which the Approved Products and Approved Services are offered and sold without Franchisor's prior written consent. Franchisor has the right to add additional, delete or otherwise modify certain of the Approved Products and/or Approved Services from time to time in the Manuals and otherwise in writing, as it deems appropriate in its sole discretion. In the event of a dispute between Franchisee and Franchisor concerning Franchisee's right to carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory, remove the disputed service from those services offered at the Premises, or, if the same are not

already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute.

- G. **Other Devices Prohibited at Premises.** Franchisee is specifically prohibited from installing, displaying, or maintaining any vending machines, gaming machines, automatic teller machines, Internet kiosks, or any other electrical or mechanical device in the Center other than those Franchisor prescribes or approves.
- H. **Fixtures, Furniture, Signs and Inventory.** Franchisee must maintain at all times during the term of this Agreement and any renewals hereof, at Franchisee's expense, the Premises and all fixtures, furnishings, signs, artwork, décor items and inventory therein as necessary to comply with Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. Franchisor will not require Franchisee to make material renovations or refurbishments to the Premises of the Franchised Business more than once every five (5) years, unless such renovation/refurbishment is in connection with a renewal or transfer of this Agreement. The parties agree and acknowledge, however, that the limitation set forth in the preceding sentence will not apply to any request to modify the Proprietary Marks as provided for in this Agreement.
- I. **Compliance with Applicable Laws.** Franchisee must at all times conduct and operate the Franchised Business in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto. Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or Franchisor's affiliates. This Section applies to Franchisee's obligations with respect to the Lead Referral Program and account takeover programs as set forth more fully in this Agreement,
- J. **Required Items.** Franchisee must: (i) purchase any and all Required Items that Franchisor designates for use in connection with the Franchised Business, including without limitation, all products, supplies, inventory, fixtures, Computer System, parts, and materials required for the operation of the Franchised Business; (ii) ensure that all Required Items meet Franchisor's standards and specifications; and (iii) purchase all items Franchisor specifies from the Approved Supplier(s) that Franchise designates, which may include Franchisor or its affiliate(s). Franchisee agrees and acknowledges that Franchisor and/or its affiliates may derive revenue from Required Item purchases.
- K. **Alternative Supplier Approval.** If Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, to the extent known. Franchisee must then follow Franchisor's procedure for evaluating and approving such request and pay Franchisor's product/supplier evaluation fee, in an amount not to exceed \$500 per request. At Franchisor's request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item

Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee's request is approved or denied within thirty (30) days of: (i) Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied. Franchisor may, but is not obligated to, provide Franchisee's proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with Franchisor's usual and customary requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract. Franchisor may re-inspect and revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate.

- L. **Computer Issues.** Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders in connection with the Computer System and operation of the Franchised Business generally.
- M. **Promotional Materials Display.** Subject to and as permitted by applicable laws, Franchisee must openly and prominently display franchise promotional materials provided or designated by Franchisor and participate in any ongoing System-wide sales, specials or other promotions that Franchisor designates.
- N. **Initial Training Program and Other Training/Conference Attendance.** Franchisee and each of its management personnel must attend and successfully completed the Initial Training Program within at least thirty (30) days prior to the "soft opening" of the Franchised Business, and must pay Franchisor the appropriate initial training tuition fees for any person(s) that attend the program in addition to the first three (3) individual attendees. Franchisee must cover all costs and expenses associated with personnel of Franchisee attending the Initial Training Program. Franchisee must also complete any additional or refresher training the Franchisor is permitted to require Franchisee to attend each year, and Franchisee must attend Franchisor's annual conference if conducted. Any failure to attend and complete the Initial Training Program or other training/conferences

described in this Section will be a material default of this Agreement and grounds for termination if not cured within the appropriate cure period set forth in this Agreement (if any).

O. **Training of Center Personnel**

1. *Center Personnel.* Franchisee or at least one (1) of Franchisee's personnel that has successfully completed the Initial Training Program must conduct training classes for, and properly train, all of Franchisee's employees on sales, advertising, maintenance of the Premises, the Business Management System and related computer system components, as well as any other information that is relevant to each employee's role with the Franchised Business, including Franchisor's standards and specifications for operating the Franchised Business, as Franchisor may set forth in the Manuals or otherwise in writing. Further, at least one person that has completed the Initial Training Program must manage the Franchised Business at all times.
2. *Third-Party Training or Instructional Presentations Associated with Certain Approved Products.* To the extent any third-party Approved Supplier or a given Approved Product or other Required Item that Franchisor designated for use in connection with the Franchised Business determines to offer and provide third-party training and/or instruction regarding the Required Item on-site at the Premises, Franchisee must allow such third-party training and instruction to be conducted at the Center at an appropriate time and ensure that appropriate Center personnel participate in such training or information session. For purposes of clarification, this provision will not apply to Authorized Care Providers to the extent such third-party training or instruction to such providers at the Center is not permitted under applicable law.

P. **Hours of Operation.** Franchisee shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may prescribe in the Manuals or otherwise in writing, and must ensure that the Franchised Business is sufficiently staffed.

Q. **Image.** Franchisee shall maintain the image of the Franchised Business at all times in accordance with Franchisor's standards and specifications, including: (i) ensuring that the Premises is maintained in a clean and orderly manner; and (ii) ensuring that all equipment, furniture and fixtures remain in good, clean condition and is properly displayed. Franchisor may require Franchisee to refurbish, renovate and/or otherwise substantively modify the interior of the Franchised Business, including the furniture, fixtures and equipment used at the Premises, no more than once every five (5) years (unless the change is required in connection with a renewal or transfer of this Agreement) so that the Premises and Franchised Business conform with Franchisor's then-current System standards and specifications for a new System Center.

R. **Client Lists and Data/Agreements.** Franchisee must (i) maintain a list of all of current and former clients, as well as a copy of each such client's (a) services agreement(s), and (b) history of Approved Services received by that client by an Authorized Care Provider at the Franchised Business; and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly return this information, which is deemed "Confidential Information" and Franchisor's exclusive property hereunder, to Franchisor upon expiration or termination of this Agreement for any reason. Franchisee acknowledges that Franchisor may have automatic access to any or all of this information via the Computer System and related software that Franchisor requires for use in

connection with the Franchised Business. The parties mutually agrees and acknowledges that, for purposes of this Section and this Agreement generally, the reference to “Clients” will mean the Clients of the Authorized Care Provider that provided the Applicable Services at issue to the individual, if and as required by applicable laws and regulations.

- S. **Promotional Prices; Pricing Guidelines.** Subject to and to the extent permitted under applicable law, Franchisee must use commercially reasonable efforts to shall follow Franchisor’s general leasing/pricing guidelines but, as an independent contractor, Franchisee may exercise flexibility in meeting competition, offering specials, and adapting to local market conditions. Franchisor may request information from Franchisee that has been used to substantiate any reduction in pricing to meet market conditions.
- T. **Management of the Franchised Business.** Franchisee shall manage and operate the Franchised Business in an ethical and honorable manner, and must ensure that all those working at the Franchised Business provide courteous and professional services to customers and always keep its customers’ interests in mind while protecting the goodwill of the Proprietary Marks, System and the Franchised Business. Franchisee must handle all Client complaints and requests for returns and adjustments in a manner consistent with both: (i) applicable laws and regulations for patient interaction that may require such interaction to be handled by the Authorized Care Provider that provided the Applicable Services at issue; and (ii) to the extent not inconsistent with subpart (i), Franchisor’s standards and specifications. Franchisee must consider and act promptly with respect to handling of Client complaints, and implement complaint response procedures with its Authorized Care Provider and/or other Center personnel (consistent and in accordance with applicable law and any guidelines and/or directives that Franchisor sets forth in the Manuals or otherwise in writing.
- U. **Access for Inspections/Audit.** To determine whether Franchisee is complying with this Agreement, Manuals and the System, Franchisor and its designated agents or representatives may, subject to applicable laws/regulations and without prior written notice to Franchisee: (i) inspect the Premises; (ii) observe and monitor the operation of the Franchised Business for consecutive or intermittent periods as Franchisor deems necessary; (iii) interview personnel and customers of the Franchised Business; and (iv) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Business, including all financial information. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken). If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the operation of the Franchised Business.
- V. **Personal Participation by Franchisee.** Franchisee must personally participate in the direct management of the Franchised Business on a full-time basis, unless Franchisee engages a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the Franchised Business when Franchisee is not present. If Franchisee designates a manager at any time, that manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the Franchised Business. Regardless, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.
- W. **Credit Cards and Payment Methods.** Franchisee agrees to accept credit cards at the Premises to facilitate sales, including Visa, MasterCard, American Express and Discover

and any other major credit cards designated by Franchisor. Franchisee may also accept cash and/or checks in connection with the Franchised Business. Franchisee must comply with all applicable laws, regulations and rules related to credit card acceptance and processing, including Payment Card Industry (PCI) security standards.

- X. **Payments to Franchisor.** Franchisee agrees to promptly pay Franchisor all payment and contributions that are due to Franchisor, its affiliates or any Approved Supplier.
- Y. **Employment Decisions.** Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee must ensure that all Center personnel is and remains competent, conscientious, and properly trained. Notwithstanding the foregoing, Franchisee shall not be required to provide any training or direction or supervision to an Authorized Care Provider apart from the System Orientation Program to the extent any additional training, direction or supervision would violate applicable laws and regulations related to the corporate practice of medicine or related issues.

7. **PROPRIETARY MARKS**

- A. **Ownership of Proprietary Marks.** Franchisee acknowledges the exclusive ownership and/or right to use the Proprietary Marks by Franchisor, and Franchisee agrees that during the term of this Agreement and after its expiration or termination Franchisee will not directly or indirectly contest or aid in contesting the validity of the Proprietary Marks or the ownership or rights of the Proprietary Marks by Franchisor. Furthermore, Franchisee intends and hereby concedes that any commercial use Franchisee may make of the Proprietary Marks shall contribute and inure to the commercial use and benefit of Franchisor, which Franchisor may claim to strengthen and further secure ownership of the Proprietary Marks.
- B. **Permitted Use.** It is understood and agreed that the use by Franchisee of Franchisor's Proprietary Marks applies only in connection with the operation of the Franchised Business at the Premises, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor.
- C. **Use of Proprietary Marks in Advertising and Signage.** To develop and maintain high, uniform standards of quality and service and thereby protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:
 - 1. Operate and advertise the Franchised Business only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals; and
 - 2. Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from Franchisor, to immediately discard and cease use of Proprietary Marks or other imagery that has become obsolete and no longer authorized by Franchisor.

3. Upon Franchisor's request, Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Premises, a sign containing the following notice: "This business is owned and operated independently by (*name of franchisee*) who is an authorized licensed user of the trademark, 4EVER YOUNG, a license agreement with 4Ever Franchisor LLC."
- D. **Proprietary Marks are Sole Property of Franchisor.** Franchisee acknowledges that the Proprietary Marks, System, Manual, and all other information and items delivered to Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, including without limitation, video and audio tapes or disks, information communicated by electronic means, and intellectual property, are the sole and exclusive property of Franchisor, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement for the term hereof and strictly in the manner prescribed. Franchisee agrees that it will not, during the term of this Agreement or any time thereafter, contest or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, and other information, intellectual property, and items delivered or provided or to which Franchisee obtains access under this Agreement, nor shall Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement.
- E. **Legal Action Involving Proprietary Marks.** Furthermore, Franchisee agrees to cooperate with and assist Franchisor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the Manuals and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.
- F. **Modification or Substitution of Marks by Franchisor.** If in Franchisor's reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Proprietary Marks, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify, discontinue, or to use one (1) or more additional or substitute trade or service Proprietary Marks then upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages.
- G. **Modification or Substitution of Proprietary Marks by Franchisee.** Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.
- H. **Cease Use of Marks on Termination/Non-Renewal.** Upon termination or expiration and non-renewal of this Agreement, Franchisee agrees to immediately cease use, in any manner

whatsoever, of any of the Proprietary Marks or any other Proprietary Marks or trade names that may be confusingly similar to the Proprietary Marks.

- I. **Disconnection of Telephone Number on Termination/Renewal.** Franchisee acknowledges that there will be substantial confusion among the public if, after the termination or expiration and non-renewal of this Agreement, Franchisee continues to use advertisements and/or the telephone number listed in the telephone directory under the term “Now” or any name similar to it. Thus, effective upon the termination or expiration and non-renewal of this Agreement, Franchisee agrees to direct the telephone company servicing Franchisee, per Franchisor’s request, to disconnect the telephone number used in connection with the Franchised Business or transfer such number to Franchisor or to any person or location of Franchisor’s choosing. If Franchisee fails to take these steps, Franchisee shall be deemed to have hereby irrevocably appointed Franchisor as Franchisee’s attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company or yellow pages directory company, Franchisor will be deemed for purposes hereof to be the subscriber of such telephone numbers, with full authority to instruct the applicable telephone or yellow pages directory company as to the use and disposition of telephone listings and numbers. Franchisee hereby agrees to release, indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor’s instructions.
- J. **Non-Exclusive Use of Proprietary Marks.** Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor in its sole discretion has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement, and that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.
- K. **Acknowledgements.** With respect to Franchisee’s use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:
1. Franchisee shall not use the Proprietary Marks as part of Franchisee’s corporate or any other business name, domain name, e-mail address or any social media or social networking profile/page;
 2. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefor without Franchisor’s prior written consent; and
 3. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.
- L. **Use Outside Scope.** Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this license without Franchisor’s prior written consent is an infringement of Franchisor’s exclusive right to use the Proprietary Marks and, during the term of this Agreement and after the expiration or termination hereof, Franchisee covenants

not to directly or indirectly commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.

- M. **Notification of Infringement.** Franchisee shall notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.
- N. **Indemnification Regarding Marks.** Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Business, provided: (i) such use is in full compliance with Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section 7. Notwithstanding anything in this Section to the contrary, Franchisor's liability under this Section shall be limited to no more than the Initial Franchise Fee paid under this Agreement.
- O. **Other Obligations of Franchisee.** In addition to all other obligations of Franchisee with respect to the Proprietary Marks licensed herein, Franchisee agrees:
1. To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the Internet or otherwise online, except as approved in writing by Franchisor; and
 2. To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.
- P. **Limited Use or Non-Use of Proprietary Marks by Authorized Care Providers if Required by Applicable Laws.** In the event applicable laws/regulations where the Franchised Business is located require that all Applicable Services be provided at the Center Premises by a PE or other Authorized Care Provider to Clients that must be notified that such services/treatments are being performed by the Authorized Care Provider and not Franchisee, then Franchisee must ensure that the Authorized Care Providers are not using the Proprietary Marks in any manner that would suggest that Franchisee or Franchisor is the party providing any Applicable Services to such prospective or existing Clients.

8. OPERATIONS MANUALS AND CONFIDENTIAL/CONFIDENTIAL INFORMATION

- A. **Compliance with Manuals.** In order to protect the reputation and goodwill of Franchisor and the System, and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct the Franchised Business in strict accordance with Franchisor's Manuals.
- B. **Franchisee's Control of Center.** Franchisee acknowledges the Manuals provided by Franchisor to Franchisee is intended to protect Franchisor's standards, systems, names, and marks and is not intended to control day-to-day operation of Franchisee's business. Franchisee further acknowledges and agrees that Franchisee's Business will be under the control of the Franchisee at all times. Franchisee will be responsible for the day-to-day operation of the business.
- C. **Confidential Information.** In connection with the operation of the Franchised Business, Franchisee will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or Confidential Information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business.
- D. **Trade Secrets and Confidential Information.** The confidentiality requirements set forth in the preceding paragraph will remain in full force and effect during the term of this Agreement and in perpetuity after its termination or expiration and non-renewal. Franchisor's trade secrets and Confidential Information include the following:
1. The Manuals;
 2. Any Client Information, as more fully described in Sections 4(A)(5) and 8(M), including agreements, records and history of transactions with the Approved Care Provider and/or Franchised Business (subject to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and all other applicable, privacy laws);
 3. Information that relates in any manner to Franchisor's business or the System, including without limitation, information relating to Franchisor's marketing materials and methods whether oral or reduced to writing, that is not generally known to, or readily ascertainable by, other persons who might derive economic benefit from its disclosure or use; and
 4. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential (collectively, the "Confidential Information").
- E. **Confidential Information as Property of Franchisor.** Franchisee acknowledges and agrees that the Confidential Information and any business goodwill of the Franchise are Franchisor's sole and exclusive property and that Franchisee will preserve the confidentiality thereof. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings incorporating any

Confidential Information will be immediately turned over by Franchisee, at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

- F. **Information Not Proprietary.** Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as hereinafter defined) is information which:
1. Becomes publicly known through no wrongful act of Franchisee or Restricted Persons; or
 2. Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully known to them without confidential restriction from a source other than Franchisor.
- G. **Reasonable Efforts to Maintain Confidentiality.** Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such information secret and confidential. The Manuals must remain at the Premises and be kept in a secure location, under lock and key, except when it is being studied by Franchisee or Franchisee's employees. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.
- H. **Prevention of Unauthorized Use or Disclosure.** Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its owners, Authorized Care Providers, managers, officers, directors, shareholders, and partners of Franchisee (collectively, "Restricted Persons") execute a prescribed form of confidentiality agreement that will be in substantially the same form attached to this Agreement as Exhibit E (the "Confidentiality and Non-Competition Agreement"). Franchisee must obtain a signed copy of the Confidentiality and Non-Competition Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee's spouse or significant other shall also be bound by the same requirement and shall sign the same Confidentiality and Non-Competition Agreement. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Non-Competition Agreement within ten (10) days of Franchisor's request.
- I. **Manuals.** Franchisor will provide Franchisee with access to the Manuals. The Manuals shall at all times remain the sole property of Franchisor and must be returned to Franchisor upon termination or expiration and non-renewal of this Agreement.
- J. **Modification of Manuals.** In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions. Franchisee agrees at all times to keep its copy of the Manuals current and up-to-date. In the event of any dispute as to the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained by Franchisor at its home office shall be controlling. Out-of-date pages must be returned to Franchisor immediately upon replacement. Franchisor may provide any supplements,

updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

- K. **Improvements.** Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Franchisee or its employees or agents that are in any way related to the establishment or operation of the Franchised Business (collectively, the “Improvements”), all of which shall be automatically and without further action owned by Franchisor without compensation to Franchisee (including all intellectual property rights therein). Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor’s interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Franchisee hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.
- L. **Generative AI.** Franchisee will not, without Franchisor’s prior written consent, utilize any generative artificial intelligence software, tools, or technologies, including, natural language processing, deep learning algorithms, or machine learning models (“Generative AI”) directly or indirectly in the operation of the Franchised Business or the Center, including without limitation, in advertising, promotion, or marketing of the Franchised Business or the Center, communications with customers, business planning, analysis or optimization, or in any social media. Franchisee acknowledges and agrees not to upload or share any Confidential Information (including any inputs of information containing trade secrets, sensitive confidential information or personal information) with any unapproved third-party platforms, including Generative AI, except as authorized in writing by Franchisor. In addition, Franchisee shall prohibit its employees from using any Confidential Information in Generative AI. In the event Franchisee utilizes any Generative AI, with or without Franchisor’s prior approval, Franchisee shall comply with all laws applicable to such use, including without limitation, all trademark, copyright, and biometric laws, and shall not infringe upon the intellectual property of a third party, or use such intellectual property without appropriate authorization and attribution.
- M. **Client Information.** All Client Information created, accessed, used, disclosed, transmitted, or maintained by Franchisee shall remain the property of Franchisor. Franchisee agrees to comply with all applicable state and federal patient confidentiality and privacy laws. Franchisor shall (i) maintain an electronic health record system and related software (“EHR”) that provides an efficient and effective platform for Franchisee, (ii) maintain the confidentiality, privacy, retention and custody of the Client Information, and (iii) with regard to the Client Information, comply with, and ensure that the maintenance, access, use, and disclosure of the Client Information occurs in accordance with, applicable federal, state and local law, regulations and applicable accreditation standards including HIPAA. The Franchisor shall allow the Franchisee to use and disclose Client Information as required to exercise the rights granted under this Agreement and such use and disclosure of such records will be controlled by the Business Associate Addendum attached and incorporated into this Agreement.

9. ADVERTISING

- A. **Advertising and Sales Promotion Programs.** Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of Centers operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including without limitation, the type/quantity/timing/placement and choice of media, and market areas and advertising agencies, the System standards and specifications established by Franchisor shall be final and binding upon Franchisee. Franchisor may also request that Franchisee purchase and/or make copies of (and Franchisee's expense) and subsequently use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Business.
- B. **Franchisor Approval.** All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and shall conform to Franchisor's standards and requirements as set forth in the Manuals or otherwise. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by Franchisor or previously approved by Franchisor during the twelve (12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have thirty (30) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this thirty (30) day period, the proposed materials will be deemed rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Once approved, Franchisee may use the proposed materials for a period of ninety (90) days, unless Franchisor prescribes a different time period for use or requires Franchisee to discontinue using the previously-approved materials in writing. Franchisor may revoke its approval of any previously-approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee or to be used by a Cooperative, including, but not limited to, indicating that there are franchises available and references to Franchisor's telephone number and/or website.
- C. **Initial Marketing and Training Spend.** Franchisee shall expend a minimum of between \$25,000 and \$35,000 as Franchisor designates or otherwise approves as part of Franchisee's Pre-Opening Support Program and other initial marketing and promotional activities that Franchisor designates or approves (the "Initial Marketing and Training Spend"). Franchisee must expend this amount within the time frame Franchisor designates or approves typically commencing in the month prior to the contemplated opening of the Franchised Business and ending at some point after said opening. Franchisor will determine the exact amount of the required Initial Marketing Spend after Franchisee has secured its Premises, and thereafter provide Franchisee with written notice thereof. Franchisee may be required to expend all or any portion of the Initial Marketing Spend on services/materials that are acquired from one (1) or more Approved Suppliers.
- D. **Local Advertising Requirement.** In addition to Initial Marketing and Training Spend, Franchisee must expend a minimum of \$7,500 each month Franchised Business is open and operating on advertising and marketing the Franchised Business within the Designated Territory and surrounding area (the "Local Advertising Requirement" or "LAR").

Franchisor may require that the Local Advertising Requirement funds be expended on designated marketing, advertising and/or other promotional campaigns and/or content that is provided by one (1) or more Approved Suppliers, including any digital marketing placement and/or other services. Upon Franchisor's request, Franchisee must provide Franchisor with invoices or other proof of its monthly expenditures on local advertising and marketing. Franchisee must ensure that the Franchised Business is listed in the yellow pages and appropriate Internet-based directories that Franchisor designates.

E. **Brand Development Fund.** Franchisor intends to establish a brand development Fund designed to promote, advertise, market and otherwise further develop the System, Proprietary Marks and Franchisor's brand generally. Any amounts Franchisee is required to contribute to the Fund will be credited towards Franchisee's Advertising Fee requirements. All payments by Franchisee to the Fund are non-refundable upon payment, and Franchisor will account separately for all sums paid to the Fund. The Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

1. Franchisor will use Fund and all contributions to it and any earnings on it, exclusively for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, and any other activities, that Franchisor believes would enhance the image of the System, Proprietary Marks, and Approved Products or Approved Services.
2. Franchisor is not obligated to spend monies from the Fund in any particular Franchisee's market in proportion to the payments to the Fund made by the Franchisee in that market. Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.
3. The Fund may be used to meet any and all costs of maintaining, administering, directing, and preparing advertising. This includes, among other things, direct mail advertising, marketing surveys and other public relations activities, developing and maintaining the Franchisor's Website, employing advertising and public relations agencies, purchasing promotional items, and providing other marketing materials and services to Centers operating under the System. These costs may include the proportionate salary share of Franchisor's employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs, salaries, and overhead expenses related to administering the Fund and its programs. No part of the Fund shall be used by Franchisor to defray any of its general operating expenses, other than those reasonably allocable to the advertising described in this Section or other activities reasonably related to the administration or direction of the Fund.
4. Franchisor shall administratively segregate all contributions to the Fund on its books and records. All such payments to the Fund may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds, and may be deemed an asset of Franchisor, subject to Franchisor's obligation to expend the monies in the Fund in accordance with the terms hereof. Franchisor may, in its sole discretion, elect to accumulate monies in the Fund for such periods of time, as it deems necessary or appropriate, with no obligation to expend all monies received in any fiscal year during that fiscal year. In the event Franchisor's expenditures for the Fund in any one (1) fiscal year shall exceed the

total amount contributed to the Fund during such fiscal year, Franchisor shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Fund or to use such excess as a credit against its future contributions. The parties do not intend that the Fund be deemed a trust.

5. Franchisor shall, on an annual basis, account for the operation of the Fund and prepare an audited financial statement evidencing such accounting, which will be available to Franchisee upon its written request ninety (90) days after the Franchisor's fiscal year end. Franchisor may dissolve the Fund at any time after it is established.
- F. **Advertising Council (Advisory Capacity).** Franchisor may establish, if and when it deems appropriate in its sole discretion, a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). If Franchisor establishes an Advertising Council, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned Centers, or other management/employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by Franchisor.
- G. **Website.** Franchisor agrees that it will establish an interior page on its corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) this Agreement is not subject to termination. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System or Proprietary Marks without Franchisor's prior written consent. If approved to establish a separate website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook®, Instagram®, SnapChat®, Twitter®, LinkedIn® and/or YouTube®, without Franchisor's prior written consent. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate.
- H. **Regional Cooperatives.** Franchisor may establish regional advertising cooperatives that are comprised of multiple Center owners located within a geographical region that Franchisor designates (each, a "Cooperative"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisee may be required to contribute to the Cooperative in an amount not to exceed Franchisee's Local Advertising Requirement and Fund Contribution each month. All amounts paid to a Cooperative will be credited towards Franchisee's Local Advertising Requirement and/or Fund Contributions at Franchisor's discretion and subject to applicable laws.

10. ACCOUNTING AND RECORDS

- A. **Maintenance of Records.** Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete register tapes, computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for at least three (3) years, even if this Agreement is no longer in effect. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 shall belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).
- B. **Examination and Audit of Records.** Franchisor and its designated agents shall have the right to examine and audit Franchisee's records, accounts, books, computer files, and data at all reasonable times to ensure that Franchisee is complying with the terms of this Agreement. If such audit discloses that Franchisee has underreported the Gross Revenue of the Franchised Business by two percent (2%) or more in any given reporting period (weekly, monthly or otherwise), then Franchisee must: (i) reimburse Franchisor any costs/expenses incurred in connection with conducting the inspection and audit; and (ii) pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts.
- C. **Computer System for Records.** Franchisee shall record all transactions and Gross Revenue of the Franchised Business using the Required Software and any other appropriate Computer System components designated by Franchisor, which must contain software that allows Franchisee to record accumulated sales without turning back, resetting or erasing such sales. Franchisee agrees and acknowledges that Franchisor will, at all times and without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System as described in Section 4 of this Agreement and the Franchise Disclosure Document that was timely disclosed to Franchisee prior to entering into this Agreement in accordance with applicable law.
- D. **Computer System Files and Passwords.** Franchisee will not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Business without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System located at the Premises or used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement. Consistent with the other provisions of this Agreement, Franchisee agrees and acknowledges that Franchisor may have automatic access to Franchisee's specific passwords/keys/logins through the

Computer System components and related software that Franchisor requires Franchisee to use in connection with the Franchised Business.

- E. **Current Contracts, Listings and Projects.** At any time and upon request of Franchisor, Franchisee shall provide Franchisor with a copy or summary listing, at Franchisor's discretion, of all current contracts, listings, agreements, and projects that Franchisee is involved in or working with.
- F. **Tax Returns.** Upon Franchisor's request, Franchisee shall furnish the Franchisor with a copy of each of its reports, returns of sales, use and gross receipt taxes, and complete copies of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee shall certify as true and correct.
- G. **Required Reports.** Franchisee must provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a signed Gross Revenue Report as described in Section 4 of this Agreement on or before the final business day of the month; (ii) on or before the twentieth (20th) of each month, an unaudited profit and loss statement for the Franchised Business for the preceding calendar month; (iii) within sixty (60) days of each calendar quarter, an unaudited balance sheet reflecting the financial position of the Franchised Business as of the end of that calendar quarter; (iv) within sixty (60) days of Franchisor's request, a financial statement that details the total assets and liabilities of the Franchised Business (and, if appropriate Franchisee and personal guarantors under this Agreement); (v) within ninety (90) days after the close of each fiscal year of Franchisee, financial statements which shall include a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet of the Franchised Business, all as of the end of such fiscal year; and (vi) any other financial information or performance metrics of the Franchised Business that Franchisor may reasonably request. If Franchisee fails to provide Franchisor with any required report on time, Franchisor may charge Franchisee its then-current late reporting fee (the "Late Reporting Fee") per late report.
- H. **Right to Require Audit if Franchisee Underreports.** In the event a prior audit or inspection conducted by Franchisor (or its designee) has revealed that Franchisee has underreporting the Gross Revenue of the Franchised Business by two percent (2%) or more for any reporting period, then Franchisor may require Franchisee to provide, at the Franchisee's expense, audited financial statements that comply with GAAP and GAAS for Franchisee's fiscal year within 120 days of Franchisee's fiscal year end.
- I. **Change to Ownership of Franchisee.** In addition to the foregoing statements, Franchisee must provide Franchisor with written reports regarding any change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Business; and (ii) Franchisee's partners, officers, directors, as well as any of the designated managers that manage the day-to-day operations of the Franchised Business. Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisor is required to first notify Franchisor and obtain its approval prior to making any such change.

11. INSURANCE AND INDEMNIFICATION

- A. **Required Insurance.** Franchisee shall, at its own expense and no later than the earlier of (a) the date on which Franchisee uses any of the Proprietary Marks, or (b) the date

Franchisee begins building out the Premises, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Manuals or otherwise in writing (whether the Franchised Business is open or not). This insurance shall be in such amounts Franchisor or the lessor of the Premises designates from time to time. The type of insurance will include, but are not necessarily limited to, and all the below are subject to modification or supplementation at any time by Franchisor upon 30 days' prior written notice to Franchisee via the Manuals or otherwise:

Coverage Type	Amounts	Coverage Level
General Liability Insurance	\$1,000,000	Per Occurrence
	\$2,000,000	In the Aggregate
Damage to Premises Rented to you and/or Fire Damage Legal Liability	\$300,000	Per Occurrence
Professional Liability Coverage (1-4 locations)	\$1,000,000	Per Occurrence
	\$2,000,000	In the Aggregate
Professional Liability Coverage (5-9 locations)	\$2,000,000	Per Occurrence
	\$4,000,000	In the Aggregate
Professional Liability Coverage (10+ locations)	\$3,000,000	Per Occurrence
	\$5,000,000	In the Aggregate
Hired and Non-Owned Auto Liability	\$1,000,000	Combined Single Limit
Owned Auto Covered (<i>If Applicable</i>)	\$1,000,000	Combined Single Limit
Workmen's Compensation (<i>If Applicable</i>)	As required by law	Per Employee
Employers Liability	\$1,000,000	Per Occurrence
	\$1,000,000	Per Employee
	\$1,000,000	In the Aggregate
Employment Practices Liability	\$500,000	Per Occurrence
Cyber Liability/Data Privacy	\$1,000,000	In the Aggregate
Sexual Abuse and Molestation	\$100,000	Per Occurrence
	\$300,000	In the Aggregate
Umbrella Liability (3-4 locations)	\$1,000,000	Per Occurrence
	\$1,000,000	In the Aggregate
Umbrella Liability (5-9 locations)	\$2,000,000	Per Occurrence
	\$2,000,000	In the Aggregate
Umbrella Liability (10+ locations)	\$3,000,000	Per Occurrence
	\$3,000,000	In the Aggregate
Business Income and Expense	At least 12 months' income replacement	Recommended or as Required by Landlord or Lender
Business Personal Property and Tenant Improvements and Betterments	Full Replacement Cost	Recommended or as Required by Landlord or Lender
Any other coverage that (a) Franchisor periodically requires to satisfy insurance-related obligations via the Manuals, System Site or otherwise in writing, or (b) your independent legal counsel identifies as required or recommended coverage.		
Note: Professional Liability Coverage requirements increase at 5 to 10 locations, and an Umbrella Liability policy required at 3+ locations.		

Franchisee must buy insurance from carriers that are rated A-VII or better by A.M. Best and Company, Inc. (or similar criteria as Franchisor periodically specifies). Franchisor may require Franchisee to purchase some or all required insurance coverages from one (1) or more Approved Suppliers. Franchisor may periodically increase the amounts of coverage

required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies Franchisee purchases must name Franchisor and any affiliate Franchisor designate as additional insureds, and provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification or cancellation. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee shall make timely delivery of certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor. The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

- B. **Failure to Procure and Maintain Insurance.** If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must reimburse Franchisor for the costs incurred to obtain the required insurance (including any premium amounts paid).
- C. **Indemnification.** Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's directors, officers, principals/owners, managers, shareholders, affiliates, subsidiaries, employees, servants, agents, successors and assignees (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement, and/or (b) ownership, construction, development, management and/or operation of the Franchised Business in any manner. At Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense.

12. **INDEPENDENT CONTRACTOR**

- A. **No Fiduciary Relationship.** In all dealings with third parties, including without limitation, employees, suppliers, and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto either to create a fiduciary relationship between them or to constitute the Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever.
- B. **Independent Contractor Relationship.** It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor. Upon Franchisor's request, Franchisee must display a sign in its Franchised Business displaying the following phrase (or something similar): "This franchised Center is independently owned and operated pursuant to a license agreement." Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor

Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors.

13. **TRANSFER AND ASSIGNMENT**

A. **No Transfer by Franchisee without Franchisor's Approval.** Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Business (or undertake any of the actions identified in Section 13(C) of this Agreement) without Franchisor's prior written consent. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

B. **Death or Disability.**

1. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's principals/owners/guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the operation of the Franchised Business as "Franchisee" under this Agreement if: (i) within ninety (90) days from the date of death, disability or incapacity (the "90 Day Period"), such person has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company Franchisee's obligations to Franchisor and Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's 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 the Franchise Agreement and are acceptable to Franchisor.

2. Franchisor is under no obligation to operate the Franchised Business, or incur any obligation on behalf of any incapacitated franchisee, during or after the 90 Day Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously approved acting interim manager to operate the Franchised Business during the 90 Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate the Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management of the Franchised Business and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

- C. **Ownership.** In addition to those acts described in Section 13(A), a transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's voting stock or any increase in the number of outstanding shares of Franchisee's voting stock which results in a change of ownership, (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company. Any new partner, shareholder, or member or manager owning having an ownership interest in the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to (i) and (iii) above shall not be subject to Franchisor's right of first refusal as set forth in Section 13(D).
- D. **Right of First Refusal.** If Franchisee proposes to transfer either this Agreement or all, or substantially all, of the assets used in connection with the Franchised Business or any interest in Franchisee's lease to any third party (other than to: (i) a corporation or limited liability company as set forth in Section 13(C) hereof; or (ii) a parent, spouse, or direct lineal descendant of Franchisee), Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 13(E) of this Agreement. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.
- E. **Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement or any other acts of transfer described in Section 13(C) upon satisfaction of the following occurrences:
1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;
 2. Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;
 3. Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general

release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities;

4. Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of Franchisee's obligations under this Agreement;
5. The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor, except that the transferee may be an existing franchisee of ours;
6. The transferee shall execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining balance of Franchisee's term under this Agreement, with transferee's term commencing on the date the transferee executes the then-current franchise agreement;
7. Franchisee must pay Franchisor a transfer fee equal to \$20,000, and Franchisee and/or transferee may demonstrate that it has paid (or is in position to pay) any third-party broker fees associated with the transaction;
8. The transferee shall satisfactorily complete Franchisor's Initial Training Program at the transferee's expense within the time frame Franchisor sets forth in writing;
9. Franchisee (and Franchisee's principals/guarantors if Franchisee is a partnership, corporation or limited liability company) must comply with the post-termination provisions of this Agreement;
10. The transferee must demonstrate that it has obtained or maintained, within the time limits set by Franchisor, all permits and licenses required for the continued operation of the Franchised Business;
11. To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;
12. The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;
13. The purchase price and terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchised Business and performance under its franchise agreement;

14. Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of disclosure document and Franchisor shall not be liable for any representations not included in the disclosure document; and
15. Franchisor shall have the right to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchised Business as Franchisee has supplied Franchisor hereunder.

Franchisor will not unreasonably withhold its consent to a proposed transfer or assignment requested by Franchisee, provided the foregoing conditions are met. Franchisor's approval of a transfer shall not operate as a release of any liability of the transferring party nor shall such approval constitute a waiver of any claims Franchisor may have against the transferring party.

- F. **Transfer from an Individual Franchisee to Business Entity.** If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee or training tuition fees set forth in Section 13(E)(7)-(8), and such assignment will not be subject to Franchisor's right of first refusal in Section 13(D): (i) the corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business; (ii) Franchisee is, and at all times remains, the owner of 100% of the outstanding shares of the corporation or a controlling interest in the limited liability company; (iii) the corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and (iv) all stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and execute the Personal Guaranty attached to this Agreement as Exhibit B.
- G. **Franchisor's Right to Transfer.** Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

14. **COVENANTS**

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Franchisee agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks and Franchisor's other franchisees.

- A. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee, its principals, owners, guarantors or Center Manager(s), nor any immediate family of Franchisee, its principals, owners, guarantors or Center Manager(s), may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:
 1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with (a) any spa concept or other business that provides or involves the provision of the Approved Services or Management Services and/or any of the

services or products that are the same or similar to any Approved Services and/or Approved Products that a System Center is authorized to promote and/or have performed at its Premises (each, a “Competing Business”), or (b) any business that offers or grants licenses or franchises, or establishes joint ventures, in connection with the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include: (i) any Center operated by Franchisee under a franchise agreement with Franchisor; or (ii) any business operated by a publicly-traded entity in which Franchisee owns less than two percent (2%) legal or beneficial interest;

2. Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

B. After the Term of this Agreement.

1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business competing in whole or in part with Franchisor granting franchises or licenses for Competing Businesses. The geographic scope of this covenant shall be anywhere where Franchisor has franchises or is actively offering or selling franchises.
2. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:
 - a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in or involvement with any Competing Business: (i) at the Premises; (ii) within the Designated Territory; (iii) within a twenty-five (25) mile radius of the perimeter of the Designated Territory being granted hereunder; (iv) within any other designated territory licensed by Franchisor to a franchised Center or the designated territory of a company-owned Center as of the date of expiration, termination, or transfer of this Agreement; or (v) within a twenty-five (25) mile radius of the perimeter of any other designated territory licensed by Franchisor to a company-owned or franchised Center as of the date of expiration, termination, or transfer of this Agreement;
 - b. (i) Solicit business from customers of Franchisee’s former Franchised Business or contact any of Franchisor’s suppliers or vendors for any competitive business purpose, or (ii) subject to and as permitted by applicable laws where the Franchised Business is located, solicit any of Franchisor’s other employees, or the employees of Franchisor’s affiliates or any other System franchisee to discontinue employment; or

- c. Subject to and as permitted by applicable state law, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.
- C. **Intent of the Parties and Reasonableness.** It is the parties' intent that the provisions of this Section 14 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14 by Franchisee, any of Franchisee's principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 14 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation of this Section 14 shall be tolled during any default under this Section 14.
- D. **Confidentiality and Non-Competition Agreement.** Franchisee must ensure that all management personnel of the Franchised Business, as well as any of Franchisee's employees that have access to Franchisor's Confidential Information and any officers, directors of Franchisee, execute Franchisor's then-current form of Confidentiality and Non-Competition Agreement (which will be in substantially the same for as the document attached to this Agreement as Exhibit E). Franchisee must furnish Franchisor a copy of each executed agreement.
- E. **No Defense.** Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 14.

15. **DEFAULT AND TERMINATION**

Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), shall constitute "good cause" and "reasonable cause" for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Business.

- A. **Automatic Termination.** This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:
1. The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;
 2. A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;
 3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with the Franchisee or Franchised Business (or assets of the Franchised Business) is filed and consented to by Franchisee;
 4. A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;
 5. A final judgment in excess of Ten Thousand Dollars (\$10,000.00) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment;
 6. If any ACP-Related Service are provided or discussed with a Client by a party other than an Authorized Care Provider if such interaction with said Client violates any applicable law or regulation;
 7. Franchisee attempts to sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13 hereof.
- B. **Termination Upon Written Notice.** Franchisor has the right to terminate this Agreement upon written notice to Franchisee without providing Franchisee any opportunity to cure with respect to any of the following breaches or defaults:
1. If Franchisee or Franchisee's owners/principals commit any fraud or misrepresentation in the establishment or operation of the Franchised Business, including without limitation, any misrepresentation or untrue statement made in (a) Franchisee's franchise application, and/or (b) the Legal Opinion Letter (if applicable);
 2. If Franchisee and any other required attendees fail to attend and complete the Initial Training Program within the time period prescribed in this Agreement;
 3. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations set forth in Section 15(C) of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured;

4. If Franchisee or Franchisee's owners/principals violate any of the in-term covenant not to compete or any of the other restrictive covenants set forth in Section 14 of this Agreement;
5. If Franchisee misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);
6. If Franchisee misuses any proprietary software that Franchisor designates for use in connection with the Franchised Business;
7. If Franchisee or any of Franchisee's principals default on any other agreement with Franchisor or any affiliate or Approved Supplier of Franchisor, and such default is not cured within the prescribed time period set forth in that other agreement;
8. If Franchisee defaults under the lease for the Premises and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control the Premises to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);
9. If Franchisee fails to open and commence operations of the Franchised Business within the time period prescribed in Section 6 of this Agreement;
10. If Franchisee fails to cure any of the following violations under this Agreement: (i) failure to offer only those Approved Products and Approved Services that Franchisor authorizes at the Franchised Business; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; or (iii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates;
11. If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;
12. If Franchisee fails to provide Franchisor with access to Franchisee's Computer System and Required Software located at the Franchised Business as required under this Agreement, and fails to remedy this default within three (3) days of being notified by Franchisor;
13. If Franchisee fails to pay Franchisor, its affiliates or any of its Approved Suppliers any amount that is due and owing Franchisor within ten (10) days of the date that

Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed;

14. If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business;
15. If Franchisee fails, for a period of ten (10) days after notification of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to manage the franchised Center located at the Premises;
16. If Franchisee, any person controlling, controlled by, or under common control with the Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchise is convicted of a felony or any other crime or is otherwise involved in any act or conduct that is reasonably likely in the sole opinion of Franchisor to adversely affect or is prejudicial to the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;
17. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including inventory, employee taxes, FICA, insurance or benefits;
18. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement three (3) or more times within any twelve (12) month period; or
19. If Franchisee commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; operates the business in a manner that presents a health or safety hazard to its employees or customers; or if Franchisee loses its approval from any city, state, or other regulatory agency to operate a business that provides any of the Approved Services.
20. If Franchisee commits any breach which by its nature cannot be cured.

C. **Termination upon Notice and 30 Days' Cure.** Except for those defaults set forth in Sections 15(A)-(B) of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Business as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

D. **Step-In Rights.** In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any), then Franchisor has the right, but not the obligations, to enter the Premises and exercise complete authority with respect to the operation of the Franchised Business until such time that Franchisor determines, in its reasonable discretion, that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. In the event Franchisor exercises these "step-in rights," Franchisee must (a)

pay Franchisor a management fee amounting to eight percent (8%) of the Gross Revenue of the Franchised Business during the time period that Franchisor's representatives are operating the Franchised Business (the "Management Fee"), and (b) reimburse Franchisor for all reasonable costs and overhead that Franchisor incurs in connection with its operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any Claims that may arise out of Franchisor's operation of the Franchised Business.

16. POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

- A. **Cease Ownership and Operation of The Now Center Location; Cease Affiliate with Franchisor and Brand.** Cease to be a franchise owner of Franchised Business under this Agreement and cease to operate the former Franchised Business under the System. Franchisee shall not thereafter directly or indirectly represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold itself out as a present or former franchise owner of Franchise at or with respect to the Premises;
- B. **Return Manuals and Confidential Information.** Return to Franchisor the Manuals and all trade secrets, Confidential Information (including all Client lists and Approved Services agreements) and other confidential materials, equipment, software and property owned by Franchisor and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law;
- C. **Assignment of Telephone/Facsimile Numbers and Domain Names.** Take such action as may that Franchisor designates to transfer, disconnect, forward, or assign all telephone/facsimile numbers and domain names used in connection with the Franchised Business, as well as all white and yellow page telephone references, advertisements, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached to this Agreement as Exhibit F.
- D. **Cease Using Proprietary Marks.** Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest, and cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System; and remove all trade dress, physical characteristics, color combinations, and other indications of operation under the System from the Premises. Without limiting the generality of the foregoing, Franchisee agrees that, in the event of any termination or expiration and non-renewal of this Agreement, it will remove all signage bearing the Proprietary Marks, deliver the fascia for such signs to Franchisor upon Franchisor's request, and remove any items that are

characteristic of the System “trade dress” from the Premises. Franchisee agrees that Franchisor or a designated agent may enter upon the Premises at any time to make such changes at Franchisee's sole risk and expense and without liability for trespass;

- E. **Compliance with Post-Term Covenants.** Comply with the post-term covenants not to compete and other restrictive covenants set forth in Section 14 of this Agreement;
- F. **Payment of Amounts Due.** Pay Franchisor, as well as each of Franchisor's Approved Suppliers, any and all amounts owed under this Agreement or otherwise in connection with the former Franchised Business within 10 days of the termination or expiration date.
- G. **Written Evidence of Compliance.** Provide Franchisor with written evidence that they have complied with the post-term obligations, within thirty (30) days' notice of termination or scheduled expiration of the franchise; and
- H. **Option to Purchase Operating Assets of Franchised Center.** In addition to its rights under the prescribed form of collateral assignment of lease, Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and all of Franchisee's operating assets from the Franchised Business at a purchase price equal to net depreciated book value. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

17. TAXES AND INDEBTEDNESS

- A. **Taxes.** Franchisee must promptly pay when due any and all federal, state, and local taxes, including without limitation, unemployment, workers' compensation, and sales taxes which are levied or assessed with respect to any services or products furnished, used, or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business.
- B. **Debts and Obligations.** Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Business.

18. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

- A. **Franchisor's Approval.** Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee shall make a timely written request. Unless a different period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond shall be deemed as a disapproval of any such request.
- B. **No Waiver.** No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a

waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.

- C. **Terms of Other Franchise Agreements.** No warranty or representation is made by the Franchisor that all System franchise agreements heretofore or hereafter issued by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other System franchise owners in a non-uniform manner.
- D. **Modification of System and Manuals.** Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement shall be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.
- E. **No Disclaimers of Franchise Disclosure Document.** Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document.

19. **ENFORCEMENT**

- A. **No Withholding of Payments.** Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.
- B. **Costs and Attorneys' Fees.** If Franchisee is in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must reimburse Franchisor for all costs/expenses incurred in connection with enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and litigation expenses. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

20. **NOTICES**

Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor: 4Ever Franchisor LLC
Attn: Dan Amin and James Kapnick
5458 Town Center Road, #19
Boca Raton, Florida 33486

With a copy to: Lathrop GPM
Attn: Eli Bensignor
80th South Eighth Street, IDS Center #3100
Minneapolis, MN 55402

To Franchisee: _____

Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address.

21. **GOVERNING LAW AND DISPUTE RESOLUTION**

- A. **Governing Law.** This Agreement is governed by the laws of the state of Florida without reference to this state's conflict of laws principles (subject to state law), except that any franchise-specific or franchise-applicable laws of Florida, including those related to pre-sale disclosure and the franchise relationship generally, will not apply to this Agreement or franchise awarded hereunder unless the awarding of said franchise specifically falls within the scope of such Florida laws, regulations or statutes without reference to and independent of any reference to this choice of law provision.
- B. **Internal Dispute Resolution.** Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's management, after providing notice as set forth in Section 21(G) of this Agreement, and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.
- C. **Mediation.** At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 21(B) above, will be submitted first to mediation to take place at Franchisor's then-current headquarters under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor

or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (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 Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 21(C) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

- D. **Injunctive Relief.** Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.
- E. **Venue.** Subject to Sections 22(B)-(D) of this Agreement, the parties agree that any actions arising out of or related to this Agreement must be exclusively and only initiated and litigated in the state court of general jurisdiction or, if appropriate, federal court that is closest to, or encompasses, the Franchisor's then-current headquarters. Franchisee acknowledges that this Agreement has been entered into in the State of Florida, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters on an ongoing basis, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Florida as set forth in this Section.
- F. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section 21, each having

authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.

- G. **Notice Requirement.** As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.
- H. **No Withholding of Payments.** Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.
- I. **Limitation of Actions.** Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.
- J. **Waiver of Punitive Damages.** Franchisee hereby waives 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) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is 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, Franchisee's waiver of any right to claim certain damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.
- K. **WAIVER OF JURY TRIAL.** 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 FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

- L. **WAIVER OF CLASS ACTIONS OR OTHER COLLECTIVE ACTIONS.** THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

22. SEVERABILITY AND CONSTRUCTION

- A. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make fully the provisions hereof. Franchisee understands and acknowledges that Franchisor shall have the right in its sole discretion on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.
- A. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute the same instrument.
- B. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement shall be construed independently of any other Section or provision of this Agreement.

23. ACKNOWLEDGMENTS

- A. Franchisee hereby agrees and acknowledges, on behalf of itself and each of its owners (each, an "Owner"), that each Owner will execute the form of Personal Guaranty attached to this Agreement as Exhibit B at the same time Franchisee enters into this Agreement, to the extent Franchisee is any kind of corporation, LLC or other entity that Franchisor approves to serve as the "Franchisee" hereunder.
- B. Franchisee acknowledges that it received a complete copy of this Agreement for a period not less than fourteen (14) calendar days, during which time conducted an independent investigation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by

this Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, that Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits, or success. Franchisee acknowledges that this Agreement, the franchise disclosure document (“FDD”), and the exhibits hereto constitutes the entire Agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subjects.

- C. Franchisee agrees and acknowledges that fulfillment of any and all of Franchisor’s obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor’s sole responsibility and none of Franchisor’s agents, representatives, nor any individuals associated with Franchisor’s franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor’s representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal as of the Effective Date

FRANCHISOR:

4EVER FRANCHISOR LLC

By: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

**IF A PARTNERSHIP,
CORPORATION, OR OTHER
ENTITY:**

By: _____

Print Name: _____

Date: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT
DATA SHEET AND STATEMENT OF OWNERSHIP

1. SITE SELECTION AREA

Pursuant to Section 2(B) of the Franchise Agreement, Franchisee must locate and secure a Premises for the Franchised Business within the following Site Selection Area:

2. PREMISES

Pursuant to Section 2(C) of the Franchise Agreement, the Franchised Business shall be located at the following approved Premises:

3. PROTECTED TERRITORY

Pursuant to Section 2(D) of the Franchise Agreement, Franchisee's Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

4. Franchisee Contact Person. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name:

Daytime Telephone No.:

Evening Telephone No.:

Cellular Telephone No.:

Facsimile No.:

E-mail Address:

5. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

<u>Name</u>	<u>Position/Title</u>	<u>Interest (%)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, the undersigned has duly executed this Data Sheet as of the Effective Date.

FRANCHISEE

By: _____

Name: _____

Title: _____

FRANCHISOR

4EVER FRANCHISOR LLC

By: _____
[Name], [Title]

OWNERS

(SHAREHOLDERS/MEMBERS/PARTNERS/ETC.)

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/PARTNERS/ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

ARTICLE I PERSONAL GUARANTY

This personal guaranty ("Guaranty") is hereby made effective as of _____ (the "Effective Date"). The undersigned persons (individually and collectively "Guarantor") hereby represent to 4Ever Franchisor LLC (the "Franchisor") that Guarantor are all the owners/principals/members/shareholders/managers/partners, as applicable, of the business entity named _____ (the "Franchisee"), as well as their respective spouses, as of Effective Date of this Personal Guaranty.

In consideration of the grant by Franchisor to the Franchisee as herein provided, each Guarantor hereby agrees, in consideration of benefits received and to be received by each Guarantor, jointly and severally, and for Guarantor, Guarantor's heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the Franchise Agreement dated _____ (the "Franchise Agreement") with Franchisor, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement.

ARTICLE II CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Guaranty, Guarantor will receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, including without limitation: methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor as its affiliates have developed (the "System") for the establishment and operation of a franchised business (hereafter, a "Franchised Business"); Franchisor's System standards and specification for the furniture, fixtures, equipment, supplies and inventory to be used in connection with the establishment and operation of a Franchised Business; the design, build-out and any construction/remodeling plans for the interior and exterior of the Franchised Business, as well as the individual Centers located within the Franchised Business; any proprietary software that is necessary for the operation of the Franchised Business; System standards and specifications for the marketing and sale of all products and services offered at the Franchised Business, including without limitation any proprietary products or services Franchisor has developed; Franchisor's proprietary

Operations Manual and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; information regarding the development of Franchisor's proprietary marks (the "Proprietary Marks"); as well as any other Confidential Information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "Confidential Information"). Guarantor shall not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; price marketing mixes related to the offer and provision of the Approved Services (including any "Applicable Services" that must be provided by a PE or other Authorized Care Provider) and/or the Management Services and/or Center management generally; standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System franchisees; methods and other techniques and know-how concerning the operation of the Franchised Business, which may be communicated to Guarantor or of which Guarantor may become apprised by virtue of Guarantor's role as a guarantor of the Franchisee's obligations under the Franchise Agreement. Guarantor also acknowledges and agrees that the following also constitutes "Confidential Information" under this Section: (i) former, current and prospective customer information, including customer names and addresses, customer membership and treatment histories and all corresponding contracts/agreements (collectively "Customer Lists"), and (ii) sources and pricing matrices of any approved or designated suppliers; and (iii) any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential.

ARTICLE III NON-COMPETITION

Guarantor acknowledges that as a participant in the Franchisor's System, Guarantor will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, Guarantor agrees as follows:

1. During the Term of the Franchise Agreement and this Guaranty. During the term of the Franchise Agreement and this Personal Guaranty, each of the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1.1. Own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or principal of any other spa concept or other business that: (i) offers Center Management Services and/or any of the Approved Services (including "Applicable Services" defined in the Franchise Agreement via a physician or other Authorized Care Provider) and/or utilizing any of the Approved Products (each, a "Competing Business"); or (ii) grants or has granted franchises or licenses, or establishes or has established joint ventures, in connection with the ownership or operating of any Competing Business; provided, however, that this Section does not apply to Franchisee's operation of a franchised Center pursuant to a valid franchise agreement with Franchisor, or Guarantor's ownership of less than two percent (2%) of the interests in a publicly-traded company.

1.2. Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

1.3. Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform,

directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2. After the Term of This Agreement.

2.1. For a period of two years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with Franchisor in granting franchises or licenses, or establishing joint ventures, for Competing Businesses. The geographic scope of this non-compete shall be limited to the areas where Franchisor has commenced offering and selling franchises as of the date this provision becomes effective.

2.2. For a period of two years after the expiration, transfer or termination of the Franchise Agreement, regardless of the cause, the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

2.2.1. Own, maintain, engage in, be employed by, lend money to, have any interest in, or be employed as an officer, director, executive, or principal of any other Competing Business at or within the following areas: (i) at the Premises of the Franchised Business; (ii) within the Designated Territory granted under the Franchise Agreement; or (iii) within a radius twenty-five (25) miles of (a) the perimeter of the Designated Territory granted under the Franchise Agreement, or (b) the perimeter of any other designated territory granted by Franchisor to any franchised business as of the date of expiration, transfer or termination of this Agreement;

2.2.2. Contact any of Franchisor's suppliers or vendors for any competitive business purpose; or

2.2.3. Subject to and as permitted by applicable state law, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

3. **Intent and Enforcement.** It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by Guarantor, any of Guarantor's principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Guarantor agrees that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Guarantor acknowledges and agrees that each Guarantor has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevents Guarantor from earning a living. Guarantor further acknowledges and agrees that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV DISPUTE RESOLUTION

1. **Acknowledgment.** Franchisee acknowledges that this Guaranty is not a franchise agreement and does not confer upon Franchisee any rights to use the Franchisor's proprietary marks or its system.

2. **Governing Law.** This Guaranty is governed by the laws of the state of Florida without reference to this state's conflict of laws principles (subject to state law), except any franchise-specific or franchise-applicable laws of Florida, including those related to pre-sale disclosure and the franchise relationship generally, will not apply to this Guaranty, Franchise Agreement and/or the franchise awarded thereunder unless the awarding of said franchise specifically falls within the scope of such Florida laws, regulations or statutes without reference to and independent of any reference to this choice of law provision.

3. **Internal Dispute Resolution.** Guarantor must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor's Chief Executive Officer and/or President. Guarantor must agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Agreement.

4. **Mediation.** At Franchisor's option, all claims or disputes between Guarantor and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Guaranty or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, to take place at Franchisor's then-current headquarters, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Guarantor must submit a notice to Franchisor that specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Guarantor as to whether Franchisor or its affiliates elect to exercise Franchisor's option to submit such claim or dispute to mediation. Guarantor may not commence any arbitration proceeding or other action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (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 Franchisor. Franchisor may specifically enforce Franchisor's mediation rights under this Section. Each party shall bear its own cost of mediation, except that Guarantor and Franchisor shall share the mediator's fees and costs equally. This agreement to mediate at Franchisor's option shall survive any termination or expiration of the Franchise Agreement and this Guaranty. The parties agree that mediation shall not be required with respect to any claim or dispute involving: (i) any of Guarantor's payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Guaranty; or (v) any claims arising out of or related to fraud or misrepresentation by Franchisee, or Franchisee's insolvency (collectively, the "Excepted Claims").

5. **Right to Injunctive Relief.** Nothing contained in this Guaranty shall prevent Franchisor from applying to or obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding, or pending the trial or handing down of a decision or award pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is granted, Guarantor's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Guarantor expressly waives all claims for damages Guarantor incurred as a result of the wrongful issuance.

6. **Jurisdiction and Venue.** Subject to Sections 3 through 5 of Article IV above, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to conclusion (unless settled) only in any court of competent jurisdiction or, if appropriate, federal

district court that is closest to, or that encompasses, the Franchisor's then-current headquarters. The undersigned hereby irrevocably consent to the jurisdiction of these courts.

7. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by Guarantor.

8. **JURY TRIAL AND CLASS ACTION WAIVER. 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 FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.**

9. **Limitation of Action.** Guarantor further agrees that no cause of action arising out of or under this Guaranty may be maintained by Guarantor unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after Guarantor becomes aware of facts or circumstances reasonably indicating that Guarantor may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

10. **Punitive Damages.** Guarantor hereby waives 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 Guarantor may have against Franchisor, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Guarantor's recovery shall be limited to actual damages. If any other term of this Guaranty 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. Nothing in this Section shall, or may be construed to, limit or otherwise affect Franchisor's right to seek all damages available under applicable law, including consequential damages such as future lost royalties and/or other future lost amounts, which the parties agree and acknowledge Franchisor may seek and recover.

11. **Costs and Attorneys' Fees.** Whether or not formal legal proceedings are initiated, in the event Franchisor incurs any legal fees or other costs associated with enforcing the terms of this Guaranty or the Franchise Agreement against Guarantor, then Franchisor will be entitled to recover from Guarantor all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Guaranty or the Franchise Agreement.

12. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall

be cumulative. Guarantor's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13. **Acknowledgment.** Guarantor agrees that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole responsibility and none of Franchisor's owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to Franchisee for any reason. This is an important part of this Guaranty. Guarantor agrees that nothing that Guarantor believes Guarantor has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty. Do not sign this Agreement if there is any question concerning its contents or any representations made.

14. **Severability.** The parties agree that if any provisions of this Guaranty 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 Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty 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 Guaranty 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, Franchisor reserves the right to terminate this Guaranty.

15. **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as Guarantor, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

16. **Successors.** References to "Franchisor" or "the undersigned," or "Guarantor" include the respective parties' heirs, successors, assigns or transferees.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty as of the Effective Date.

PERSONAL GUARANTORS

Signature: _____

Signature: _____

Name: _____

Name: _____

Signature: _____

Signature: _____

Name: _____

Name: _____

EXHIBIT C TO THE FRANCHISE AGREEMENT

**CONSENT AND AGREEMENT OF LANDLORD FORM AND
COLLATERAL ASSIGNMENT OF LEASE FORM**

The undersigned Landlord hereby:

- A. Agrees that the leased Premises will only be used in connection with the operation of Franchisee's franchised Center operating under the Franchisor's then-current designated marks and trade dress;
- B. Agrees that Franchisor has the right to enter the Premises to make any modifications necessary to protect Franchisor's Proprietary Marks;
- C. Agrees to allow Franchisee, upon written request from Franchisor, to provide Franchisor with a current copy of the lease;
- D. Agrees to notify Franchisor in writing of and upon the failure of Franchisee to cure any default by Franchisee under the Lease, and also provide Franchisor with the right to cure said default under the Lease within thirty (30) days of being notified (but Franchisor is under no obligation to do so);
- E. Agrees that Franchisor will have the option, but not the obligation, to assume or renew the lease and the occupancy of the business Premises, including the right to sublease to another Franchisee, for all or any part of the remaining term of the lease, upon Franchisee's default or termination hereunder or upon Franchisee's default or termination or expiration of the Franchise Agreement, and in connection with said assumption Franchisor will not be obligated to pay to the landlord past due rent, common area maintenance, and other charges attributable to more than one (1) month. The landlord shall give Franchisor thirty (30) days, upon termination of Franchisee's rights under the lease, to exercise this option; and
- F. Agrees that the lease may not be amended, assigned, or sublet without Franchisor's prior written approval.

Dated: _____
LANDLORD

CORPORATE SIGNATURE:

a/an _____ corporation

By: _____ By: _____

Its: _____ Its: _____

SIGNED and SEALED this _____ day of _____, 20____

Notary Public

COLLATERAL ASSIGNMENT OF LEASE

This Collateral Assignment of Lease (the "Assignment") is hereby made and entered into on _____ ("Effective Date") and for value received, the undersigned ("Assignor") hereby assigns and transfers to 4EVER FRANCHISOR LLC ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Schedule 1 (the "Lease") respecting premises commonly known as _____ (the "Premises").

This Assignment is for collateral purposes only and except as specified herein, Assignee has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless: (i) Assignee provides express, written notice to both Assignor and the landlord of the Premises under the Lease that Assignee is assuming all of Assignor's rights, title and interest under the Lease pursuant to this assignment; and (ii) Assignee takes possession of the Premises demised by the Lease pursuant to the terms hereof, and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the premises demised thereby.

Upon a default and failure to cure (within the appropriate time period) by Assignor under the Lease or under the franchise agreement for a Franchised Business between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or upon expiration or termination of the Franchise Agreement, Assignee has the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor will have no further right, title or interest in the Lease. Assignor hereby authorizes the Lessor to disclose to Assignee, upon its request, sales and other information furnished to the Lessor by Assignor.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it must elect and exercise all options to extend the term of or renew the Lease not less than 120 days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

IN WITNESS WHEREOF, the undersigned has executed this Assignment as of the Effective Date.

ASSIGNOR:

Dated: _____

SIGNED AND SEALED this _____ day of _____, 20____

EXHIBIT D TO THE FRANCHISE AGREEMENT

EFT AUTHORIZATION FORM

Bank Name: _____
ABA# : _____
Acct. No.: _____
Acct. Name: _____

Effective as of the date of the signature below, **[Franchisee Name]** (the “Franchisee”) hereby authorizes 4Ever Franchisor LLC (the “Company”) or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Company or its affiliates under the franchise agreement dated _____ (the “Franchise Agreement”) for the franchised business located at: _____ (the “Franchised Business”): (i) all Royalty Fees; (ii) Fund Contributions; (iii) Local Advertising Requirement or (“LAR”) payments; (iv) Technology Fees; and (v) any amounts due and owing the Company or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Company or its affiliates; and (iv) all other fees and amounts due and owing to Company or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Company (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a monthly basis, or on such other schedule as Company shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Company. **[Franchisee Name]** shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this EFT Authorization Form as of the Effective Date.

AGREED:

FRANCHISEE

FRANCHISOR

[INSERT FRANCHISEE NAME]

4Ever Franchisor LLC

By: _____

By: _____

Name (Print): _____

Name: _____

Its: _____

Title: _____

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

EXHIBIT E TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

(for trained employees, officers, directors, general partners, members, Center Managers and any other management personnel of Franchisee)

This Confidentiality and Restrictive Covenant Agreement is hereby made and entered into on _____ (“Effective Date”) and, in consideration of my being a [INSERT TITLE/ROLE WITH FRANCHISEE] of _____ (the “Franchisee”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from 4EVER FRANCHISOR LLC (the “Company”) to: (i) establish and operate a franchised business (the “Franchised Business”); and (ii) use in the operation of the Franchised Business the Company’s trade names, trademarks and service marks (collectively, the “Proprietary Marks”) and the Company’s unique and distinctive format and system relating to the establishment and operation of such businesses (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 “Premises”).

1. The Company possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Company’s proprietary and confidential Operations Manual and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the “Manual”); Franchisor’s proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business and other businesses; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Business; and any techniques, methods and know-how related to the operation of the business or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the “Confidential Information”).

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As [INSERT TITLE WITH RESPECT TO FRANCHISEE] 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 Manual, and other general assistance during the term of this Agreement.

4. 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 or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby 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 [INSERT TITLE] 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.

6. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other spa or other business that: (i) offers or provides any services that are similar to the Approved Services (including any Applicable Services) and/or Management Services that were authorized to be performed from the Premises of the Franchised Business (each, a “Competing Business”); or (iii) grants or has granted franchises or licenses, or establishes or has established joint ventures, in connection with the ownership or operation of any Competing Business. I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business, or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

6.1 *Post-Term Restrictive Covenant for Center Manager of Franchised Business or Manager/Officers/Directors of Franchisee.* In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a Personal Guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of two years after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a 25-mile radius of the Premises; or (ii) within a 25-mile radius of any other franchised business that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location, or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose, during this two-year period following the termination or expiration of my employment with the Franchisee.

7. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed 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 permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

8. 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.

9. The Company is a third-party 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.

10. This Agreement shall be construed under the laws of *[INSERT LAW WHERE FRANCHISED BUSINESS IS LOCATED]*. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

IN WITNESS WHEREOF, this Confidentiality and Restrictive Covenant Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: _____

Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: _____

Title: _____

EXHIBIT F TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

This Conditional Assignment of Telephone Numbers and Domain Names is hereby made and entered into on _____ (“Effective Date”) and the parties hereto agree as follows:

1. _____, (the “Assignor”), in exchange for valuable consideration provided by 4Ever Franchisor LLC (the “Assignee”) receipt of which is acknowledged hereby, conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its the franchised business located at _____ (collectively, the “Assigned Property”). The Assigned Property includes the following:

Telephone Number(s): _____

Facsimile Number(s): _____

Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): _____

2. The conditional agreement will become effective automatically upon termination, expiration of Assignor's franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company or domain name registrar to effectuate this agreement, and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

IN WITNESS WHEREOF, the undersigned has duly executed this Conditional Assignment of Telephone Numbers and Domain Names as of the Effective Date.

ASSIGNOR

BY: _____

Date: _____

TITLE: _____

ASSIGNEE

4EVER FRANCHISOR LLC

BY: _____

[Name], [Title]

EXHIBIT G TO THE FRANCHISE AGREEMENT

BUSINESS ASSOCIATE ADDENDUM

This Business Associate Addendum (“BAA”) supplements the 4EVER FRANCHISOR LLC FRANCHISE AGREEMENT (the “Agreement”) and is effective as of the date thereof (“Effective Date”) by and between Franchisor and Franchisee. For purposes of this BAA Franchisor shall be the “Covered Entity,” Franchisee shall be the “Business Associate,” each a “Party,” and collectively the “Parties.”

RECITALS

A. Pursuant to Sections 261 through 264 of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, (“HIPAA”), the Department of Health and Human Services (“HHS”) has issued regulations at 45 C.F.R. Parts 160 and 164 (the HIPAA Security Rule, the HIPAA Privacy Rule, the HIPAA Enforcement Rule and the HIPAA Breach Notification Rule, referred to collectively herein as the “Regulations”) to protect the security, confidentiality and integrity of health information.

B. The Parties have entered into the Agreement and other transactions (the “Engagement”) whereby Business Associate and Covered Entity may exchange certain information and Business Associate may be considered a “business associate” of Covered Entity as defined in the Regulations.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree to the provisions of this BAA in order to comply with the Regulations.

I. Definitions

The following terms are defined as set forth below. Any terms used but not otherwise defined in this BAA have the definitions set forth in the Regulations and the Health Information Technology for Economic and Clinical Health Act (“HITECH”), found in Title XIII of the American Recovery and Reinvestment Act of 2009, Public Law 111-005, and any regulations promulgated thereunder.

- a. “Breach” shall have the meaning set forth in 45 C.F.R. § 164.402.
- b. “Designated Record Set” shall have the meaning set forth in 45 C.F.R. § 164.501 and shall include, but not be limited to, medical records and billing records about Individuals.
- c. “Electronic Protected Health Information” or “EPHI” shall have the same meaning as the term “electronic protected health information” in 45 C.F.R. § 160.103.
- d. “Individual” shall have the same meaning as the term “individual” in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

- e. “Protected Health Information” or “PHI” means, subject to the definition provided at 45 C.F.R. § 160.103, individually identifiable health information that Business Associate receives from Covered Entity or creates, receives, transmits or maintains on behalf of Covered Entity for purposes of performing the services under the Engagement. Unless otherwise stated in this BAA, any provision, restriction or obligation in this BAA related to the use of PHI shall apply equally to EPHI.
- f. “Required by Law” shall have the same meaning as the term “required by law” in 45 C.F.R. § 164.103.
- g. “Secretary” shall mean the Secretary of the Department of Health and Human Services or their designee.
- h. “Security Incident” means the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with the system operations in an information system. Notwithstanding the foregoing, the Parties acknowledge and agree that “Business Associate need not report all attempted but unsuccessful Security Incidents to Covered Entity, and that this BAA constitutes notice to Covered Entity that such unsuccessful Security Incidents occur periodically. Unsuccessful Security Incidents include, but are not limited to, pings and other broadcast attacks on Business Associate’s firewall, port scans, unsuccessful log-on attempts, denials of service, and any combination of the above, so long as such incidents do not result in actual unauthorized access, use, or disclosure of PHI.
- i. “Subcontractor” means a person to whom a business associate delegates a function, activity or service, other than in the capacity of a member of the workforce of such business associate.
- j. “Unsecured PHI” shall have the same meaning as the term “Unsecured PHI” in 45 C.F.R. § 164.402.

Business Associate acknowledges and agrees that all PHI that is created or received by Covered Entity and disclosed or made available in any form by Covered Entity to Business Associate, or is created, received, maintained or transmitted by Business Associate on Covered Entity’s behalf, will be subject to this BAA. This BAA will commence upon the Effective Date and will continue as long as Business Associate has use, custody or access to PHI subject to this BAA, and thereafter for the period required by the Regulations.

II. Obligations and Activities of Business Associate

- a. Use and Disclosure. Business Associate will not use or further disclose PHI other than as permitted or required by this BAA or as Required by Law. Business Associate will not use or disclose PHI in a manner that would violate the Regulations if done by Covered Entity.
- b. Restrictions on Disclosures. Business Associate will comply with any requests for restrictions on certain disclosures of PHI, to which Covered Entity has agreed and of which Business Associate is notified by Covered Entity. In addition, Business

Associate will permit an Individual to make a reasonable request that PHI relating to the Individual be supplied at alternative locations and/or by alternative means, or to make a request for restriction of the use and/or disclosure of PHI in accordance with 45 C.F.R. § 164.522, and Business Associate will provide notice of such requests to Covered Entity within seven (7) days. Business Associate agrees to comply with the requirements of 45 C.F.R. § 164.522(a)(vi) regarding requests for restriction on the disclosure of PHI to health plans for payment and health care operations purposes. Business Associate is prohibited from agreeing to any restriction on the use or disclosure of PHI or any alternative communication of PHI requested by an Individual without Covered Entity's prior written approval.

- c. Sale of PHI; Marketing; Fundraising; Research. Business Associate will not, except for payments from Covered Entity for services performed pursuant to this BAA or the Engagement, directly or indirectly receive remuneration, financial or otherwise, from or on behalf of the recipient in exchange for PHI. Business Associate will not use or disclose PHI for research or engage in any uses or disclosures that might be classified as marketing or fundraising without first obtaining prior written approval from Covered Entity.
- d. Minimum Necessary. Business Associate and Subcontractors, if any, will only request, use and disclose the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure. Business Associate agrees, and it will ensure that its Subcontractors agree, to comply with Section 13405(b) of HITECH, any regulations issued thereunder or any guidance from the Secretary regarding what constitutes the definition of minimum necessary.
- e. HIPAA Security Rule. Business Associate will develop, implement, maintain and use appropriate safeguards, and comply with the Security Rule at Subpart C of 45 C.F.R. Part 164, with respect to EPHI, to prevent use or disclosure of the PHI other than as provided for by this BAA.
- f. HIPAA Privacy Rule. Business Associate will comply with all requirements of the Privacy Rule at Subpart E of 45 C.F.R. Part 164 that apply to business associates.
- g. Mitigation. Business Associate will mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this BAA.
- h. Subcontractors. Business Associate will not permit any Subcontractor to create, receive, maintain or transmit PHI on behalf of Business Associate without first securing prior written approval from Covered Entity, which approval shall not be unreasonably withheld. Business Associate will provide Covered Entity with at least thirty (30) days prior written notice of its desire to use a Subcontractor. Covered Entity will grant or deny permission within ten (10) days of a request from Business Associate. Business Associate agrees that if Covered Entity does not respond within that time frame, that this lack of response shall constitute a denial by Covered Entity of Business Associate's request. In the event Covered Entity agrees to Business Associate's request, Business

Associate agrees that it is only permitted to use a Subcontractor to create, receive, maintain or transmit PHI on behalf of Business Associate if the Subcontractor and Business Associate executes a “Subcontractor Business Associate Agreement” in a form approved by Covered Entity which obligates the Subcontractor to comply with the same restrictions, conditions and requirements outlined in this BAA that apply to Business Associate with respect to such PHI.

- i. Reports of Impermissible Use or Disclosure of PHI; Security Incident. Business Associate will report to Covered Entity any use or disclosure of PHI not provided for or permitted by this BAA of which it becomes aware, or any Security Incident of EPHI of which it becomes aware, within three (3) days of the date on which Business Associate first discovers the use, disclosure or Security Incident. In addition to its other obligations under this BAA, Business Associate will take prompt action to correct any Security Incident or use or disclosure of PHI not permitted under this BAA and any action pertaining to such Security Incident or unauthorized use or disclosure as required by applicable federal or state laws and regulations.
- j. Breaches of Unsecured PHI. Business Associate will report to Covered Entity any Breach of Unsecured PHI by Business Associate or any of its officers, directors, employees, Subcontractors or agents. All notifications required under this Section will be made by Business Associate without unreasonable delay and in no event later than five (5) days of discovery. Business Associate will use the standard at 45 C.F.R. § 164.410(a) to determine when the Breach is treated as discovered. All notifications will comply with Business Associate’s obligations under, and include the information specified in, 45 C.F.R. § 164.410 and include any other available information that Covered Entity is required to include in its notification to individuals pursuant to 45 C.F.R. § 164.404(c). In the event of a Breach that is caused by the acts or omissions of Business Associate, its Subcontractors, officers, directors, employees or agents, Business Associate will cooperate with Covered Entity to notify, at Business Associate’s expense, (i) individuals whose Unsecured PHI has been, or is reasonably believed by Business Associate or Covered Entity to have been, accessed, acquired, used or disclosed, and (ii) the media, as required pursuant to 45 C.F.R. § 164.406, if the legal requirements for media notification are triggered by the circumstances of such Breach. Business Associate will indemnify Covered Entity for any reasonable expenses Covered Entity incurs in notifying individuals, the media and related expenses arising from a Breach, or costs of mitigation related thereto, caused by Business Associate or its officers, directors, employees, Subcontractors or agents. Business Associate will cooperate in Covered Entity’s Breach analysis process and procedures, if requested. Covered Entity will at all times have the final decision about the content of any notification required to be given under the Regulations.
- k. Access. Business Associate will make available PHI in a Designated Record Set as necessary to satisfy Covered Entity obligations under 45 C.F.R. § 164.524 (access).
- l. Amendment. Business Associate will make PHI available for amendment and incorporate any amendments to PHI in accordance with 45 C.F.R. § 164.526 (Amendment).

- m. Accounting of Disclosures. Business Associate will maintain and make available the information required to provide an accounting of disclosures to the Covered Entity as necessary to satisfy the Covered Entity's obligations under 45 C.F.R. § 164.528 (accountings).
- n. Covered Entity's Obligations Under Privacy Rule. To the extent that Business Associate is to carry out one or more of Covered Entity's obligations under Subpart E of 45 C.F.R. Part 164, Business Associate will comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligations.
- o. Records. Business Associate will make its internal practices, books, and records relating to the use and disclosure of PHI available to the Covered Entity or to the Secretary for purposes of determining Covered Entity's compliance with the Regulations. Business Associate will notify Covered Entity regarding any PHI that Business Associate provides to the Secretary concurrently with providing such PHI to the Secretary, and upon request by Covered Entity, shall provide Covered Entity with a duplicate copy of such PHI.
- p. Workforce. Business Associate will ensure that its workforce members, employees and agents are aware of and agree to the same restrictions which apply to Business Associate with respect to the PHI.
- q. Compliance with HITECH. Business Associate will comply with all requirements of Title XIII, Subtitle D of HITECH which are applicable to business associates, and will comply with all regulations issued by the Secretary to implement these referenced statutes, as of the date by which business associates are required to comply with such referenced statutes and regulations.

III. Permitted Uses and Disclosures by Business Associate

- a. Required by Law. Business Associate may use or disclose PHI as Required by Law.
- b. To Carry Out Engagement. Except as otherwise limited in this BAA, for purposes of the services provided as part of the Engagement, Business Associate may use or disclose PHI solely to perform functions, activities, or services for, or on behalf of, Covered Entity, provided that such use or disclosure would not violate the Regulations if done by Covered Entity.
- c. Management and Administration. Except as otherwise limited in this BAA, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, as provided in 45 C.F.R. § 164.504(e)(4). In addition, Business Associate may disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that such disclosures are Required by Law or Business Associate obtains, prior to the disclosure, reasonable assurances from the person to whom it is disclosed that such PHI will be held secure and confidential as provided pursuant to this BAA and only disclosed as Required by Law or for the purposes for which it was disclosed to the third party, and that any breaches of

confidentiality of the PHI which becomes known to such third party will be immediately reported to Business Associate.

IV. Provisions for Covered Entity to Inform Business Associate of Restrictions

- a. Revocation of Permission. Covered Entity will provide Business Associate with any changes in or revocation of permission by an Individual to use or disclose PHI to the extent such changes may affect Business Associate's permitted or required uses and disclosures.
- b. Restrictions on Use and Disclosure. Covered Entity will notify Business Associate of any material restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent such restrictions may affect Business Associate's use and disclosure of PHI.

V. Obligations of the Covered Entity

Covered Entity will not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Regulations if done by Covered Entity.

VI. Termination

- a. Termination for Cause by Covered Entity. Notwithstanding any contrary termination provision of any other agreement between the Parties, Covered Entity is authorized to terminate this BAA and the Engagement as described in this Section if Covered Entity determines that Business Associate has violated a material term of this BAA. Upon Covered Entity's knowledge of a material breach of this BAA by Business Associate, Covered Entity will provide written notice of such breach to Business Associate and provide an opportunity for Business Associate to cure the breach or end the violation. If Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity, then Covered Entity may immediately terminate this BAA; or Covered Entity may immediately terminate this BAA if Business Associate has breached a material term of this BAA and Covered Entity determines that cure is not possible.
- b. Effect of Termination.
 1. Except as provided in paragraph 2 of this section, upon termination of the Engagement, Business Associate will return or destroy all PHI received from Covered Entity or created, received, maintained or transmitted by Business Associate on behalf of Covered Entity. This provision will apply to PHI that is in the possession of Subcontractors of Business Associate and Business Associate will ensure compliance with this requirement by its Subcontractors. Neither Business Associate nor Subcontractors will retain any copies of PHI.
 2. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate will provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual BAA of the

Parties that return or destruction of PHI is infeasible, Business Associate will extend the protections of this BAA to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such PHI.

VII. Miscellaneous

- a. Survival. The respective rights and obligations of Business Associate and Covered Entity under this BAA will survive the termination of this BAA.
- b. Notification. Any notice required or permitted under this BAA will be given in a manner consistent with the requirements of the Agreement.
- c. Interpretation. Any ambiguity in this BAA will be resolved in favor of a meaning that permits Covered Entity to comply with HIPAA, the Regulations, and HITECH. In the event of any inconsistency between the provisions of this BAA, the Agreement, and the Regulations, the Regulations will control.
- d. Unenforceability. In the event that any provision of this BAA is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this BAA will remain in full force and effect. In addition, in the event Covered Entity believes in good faith that any provision of the BAA fails to comply with the then-current requirements of HIPAA, the Regulations, and other applicable law, including but not limited to HITECH and all regulations promulgated thereunder, Covered Entity will notify Business Associate in writing and shall provide a modified version of this BAA which shall become effective immediately upon notice to the Business Associate.
- e. Entire BAA. This BAA is the entire agreement of the Parties related to its subject matter and supersedes all prior BAAs between the Parties that were designated or qualified as business associate BAAs and replaces all previous drafts, understandings and communications.
- f. Remedies. Business Associate acknowledges and agrees that any breach of this BAA by Business Associate may cause irreparable harm to Covered Entity, the amount of which may be difficult to ascertain. Business Associate agrees that Covered Entity may seek any legal remedy, including injunctive or specific performance for such harm, without bond, security or necessity of demonstrating actual damages. Such right of Covered Entity is in addition to the remedies otherwise available to Covered Entity at law or in equity. Business Associate expressly waives the defense that a remedy in damages will be adequate.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal as of the Effective Date

FRANCHISOR:

FRANCHISEE:

4EVER FRANCHISOR LLC

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

EXHIBIT H TO THE FRANCHISE AGREEMENT
SOFTWARE LICENSE AGREEMENT

SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT IS BETWEEN 4EVER FRANCHISOR LLC (“FRANCHISOR”) AND _____ (“FRANCHISEE” OR “YOU”) AND GOVERNS FRANCHISEE’S SUBSCRIPTION TO AND USE OF THE PLATFORM AND SERVICES.

PLEASE READ THIS AGREEMENT CAREFULLY. CAPITALIZED TERMS HAVE THE DEFINITIONS SET FORTH HEREIN. BY COMPLETING THE REGISTRATION PROCESS, CREATING AN ACCOUNT OR ACCESSING OR USING ANY OF THE PLATFORM AND/OR SERVICES, YOU REPRESENT THAT (1) YOU HAVE READ, UNDERSTAND, AND AGREE TO BE BOUND BY THIS AGREEMENT, (2) YOU ARE OF LEGAL AGE TO FORM A BINDING CONTRACT WITH FRANCHISOR, (3) THE INFORMATION YOU PROVIDED IN CONNECTION WITH YOUR REGISTRATION FOR THE PLATFORM/SERVICES IS TRUE, ACCURATE AND COMPLETE, AND (4) YOU HAVE THE AUTHORITY TO ENTER INTO THIS AGREEMENT PERSONALLY OR ON BEHALF OF THE BUSINESS ENTITY YOU HAVE NAMED AS THE USER, AND TO BIND THAT BUSINESS ENTITY TO THE AGREEMENT. CERTAIN PORTIONS OF THE PLATFORM MAY BE SUBJECT TO “OPEN SOURCE” OR “FREE SOFTWARE LICENSES.” SUCH COMPONENTS WILL BE GOVERNED BY THE TERMS OF THEIR RESPECTIVE TERMS OF USE AND NOT BY THIS AGREEMENT.

ONCE ACCEPTED, THIS AGREEMENT, IN COMBINATION WITH THE PRIVACY POLICY OF FRANCHISOR AVAILABLE AT <https://4everyoungantiaging.com/privacy-policy/> AND THE PRIVACY POLICY OF HIGHLEVEL AVAILABLE AT <https://www.gohighlevel.com/> AND THE DATA PROCESSING AGREEMENT OF SERVICE PROVIDER HIGHLEVEL AVAILABLE AT <https://www.gohighlevel.com/data-processing-agreement> (COLLECTIVELY THE “AGREEMENT”), BECOME A BINDING LEGAL COMMITMENT BETWEEN FRANCHISEE AND FRANCHISOR AND THEIR RESPECTIVE OFFICERS, DIRECTORS, BUSINESS AFFILIATES, SUCCESSORS AND ASSIGNS (HEREINAFTER REFERRED TO AS “FRANCHISOR” “WE” OR “US”) AND WILL GOVERN YOUR ACCESS TO AND USE OF THE PLATFORM AND ALL OTHER INTERACTIONS WITH FRANCHISOR RELATED TO THE PLATFORM.

Franchisor is only providing the Platform for your business use without any promise of exclusivity. Franchisor’s users, entrepreneurs, affiliate marketers, experts, and partners are not Franchisor’s employees, contractors, or representatives. Franchisor is not responsible for any interactions between you and your Users, other than providing access to the Platform. Franchisor is in no way liable for any disputes, claims, losses, injuries, or damages arising from your relationship with your Users, including their reliance upon any information or content you provide. You agree and acknowledge that you are responsible for implementing your own terms of service to govern the relationship between you and your Users.

You should consult a lawyer for legal advice to ensure your use of the Platform complies with this Agreement and applicable law.

1. Use of Platform

1.1. User Restrictions. An end user (“User”) must be at least 18 years old to use the Platform. By accepting this Agreement, creating a Platform Account, or using the Platform, you represent that all Users are at least 18 years old. A User may not use the Platform or the Services if the User is an employee, partner, or director of our Competitors or intends to gain access to the Platform in order to compete with the Platform.

1.2 Platform Account Ownership. Your use of the Platform is conditioned on your provision of complete, current, and accurate information when registering for a Platform Account. The Platform is intended for business use by Franchisee. As the individual signing on behalf of the Franchisee below, you represent and warrant that you have the authority to bind the Franchisee to this Agreement.

1.3 Intended Use. You may use the Platform only as intended for lawful purposes and in accordance with this Agreement. You agree that You will not use the Platform in any way that violates any applicable law or regulation or engage in any Prohibited Uses. In addition, you represent and warrant that: (i) You will maintain in effect all licenses, permissions, authorizations, consents, and permits necessary to carry out the obligations under this Agreement; (ii) You are fully responsible for your actions and the actions of your employees, agents, other representatives and Users who use the Platform; (iii) You, your employees, agents and representatives will not misrepresent the Platform or the Services; (iv) You will not sublicense the Platform without the prior express written consent of Franchisor; (v) You will ensure that your employees with access to the Platform Account are bound by this Agreement, and you will require that your agents and representatives accept terms at least as restrictive as this Agreement; (vi) You own or control all rights in and to all content you provide to Franchisor, including, but not limited to, any code provided to customize the Platform; (vii) You and your employees will provide reasonable cooperation regarding information requests from law enforcement, regulators, or telecommunication provider; and (viii) You will not give access to the Platform or Services to a direct Competitor of Franchisor, (ix) You will not directly or indirectly reverse engineer, decompile, disassemble or otherwise attempt to uncover or discover the source code, object code or underlying structure, ideas, know-how or algorithms; (x) You will not modify, translate, or create derivative works based on the Platform (except to the extent expressly permitted by us); and (xi) You will not remove any proprietary notices or labels.

1.4 Compliance: You will be solely responsible for your use of the Platform and Services, including (a) the quality and integrity of any data and other information, including Information, made available to us by or for you through the use of the Platform, (b) securing and maintaining proper insurance as required, and (c) compliance with all applicable laws and regulations including but not limited to HIPAA and other data privacy laws. Franchisor is not responsible for your compliance with laws and does not represent that your use of the Platform will comply with any laws, including but not limited to HIPAA, PCI, Gramm-Leach-Bliley Act, and other similar laws and regulation.

1.5 Privacy. By using the Platform and providing Information on or through the Platform, you consent to Franchisor's use and disclosure of the Information in accordance with the Privacy Policies available at <https://4everyoungantiaging.com/privacy-policy/> and gohighlevel.com/privacy-policy, and incorporated herein by reference. You agree that Franchisor has no responsibility or liability for the deletion or failure to store any Information or content maintained or transmitted on or through the Platform.

1.6 Login Credentials. You are responsible for maintaining the confidentiality of your Login Credentials. You are responsible for all uses of your Platform Account and Login Credentials, whether or not authorized by you. You agree to notify Franchisor immediately of any unauthorized access to or use of your Platform Account or Login Credentials or any other breach of security. Franchisor reserves the right to disable your Login Credentials at any time in its sole discretion for any or no reason, including if, in Franchisor's opinion, you have violated any provision of this Agreement. Platform Accounts are non-transferable. You are obligated to take preventative measures to prohibit unauthorized users from accessing your Platform Account with your Login Credentials. You give consent to Franchisor to access and monitor your Platform Account and your User's accounts for support and security purposes, and/or to perform its obligations under this Agreement or to enforce this Agreement.

1.7 Use of Communication Services. The Platform may include certain communications features such as SMS, MMS, email, voice call capabilities and other methods. Separate Communication Surcharges for these services may apply and will be charged to your invoice. If You use these features, You agree that You are exclusively responsible for all communications sent using the Platform, including compliance with all laws governing those communications including but not limited to the Telephone Consumer Protection Act (“TCPA”), the Do Not Call Registry Rules and the CAN-SPAM Act. You represent and warrant that you understand and will comply with those laws. Franchisor is not responsible for your compliance with laws and does not represent that your use of the Platform will comply with any laws. Franchisor is a technology platform communication service application provider ONLY. Franchisor does not originate, send, or deliver any communications to your Users via SMS, MMS, email, or other communication method. You control the message, timing, sending, fraud prevention, and call blocking. All communications, whether SMS, MMS, email or otherwise, are created by and initiated by you, whether generated by You or sent automatically via the Platform at Your direction. Communication Surcharges are subject to the terms of service at www.leadconnectorhq.com/terms2.

1.8 Third Party Services. You may choose to access certain Third-Party Services through the Platform. You are responsible for enabling and managing the integration of each Third-Party Service. You acknowledge that by purchasing or integrating Third Party Services through the Platform, you grant permission to Franchisor to share your data with the Third-Party Services providers in order to facilitate the integration and use of the Third Party Services through the Platform. You also represent and warrant that You have the appropriate consents for importing any data (including data of your Users) that you request Franchisor to import from other Third-Party Services and/or are the rightful owner of such data. Franchisor is not responsible for, and Franchisor hereby disclaims any liability for, any act or omission of any Third-Party Services provider or the operation of any Third-Party Services, including access to, modification of, or deletion of data, regardless of whether Franchisor endorses, approves, promotes, or supports any such Third-Party Services. You hereby irrevocably waive any claim against Franchisor with respect to the content or operation of any Third-Party Services. Your use of the Third-Party Services is governed by Your agreement with such Third Party, including any supplemental policies imposed by the Third Party. You are solely responsible for reviewing and complying with any terms of use, privacy policies or other terms governing your use of these Third-Party Services, which you use at your own risk. Franchisor disclaims all liability related to outages or downtime of Third Party Services.

Franchisor does not guarantee the interoperation, integration, or support of any Third-Party Services nor give any representation, warranty or endorsement, express or implied, with respect to the legality, accuracy, quality, or authenticity of content, information, or services provided by those Third-Party Services. Franchisor may, at any time, in its sole discretion, modify the Platform or Services, which may impact interoperation, integration, or support of Third-Party Services.

If you elect to pause or delete some or all of your Platform Account, certain features, functionality, or Services, including Third Party Services (such as LeadConnector phone numbers or email services), may not be recoverable or retrievable upon reactivation. If you pause some or all of your Platform Account for more than thirty (30) days, and Franchisor is still incurring costs on your behalf related to Third Party Services (such as the costs of securing a particular phone number on your behalf), Franchisor reserves the right to release the phone number or delete some or all of your Platform Account in its sole discretion, without liability to you.

1.9 Third Party Content. The Platform may include Third Party Content. Your use of Third Party Content is entirely at your own risk and discretion. All statements and opinions expressed in Third Party Content are solely the opinions and the responsibility of the third party and do not necessarily reflect the opinion of Franchisor. Franchisor is not responsible for Third Party Content and makes no endorsements,

representations or warranties and assumes no liability, obligation or responsibility for Third Party Content. You are responsible for ensuring that your engagement or transactions with Third Party Content is in compliance with this Agreement and any applicable laws.

1.10 Platform Updates. Franchisor reserves the right to make updates or changes to the Platform at any time, including changes that may affect the previous mode of operation of the Platform. You agree that your use of the Platform or purchase of Services is not contingent on Franchisor's future delivery or release of any functionality or feature, including but not limited to the continuation of a certain Service or any Third-party Service.

1.11 International Use. If you are in an embargoed country or are a sanctioned person or entity, you are prohibited from using the Platform. Franchisor makes no representation that materials on the Platform are appropriate or available for use in locations outside the United States. Those who choose to access the Platform from other locations do so on their own initiative and at their own risk. If you choose to access the Platform from outside the United States, you are responsible for compliance with local laws in your jurisdiction, including but not limited to, the taxation of products purchased over the Internet. You agree to comply with all economic sanctions and export control laws, rules and regulations, including without limitation the regulations promulgated by the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") and the U.S. Department of the Treasury's Office of Foreign Assets Control (collectively, "Export Control Laws"). By using the Platform, you agree not to use, export, import, sell, release, or transfer the Platform, the Services, or any software or technology that supports the Platform or your content, or the Platform Content violating any such Export Control Laws. Specifically, and without limitation, the Platform, the Services, or any software or technology that supports the Platform, or your content, or Platform Content may not be exported, transferred, or released, or provide access (a) into any U.S. embargoed countries (including, without limitation Cuba, Iran, North Korea, Syria and the Crimea, Donetsk, and Luhansk regions, Russia and Belarus (a "Prohibited Jurisdiction"); or (b) to anyone included in the U.S. Treasury Department's list of Specially Designated Nationals or any other applicable restricted party lists.

You represent, warrant and covenant that (i) You are not named on, or owned or controlled by any party named on, any U.S. government's (or other government's or international body's) list of persons or entities prohibited from receiving U.S. exports, or transacting with any U.S. person, (ii) You are not a national of, located in, or an entity (or a director/employee/agent/representative of such entity) registered in, any Prohibited Jurisdiction, or an entity that is or has been greater than 50% owned or controlled by any person or persons described in Clause (i) or (ii) and are not Military End Users and will not put Franchisor or the Platform to a Military End Use, as defined in 15 C.F.R. 744.21, (iii) You will not permit your users to access or use the Platform and/or Service or provide any services to any person(s) in violation of any Export Control Laws, (iv) no user data created or submitted by You is subject to any restriction on disclosure, transfer, download, export or re-export under the Export Control Laws, and (v) You shall comply with all applicable laws regarding the transmission of technical data exported from the United States and the country in which You and Your Users are located. You further agree that You will not use the Platform and/or Services to disclose, transfer, download, export or re-export, directly or indirectly, any of your user data or your content to any country, entity or other party which is ineligible to receive such items under the Export Control Laws or under other laws or regulations to which You may be subject. You acknowledge that the Platform and/or Service and other software may not be available in all jurisdictions and that You are solely responsible for complying with the Export Control Laws. Any offer for any product, Services, and/or information made in connection with the Platform is void where prohibited. We reserve the right to terminate access to any Platform Account that we determine to be a prohibited end-user or engaging in prohibited end-use, without any liability to such user.

1.12 Artificial Intelligence Acceptable Use policy: Before using Artificial Intelligence (“AI”) features of the Platform, you must ensure that you are in a jurisdiction that allows AI usage. If you elect to use any AI-based features of the Platform, you are responsible for ensuring that you are using our AI-based features in compliance with our Artificial Intelligence Acceptable Use policy which is attached hereto as Exhibit B.

1.13 Sub-Account Transfer Requests. Franchisor will only fulfill transfers of Sub-Accounts without Your approval if: (i) the Sub-Account has attempted to seek your approval through the in-app transfer request process, (ii) you have failed to respond to the request for at least 30 days, and (iii) either (a) your Platform Account has been canceled by you or force-canceled for non-payment and not reactivated within 30 days, or (b) your Platform Account has been suspended or terminated due to your breach of this Agreement.

1.14 Bug Bounty Program. Franchisor does not have a bug bounty program and does not pay bug bounties. Franchisor prohibits any third party access to the Platform or any Franchisor systems or networks, including any network penetration testing, security assessment or probing, except as expressly permitted by this Agreement or as agreed to by Franchisor in a separate written agreement.

1.15 Certification Program. High Level offers a certification subscription to individual users who successfully complete the certification exams to indicate Platform expertise. Certification badges are unique to the individual who earned the badge and do not apply to the entire agency or anyone else in Your organization. You agree not to misrepresent certification badges on Your store, social media or the Platform. Certification badges do not constitute High Level or Franchisor’s endorsement, support, promotion, or affiliation with any particular individual. Neither High Level nor Franchisor are liable for any business you do or do not generate as a result of being certified. By participating in the Certification Program, you grant permission to Franchisor to display your contact information on our Certified Directory. Any transactions you enter with third parties as a result of your certification are solely at your own risk, and Franchisor makes no guarantees or warranties that such transactions will be successful. While participating in the Certification Program, You are prohibited from stating or implying that you are an employee or contractor of High Level or Franchisor, or that you have an affiliation or business relationship with Franchisor other than your certification credentials. You may not use the Certification Directory to solicit or recruit certified parties for your own business or engage in any other activity that is inconsistent with the spirit of the Certification Program. High Level and Franchisor reserve the right to terminate your participation in the Certification Program at any time, for any reason, in its sole discretion.

2. Code of Conduct. You represent and warrant that, when using the Platform, you will comply with the Code of Conduct set forth in Exhibit A. Franchisor reserves the right to seek all remedies available to it in the event that You violate this Agreement, including the Code of Conduct, up to and including termination of your Platform Account.

3. Payment

3.1 Fees and Auto-Renewal. You agree to provide us with accurate and complete billing information (name, address, credit card information, and phone number) and notify us of any changes within 10 days of the change. Your use of the Platform is subject to the timely payment of your and your Users’ Fees. Fees may include, but are not limited to: subscription fees, Communication Surcharges, add-on service fees, or other usage-based or subscription-based Fees offered by Franchisor as incurred by you and your Users. Fee rates and amounts may change from time to time. Fees for subscription services will be billed in advance of Services on a monthly or annual basis, depending on your subscription plan. Communication Surcharges will be paid through the wallet feature. Usage-based fees are calculated based on usage and will be billed monthly as separate line items on your invoice. We will automatically charge the card on file when your Fees become due.

3.2 Wallets and Rebilling. Your Platform Account contains a “wallet” where you can pre-load funds to purchase Services through the Platform or to support rebilling of your Users’ Fees. You may be automatically enrolled in our rebilling feature and if so, you will need to update your settings in your Platform Account if You want to turn off the rebilling feature or change the automatic re-load amount. If you use the wallet feature, You provide your consent for Franchisor to deduct amounts from the wallet to cover any Fees due at such time. In the event you have a negative wallet balance, we will automatically charge the credit card we have on file to cover the negative balance and add funds to avoid any overdrafts. You provide your consent for Franchisor to charge your credit card to avoid any overdrafts.

3.3 Late Payments and Payment Disputes. If, for any reason, your credit card company declines or otherwise refuses to pay the amount owed for the Services you have purchased, we will re-attempt to charge the card on file for a period of 7 business days. If, after re-attempting to charge your card, we are still unable to process the transaction, your Platform Account may be force-canceled for non-payment in Franchisor’s sole discretion. Additionally, we may require you to pay any overdue Fees and other amounts incurred (including any third-party chargeback fees or penalties) by other means acceptable to us. In the event legal action is necessary to collect on balances due, you agree to reimburse us for all expenses incurred to recover sums due, including attorney fees and other legal expenses. In the event that you dispute any charges on your invoice, You must notify us in writing within thirty (30) days of the invoice date. You must pay all invoiced Fees and charges while the dispute is pending or you waive the right to pursue the dispute. Where you are disputing any Fees or charges, you must act reasonably and in good faith and cooperate diligently with us to resolve the dispute. All Franchisor determinations regarding your obligation to pay invoiced Fees and charges are final.

3.5 Refunds

3.5.1 Nonrefundable Fees. All Fees assessed by Franchisor are non-refundable, including subscription Fees, Communication Surcharges, and Franchisor’s resale of Third Party Services, regardless of whether you actually accessed or used the Platform Account or Services during your subscription period. You are solely responsible for any excess Fees incurred by You as a result of an error or omission made by You or a third party. Franchisor does not provide Fee refunds or credits for such errors or omissions, or for partially used or unused Platform or Services subscriptions. Except as may be required by law, Franchisor reserves the right to issue or deny a refund or credit in its sole and absolute discretion, at any time, for any reason, and Franchisor’s determination of if and when to issue or deny a refund or credit is final.

3.5.2 Pre-paid and Minimum Commitment Subscriptions. Franchisor resells some Services and Third Party Services that require pre-payment (including but not limited to ad-buying and other services). Unused or cancelled pre-paid services are non-refundable. Franchisor may, in its sole discretion, issue account credits for future services in the event that You elect to cancel any pre-paid services before the services are fully performed. Some subscriptions for Services require a non-cancellable minimum subscription commitment which cannot be canceled until the commitment is fulfilled. Fees for such non-cancellable minimum subscription commitments will continue to be automatically applied to your bill until the minimum commitment has been achieved. Some add-on services or products cannot be canceled or refunded once Franchisor has technically enabled such products and/or services on your Platform Account, including but not limited to the HIPAA package.

3.5.3 Wallet Credit Refunds. When Your Services are canceled, terminated or expired, it is Your sole obligation to request Franchisor to refund any amounts remaining in your account’s “wallet.” Any amounts remaining in the “wallet” for over thirty (30) days after expiration, termination or cancellation of your Platform Account, will be forfeited, and Franchisor has no obligation to refund such amounts.

3.6 Taxes and Government Assessments. All Fees are exclusive of any sales, VAT, GST and use taxes, levies, fees, duties, interest, penalties and other governmental assessments (“Taxes”) unless mentioned otherwise in this Agreement. Business entities with a valid VAT or GST identification number should provide Franchisor with their VAT or GST identification number. You hereby confirm that Franchisor can rely on the VAT or GST number provided. Where applicable by law, Franchisor will shift the liability to pay VAT/GST on the Fees to you due to the application of a VAT/GST reverse charge mechanism. You are exclusively responsible for Taxes associated with your use of the Platform, including all Taxes associated with transactions you conduct with your Users. Franchisor may collect Taxes from you as part of the Fees as legally required or as Franchisor deems appropriate, and all Franchisor determinations regarding what Taxes to collect are final. Failure to provide Franchisor with a valid VAT or GST identification number may result in VAT or GST being assessed by Franchisor. If you provide a valid VAT or GST identification number after a Fee has been paid, the VAT and GST taxes charged will not be refunded. Franchisor may recalculate and collect additional Taxes from you if it determines at any point that they are due. You will indemnify Franchisor for all Claims related to Taxes that are associated with your activities on the Platform, including any Taxes related to your transactions with your Users as further described above. Taxes are nonrefundable. You hereby confirm that Franchisor can rely on the name and address that You provide to Franchisor when You agree to the Fees or in connection with Your payment method as being the place of supply for Tax purposes or as being the place of supply for VAT purposes where You have established Your business. Without limiting the generality of this Section 4.7, if any amount payable by You to Franchisor is subject to any withholding or similar taxes, You shall pay for all withholding taxes without any reduction in the Fees and Taxes charged above.

4. Intellectual Property

4.1 Platform Content. The Platform and Platform Content are the property of Franchisor or its licensors and are protected by copyright, trademark and other intellectual property laws, except as indicated below. Platform Content does not include User Contribution(s), as defined below. Franchisor grants you a personal, royalty-free, non-assignable, revocable, and non-exclusive license to access and use the Platform Content while using the Platform for the purpose of making the Platform available to You. Any other use, including the reproduction, modification, distribution, transmission, republication, framing, display or performance of Platform Content without prior permission of Franchisor is strictly prohibited.

4.2 Franchisor Marks and Advertisements. Franchisor’s name, logo, or Marks (including but not limited to Franchisor, SaasPrenuer, High Level, LeadConnector) are trademarks and service marks of Franchisor or its licensor and may not be used without advance written permission of Franchisor or its licensor, including but not limited to as part of any company name or domain name or in connection with any product or service that is not provided by Franchisor, or in any manner that is likely to cause confusion, or in any manner that disparages, discredits, or misrepresents Franchisor. You may not remove any Franchisor Marks, name or logo or other proprietary notices, including, without limitation, attribution information, credits, and copyright notices that have been placed on or near the Platform or Platform Content. Other products or company names mentioned on the Platform may be trademarks or service marks of their respective owners. Third-party websites may feature Franchisor Marks, with or without authorization, and such usage of Franchisor Marks does not constitute or imply any approval, sponsorship, or endorsement by Franchisor. You will not (i) make any unauthorized representations, warranties or false, misleading or deceptive statements regarding Franchisor, its Platform and Services (ii) include Franchisor or any of its Services or the Platform in any of your comparative and/or marketing advertisements.

4.3 User Contributions. User Contributions are considered non-confidential and non-proprietary. You grant Franchisor, our service providers and each of their licensees, successors, and assigns the right to use, reproduce, modify, perform, display, distribute, and otherwise disclose User Contributions to third parties

for the sole purpose of fulfilling Franchisor's obligations under this Agreement. Franchisor is not responsible or liable to any third party for the content or accuracy of any User Contributions, nor do we endorse the User Contribution of third parties. Franchisor is not responsible for any failure or delay in removing User Contributions that violate the Terms. Franchisor reserves the right to delete or otherwise remove any User Contributions we deem to be in violation of this Agreement, with or without notice, at any time, for any reason. You represent and warrant that: (i) You own or control all rights in and to the User Contributions and have the right to grant the license granted above; (ii) All of your User Contributions comply with this Agreement; and (iii) You understand and acknowledge that you are responsible for the legality, reliability, accuracy and appropriateness of your User Contribution.

4.4 Prohibited User Contributions. You are prohibited from posting User Contributions on the Platform that: (i) Are unlawful, threatening, abusive, harassing, defamatory, deceptive, fraudulent, tortious, invasive of another's privacy, or includes graphic descriptions of sexual or violent content; (ii) Victimize, harass, degrade, or intimidate an individual or group of individuals on the basis of religion, gender, sexual orientation, race, ethnicity, age, disability, or otherwise; (iii) Infringe any patent, trademark, trade secret, copyright, right of publicity, or other proprietary or intellectual property right of any party; or (iv) Breach the security of, compromise or otherwise allow access to secured, protected or inaccessible areas of the Platform, or attempt to gain access to other networks or servers via your Platform Account.

4.5 Feedback. If you provide Feedback, you agree and acknowledge that your submission of Feedback is voluntary, non-confidential, and gratuitous, and Franchisor and its affiliates have no obligation to use the Feedback. You grant Franchisor and its designees a perpetual, irrevocable, non-exclusive, fully-paid up and royalty-free license to use any Feedback you submit to Franchisor without restrictions or payment or other consideration of any kind, or permission or notification to you or any third party. The license includes, without limitation, the irrevocable right to reproduce, prepare derivative works, combine with other works, alter, translate, distribute copies, display, perform, license the Feedback, and all rights therein, in the name of Franchisor or its designees throughout the universe in perpetuity in any and all media now or hereafter known.

4.6 Feedback Waiver. You hereby irrevocably release and forever discharge Franchisor from any and all actions, causes of actions, claims, damages, liabilities and demands, whether absolute or contingent and of any nature whatsoever, which you now have or hereafter can, shall or may have against Franchisor with respect to the Feedback, including without limitation how Franchisor directly or indirectly uses the Feedback. You agree that you are responsible for the content of the Feedback and further agree (at Franchisor's option and at your sole expense) to defend, indemnify, and hold Franchisor harmless from any and all actions, claims, and liabilities, demands, whether absolute or contingent and of any nature whatsoever, damages, losses, costs, fees, fines or expenses, including reasonable attorneys' fees, which Franchisor may incur as a result of use of the Feedback in accordance with this Agreement.

4.7 Copyright; Digital Millennium Copyright Act. Franchisor is an online service provider and is afforded safe harbor from copyright infringement liability under the Digital Millennium Copyright Act under 17 U.S.C. § 512. If you believe that Your copyrights have been infringed by a Franchisor user, or that your intellectual property rights have been otherwise violated by a user of our Platform, you should notify us of your infringement claim in accordance with the procedure set forth below. You may submit a DMCA Takedown Request to info@fyinstitute.com. If you include any personally identifiable information in your DMCA Takedown Request or Counter-Notice, you consent to the disclosure of that personally identifiable information when providing a copy of the Takedown Notice of Counter-Notice to the intended recipient and/or their representatives.

Upon receipt of a fully compliant DMCA Takedown Request, Franchisor will notify and provide a copy of the DMCA Takedown Request to the alleged infringer. Franchisor will make reasonable efforts to remove the allegedly infringing content in a reasonable amount of time after receipt of the fully compliant DMCA Takedown Request.

The alleged infringer may submit a DMCA Counter-Notice by reaching out to info@fyinstitute.com. Upon receipt of a fully compliant DMCA Counter-Notice, Franchisor will send a copy of the Counter-Notice to the original complaining party. Unless the original complaining party files an action seeking a court order against the content provider, member or user, the removed content may be reposted, or access to it restored, in 10 business days or more after receipt of the Counter-Notice, at Franchisor's sole discretion.

Alternatively, you may email a DMCA Takedown Request or Counter-Notice in the forms described below to info@fyinstitute.com (Subject line: "DMCA Takedown Request") with a physical copy mailed to the designated copyright agent address below.

4Ever Young Anti-Aging
Attention: Copyright Agent
5458 Town Center Rd
Suite 13
Boca Raton, FL 33486

To be effective, the notification must be in writing and contain the information below. DMCA Takedown Requests or Counter-Notices that do not comply with the following requirements will be rejected and not processed:

For DMCA Takedown Requests:

- an electronic or physical signature of the person authorized to act on behalf of the owner of the copyright or other intellectual property interest;
- a description of the copyrighted work or other intellectual property that you claim has been infringed;
- a description of where the material that you claim is infringing is located on the Platform, with enough detail that we may locate it;
- your address, telephone number, and email address;
- a statement by you that you have a good faith belief that the disputed use is not authorized by the copyright or intellectual property owner, its agent, or the law; and
- a statement by you, made under penalty of perjury, that the above information in your notice is accurate and that you are the copyright or intellectual property owner or authorized to act on the copyright or intellectual property owner's behalf.

For Counter-Notices:

- your physical or electronic signature;
- identification of the content that has been removed or to which access has been disabled and the location at which the content appeared before it was removed or disabled;
- a statement that you have a good-faith belief that the content was removed or disabled as a result of mistake or a misidentification of the content; and
- your name, address, telephone number, and email address, and a statement that you will accept service of process from the person who provided notification of the alleged infringement.

4.8 Copyright. The Platform is a registered work under the United States Copyright Act, Registration Number TXu 2-435-865 with an effective date of registration of June 19, 2024.

4.9 Patents Pending. Certain features provided in the Platform are covered by the following U.S. Patent Applications filed with the United States Patent and Trademark Office:

- App. Ser. No. 18/322, 978 filed on May 24, 2023;
- App. Ser. No. 18/341,261 filed on June 26, 2023;
- App. Ser. No. 18/457,510 filed on August 29, 2023;
- App. Ser. No. 18/460, 891 filed on September 05, 2023; Patent No. U.S. 12,010, 184 B1 Granted on June 11, 2024; Continuation 18/651,892 filed May 1, 2024
- App. Ser. No. 18/469,702 filed on September 19, 2023;
- App. Ser. No. 18/470,799 filed on September 20, 2023.
- App. Ser. No. 18/508,729 filed on November 14, 2023
- App. Ser. No. 18/515,750 filed on November 21, 2023;
- App. Ser. No. 18/762,873 filed on July 3, 2024
- App. Ser. No. 18/749,809 filed on June 21, 2024

4.10 Usage Data. Franchisor may access, collect, analyze, and use the data, information, or insights generated or derived from the provision, use and performance of the Platform, the Service and related software, programs, and technologies (“Usage Data”) in accordance with our Privacy Policy. Franchisor owns all such Usage Data. If Franchisor desires to disclose any Usage Data, then Franchisor will anonymize all Usage Data in such disclosure and disclose such Usage Data in aggregate form only in a manner that does not identify You or your Users and would not permit a third party to identify You or your Users.

5. Disclaimers

THE PLATFORM IS PROVIDED ON AN “AS IS” AND “AS AVAILABLE” BASIS WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THE WARRANTY OF NON-INFRINGEMENT. YOUR USE OF THE PLATFORM IS AT YOUR OWN DISCRETION AND RISK AND WITH YOUR AGREEMENT THAT YOU WILL BE SOLELY RESPONSIBLE FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA THAT RESULTS FROM SUCH ACTIVITIES. YOU AGREE THAT FRANCHISOR HAS NO RESPONSIBILITY OR LIABILITY FOR THE DELETION OR FAILURE TO STORE ANY INFORMATION OR CONTENT MAINTAINED OR TRANSMITTED ON OR THROUGH THE PLATFORM.

WITHOUT LIMITING THE FOREGOING, WE MAKE NO WARRANTY THAT (A) THE PLATFORM WILL MEET YOUR REQUIREMENTS, (B) THE PLATFORM WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (C) THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE PLATFORM WILL BE EFFECTIVE, ACCURATE OR RELIABLE, (D) CERTAIN FEATURES WILL BE ADDED TO THE PLATFORM, OR (E) THE QUALITY OF THE PLATFORM WILL MEET YOUR EXPECTATIONS OR BE FREE FROM MISTAKES, ERRORS OR DEFECTS.

YOU ACKNOWLEDGE THAT THE INTERNET AND TELECOMMUNICATIONS PROVIDERS’ NETWORKS ARE INHERENTLY INSECURE. ACCORDINGLY, YOU AGREE THAT FRANCHISOR IS NOT LIABLE FOR ANY CHANGES TO, INTERCEPTION OF, OR LOSS OF YOUR DATA WHILE IN TRANSIT VIA THE INTERNET OR A TELECOMMUNICATIONS PROVIDER’S NETWORK.

FRANCHISOR MAKES NO WARRANTY REGARDING ANY TRANSACTIONS EXECUTED THROUGH A THIRD PARTY OR THIRD PARTY SERVICES, OR IN CONNECTION WITH THE PLATFORM, AND YOU UNDERSTAND AND AGREE THAT SUCH TRANSACTIONS ARE CONDUCTED ENTIRELY AT YOUR OWN RISK. ANY WARRANTY THAT IS PROVIDED IN CONNECTION WITH ANY SERVICES OR CONTENT AVAILABLE ON OR THROUGH THE PLATFORM FROM A THIRD PARTY OR THROUGH THIRD PARTY SERVICES IS PROVIDED SOLELY BY SUCH THIRD PARTY.

WE RESERVE THE SOLE RIGHT TO EITHER MODIFY OR DISCONTINUE THE PLATFORM, INCLUDING ANY SERVICES OR FEATURES THEREIN, AT ANY TIME WITH OR WITHOUT NOTICE TO YOU. WE SHALL NOT BE LIABLE TO YOU OR ANY THIRD PARTY SHOULD WE EXERCISE SUCH RIGHT. MODIFICATIONS MAY INCLUDE, BUT ARE NOT LIMITED TO, CHANGES IN THE PRICING STRUCTURE AND THE ADDITION OF FREE OR FEE-BASED SERVICES. ANY NEW FEATURES THAT AUGMENT OR ENHANCE THE THEN-CURRENT SERVICES ON THIS PLATFORM SHALL ALSO BE SUBJECT TO THIS AGREEMENT.

SOME STATES OR JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES, SO SOME OF THE ABOVE LIMITATIONS MAY NOT APPLY TO YOU. PLEASE CONSULT THE LAWS IN YOUR JURISDICTION.

BETA PRODUCTS OR EARLY RELEASE PRODUCTS. FROM TIME TO TIME, YOU MAY HAVE THE OPTION TO PARTICIPATE IN A PROGRAM WITH FRANCHISOR WHERE YOU GET TO USE EARLY RELEASE OR BETA PRODUCTS, FEATURES OR DOCUMENTATION (COLLECTIVELY, “BETA PRODUCTS”) OFFERED BY FRANCHISOR. THE BETA PRODUCTS ARE NOT GENERALLY AVAILABLE AND ARE PROVIDED “AS IS” AND AS AVAILABLE EXCLUSIVE OF ANY WARRANTY WHATSOEVER. FRANCHISOR DOES NOT PROVIDE ANY INDEMNITIES, SERVICE LEVEL COMMITMENTS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT, AND FITNESS FOR A PARTICULAR PURPOSE, IN RELATION THERETO. YOU OR FRANCHISOR MAY TERMINATE YOUR ACCESS TO THE BETA PRODUCTS AT ANY TIME.

6. Limitation of Liability, Indemnification, and Mitigation

Your exclusive remedy and our entire liability, if any, for any claims arising out of this Agreement and your use of the Platform or the Services shall be limited to the amount you paid us for Services purchased on the Platform during the three (3) month period before the act giving rise to the liability, provided however, this limitation will not apply to you if you only use the free Services, and in this case, if Franchisor determines to have any liability to you or any third party arising from your use of the free Services, then Franchisor’s aggregate liability will be limited to one hundred U.S. dollars.

IN NO EVENT SHALL FRANCHISOR BE LIABLE TO YOU OR ANY THIRD PARTY FOR ANY SPECIAL, PUNITIVE, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, OR ANY DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THOSE RESULTING FROM MALICIOUS CODE, LOSS OF USE, DATA OR PROFIT LOSS, WHETHER OR NOT WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND ON ANY THEORY OF LIABILITY, ARISING OUT OF OR IN CONNECTION WITH THE USE OF THE PLATFORM OR THIRD PARTY SERVICES OR OF ANY WEBSITE REFERENCED OR LINKED TO FROM THE PLATFORM.

FURTHER, WE SHALL NOT BE LIABLE IN ANY WAY FOR THIRD PARTY SERVICES OR DISRUPTIONS THEREOF, OR THIRD PARTY PROMISES AND/OR STATEMENTS REGARDING OUR PLATFORM SERVICES OR CONTENT OR FOR TRANSACTIONS WITH THE THIRD PARTY THROUGH THE PLATFORM, INCLUDING WITHOUT LIMITATION THE PROCESSING OF ORDERS.

SOME JURISDICTIONS PROHIBIT THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, SO THE ABOVE LIMITATIONS MAY NOT APPLY TO YOU. PLEASE CONSULT THE LAWS IN YOUR JURISDICTION.

You agree to defend, indemnify, and hold Franchisor harmless against all demands, claims, actions, proceedings, damages, liabilities, losses, fees, costs or expenses (including without limitation reasonable attorneys' fees and the costs of any investigation) directly or indirectly arising from or in any way connected with your use of the Platform ("Claims"), including, but not limited to: (a) our use of or reliance on information or data supplied or to be supplied by you, your employees, agents, or Users; (b) any breach of or default under this Agreement by you, your employees, agents, or Users; (c) the wrongful use or possession of any Franchisor property by you, your employees, agents, or Users; (d) any negligence, gross negligence or willful misconduct by you or your employees, agents, or Users; (e) misrepresentations by you, your employees or agents (f) violation(s) of applicable law by you, your employees or agents, (g) your actions and the actions of your employees or agents; (h) the acts or omissions of you, your employees or agents in connection with providing notice and obtaining consents regarding the origination or content of the SMS or MMS messages, email or other communications using the Services, (i) Taxes and other Fees and/or (j) any disputes between (1) you and other users (2) you and (3) your Users.

If the Platform is found to violate any third-party intellectual property right, at our option we may: (a) obtain the right for you to continue to use the Platform as contemplated by this Agreement; (b) modify or replace the Platform, in whole or in part, to seek to make the Platform non-infringing; or (c) require you to immediately cease any use of the Platform.

7. Limitation On Time to File Claims

ANY CAUSE OF ACTION OR CLAIM YOU MAY HAVE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PLATFORM MUST BE COMMENCED WITHIN THREE (3) MONTHS AFTER THE EVENT GIVING RISE TO THE ACTION OR CLAIM OCCURRED, REGARDLESS OF WHEN YOU KNEW OR SHOULD HAVE KNOWN ABOUT IT; OTHERWISE, SUCH CAUSE OF ACTION OR CLAIM IS PERMANENTLY BARRED.

8. Injunctive Relief

You agree that a breach of this Agreement will cause irreparable injury to Franchisor for which monetary damages would not be an adequate remedy, and Franchisor shall be entitled to seek equitable relief, in addition to any remedies it may have hereunder or at law, without having to post a bond or other security.

9. Waiver And Severability

No waiver by Franchisor of a term or condition set forth in this Agreement shall be deemed a continuing waiver of such term or condition or a waiver of any other term or condition. Any failure of Franchisor to assert a right or provision under this Agreement shall not constitute a waiver of such right or provision.

If any provision of this Agreement is held by a court or other tribunal of competent jurisdiction to be invalid, illegal or unenforceable for any reason, such provision shall be eliminated or limited to the minimum extent such that the remaining provisions of the this Agreement will continue in full force and effect.

10. Change of Control

Franchisor may assign its rights under this Agreement at any time, without notice to you. You may not assign your rights under this Agreement without Franchisor's prior written consent which may be withheld at Franchisor's sole discretion.

11. Third Party Beneficiary

Each party acknowledges and agrees that High Level, Inc. is a third-party beneficiary of the representations, warranties and covenants of this Agreement, and entitled to enforce this Agreement as if it were an original party to them.

12. Entire Agreement

Except as noted below, this Agreement constitutes the sole and entire agreement between you and Franchisor with respect to the Platform and supersede all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to the Platform. This Agreement may not be altered, supplemented, or amended by the use of any other document(s) unless such document is signed by an authorized representative of Franchisor.

If any of the provisions of this Agreement is inconsistent with, or conflict with, any of the provisions of the Franchise Agreement or similar agreement governing the business relationship of Franchisor and Franchisee, then the provisions of that other agreement shall prevail.

13. Term and Termination. This Agreement will remain in full force and effect so long as you maintain a Platform Account. The sections of this Agreement that are intended to survive termination of your Platform Account will remain binding even after you are no longer a Platform user.

13.1 Grounds for Termination. You agree that Franchisor, in its sole discretion, may suspend or terminate your access to the Platform (or any part thereof) for any reason, with or without notice, and without any liability to you or to any third party for any claims, damages, costs or losses resulting therefrom. Any suspected fraudulent, abusive or illegal activity may be grounds for barring your access to this Platform, and reporting you to the proper authorities, if necessary. Franchisor reserves the right to delete Platform Accounts that have remained inactive for ninety (90) days or more.

13.2 No Right to Services Upon Termination. Upon termination and regardless of the reason(s) motivating such termination, your right to use the Platform will immediately cease. Franchisor is not liable to you or any third party for any claims for damages arising out of any termination or suspension or any other actions taken by us with regards to your Platform access.

13.3 No Termination by Third Party Users. Franchisor has limited access to subscriptions not directly purchased from us. Any user who has been given access to the Platform by any party other than Franchisor must contact the party who originally provided access to the Platform for any inquiries related to termination.

13.4 Force Majeure. In addition to any excuse provided by applicable law, we shall be excused from liability for non-delivery or delay in delivery of the Platform or any associated product or service through the Platform arising from any event beyond our reasonable control, whether or not foreseeable by either party, including but not limited to: labor disturbance, war, fire, accident, adverse weather, inability to secure transportation, governmental act or regulation, and other causes or events beyond our reasonable control, whether or not similar to those which are enumerated above.

14. Applicable Law, Binding Arbitration, and Class Action Waiver

PLEASE READ THE FOLLOWING PARAGRAPHS CAREFULLY BECAUSE THEY REQUIRE YOU TO AGREE TO RESOLVE ALL DISPUTES BETWEEN US THROUGH BINDING INDIVIDUAL ARBITRATION.

The laws of the State of Texas will govern this Agreement and any disputes under them, without giving effect to any principles of conflicts of laws. This Agreement may be translated into different languages—only the English version is valid and enforceable.

Any controversy or claim arising out of or relating to this Agreement shall be exclusively settled by arbitration administered by the American Arbitration Association in accordance with Commercial Arbitration Rules, then in effect. This arbitration provision is governed by the Federal Arbitration Act. The arbitration proceedings shall be held in Dallas, Texas. Any arbitration award may be entered in a court of competent jurisdiction.

All claims and disputes within the scope of this arbitration agreement must be arbitrated or litigated on an individual basis and not on a class basis. Claims of more than one end user or user cannot be arbitrated or litigated jointly or consolidated with those of any other end user or user.

15. Communications and Contact Information

All notices to a party shall be in writing and shall be made via email. Notices to Franchisor must be sent to info@fyinstitute.com. You agree to allow us to submit notices to you either through the email address you provided when registering, or to any address we have on record. Notices are effective on receipt.

Franchisor may contact you regarding this Agreement using any information you provide, or by any other means if you do not provide contact Information. If you no longer wish to receive communications from Franchisor, you can click on the “unsubscribe link” provided in such communications or contact us at info@fyinstitute.com.

When you create a Platform Account, you must designate a primary email address that will be used for receiving electronic communication related to this Agreement. Franchisor will never send you an email requesting confidential information such as account numbers, usernames, or passwords, and you should never respond to any email requesting such information. If you receive such an email purportedly from Franchisor, do not respond to the email and notify Franchisor by emailing us at info@fyinstitute.com.

For all other feedback, comments, requests for technical support, and other communications relating to the Platform or the Terms, please contact us at or by mail at:

4Ever Young Anti-Aging
Attention: Legal Department
5458 Town Center Rd, Suite 13, Boca Raton, FL 33486

16. Definitions

16.1 “Communication Surcharges” means any applicable communications service or telecommunication provider (e.g., carrier) fees or surcharges related to your use of the Platform.

16.2 “Competitor” shall include, but not be limited to, any entity carrying on a business of marketing and sales platform, SaaS, any entity offering one or more services offered by the Platform, or any entity carrying on a business similar to the business of Franchisor and its subsidiaries, as determined by Franchisor in its sole discretion.

16.3 “Feedback” means ideas You provide to Franchisor regarding improvements, enhancements, new features, new products, or other concepts related to the Platform, Services, or other services, products, matters related to Franchisor’s or its affiliates’ business. “Feedback” includes any ideas posted to Franchisor’s sideboard.

16.4 “Fees” means any fees associated with the Platform, including but not limited to the monthly subscription services fee and any fees associated with add-in Services that you may purchase.

16.5 “Franchisor Marks” means the Franchisor name and related logos and service marks of Franchisor.

16.6 “Information” means data about You and your Users that Franchisor collects on the Platform, including but not limited to information required to create a Platform Account and use the Platform for the intended purpose.

16.7 “Login Credentials” means the username and password used to access your Platform Account, including API keys and access to third party integrations used with the Platform.

16.8 “Materials” means Your trademarks, copyright content, any tangible products or services you sell through the Platform (including description and price), and any photos, images, videos, graphics, written content, audio files, code, information, or other data provided or made available by you or your affiliates to Franchisor or its affiliates.

16.9 “Platform” means any Services, Training, content, functionality, communication channels, and software or other services or features offered to Users on or through Franchisor’s website or mobile application.

16.10 “Platform Account” means the account you created in order to access and use the Platform.

16.11 “Platform Content” means content, data, features, and functionality, including but not limited to text, graphics, videos, logos, button icons, databases, music, sounds, images, or other material that can be viewed on the Platform. Platform Content does not include User Contributions.

16.12 “Prohibited Uses” means the behaviors described in Section 3.

16.13 “Services” means the variety of product integrations and services that Franchisor makes available on the Platform. Services may include Third Party Services.

16.14 “Sub-Account” means a subscription for one business under a Platform Account.

16.15 “Third Party Content” means content, promotions or offers provided by third parties or links to external third-party websites that may be accessible on the Platform.

16.16 “Third Party Services” means third-party websites, databases, networks, servers, information, software, programs, systems, directories, applications, or products or services offered by a third party through the Franchisor Platform. This includes but is not limited to applications downloaded from the Franchisor Marketplace, integrations with third party applications, or any functionality that is provided by a third party through the Platform.

16.17 “Training” means any training, information or suggested usages conveyed by Franchisor about the Platform.

16.18 “User Contributions” means content or materials that you post, submit, upload, publish, display, or transmit on or through the Platform or to Franchisor directly.

16.19 “You” or “you” or any derivatives thereof means the individual who accepted the Terms or the business entity that the individual represents. “You” also includes any and all agents, employees, or third parties that are authorized to act on your behalf.

FRANCHISOR:

4EVER FRANCHISOR LLC

By:_____

Name:_____

Title:_____

Date:_____

FRANCHISEE:

By:_____

Name:_____

Title:_____

Date:_____

EXHIBIT A

CODE OF CONDUCT

The following are considered Prohibited Uses of the Platform. Engaging in a Prohibited Use is a material breach of this Agreement for which Franchisor may immediately suspend or terminate your Platform Account in accordance with this Agreement:

- Use of the Platform in any way that violates any applicable law or regulation.
 - Use of the Platform in a country that prohibits or restricts the use of Artificial Intelligence.
 - Use of the Platform to exploit, harm, or attempt to exploit or harm anyone in any way.
 - Use of the Platform to send, receive, upload, download, use, or re-use any material that does not comply with this Agreement.
 - Use of the Platform to transmit, or procure the sending of any unlawful advertising or promotional material, including any “junk mail,” “chain letter,” “spam,” or any other similar solicitation.
 - Promoting or facilitating the generation or distribution of fraudulent activities, scams, phishing, or malware;
 - Impersonating or attempting to impersonate Franchisor, a Franchisor employee, another user or any other person or entity (including, without limitation, by using email addresses associated with any of the foregoing).
 - Engaging in any other conduct that restricts or inhibits anyone's use or enjoyment of the Platform
 - Engaging in any conduct that may, as determined by Franchisor, harm Platform users or Franchisor, or expose either to liability.
-
- Use of the Platform in any manner that could disable, overburden, damage, or impair the Platform or interfere with any other party's use of the Platform, including their ability to engage in real time activities through the Platform.
 - Use of any robot, spider or other automatic device, process or means to access the Platform for any purpose, including monitoring or copying any of the material on the Platform.
 - Use of any manual process to monitor or copy any of the material on the Platform or for any other unauthorized purpose without Franchisor's prior written consent.
 - Use of any device, software or routine that interferes with the proper working of the Platform.
 - Introducing any viruses, Trojan horses, worms, logic bombs, or other material that is malicious or technologically harmful.
 - Attempting to gain unauthorized access to, interfere with, damage, or disrupt any parts of the Platform, the server on which the Platform is stored, any server, computer, or database connected to the Platform.
 - Attacking the Platform via a denial-of-service attack or a distributed denial-of-service attack.
 - Compromising cybersecurity systems or gaining unauthorized access to violate the integrity of any user, network, computer or communications system, software application, or network or computing device.
 - Otherwise attempting to interfere with the proper working of the Platform.
-
- Child sexual exploitation or abuse content.
 - Sexually explicit content.
 - Generation of hateful, harassing, or violent content.
 - Abusive or fraudulent conduct.
 - Violate any natural person's rights, including privacy rights as defined in applicable privacy law;
 - Appropriating confidential or personal information;
 - Impersonating a human by presenting results as human-generated;
 - Engaging in disinformation campaigns;
 - Astroturfing, or the generation of fake grassroots support or fake review information;
 - Plagiarizing or engaging in other forms of academic dishonesty.

- Assisting in the provision of illegal or highly regulated goods or services content, or other activity that has a high risk of economic or physical harm.
- Engaging in any illegal activity;
- Providing instructions on how to commit or facilitate any type of crime;
- Gambling;
- Payday lending;
- Cryptomining practices;
- Automatic determinations of eligibility for credit, employment, educational institutions, or public assistance services;
- Engaging in unauthorized practice of law or seeking unreviewed legal advice;
- Engaging in unauthorized practice of medicine or seeking unreviewed medical advice;
- Providing unauthorized financial advice;
- Law enforcement application or criminal justice decisions;
- Military or warfare application, weapons development;
- Management or operation of critical infrastructure in energy, transportation, and water;
- Political campaigning or lobbying in violation of campaign laws

EXHIBIT B

ARTIFICIAL INTELLIGENCE ACCEPTABLE USE POLICY

- AI features of the Platform may not be used in any manner contrary to the relevant laws, regulations, and industry standards, including, but not limited to, data protection and privacy regulations (e.g., GDPR, CCPA); financial industry guidelines (e.g., PCI DSS); as a part of automated decision making process with legal or similarly significant effects; or in violation of any intellectual property rights or geographical restriction.
- AI features may not be used to discriminate against any person or groups on grounds of religion, race, sexual orientation, gender, national/ethnic origin, political beliefs, disability, health status, trade union membership, age, criminal convictions or engage in any biased, intimidating, defamatory, harassing, bullying or otherwise inappropriate behaviors.
- AI features may not be used for generating individualized advice that in the ordinary course of business would be provided by a licensed professional including but not limited to medical, financial, tax, or legal advice. You must disclose to your Users when they are interacting with an AI-based voice or chatbot.
- All assets created through the use of generative AI systems must be professional and respectful. You may not use offensive or abusive language and may not engage in any behavior that could be considered discriminatory, harassing, or biased when applying generative techniques.
- You must take necessary steps to protect confidential and sensitive information of your users and Users.
- AI usage may not damage, disable, overburden, or impair any websites or launches any automated system, including “robots,” “spiders,” or “offline readers,” that sends more request messages to any servers in a given period of time than a human can reasonably produce in the same period by using a conventional browser.
- AI features may not be used to spread misinformation, engage in malicious activities, or any other uses that could harm individuals or society.
- AI features may not be used in any manner which is prohibited by the Agreement or the Code of Conduct provided herein.

EXHIBIT B-2 TO THE FRANCHISE DISCLOSURE DOCUMENT
SAMPLE FORM OF MANAGEMENT SERVICES AGREEMENT

**SAMPLE
MANAGEMENT SERVICES AGREEMENT**

BETWEEN

**[FRANCHISEE MSO ENTITY]
("MANAGER")**

AND

**[MEDICAL ENTITY]
("PRACTICE")**

MANAGEMENT SERVICES AGREEMENT

The Parties enter into this Agreement to be effective as of the Effective Date. Capitalized terms used, but not otherwise defined in the main body of this Agreement, are defined in Appendix A, which is attached and incorporated by reference.

Recitals

A. Manager is organized to engage in the business of managing and administering medical practices, and providing support services to medical practices.

B. Practice is engaged in the practice of medicine rendering Professional Services and is owned solely by a physician holding a valid license to practice medicine in the State of _____. All of Practice's medical employees and independent contractors hold valid licenses to practice medicine in the State of _____.

C. In order to enable its medical employees and independent contractors to focus their efforts and time on the practice of medicine and the delivery of medical services to the public, Practice has requested, and Manager has agreed to provide certain services pursuant to this Agreement.

Based upon the recitals and the mutual covenants in this Agreement, the Parties agree as follows:

Article 1

Management Services

1.01. Engagement and Authority of Manager. During the Term, Practice engages and appoints Manager as the exclusive manager to provide comprehensive management, administrative and other related services to Practice, by and through employees and independent contractors retained by Manager. Manager will provide service through officers of Manager and secretarial, accounting, financial, clerical, and technical support personnel. Manager is granted the authority necessary to manage the non-medical business aspects of Practice, as required under this Agreement. Subject to Practice's oversight and ultimate authority, Manager is expressly authorized to take any actions that Manager, in the exercise of reasonable discretion, deems appropriate to fulfill its obligations under this Agreement and meet the day-to-day requirements of Practice. Manager will have the right at all times to have access to Practice facilities for the purposes of performing its responsibilities under this Agreement, or for any reasonable purpose. Manager agrees to furnish to Practice management services as described on Appendix B of this Agreement, which is attached and incorporated by reference. Upon written request by Practice, additional services may be added to Manager's responsibilities and reflected in the execution by both Parties of an addendum or amendment covering such services and the additional fees for such services.

1.02. **Revenue and Other Accounts.** All receipts and monies arising from Practice operations will be received by Manager on behalf of Practice and Manager will, in the name of Practice, deposit all amounts in the Revenue Account.

1.03. **Business Associate Agreement.** The Parties will enter into a Business Associate Agreement in the form required by the Health Insurance Portability and Accountability Act of 1996 (“**HIPAA**”) and the regulations promulgated under the act, as may be amended from time to time, which is attached as Appendix C and incorporated by reference.

1.04. **Medical Records.** Subject to Practice’s oversight and ultimate authority and subject to strict compliance with the requirements of HIPAA and state law, Practice appoints Manager to be responsible for maintenance, storage, retention, and custody of medical records of Practice.

Article 2

Conduct of Medical Practice and Practice Obligations

2.01. **Practice of Medicine.** The professional relationship between Practice Professionals and their patients will be solely between the Practice Professionals and their patients. Manager will not interfere with the exercise of medical judgment or in the care or treatment of patients. Further, Manager will not interfere with, control, direct, or supervise Practice, or any employee or independent contractor of Practice, in connection with the provision of Professional Services. Notwithstanding any provision to the contrary, this Agreement is not intended to (1) constitute the use of a medical license or the practice of medicine by anyone other than a licensed physician; (2) aid Manager or any other unlicensed Person to practice medicine; or (3) create any other arrangements in violation of law. If Manager is unable to perform any service required of Manager under this Agreement because it is deemed to constitute the practice of medicine by applicable authorities, Manager will deliver notice to Practice. Manager and Practice specifically acknowledge the following:

(a) **Clinical Services.** Although Manager will provide support services to Practice, Practice will remain entirely independent of Manager as to the diagnosis and treatment of patients and all other medical, professional and ethical affairs of Practice. Practice accepts the full responsibility to these patients for the nature and character of all Professional Services rendered.

(b) **Professional Fees.** Upon request, Manager will provide research and analysis regarding fees for Professional Services rendered by Practice’s Practice Professionals.

(c) **Approval Authority over Provision of Medical Services.** The Practice will have approval authority over (1) hiring and firing of clinical personnel, (2) choice of modalities and medical services offered through the operations, (3) banking (subject to day-to-day operational delegations to Manager), (4) choice of medical equipment, and (5) content of any advertising subject to the _____ [Occupations/Professional Code] and/or _____ [Administrative Code].

2.02. Professional Services. Practice will provide Professional Services to patients in compliance at all times with ethical standards, laws and regulations applying to the medical profession and in compliance with any agreements between Practice and any third parties. Practice will also ensure, with the assistance of Manager, that any Practice Professional or contractor associated with Practice has all required licenses, credentials, approvals, and other certifications to perform the duties and services for Practice. In the event that any disciplinary actions or medical malpractice actions are initiated or threatened against any Practice Professional or contractor, Practice will immediately inform Manager of the action and the underlying facts and circumstances. Practice will carry out a program to monitor quality of medical care with Manager's administrative assistance. Practice, in cooperation with Manager, will take steps necessary to resolve any utilization review or quality assurance issues that may arise in connection with the operation of Practice.

2.03. Employment or Contracting of Practice Professionals. Practice will have final authority for the hiring, supervision, evaluation and termination of its Practice Professionals (in consultation with Manager). Manager will consult with and assist Practice in identifying, pre-qualifying, and recruiting new Practice Professionals. Manager will assist Practice in the credentialing of its Practice Professionals.

2.04. Professional Insurance Eligibility. The Parties will cooperate in obtaining and retaining professional liability insurance at commercially reasonable rates. Practice will coordinate with Manager and participate in risk management programs in conjunction with insurers.

2.05. Powers of Attorney. Practice appoints Manager for the Term to be its true and lawful attorney-in-fact for all purposes in connection with the provision of management services in this Agreement. Practice will require all Practice Professionals to execute and deliver to Manager powers of attorney, satisfactory in form and substance to Manager, appointing Manager as attorney-in-fact for each of the purposes set forth in this Agreement. The powers of attorney will immediately terminate upon termination of this Agreement, except with respect to Practice's billings for Professional Services rendered prior to termination of this Agreement. With respect to such billings, the powers of attorney will terminate 12 months after the termination of this Agreement. A form of the power of attorney is attached as Appendix D, which is incorporated by reference.

2.06. Medical Facilities. Practice acknowledges the importance of Manager's access to Practice's facilities to provide services under this Agreement. Accordingly, Practice agrees that if Practice prevents or otherwise terminates Manager's access to Practice's facilities during the Term (other than Manager's fraud or knowing and intentional misappropriation of Practice's funds as finally judicially adjudicated by a court of competent jurisdiction), Manager may immediately terminate this Agreement, cease providing all services to Practice, and terminate any other agreements between the Parties.

2.07. Practice's Authority to Bind Manager. Practice does not have the right to commit Manager to any obligations or liabilities. Any obligation incurred by Practice is the sole

responsibility of Practice, and Practice will indemnify Manager against any related Claims or Losses.

Article 3

Compensation

3.01. Management Fee. As a condition precedent to Manager's obligations under this Agreement, Practice will pay Manager the Management Fee. The Parties agree that the Management Fee is being paid to Manager in consideration of the substantial commitment made by Manager under this Agreement and that such fees are fair and reasonable given the commitments and risks taken by Manager and consistent with fair market value. The Management Fee is not a share in Practice's fees for medical services. Rather, it is the Parties' negotiated agreement, having considered the business risks taken by the parties and the various compensation formulas, as to the reasonable fair market value of support and services furnished by Manager under this Agreement.

3.02. Payment of Management Fee. To the extent funds are available in the Revenue Account (and subject to the priorities set forth in Section 3.06 below), Manager will pay on Practice's behalf, the Management Fee by the 5th day of each month. Unpaid Management Fees will be booked as accounts receivable for Manager and accounts payable for Practice. Unpaid Management Fees will be paid when there are sufficient funds in the Revenue Account (and subject to the priorities set forth in Section 3.06 below).

3.03. Practice Expenses. Commencing on the Effective Date and to the extent funds are available in the Revenue Account or Practice otherwise makes funds available, Manager will pay on Practice's behalf, all unpaid Practice Expenses in a timely manner within the limits of business prudence. To the extent funds are unavailable in the Revenue account, Manager may either pay Practice Expenses or provide an Advance to the Practice pursuant to 3.04 below. Practice will reimburse and indemnify Manager for all Practice Expenses as follows:

(a) General. All Practice Expenses that have been paid by Manager will be reimbursed by Practice no later than 30 days following the month in which such Practice Expenses were paid by Manager if sufficient funds are in the Revenue Account to make such payment; if payment would cause the Revenue Account to have insufficient funds, Manager will treat the unreimbursed payment as an Advance to Practice pursuant to Section 3.04 below.

(b) Non-Cash Expenses. All non-cash Practice Expenses (e.g., depreciation and amortization) will be determined monthly in accordance with GAAP and paid contemporaneously with the payment of the Management Fee.

3.04. Payment of Advances.

(a) Advances. If there are insufficient funds in the Revenue Account to pay any Practice Expenses or other amounts owed by Practice, Manager may, in its sole discretion, advance funds on behalf of Practice from time to time ("**Advance(s)**"). Practice expressly grants Manager the authority to make any Advances during the Term without any notice provided by Manager or

any further request made by Practice. Manager, however, has no obligation to make any Advance to Practice. Notwithstanding anything to the contrary in this Agreement, all Advances are due and payable upon demand to Practice by Manager. Further, any outstanding Advance plus interest unpaid at the date of termination of this Agreement is due and payable immediately at such date.

(b) **Interest.** Advances will bear interest from the date disbursed by Manager until repaid, at the Interest Rate, compounded daily. Interest on such outstanding amounts will be computed on the basis of a 365- or 366-day year, as the case may be, and for the actual number of days elapsed. Practice promises to pay Manager the sum of all Advances made to Practice and all other amounts due and owing to Manager under this Agreement, plus interest accrued at the Interest Rate on such amounts according to the terms of this Article 3.

3.05. Practice Professional Compensation. To the extent funds are available in the Revenue Account or Practice otherwise makes funds available (and subject to the priorities set forth in Section 3.06 below), Manager will pay, on behalf of Practice when due, all Practice Professional Compensation.

3.06. Payment Priority. Each month Manager will apply funds that are in the Revenue Account in the following priorities:

- (a) To Practice Professional Compensation;
- (b) To all Practice Expenses;
- (c) To repay Manager for Advances by Manager;
- (d) To reimburse Manager for Practice Expenses paid by Manager;
- (e) To accrued and unpaid Management Fees;
- (f) To the Management Fee; and
- (g) To Manager or a designated entity for education and training.

In the event that either Party directs or diverts funds from the Revenue Account other than in accordance with the Payment Priority as stated above, such action will constitute a material breach of the Agreement, giving the non-breaching Party the right to terminate the agreement pursuant to Section 6.02(a) or 6.03(a) below. The breaching party will also be obligated to return the funds to the Revenue Account to be disbursed pursuant to Section 3.06 by Manager.

Article 4

Representations and Warranties

4.01. Manager. Manager represents and warrants the following to Practice:

(a) **Entity Organization.** Manager is duly formed, validly existing and in good standing under the laws of the State of _____.

(b) **Authorization.** The execution, delivery and performance by it of this Agreement is within its power and has been duly authorized. The execution of this Agreement does not and will not violate (1) any provision of applicable law or regulation, (2) its certificate of formation or other comparable organizational documents, or (3) any agreement, judgment, injunction, order, decree or other instrument to which Manager is a party or by which Manager or any of its properties is bound.

4.02. **Practice.** Practice represents, warrants, and covenants the following to Manager:

(a) **Entity Organization.** Practice will be duly formed, validly existing and in good standing under the laws of the State of _____.

(b) **Authorization.** The execution, delivery and performance by it of this Agreement is within its power and has been duly authorized. The execution of this Agreement does not and will not violate (1) any provision of applicable law or regulation, (2) its certificate of formation or other comparable organizational documents, or (3) any agreement, judgment, injunction, order, decree or other instrument to which Practice is a party or by which Practice or any of its properties is bound.

(c) **Licensed to Practice Medicine.** All Practice Physicians have, and will maintain during the Term, a current and unrestricted license to practice medicine in the State of .

(d) **Compliance with Law.** Practice is in compliance with and will continue to be in compliance with and obey all Federal, State, and local laws, regulations and ordinances relating to its business, Manager's obligations, and the Professional Services which Practice provides.

(e) **Cooperation.** Practice and each Practice Professional will cooperate with Manager and its employees as reasonably requested in the completion of any forms necessary for third party reimbursement for physician or non-physician services.

(f) **Provision of Services.** As a continuing condition of this Agreement, Practice and each Practice Professional will comply with and provide services in accordance with the laws of the State of _____ and the United States.

(g) **Patient Records.** Practice will use its best efforts to assure that each Practice Professional maintains accurate and complete patient medical records.

Article 5

Protective Covenants

5.01. **Confidentiality.** Practice acknowledges that Manager, in connection with its business, has developed and will develop certain Confidential Information and Proprietary Information. During the Term, Manager will provide Practice and/or Practice will otherwise be exposed to Confidential Information and Proprietary Information regarding Manager's business activities. Practice acknowledges it will receive such Proprietary Information and agrees not to use, and Practice will ensure its Practice Professionals, employees, independent contractors, and agents do not use, any such Proprietary Information during the Term, except in furtherance of Practice's obligations under this Agreement. Further, Practice will not, and Practice will ensure its Practice Professionals, employees, independent contractors, and agents do not, directly or indirectly disclose, reveal, or use for the benefit of themselves or others, any Confidential Information or Proprietary Information of Manager without the prior written consent of Manager. Practice agrees that following the termination of this Agreement Practice will neither take nor retain any Confidential Information or Proprietary Information without the prior written consent of Manager.

Article 6

Term and Termination

6.01. **Term.** Performance of obligations set forth in this Agreement will commence on the Effective Date and continue for the Term. This Agreement will automatically renew upon the expiration of the Initial Term and any subsequent Terms for additional one year Terms unless either Party provides the other Party with notice of its intent to not renew this Agreement at least 60 days, but not more than 90 days, prior to the expiration of the then current Term.

6.02. **Termination by Practice.** Practice may terminate this Agreement prior to the expiration of the Term only as follows:

(a) **Material Breach.** Practice may terminate this Agreement immediately upon notice if (1) Manager breaches a material provision of this Agreement (other than as provided in (2) below), and such breach is not cured within 30 days after notice specifically stating the nature of such breach has been given to Manager by Practice (provided such breach is not attributable to acts or omissions of Practice); or (2) Manager wrongfully fails to remit the payments due as provided in Article 3 of this Agreement (i.e., there are sufficient funds in the Revenue Account and Manager intentionally or negligently fails to perform as required under this Agreement) and such failure to remit will continue for a period of 30 days after notice to Manager.

(b) **Without Cause.** Practice may terminate this Agreement without cause upon at least 90 days prior written notice to Manager.

6.03. **Termination by Manager.** Manager may terminate this Agreement prior to expiration of the Term only as follows:

(a) **Material Breach.** Manager may terminate this Agreement immediately upon notice if (1) Practice breaches a material provision of this Agreement (other than as provided in (2) below), and such breach is not cured within 30 days after notice specifically stating the nature of such breach has been given to Practice by Manager (which breach is not attributable to acts or omissions of Manager); or (2) Practice fails to timely pay amounts due to Manager under this Agreement 30 days after notice has been given to Practice by Manager.

(b) **Suspension.** Manager may suspend performance under this Agreement if Practice is unable to pay, states its intent that it will not pay, or Manager reasonably believes Practice will not pay amounts due to Manager under this Agreement.

(c) **Without Cause.** Manager may terminate this Agreement without cause upon at least 90 days prior written notice to Practice.

6.04. **Legislative, Regulatory or Administrative Change.** If there is a change in the law, the adoption of new legislation, or a change in any third party reimbursed system, any of which materially and adversely affects the manner in which either Party may perform or be compensated for its services under this Agreement, the Parties will immediately enter into a new service arrangement or basis for compensation for the services furnished pursuant to this Agreement that complies with the law and that approximates as closely as possible the economic terms of the Parties under this Agreement prior to the change. If good faith negotiations cannot resolve the matter within 30 days, this Agreement may be terminated by either Party upon notice.

6.05. **Insolvency.** A Party may immediately terminate this Agreement upon notice if the other Party: (a) becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due; (b) generally is not paying its debts as such debts become due; (c) has a receiver, trustee or custodian appointed for, or take possession of, all or substantially all of its assets, either in a proceeding brought by it or in a proceeding brought against it and such appointment is not discharged or such possession is not terminated within 60 days or it consents to or acquiesces in such appointment or possession; or (d) files a petition for relief under present or future federal or state insolvency, bankruptcy, or similar laws or an involuntary petition for relief is filed against it under any such laws and such involuntary petition is not dismissed within 60 days after filing, or an order for relief naming it is entered under any such law, or any composition, rearrangement, extension, reorganization or other relief of debtors now or later existing is requested or consented to buy it.

6.06. **Effect on Termination.** Subject to any rights or remedies an aggrieved Party may have under this Agreement or at law, if this Agreement is terminated under Section 6.02 or 6.03, the Management Fee and Advances will be calculated through the effective date of termination. Management Fee and Advances will be paid as follows and pursuant to payment priority in 3.06.

(a) **Management Fee.** To the extent funds are available in the Revenue Account or Practice otherwise makes funds available (and subject to the priorities set forth in Section 3.06), Manager will pay, on behalf of Practice, the accrued and unpaid Management Fees

on the date of termination. To the extent that revenue is received by Practice after the date of termination, such revenue will be applied towards the outstanding Management Fees using the payment priority in 3.06. Otherwise, Practice will not be obligated to pay any accrued and unpaid Management Fees to Manager following termination of this Agreement.

(b) **Advances.** To the extent funds are available in the Revenue Account or Practice otherwise makes funds available (and subject to the priorities set forth in Section 3.06), Manager will pay, on behalf of Practice, Advances on the date of termination. To the extent that revenue is received by Practice after the date of termination, such revenue will be applied towards the outstanding Advances using the payment priority in 3.06. Otherwise, Practice will not be obligated to pay any Advances to Manager following termination of this Agreement.

Article 7

Indemnification & Insurance

7.01. Indemnification by Manager. To the extent not covered by insurance, Manager will indemnify, defend, and hold Manager Indemnitees harmless from any third party Claims and Losses resulting from (a) Manager's breach of any of Manager's representations, warranties, or covenants made under this Agreement; and (b) any negligent, reckless or intentional acts or omissions of Manager, or its employees, independent contractors, or agents related to the provision of services under this Agreement.

7.02. Indemnification by Practice. To the extent not covered by insurance, Practice will indemnify, defend, and hold Practice Indemnitees harmless from any third party Claims and Losses resulting from (a) Practice's breach of any of Practice's representations, warranties, covenants, or agreements made under this Agreement; (b) Practice's (including all Practice Professionals) practice of medicine, including any violation of any law, rule, regulation or contractual obligation by Practice or Practice Professionals; and (c) any negligent, reckless, or intentional acts or omissions of Practice, or its Practice Professionals, employees, independent contractors, or agents related to the operation of its practice.

7.03. Defense of Third-Party Claims. The Indemnitee will give the Indemnitor written notice of any Claim of which defense is sought. However, failure to provide such notice will not relieve the Indemnitor from its obligations under this Agreement, except to the extent the Indemnitor is materially prejudiced as a direct result of such failure. If any such proceeding is brought against an Indemnitee, the Indemnitor will be required to assume the defense of such proceeding, except as otherwise set forth below, using legal counsel acceptable to the Indemnitee in its reasonable discretion. The Indemnitee will cooperate with the Indemnitor at the Indemnitor's expense in connection with the defense and settlement of the Claim. The Indemnitor may not settle any indemnified Claim in a manner that adversely affects the Indemnitee without its prior written consent, which will not be unreasonably withheld or delayed. Further, the Indemnitee may participate in the defense of the Claim through counsel of its own choosing at its own cost and expense. If the Indemnitor fails promptly to assume the defense and employ counsel reasonably satisfactory to Indemnitee, or the Indemnitee has been advised by counsel that there exist actual or potential conflicting interests between the Indemnitor or the Indemnitor's counsel and Indemnitee,

the Indemnitee may employ separate counsel to represent Indemnitee. The Indemnitor agrees to pay the fees of separate counsel as incurred. The Indemnitor's obligations under this Article 7 are in addition to any rights that any Indemnitee may have at common law or otherwise.

7.04. Right to Control Defense. If the Indemnitee gives notice to the Indemnitor that, in its good faith judgment, Claim(s) made against it could have a non-monetary material adverse effect on the Indemnitee, the Indemnitee will have the right to control (at the Indemnitor's expense and with counsel reasonably satisfactory to the Indemnitor) the defense (but not with respect to the Indemnitor). If an Indemnitee elects to control the defense under this section, the Indemnitee will not consent to the entry of a judgment or enter into a settlement that would require the Indemnitor to pay any amounts under this Section 7.04 without the prior written consent of the Indemnitor, which will not to be unreasonably withheld, conditioned, or delayed.

7.05. Indemnification Payment. Indemnitor will pay any Losses awarded by final judgement or agreed upon by settlement to the Indemnitee that are attributable to the Claims. Payment to the Indemnitee will be made within 30 days of a final determination of monies owed.

7.06. Insurance. The Parties will maintain insurance as required by law with reasonable policy limits. In addition, Practice will require each of its Practice Professionals to secure and maintain, at each Practice Professional's own expense professional liability insurance in a minimum amount not less than the amount determined reasonable by Manager. Unless covered by an "occurrence" malpractice policy, Practice will cause each Practice Professional to enter into an agreement with Practice that upon termination of such relationship with Practice, for any reason, tail insurance coverage will be purchased by the individual. The Practice Professional and Practice will enforce the provisions relating to the tail insurance coverage or, alternatively, provide tail coverage at the expense of Practice.

Article 8

Regulatory Compliance

8.01. Compliance with Laws and Regulations. Each Party represents and warrants that, to the best of its knowledge and understanding, all obligations pertaining to and benefits derived under this Agreement are in full compliance with applicable state law, including all regulations pertaining to the corporate practice of medicine.

Article 9

Additional Provisions

9.01. Assignment. Practice will not assign this Agreement or any of its obligations under this Agreement without the prior written consent of Manager. Any attempted assignment without consent is void. Subject to the forgoing, this Agreement inures to the benefit of and is binding upon each Parties' successors and heirs.

9.02. Governing Law. This Agreement will be governed bylaw (without reference to its rules as to conflicts of law).

9.03. Rules of Construction.

(a) **Interpretations.** The Parties agree that neither Party nor its representatives will be deemed the drafter of this Agreement. In construing this Agreement, no provision will be construed in favor of one Party on the grounds that it was drafted by the other Party. If any claim is made by a Party relating to any conflict, omission, or ambiguity in the provisions of this Agreement, no presumption, burden of proof, or persuasion will be implied because this Agreement was prepared by or at the request of a Party or its counsel.

(b) **Captions.** The headings and captions of this Agreement are inserted for reference convenience and do not define, limit or describe the scope or intent of this Agreement or any particular section, paragraph, or provision of this Agreement.

(c) **Limitations.** Unless otherwise expressly provided, the words “include(s),” “included,” or “including” do not limit the preceding words or terms.

(d) **Pronouns.** Pronouns will refer to the masculine, feminine, neuter, singular or plural as the context will require.

9.04. **Amendment.** Amendments of a provision of this Agreement will not be binding unless the amendment is in writing and signed by an authorized representative of each Party.

9.05. **Waiver.** The failure of either Party to insist in one or more instances upon performance of any terms of this Agreement will not be construed as a waiver of future performance required by the term. No term of this Agreement may be waived except by written consent of the waiving Party. All remedies, rights, undertakings, and obligations contained in this Agreement will be cumulative and none of them will be in limitation of any other remedy, right, undertaking, or obligation of a Party.

9.06. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior proposals, understandings, and agreements, whether oral or written, between the Parties with respect to the subject matter of this Agreement.

9.07. **Severability.** The provisions of this Agreement are severable. The invalidity, in whole or in part, of any provision of this Agreement will not affect the enforceability of any other provisions. If one or more provisions of this Agreement are declared unenforceable, the remaining provisions will be enforceable and construed in the broadest possible manner to effectuate the purposes of this Agreement.

9.08. **Counterparts.** This Agreement may be executed in multiple counterparts and by facsimile signature or any electronic signature complying with the U.S. Federal ESIGN Act of 2000 (e.g., www.docusign.com).

9.09. **Notices.** All notices under this Agreement will be in writing (including electronic

form) and will be delivered to the address set forth by each Party in this Agreement, or to such other party and/or address as any of such Parties may designate in a written notice served upon the other Parties. Each notice will be given and will be effective: (a) if delivered by hand, when so delivered; (b) if delivered by nationally recognized overnight courier service or sent by United States Express Mail, upon confirmation of delivery; (c) if delivered by certified or registered mail, on the third following day after deposit with the United States Postal Service; (d) if delivered by facsimile, upon confirmation of successful transmission; or (e) if delivered by email, upon confirmation of receipt by the other Party in writing by return email.

9.10. Independent Contractors. The Parties acknowledge and agree that the Parties are at all times independent contractors under this Agreement. Further, no employment, partnership, joint venture or landlord and tenant relationship exists. Except as otherwise provided in this Agreement, neither Party is the agent of the other. Manager will neither have nor exercise any control or direction over the methods by which Practice or Practice Professionals practice medicine. The sole function of Manager under this Agreement is to provide all management services in a competent, efficient and satisfactory manner. Manager will not, by entering into and performing its obligations under this Agreement, become liable for any of the existing obligations, liabilities or debts of Practice unless otherwise specifically provided for under the terms of this Agreement. Practice will not, by entering into and performing its obligations under this Agreement, become liable for any of the existing obligations, liabilities, or debts of Manager, unless otherwise specifically provided for under the terms of this Agreement. Manager will in its management role have only an obligation to exercise reasonable care in the performance of the management services. Neither Party will have any liability whatsoever for damages suffered on account of the willful misconduct or negligence of any employee, agent, or independent contractor of the other Party. Each Party will be solely responsible for compliance with all State and Federal laws pertaining to employment taxes, income withholding, unemployment compensation contributions and other employment related statutes regarding their respective employees, agents, and servants.

9.11. Survival. In addition to the periods expressly set forth in the respective provisions of this Agreement, the terms of Section 6.05 and Article 3 will survive this Agreement for so long as any amounts are owed to Manager by Practice; the terms of Section 2.05 will survive this Agreement for 12 months; the terms of Article 4 and Sections 7.01, 7.02 and 7.03 will survive this Agreement for 5 years; and the terms of Sections 5.01, 7.04, Article 9, and Appendix A will survive this Agreement indefinitely.

(Signature Page Follows)

The Parties have executed this Agreement duly authorized to be effective as of the Effective Date.

MANAGER

PRACTICE

[Franchisee MSO Entity]

[Medical Entity]

By: _____
[Name, Title]

By: _____
[Name, Title]

Appendix A

Definitions

As used in this Agreement, the following defined terms have the meanings set forth below. The definition of a term applies to all variants of the term. Where a plural term is defined, reference to a singular form refers to a single member of the group defined by the plural term. If the group defined by a plural term consists of one member, it is equivalent to the singular.

(a) **“Agreement”** means this Management Services Agreement dated to be effective as of the Effective Date, as it may be amended from time to time, including all appendices, exhibits, addendums, and other attachments that are expressly incorporated into this Agreement.

(b) **“Business Records”** means all records relating to the operation of Practice excluding all patient medical records and patient files and other records or documents which relate to patient treatment by physicians.

(c) **“Claims”** means each and every claim, request, accusation, allegation, assertion, complaint, petition, demand, suit, action, proceeding, and cause of action of every kind and description.

(d) **“Confidential Information”** means any and all non-public, confidential Proprietary Information, Trade Secrets, and such other information of or relating to Manager that Practice has reason to know is confidential.

(e) **“Effective Date”** means .

(f) **“GAAP”** means generally accepted accounting principles applied on a consistent basis, set forth in the Opinions of the Financial Accounting Standards Board of the American Institute of Certified Public Accountants, or their successors which are applicable in the circumstances as of the date in question. The requisite that such principles be applied on a consistent basis will mean that the accounting principles observed in a preceding period are comparable in all material respects to those applied in the current period.

(g) **“Indemnitee”** means a Person entitled to be indemnified, defended, and/or held harmless by a Party pursuant to Article 7 of this Agreement.

(h) **“Indemnitor”** means a Party required to indemnify, defend, and/or hold harmless a Person pursuant to Article 7 of this Agreement.

(i) **“Initial Term”** means the initial term of this Agreement beginning on the Effective Date and continuing for 12 months.

(j) **“Interest Rate”** means the lesser of 1.5% per month or the maximum rate allowable pursuant to applicable law.

(k) **“Leased Personnel”** means all Non-Medical Personnel and Non-Physician Medical Personnel leased to Practice in accordance with Appendix B.

(l) **“Loss”** means each and every liability, loss, damage, and injury (including injury or damage to any property right, and injury, damage, or death to any Person), wound, wrong, hurt, harm, expense, deficiency, diminution in value, obligation, expenditure and disbursement of any kind or nature (including all fees, costs, and expenses of investigation, travel expenses, and value of time expended by personnel), settlement, fine, fee, cost, cost of court, and all expenses of litigation (including reasonable attorneys’ fees) incident to any of the foregoing.

(m) **“Management Fee”** means the monthly fee payable by Practice to Manager for services performed by Manager pursuant to this Agreement, including consideration for the trademark rights granted to Practice in Schedule B(m), in the amount of \$ _____ per month.

(n) **“Manager”** means [Franchisee MSO Entity], a
with offices at _____.

(o) **“Manager Indemnitee”** means Practice, its officers, directors, managers, shareholders, members, agents, employees, successors, and assigns.

(p) **“Manager Personnel”** means all personnel as detailed and assigned in Appendix B.

(q) **“Non-Medical Personnel”** means all personnel, including accountants, bookkeepers, office managers, and receptionists who perform services, which do not constitute the practice of medicine, for or on behalf of Practice and may be leased to Practice by Manager.

(r) **“Non-Physician Medical Personnel”** means all personnel, including registered nurses, licensed professional nurses, medical assistants, and physician assistants who perform services for or on behalf of Practice and may be leased to Practice by Manager.

(s) **“Party”** and **“Parties”** means Manager and/or Practice, as applicable.

(t) **“Payor Plan”** means any health maintenance organization, preferred provider organization, employer self-insured plan, governmental plan such as Medicare/Medicaid other insurance plan or company which contracts with Practice for the provision of medical services to beneficiaries of the payor plan.

(u) **“Person”** means a natural person, corporation, business trust, estate, trust, custodian, trustee, executor, administrator, nominee, partnership, limited liability partnership, limited partnership, association, limited liability company, government, governmental subdivision, governmental agency, governmental instrumentality, any other legal or commercial entity, in its own or representative capacity.

(v) **“Physician Contractor”** means any physicians, not classified as a Physician Employee, providing medical services for which Practice bills and collects fees or other consideration.

(w) **“Physician Employee”** means any physician employed by Practice and providing medical services to patients on behalf of Practice.

(x) **“Physician Extender”** means any non-physician professional employee employed by or under contract with Practice who provide direct patient care for which a billed charge is generated.

(y) **“Practice”** means the non-invasive medical services provided under the _____ name at _____ by [Medical Entity], a _____ with offices at _____. Practice does not include any other services provided by [Medical Entity].

(z) **“Practice Expense(s)”** means the amount of the following operating and non-operating expenses, on a cash basis, incurred in the operation of Practice:

(1) Salaries, benefits (including contributions under any Manager or Practice benefit plan), and other direct costs of Practice employees or contractors.

(2) Cost of goods sold relating to the provisions of Professional Services according to GAAP.

(3) Rent for the sublease of space as contemplated in Schedule B(d) of the Agreement.

(4) All insurance expenses for insurance obtained pursuant to Section 7.06 of this Agreement for Practice Professionals.

(5) All salaries, benefits, and associated payroll costs paid to Non-Medical Personnel leased to the Practice.

(6) Rent for the lease of medical equipment as contemplated in Schedule B(e) of the Agreement.

(7) Any provider tax assessed against Practice or any Practice Professional by the State of _____ and any sales and use taxes assessed against Practice or any Practice Professional related to Practice’s operations or the practice of medicine by any Practice Professional, or assessed against Manager related to services provided under this Agreement.

(8) Any federal or state income or franchise taxes of Practice.

(9) Any liabilities, judgments or settlements relating assessed against Practice or Practice Professionals in excess of any insurance policy limits, including attorneys’ fees.

(10) Expenses incurred in connection with any employee benefit plan maintained by Practice.

(11) Any liabilities, judgments, settlements or indemnity expenses arising, commencing or related to activities prior to the Effective Date.

(12) Interest expense for borrowings by Practice but not including accrued interest for Advances.

(13) Any other expense incurred in the operation of the Practice.

(aa) **“Practice Indemnitee”** means Manager and its officers, directors, managers, shareholders, members, agents, employees, successors, and assigns.

(bb) **“Practice Physicians”** means all Physician Employees and Physician Contractors.

(cc) **“Practice Professionals”** means Practice Physicians, Physician Extenders, and Technical Employees.

(dd) **“Practice Professional Compensation”** means compensation payable to Practice Professionals for the services provided to Practice including compensation to the current medical director, _____, in the amount of \$_____ per month beginning on the Effective Date.

(ee) **“Practice Revenue(s)”** means all amounts received by Practice from all sources including all contractual payments, gross revenue, capitation payments and fees and co-payments, including ancillary health care service revenue, and any other revenues of a nature that have historically been recorded by Practice for the delivery of medical and other services to patients, including Professional Services, medical ancillary services, pharmaceuticals and other items and supplies sold to patients, and other fees or income generated by Practice, Practice Professionals or Practice Physicians (acting within the scope of their duties to Practice) for services rendered by Practice.

(ff) **“Professional Services”** means all professional medical services provided by Practice.

(gg) **“Proprietary Information”** means any and all (1) operating manuals, symbols, Trademarks, trade names, service marks, designs, contracts, vendor and supplier lists, procedures, protocols, processes, systems, records and files respecting services provided and to be provided to Practice, provider lists and fee schedules, vendor price lists, third-party payor payment rates, outside provider information, provider contracting information, and documentation relating to the provision of services performed under this Agreement; (2) photographs, books, publications, records, correspondence, notes, letters, documents, plan, proposed plans, manuals, forms, or any other material, files or data, including ledger cards, bookkeeping records, computer programs, and all other records or files of, affecting, or relating to the business of Manager; (3) inventions, discoveries, formulae, processes, products, designs, literary works, programs or other written material or documents conceived or developed by a Manager alone or in conjunction with others

related to the subject matter of the Manager's business; (4) Manager's unique skills, concepts, sales presentations, marketing programs, marketing strategy, business practices, methods of operation, licenses, technical information, computer software, financial and other information concerning the Manager's operations and expansion plans, and any tapes, discs, or other storage medium with information concerning the Manager's operations, systems, hiring or training methods; and (5) all memoranda, notes, records, drawings, documents, computer software programs, tapes and discs, or other writings whatsoever made, compiled, acquired, or received in connection with, or related to any activity or business of Manager, including the Manager's suppliers, vendors, or others with whom Manager has a business relationship, Manager's arrangements with such parties, and Manager pricing and expansion policies and strategy.

(hh) **"Revenue Account"** means the bank account(s) established and maintained by Manager in the name of Practice for the deposit of all Practice Revenues, payment of all Practice Expenses, and payment of all amounts due to Manager under this Agreement. For purposes of this Agreement, Revenue Account will include any such investment accounts of Manager in which funds collected pursuant to this Agreement have been deposited.

(ii) **"Technical Employee"** means any technician who provides services in any diagnostic areas for Practice.

(jj) **"Term"** means the term of this Agreement beginning on the Effective Date and continuing for one year unless otherwise terminated or renewed pursuant to the terms of this Agreement.

(kk) **"Trade Secret"** means any and all Confidential Information, which qualifies as a "trade secret" under law.

(ll) **"Trademark"** means any trademark and service mark (registration, renewal, application and non-registered trademark and service mark), trade name, trade dress, logo, design, slogan, domain name, and other source identifying indicia, together with all goodwill related to the foregoing, and similar rights of any type under the laws of any governmental authority, domestic or foreign, now known or later developed.

Appendix B

Services

Consistent with the provisions of this Agreement and subject to Practice's oversight and ultimate authority, Manager will have the responsibility and commensurate authority to provide such full service management services for Practice and recruit, qualify, hire, and supervise all Non-Medical Personnel required to support the management and administration of Practice as agreed to by the Parties. The Parties agree such full service management services may include the following:

(a) **Records and Accounts.** Manager will provide all bookkeeping and accounting services necessary or appropriate to the functioning of the Practice including maintenance, custody, and supervision of all Business Records. Manager will use reasonable efforts to preserve the confidentiality of patient medical records and use information contained in these records only for the limited purposes necessary to perform the services set forth in this Agreement. A breach of this confidentiality is not a default under this Agreement. All Business Records are the property of Manager. Upon expiration or termination of this Agreement, Practice will retain all patient medical records and patient files maintained by Practice.

(b) **Billing, Collections.** Subject to Practice's oversight and ultimate authority, Manager will be responsible, for and on behalf of Practice, as its agent, for billing and collecting the charges made with respect to all medical services provided by Practice at the Practice unless otherwise agreed in writing. The extent to which Manager attempts to collect such charges, the methods of collection and the amount of settlements with respect to disputed charges, and the determination of which charges are not collectible, will be determined by Manager. However, the fee schedule to determine the cost of such services will be determined solely by Practice.

(c) **Personnel.**

(1) Manager Personnel are staff employed and paid by Manager to perform management services on behalf of Manager for the benefit of Practice. Manager Personnel are controlled by Manager and generally are not a Practice Expense. However, if Manager Personnel perform services that are listed as Practice Expenses under Appendix A, or services requested by Practice that Manager and Practice have agreed will be treated as a Practice Expense, the applicable portion of Manager Personnel's time may be reimbursed by Practice as a Practice Expense.

(2) **Leased Personnel.**

(i) Except as otherwise provided in subsection (C), all Non-Medical Personnel (which does not include Practice Professionals) will be directly employed by Manager with Non-Medical Personnel being leased to the Practice as follows:

(A) Non-Medical Personnel will be employees or independent contractors of Manager, and the cost of Manager, including but not limited to their salaries, benefits and associated payroll costs, will be borne by Manager. Manager will select for employment and

terminate the employment of all Non-Medical Personnel as Manager deems necessary or advisable, and will be responsible for the supervision, direction, training and assigning of duties of all Non-Medical Personnel, as well as determining the rates of compensation for such personnel.

(B) Non-Medical Personnel will perform their day-to-day duties at Practice and will be under the supervision and direction of Practice for those day-to-day duties. Non-Medical Personnel will be subject to the reasonable instructions, directions and policies of Practice in the performance of their duties. All time spent by Non-Medical Personnel performing day-to-day duties for, on behalf of, or for the benefit of Practice will be reimbursable by Practice as a Practice Expense at the rates agreed upon by Practice and Manager. Non-Medical Personnel, to the extent required for Practice to direct their duties, would be co-employed by Practice.

(C) Practice and Manager may specifically agree in writing for certain Non-Medical Personnel providing any services for, on behalf of, or for the benefit of Practice to be directly employed by or contracted with Practice. Such Non-Medical Personnel would be employees or independent contractors employed or engaged by Practice, and the selection and terms of employment or engagement, including the rates of compensation, supervision, direction, training and assignment of duties would be determined and controlled by Practice.

(ii) Except as otherwise provided in subsection (C), all Non-Physician Medical Personnel will be directly employed by Manager with Non-Physician Medical Personnel being leased to the Practice as follows:

(A) Non-Physician Medical Personnel will be employees of Manager, and the cost of Manager, including but not limited to their salaries, benefits and associated payroll costs, will be borne by Manager and not passed on to Practice. Manager may select for employment and terminate the employment of all Non-Physician Medical Personnel as Manager deems necessary or advisable, and may be responsible for the supervision, direction, training and assigning of duties of all Non-Physician Medical Personnel, as well as determining the rates of compensation for such personnel.

(B) Consistent with this Agreement, Practice will provide supervision of the Non-Physician Medical Personnel. Such supervision will include on-site supervisions and delegation of duties consistent with state and federal law, regulations, certification, and generally accepted community standards. Non-Physician Medical Personnel will be subject to the reasonable instructions, directions and policies of Practice in the performance of their duties. All time spent by Non-Physician Medical Personnel performing duties for or on behalf of Practice will be reimbursable by Practice as a Practice Expense at the rates agreed upon by Practice and Manager. Non-Physician Medical Personnel, to the extent required for Practice to direct their duties, would be co-employed by Practice.

(C) Practice and Manager may specifically agree in writing for certain Non-Physician Medical Personnel providing any services for or on behalf of Practice to be directly employed by or contracted with Practice. Such Non-Physician Medical Personnel would be employees or independent contractors employed or engaged by Practice, and the selection and

terms of employment or engagement, including the rates of compensation, supervision, direction, training and assignment of duties would be determined and controlled by Practice.

(3) Manager may provide assistance to Practice in recruiting and evaluating prospective physicians and Leased Personnel as employees or independent contractors of Practice. Practice will make all decisions relating to hiring, training, managing, and termination of medical personnel.

(4) Manager will comply and will ensure compliance by Practice with all applicable laws and regulations having to do with worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related subjects in connection with all Leased Personnel.

(5) All Manager Personnel and Leased Personnel will be subject to Manager's general policies and procedures regarding human resources (with Practice retaining ultimate responsibility for the hiring, firing, training and compensation of medical personnel and Non-Physician Medical Personnel). Subject to clinical issues that would dictate otherwise, Practice will adopt personnel policies and procedures that are consistent with Manager's policies and procedures. These policies and procedures will, at a minimum, establish fair and uniform standards for personnel, and provide procedures for resolving disputes between supervisors and the personnel.

(d) Space. Pursuant to the sublease agreement entered into between the Parties attached under Schedule B(d), which is incorporated by reference, Manager has subleased to Practice the space necessary for operation which Practice deems appropriate for its needs and will have use of on an exclusive, full-time basis.

(e) Equipment. Practice has ultimate authority over all medical equipment used in Practice. Manager will suitably furnish and equip the space subleased pursuant to subsection (d) above as set forth in this Agreement for Practice's operation. Manager will provide all non-medical equipment, software, fixtures, office supplies, furniture and furnishings. In addition, Manager agrees to lease to Practice the Medical Equipment deemed reasonably necessary by Practice for the operation of the Practice pursuant to the terms and conditions described on Schedule B(e), which is attached and incorporated by reference. If Practice deems it necessary to acquire new medical equipment, the Manager may decline to purchase the medical equipment and lease the equipment to the Practice under Schedule B(e).

(f) Marketing and Advertising Programs. Subject to Practice's oversight and ultimate authority, Manager will, following consultation with Practice, develop marketing and advertising programs for Practice; provide advice and assistance to Practice on overall marketing programs, and determine and analyze the effect of such programs; plan, create, write and prepare advertising materials; negotiate contracts with advertising media for space and time; and obtain services necessary in connection with the production and presentation of advertisements. Notwithstanding anything to the contrary, Practice must make all final decisions relating to marketing and advertising materials.

(g) Vendor & Other Contracts. Subject to Practice's oversight and ultimate authority, Manager (or its designee) will be the exclusive negotiator, as agent and on behalf of Practice, of all (1) agreements with all vendors and other entities for all service, software, and technology contracts, and the purchase and/or lease of equipment, supplies, and materials that are necessary for the operation of Practice; (2) agreements with facilities for the provision of medical services to patients; and (3) all Payor Plan agreements. Practice would promptly refer inquiries by or relating to all such agreements to Manager, as Practice's sole agent, for discussion and negotiation of all such potential agreements. Practice and Manager, however, will mutually determine which such potential agreements to explore and negotiate and which such agreements Practice will ultimately enter into as a contractual party. With respect to vendors and other entities for service, software, and technology contracts, and the purchase and/or lease of equipment, supplies, and materials that are necessary for the operation of Practice, such goods and services will be provided by Persons affiliated with Manager provided (i) the terms and conditions of the transaction, on any overall basis, are fair and reasonable to the Practice and are at least as favorable to the Practice as those that are generally available from Persons capable of similarly performing them and in similar transactions between parties operating at arm's length; or (ii) approval of the Practice is obtained. Manager may receive discounts on goods and services it obtains for Practice. Manager is not obligated to pass on such discounts and may add a reasonable markup to the cost of goods and services obtained for Practice.

(h) Insurance. Manager will make reasonable efforts to obtain and maintain in full force and effect during the Term, general liability and property insurance which Manager deems appropriate to protect against loss, claims, and other risks, or which is necessary to comply with the terms of lease agreements for the Practice, and Manager will assist Practice and the physicians in obtaining professional liability insurance.

(i) Supplies; Inventory. Manager will acquire and supply to Practice all non-medical supplies which may be reasonably required in connection with the operation of Practice. Subject to Practice's oversight and ultimate authority, Manager will, on behalf of Practice, acquire all medical supplies and other inventory needs which may be reasonably required in connection with the operation of Practice.

(j) Bank Accounts, Cash Management. Manager is authorized to establish and maintain for and on behalf of Practice bank accounts for the collection and disbursement of Practice's funds. Manager will manage all cash and cash equivalents of Practice. Practice acknowledges the importance of Manager's access to such accounts in providing services under this Agreement. Accordingly, Practice agrees that if Practice prevents or otherwise terminates Manager's access to any such accounts, including the Revenue Account, during the Term for any reason other than in the case of Manager's fraud or knowing and intentional misappropriation of Practice's funds, as finally judicially adjudicated by a court of competent jurisdiction, Manager may immediately terminate this Agreement, cease providing all services to Practice, and terminate any other agreements between the Parties upon notice to Practice without any recourse by Practice as a result of such termination.

(k) Litigation Management. Manager will (1) manage and direct the defense of all claims, actions, proceedings or investigations against the Practice or any of its officers, directors or employees in their capacity as such relating to the operations of Practice, and (2) manage and direct the initiation and prosecution of all claims, actions, proceedings or investigations brought by Practice against any person other than Manager relating to the operations of Practice. However, Practice will have the ultimate authority to settle all matters and direct the prosecution of such claims.

(l) Licenses and Permits. Manager will, on behalf of and in the name of Practice, coordinate all development and planning processes, and apply for and use reasonable efforts to obtain and maintain all federal, state, and local licenses and regulatory permits required for or in connection with the operation of Practice and equipment (existing and future) located at the Practice, other than those relating to the practice of medicine or the administration of drugs by physician retained by or associated with Practice.

(m) License Agreement. Manager owns all intellectual property rights in and to certain intellectual property, including a Trademark (as defined in Appendix A). Manager agrees to license to Practice the Trademark to be used in connection with its operations pursuant to the terms and conditions described on Schedule B(m), which is attached and incorporated by reference.

(n) Quality Assurance and Compliance Programs. Subject to Practice's oversight and ultimate authority, Manager will assist Practice in developing and implementing relevant and appropriate compliance programs to assist Practice in maintaining adherence to regulatory and contractual requirements. Manager will also provide assistance to Practice in the establishment of utilization review/quality assurance programs and maintenance and implementation of such programs.

(o) Tax Returns. Manager will assist Practice in the preparation and filing of W-2's as 1099's annually for each employee and contractor of Practice.

(p) Financial Planning and Reports. Manager will provide financial planning and propose annual budgets for Practice. Manager will create and prepare ad-hoc reports as necessary to demonstrate the financial and operational activities of Practice.

Schedule B(d)

Sublease Agreement

1. **Parties.** This Sublease Agreement (“**Sublease**”), dated to be effective as of _____ (“**Effective Date**”), is made between [Franchisee MSO Entity] (“**Sublandlord**”) and [Medical Entity] (“**Subtenant**”). Unless otherwise defined in this Sublease, capitalized terms have the meanings set forth in the Office Lease Agreement between Landlord (defined below) and Sublandlord dated _____ (“**Master Lease**”).
2. **Premises.** Sublandlord subleases to Subtenant on the terms and conditions set forth in this Sublease the exclusive right to use certain designated space Sublandlord is leasing from _____ (“**Landlord**”), located at _____ (“**Premises**”) comprising _____ rentable square feet on the Premises (“**Sublease Premises**”).
3. **As-Is.** Subtenant specifically acknowledges and agrees that the Sublease Premises is being sublet by Sublandlord to Subtenant in its “As-Is” condition and with no obligation for Sublandlord to make any improvements to the Sublease Premises or otherwise maintain or repair the Sublease Premises.
4. **Term and Conditions Precedent.** Subject to the terms in this Agreement, the “**Term**” of this Sublease shall commence on the Effective Date, and end on termination of the Management Services Agreement, unless otherwise terminated as set forth below (“**Termination Date**”). Possession of the Sublease Premises (“**Possession**”) shall be delivered to Subtenant on the commencement of the Term. In the event of the termination of Sublandlord’s interest as Tenant under its Lease of Premises with Landlord, or the termination of the Management Services Agreement for any reason, then this Sublease will terminate automatically upon such termination without any liability of the Landlord or Sublandlord.
5. **Rent.** Subtenant will pay to Sublandlord, rent attributable to the Sublease Premises as part of Sublandlord’s monthly management fee as set forth in the Management Services Agreement.
6. **Security Deposit.** Not applicable.
7. **Office Keys.** On or before the Effective Date, Sublandlord will provide Subtenant with office keys to the Premises.

8. **Use of Premises.** The Sublease Premises will be used and occupied by Subtenant solely for treatment purposes in connection with Subtenant's provision of aesthetic medical procedures and treatments and for no other purpose.
9. **Assignment and Subletting.** Subtenant may not assign this Sublease or further sublet all or any part of the Sublease Premises without the prior consent of Sublandlord.
10. **Governing Law.** This Sublease is governed by the laws of the State of _____ .
11. **Attorneys' Fees.** If a party commences an action against the other arising out of or in connection with this Sublease, the prevailing party is be entitled to recover its costs of suit and reasonable attorneys' fees.
12. **Agency Disclosure.** Sublandlord and Subtenant each warrant that they have dealt with no real estate broker in connection with this transaction.
13. **Notices.** All notices and demands by either party on the other hereunder must be in writing.

(Signature Page Follows)

The undersigned have executed this Sublease duly authorized to be effective as of the Effective Date.

SUBLANDLORD

SUBTENANT

[Franchisee MSO Entity]

[Medical Entity]

By: _____
[Name, Title]

By: _____
[Name, Title]

**[FRANCHISEE MSO ENTITY]
MANAGEMENT SERVICES AGREEMENT
SUBLEASE AGREEMENT**

**SCHEDULE B(D)
PAGE 3 OF 3**

Schedule B(e)

Medical Equipment Lease Terms

1.01. **Medical Equipment.** Manager is the owner and/or lessee of certain medical equipment located at Practice (“**Medical Equipment**”). Practice has examined the Medical Equipment and determined that the Medical Equipment is necessary and appropriate for the provision of Practice’s professional medical services.

1.02. General Lease Terms.

(a) **Grant of Lease.** During the Term, provided Practice remains in compliance with the terms of this Agreement, Manager agrees to the exclusive, full-time lease of the Medical Equipment to Practice in accordance with the terms of this Agreement and, more specifically, this Schedule B(e). Practice will use the Medical Equipment in a careful and proper manner and will comply with and conform to all applicable laws, ordinances, and regulations in any way relating to the possession, use, or maintenance of the Medical Equipment. All rights, titles and interest in and to the Medical Equipment, including any custom development or modifications, is the exclusive property of Manager. Practice covenants and agrees that it will not take any action or assist any third party in any action that may impair Manager’s ownership rights to the Medical Equipment.

(b) **Warranty Limitation.** MANAGER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS SCHEDULE B(E), INCLUDING THE MEDICAL EQUIPMENT, AND PRACTICE EXPRESSLY WAIVES AND MANAGER DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES, INCLUDING ANY WITH RESPECT TO TITLE, NON-INFRINGEMENT, MERCHANTABILITY, VALUE, RELIABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PRACTICE’S USE OF THE MEDICAL EQUIPMENT IS AT ITS OWN RISK ON AN “AS IS” BASIS.

(c) **Repairs and Maintenance.** Practice, at its own cost and expense, will keep the Medical Equipment in good repair, condition, and working order and pay for regular cleaning and preventative maintenance during the Term and until Practice delivers the Medical Equipment to Manager in the same condition it was in when delivered to Practice, normal wear and tear excepted.

(d) **Taxes.** Practice will keep the Medical Equipment free and clear of all levies, liens, and encumbrances. Practice, or Manager as a Practice Expense, will report, pay and discharge when due all license and registration fees, assessments, sales, use and property taxes, gross receipts, taxes arising out of receipts from use or operation of the Medical Equipment, and other taxes, fees and governmental charges similar or dissimilar to the foregoing, together with any penalties or interest, imposed by any state, federal or local government or any agency, or department upon the Medical Equipment or the use, operation, or leasing of the Medical Equipment or otherwise in any manner and whether or not the same will be assessed against or in the name of Manager or Practice. However, Practice will not be required to pay or discharge any

such tax or assessment so long as it will contest, in good faith and by appropriate legal proceedings, the validity of such proceedings in any reasonable manner which will not affect or endanger the title and interest of Manager to the Medical Equipment. Practice will, however, reimburse Manager for any damages or expenses resulting from such failure to pay or discharge. In case of failure of Practice to pay fees, assessments, charges and taxes, all as specified in this Agreement, Manager will have the right, but not the obligation, to pay such fees, assessments, charges and taxes, as the case may be. In that event, Practice will promptly reimburse Manager for such costs in accordance with this Agreement.

(e) **Insurance; Risk of Loss.** During the Term, Practice must maintain insurance coverage for the full value of the Medical Equipment and insurance coverage against liability for bodily injury, including death, and property damage arising out of the ownership, maintenance, use and operation of the Medical Equipment with limits acceptable to Manager. Practice must ensure the policies name Manager as additional insured and provide a waiver of subrogation in favor of Manager. Such coverage must be in a form acceptable to Manager and Practice must deliver all policies of insurance, or evidence satisfactory to Manager of such coverage, upon Manager's request. Practice's insurer must agree, by endorsement upon the policy issued by it, or by an independent document provided to Manager, that it will give Manager 30 days prior written notice of the effective date of any alteration or cancellation of such policy and that such notice will be sent to Manager via certified mail, return receipt requested at the address in this Agreement. Except as otherwise provided in this Agreement, Practice assumes the risk of loss of, or damage to the Medical Equipment from any and every cause whatsoever, including, but not limited to, casualty, collision, upset, fire, theft, malicious mischief, vandalism, graffiti, glass breakage, and mysterious disappearance.

1.03. Compliance with Law. The Parties intend that the Lease of Medical Equipment complies with all applicable law including, without limitation, the Medicare/Medicaid Fraud and Abuse statutes, Federal Stark and Anti-Kickback, and similar State and Federal laws. The Parties acknowledge that (a) the rent is fair market value for the lease of the Medical Equipment in an arm's-length transaction, and (b) no portion of the respective consideration flowing to the Parties is intended to induce or be compensation for past or future referrals of patients or medical services by one Party to the other Party. Nothing will require, directly or indirectly, that either Party refer or direct any patients to the other Party. If any legislation, regulation or government policy is passed or adopted, the effect of which would cause either Party to be in violation of such laws due to the existence of any provision of this Schedule B(e), then the Parties agree to negotiate in good faith for a period of 30 days to modify the terms of this Schedule B(e) to comply with applicable law. Should the Parties fail to agree upon modified terms during such 30-day period, either Party may terminate upon notice.

1.04. Survival. Upon expiration or termination of this Agreement for any reason, the terms of Section 1.02(d) will survive until all amounts due by Practice are paid in full and/or until Practice's obligations under such provisions are fulfilled; and Section 1.02(b) and (e) will survive for 5 years.

Schedule B(m)

License Agreement

1.01. **Nonexclusive License.** Subject to the terms and conditions of this Agreement, Manager grants to Practice a limited, nonexclusive, nontransferable license to use Manager's Trademark "4Ever Young" in connection with and in furtherance of the operation of Practice's operations including the use of "4Ever Young" and in Practice's assumed name at Practice's physical address located at _____. In partial consideration of Manager's grant of the foregoing rights, Practice covenants with Manager that Practice will not market, advertise, or otherwise operate its business under any name or Trademark(s) other than Manager's Trademark during the Term unless otherwise required by law.

1.02. **License Fee.** In consideration of Manager's grant of the nonexclusive, nontransferable license to Practice, Practice agrees to pay Manager an annual arm's length license fee of seven percent (7%) plus any applicable sales and use taxes ("**License Fee**"), as a percentage of Practice Revenues, payable annually.

1.03. **Ownership & Goodwill.** Subject to the rights granted in this Agreement, all title to and the rights in the Trademark and the associated goodwill are the exclusive property of Manager and/or its licensor. Practice agrees that its use of any of the Manager's Trademark pursuant to the expressly rights granted under this Agreement will not create any right, title, or interest in or to Manager's Trademark other than as set forth in this Agreement, and that all goodwill associated with Manager's Trademark, including any goodwill generated through Practice's use of the Trademark will belong and inure solely to the benefit of Manager. Practice covenants and agrees that it will not:

- (a) take any action or assist any third party in any action to contest or impair Manager's ownership rights or dilute, tarnish, or infringe the Trademark;
- (b) at any time dispute or contest the right, title, or validity of the Trademark; or
- (c) attempt to register or use any intellectual property, including any trademarks, service marks, or copyrights similar to the Trademark.

1.04. **Reservation of Rights Not Granted.** Practice acknowledges that it has no rights in Manager's Trademark except those expressly granted under this Agreement. Any and all rights not granted by Manager under this Agreement are reserved by Manager. For the avoidance of doubt and except as expressly permitted in this Agreement, Practice will not sublicense, copy, reproduce, alter, create derivative works from, or otherwise modify Manager's Trademark, or lease, loan, sublicense, distribute, or otherwise provide others access to Manager's Trademark.

1.05. Acknowledgment and Marking.

- (a) In using Manager's Trademark, Practice will acknowledge Manager's ownership of the Trademark, including properly marking any products or services.

(b) The Parties will comply with all reasonable conditions set forth in writing from time to time by Manager with respect to style, appearance, and manner of use of the Trademark.

(1) Prior to a new use of Manager's Trademark, Practice will submit to Manager for approval representative samples of all proposed materials bearing the Trademark. Upon receipt of a proposed use of Manager's Trademark, Manager will have 10 business days to review the proposed use and to determine its acceptability based upon Manager's reasonable discretion. If Manager does not object to the proposed use in writing within the 10-day period, then Practice will be permitted to proceed with the proposed use. If Manager does object to the proposed use in writing (which may include email) within the 10-day period, then Practice will not be entitled or permitted to proceed with the proposed use until the issues regarding Manager's objections have been satisfied. Manager agrees that it will not unreasonably object to proposed uses, and that it will work in good faith with Practice to permit such uses. Practice agrees that, notwithstanding the failure of Manager to timely object to a proposed use, Practice will cooperate in good faith with Manager to correct and/or remedy inappropriate uses of the Trademark.

(2) In connection with Practice's use of Manager's Trademark, Practice agrees to make proper use of the "®" symbol or other proper notice to indicate a federally registered mark, and the "TM" symbol to indicate an unregistered mark. Upon receiving notice from Manager that the use of a registration notice or "TM" symbol is incorrect or otherwise unacceptable, Practice will promptly modify such uses to obviate Manager's objections.

1.06. Assumed Trade Name and Trademarks. Upon termination of this Agreement for any reason, Practice will cease using "4Ever Young" in the assumed trade name of Practice and will not use "4Ever Young" or any variation in any manner in connection with its name, any assumed name, or otherwise use any of Manager's Trademark in any way, form, or medium, as provided below. Within 30 days of termination of this Agreement for any reason, Practice will terminate all assumed name certificates filed with the _____ Secretary of State and any applicable counties and de-identify the Premises of all uses of and references to Manager's Trademark.

Appendix C

Business Associate Agreement

[Franchisee MSO Entity], a _____ (“**Business Associate**”) and [Medical Entity], a _____ (“**Covered Entity**”) enter into this Business Associate Agreement (“**BAA**”) to be effective as of _____ (“**Effective Date**”) (Business Associate and Covered Entity, each a “**Party**,” collectively, the “**Parties**”). Capitalized terms used, but not otherwise defined in this BAA, have the same meaning as those terms in the Privacy, Security, Breach Notification, and Enforcement Rules at 45 C.F.R. Part 160 and Part 164 (“**HIPAA Rules**”).

Recitals

A. Business Associate and Covered Entity are engaged in a business relationship where Covered Entity purchases, and Business Associate sells or provides, certain services to Covered Entity (“**Business Relationship**”) pursuant to a certain Management Services Agreement dated as of the Effective Date (“**Services Agreement**”).

B. As part of the Services Agreement, Business Associate performs or assists in performing a function or activity on behalf of Covered Entity that involves the use and/or disclosure of Protected Health Information.

C. The Parties desire to enter into this BAA regarding the use and/or disclosure of Protected Health Information as required by the HIPAA Rules.

Based upon the above recitals and the mutual covenants in this BAA, the Parties agree as follows:

Article 1

Use, Disclosure & Obligations

1.01. **Permitted Uses and Disclosures.** Except as otherwise provided in this BAA:

(a) Business Associate may use or disclose Protected Health Information only as necessary to perform the services required by the Services Agreement or as required by law;

(b) Business Associate agrees to make uses and disclosures and requests for Protected Health Information in accordance with the “minimum necessary” principle described in the HIPAA Rules (i.e. only Protected Health Information that is the minimum necessary to accomplish the intended purpose of the use, disclosure, or request may be used or disclosed);

(c) Business Associate may use and disclose Protected Health Information to de-identify the information in accordance with 45 C.F.R. 164.514(a)-(c), but only if (1) the precise use is disclosed to Covered Entity and permitted by Covered Entity in its sole discretion, and (2) the de-identification is in compliance with 45 C.F.R. § 164.502(d), and any such de-identified health information meets the standards and implementation specifications for de-identification under 45 C.F.R. 164.514, or such regulations as they may be amended from time to time;

(d) Business Associate may use Protected Health Information for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate provided that such use is permitted under Federal and State confidentiality laws;

(e) Business Associate may disclose Protected Health Information for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom Protected Health Information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of Protected Health Information has been breached;

(f) Except as permitted by subsections (c)-(e) above, Business Associate may not use or disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity.

1.02. Responsibilities of Business Associate. With regard to the use or disclosure of Protected Health Information, Business Associate agrees to:

(a) Not use or disclose Protected Health Information other than as permitted or required by the Services Agreement or as required by law;

(b) Use appropriate safeguards, and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic Protected Health Information, to prevent the use or disclosure of Protected Health Information other than as provided for by the Services Agreement;

(c) Report to Covered Entity any use or disclosure of Protected Health Information not permitted by the Services Agreement of which it becomes aware, including Breaches of Unsecured Protected Health Information as required by 45 C.F.R. 164.410, and any security incident of which it becomes aware within 5 business days;

(d) In accordance with 45 C.F.R. 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that all Subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate agree in writing to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information;

(e) Make available to Covered Entity Protected Health Information in a Designated Record Set within 5 days of Covered Entity's request or forward to Covered Entity the request received directly from an individual within 2 days in order to meet the requirements under 45 C.F.R. 164.524;

(f) Make any amendment(s) (at the request of, and in the time and manner designated by, Covered Entity) to Protected Health Information in a Designated Record Set that Covered Entity directs pursuant to 45 C.F.R. 164.526, or take other measures as necessary to satisfy Covered Entity's obligations under 45 C.F.R. 164.526;

(g) Maintain and make available the information required to provide an accounting of disclosures to Covered Entity as necessary to satisfy Covered Entity's obligations under 45 C.F.R. § 164.528;

(h) To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, comply, with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s);

(i) Make internal practices, books, and records available to the Secretary of the Department of Health and Human Services or his/her designee ("**Secretary**"), for purposes of determining compliance with the HIPAA Rules. Business Associate will promptly notify Covered Entity of communications with the Secretary regarding Protected Health Information provided by or created by Covered Entity and will provide Covered Entity with copies of any information Business Associate has made available under this provision. Notwithstanding the foregoing, no attorney-client, accountant-client, or other legal privilege will be deemed waived by Business Associate or Covered Entity by virtue of this Agreement;

(j) Provide the necessary training to its members of its workforce required by the HIPAA rules, other applicable Federal and State laws, and this Agreement relating to the use, disclosure and protection of Protected Health Information; and

(k) Review and understand the HIPAA rules, other applicable Federal and State laws, and this BAA as they apply to Business Associate in order to comply with applicable requirements and any amendments affecting the obligations of Business Associate.

1.03. Responsibilities of Covered Entity. Covered Entity will:

(a) Notify Business Associate of any limitation(s) in its notice of privacy practices that Covered Entity produces in accordance with 45 C.F.R. 164.520 to the extent that such limitation may affect Business Associate's permitted or required uses or disclosures of Protected Health Information, as well as any changes to such notice;

(b) Notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose their Protected Health Information, if such changes affect Business Associate's permitted or required uses or disclosures;

(c) Notify Business Associate of any restriction on the use or disclosure of Protected Health Information that Covered Entity has agreed to or is required to abide by in accordance with 45 C.F.R. 164.522, to the extent that such restriction may affect Business Associate's permitted or required uses or disclosures of Protected Health Information;

(d) Notify Business Associate, in writing, of any amendment(s) to the Protected Health Information in the possession of Business Associate and inform the Business Associate of the time, form and manner in which such amendment(s) will be made; and

(e) Inform Business Associate of any opt-outs exercised by any individual from marketing and/or fundraising activities of the Covered Entity when the Services Agreement pertains to marketing or fundraising.

Article 2

Term and Termination

2.01. Term. The term of this BAA will be effective as of the Effective Date and will terminate upon termination of the Services Agreement or earlier if terminated in accordance with Section 2.02 below.

2.02. Termination for Cause. Covered Entity may immediately terminate this BAA if Covered Entity determines that Business Associate has breached a material term of this BAA and Business Associate has not cured the breach or ended the violation within 15 days of receipt of notice describing the breach or violation.

2.03. Effect of Termination.

(a) Except as permitted by subsection (b) below, upon termination of this BAA for any reason, Business Associate will, as specified by Covered Entity, return or destroy all Protected Health Information received from Covered Entity, or created, maintained or received by Business Associate on behalf of Covered Entity, that Business Associate still maintains in any form. Business Associate will retain no copies of the Protected Health Information; however, in the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate will provide in writing to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual written agreement of the Parties that return or destruction of Protected Health Information is infeasible, Business Associate will extend the protections of this BAA to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

(b) In the event Business Associate uses or discloses Protected Health Information for its own management and administration or to carry out its legal responsibilities as permitted by Section 1.01(d) and (e) above and Business Associate needs to retain Protected Health Information for such purposes after termination of this BAA, Business Associate will:

(1) Retain only that Protected Health Information which is necessary to continue Business Associate's proper management and administration or to carry out its legal responsibilities;

(2) As specified by Covered Entity, return or destroy the remaining Protected Health Information that Business Associate still maintains in any form;

(3) Continue to use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic Protected Health Information to prevent use or disclosure of the Protected Health Information, other than as provided for in this Section 2.03, for as long as Business Associate retains the Protected Health Information;

(4) Not use or disclose the Protected Health Information retained other than for the purposes for which such Protected Health Information was retained and subject to the same conditions set out in Section 1.01(d) and (e) which applied prior to termination; and

(5) As specified by Covered Entity, return or destroy the Protected Health Information retained when it is no longer needed for Business Associate's proper management and administration or to carry out its legal responsibilities.

(c) The obligations under this Section 2.03 will survive termination of this BAA.

Article 3

Additional Provisions

3.01. Amendment. The Parties agree to take such action as is necessary to amend this BAA from time to time as is necessary for compliance with the requirements of the HIPAA rules, and other applicable Federal and State laws. Alterations, modifications, or amendments of a provision of this BAA will not be binding unless such alteration, modification, or amendment is in writing and signed by an authorized representative of each Party.

3.02. Governing Law. This BAA will be construed in accordance with and governed by the internal law of the State of _____ (without reference to its rules as to conflicts of law).

3.03. Waiver of Trial by Jury. THE PARTIES EXPRESSLY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY DISPUTE, CONTROVERSY, OR CLAIM ARISING OUT OF OR RELATING TO THIS BAA.

3.04. Waiver. A waiver by a Party of any provision of this BAA in any instance will not be deemed a waiver of such provision, or any other provision of this BAA as to any future instance or occurrence. All remedies, rights, undertakings, and obligations contained in this BAA will be

cumulative and none of them will be in limitation of any other remedy, right, undertaking, or obligation of a Party.

3.05. Entire Agreement. This BAA and the Services Agreement constitute the complete and exclusive statement of the agreement of the Parties with respect to the subject matter of this BAA and supersedes all prior proposals, understandings, and agreements, whether oral or written, between the Parties with respect to the subject matter of this BAA. To the extent that the Services Agreement conflicts with this BAA, this BAA will control.

3.06. Severability. The provisions of this BAA are severable. The invalidity, in whole or in part, of any provision of this BAA will not affect the validity or enforceability of any other of its provisions. If one or more provisions of this BAA are declared invalid or unenforceable, the remaining provisions will remain in full force and effect and will be construed in the broadest possible manner to effectuate the purposes of this BAA. The Parties further agree to replace such void or unenforceable provisions of this BAA with valid and enforceable provisions that will achieve, to the extent possible, the economic, business, and other purposes of the void or unenforceable provisions.

3.07. Captions. The headings and captions of this BAA are inserted for reference convenience and do not define, limit or describe the scope or intent of this Agreement or any particular section, paragraph, or provision of this BAA. Unless otherwise expressly provided, the words “include(s),” “included,” or “including” do not limit the preceding words or terms. Pronouns will refer to the masculine, feminine, neuter, singular or plural as the context will require.

3.08. Counterparts. This BAA may be executed in any number of counterparts, each of which may be executed by less than all of the Parties, all of which together will constitute one instrument and will be enforceable against the Parties. This BAA may be executed by facsimile signature or any electronic signature complying with the U.S. Federal ESIGN Act of 2000 (e.g., www.docusign.com), such signature is deemed an original signature. Copies of the execution copy of this BAA or any amendment with one or more signatures sent by facsimile transmission or as a “PDF” (portable document file) attached to an electronic mail message or other transmission method and any counterpart so delivered is deemed to have been duly and validly delivered and is valid, fully enforceable, and effective for all purposes without a manually executed original.

3.09. Notices. All notices, requests, or consents required or permitted under this BAA will be in writing (including electronic form) and will be delivered to the address set forth by each Party in the Services Agreement, or to such other party and/or address as any of such Parties may designate in a written notice served upon the other Parties in the manner provided for below. Each notice, request, consent, or other communication will be given and will be effective: (a) if delivered by hand, when so delivered; (b) if delivered by nationally recognized overnight courier service or sent by United States Express Mail, upon confirmation of delivery; (c) if delivered by certified or registered mail, on the third following day after deposit with the United States Postal Service; (d) if delivered by facsimile, upon confirmation of successful transmission; or (e) if delivered by email, upon confirmation of receipt by the other Party in writing by return email.

3.10. **Interpretation.** Any ambiguity in this BAA will be resolved to permit compliance with the HIPAA Rules.

3.11. **No Third Party Beneficiary.** Nothing in this BAA is intended, nor will be deemed, to confer any benefits on any third party.

3.12. **Effect of Agreement.** Except as amended by this BAA, the terms and provisions of the Services Agreement will remain in full force and effect.

(Signature Page Follows)

The Parties have executed this Agreement duly authorized to be effective as of the Effective Date.

COVERED ENTITY

[Medical Entity]

BUSINESS ASSOCIATE

[Franchisee MSO Entity]

By: _____
[Name, Title]

By: _____
[Name, Title]

**[FRANCHISEE MSO ENTITY]
MANAGEMENT SERVICES AGREEMENT
BUSINESS ASSOCIATE AGREEMENT**

**APPENDIX C
PAGE 8 OF 8**

Appendix D

Special Power of Attorney

STATE OF _____ §

_____ COUNTY §

1.01. **Effective Date.** This special power of attorney is executed to be effective as of _____ (“**Effective Date**”). Capitalized terms used but not defined in this special power of attorney are defined in the Agreement.

1.02. **Power of Attorney.** Practice grants to Manager, both as defined in the Management Services Agreement (“Agreement”), dated _____, an exclusive special power of attorney and appoints Manager as Practice’s exclusive true and lawful agent and attorney-in-fact with respect to the powers set forth below, and Manager accepts the special power of attorney and appointment, for the following purposes:

- (a) to open a bank account in Practice’s name and on its behalf;
- (b) to bill Practice patients in Practice’s name and on its behalf;
- (c) to collect accounts receivable resulting from such billing in Practice’s name and on its behalf;
- (d) to receive the cash proceeds of any accounts receivable;
- (e) to take possession of and endorse in the name of Practice (and/or in the name of individual physicians) any such payment intended for purpose of payment of a physician’s bill, any cash, notes, checks, money orders, and other instruments received in payment for services rendered;
- (f) to sign checks, drafts, bank notes, or other instruments on behalf of Practice, including affixing stamps of signatures of Practice’s authorized signatories on any of the foregoing, and to make withdrawals from the Revenue Account for payments specified in the Agreement and as requested from time to time by Practice;
- (g) to obtain and take possession of any mail piece addressed to Practice under the control of the United States Postal Service or a private organization; to sign on Practice’s behalf for any accountable piece of mail, including, but not limited to, certified, registered, express, insured, or return receipt marked “Restricted Delivery,” including items delivered by private organizations; and to exercise dominion over any mail piece of Practice in any other lawful manner whatsoever or any other item addressed to Practice and placed, for delivery, with the term “mail” or “mail piece,” being defined in the glossary in Sec. 001, “Quick Service Guide,” of the Domestic Mail Manual, as amended (see also “piece” and “mail piece”); and

(h) to initiate legal proceedings in the name of Practice to collect any accounts and monies owed to Practice, to enforce the rights of Practice as creditor under any contract or in connection with the rendering of any service, and to contest adjustments and denials by governmental agencies (or its fiscal intermediaries) as third-party payors. Manager will monitor Practice claim submissions for improper upcoding and unbundling and no person will be compensated so as to provide a financial incentive to improperly upcode claims.

1.03. Additional Documents. Upon request of Manager, Practice will execute and deliver to the financial institution where Practice's account is maintained, additional documents or instruments as may be reasonably necessary to accomplish the intent and objectives of this special power of attorney.

1.04. Duration. The rights, powers, and authority of Manager as attorney-in-fact to exercise any and all of the rights and powers granted in this special power of attorney will begin and be in full force and effect as of the Effective Date and will continue for 12 months after the termination of the Agreement.

(Signature Page Follows)

The undersigned has executed this special power of attorney to be effective as of the Effective Date.

[Medical Entity]

By: _____
[Name, Title]

STATE OF _____ §
_____ COUNTY §

This instrument was acknowledged before me on the ____ day of _____, 20____,
by _____ of [Medical Entity], a .

Notary Public, State of

Printed Name of Notary

My Commission Expires:

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT

DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT

This Development Agreement (“Agreement”) entered into this ____ day of _____, 20____, between: (i) 4Ever Franchisor LLC, a Delaware limited liability company with its principal place of business at 5458 Town Center Road, #19, Boca Raton, Florida 33486 (the “Franchisor”); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the “Developer”).

BACKGROUND

A. Franchisor and its affiliate, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the “System”) related to the establishment, development, opening, and operation of a center (each, a “Center”) that: (i) features aesthetic, cosmetic, anti-aging, weight loss and related services and procedures focus on mental and physical health to individual clients (each, a “Client”) via a third-party physician, aesthetician, registered nurse or other care provider that (a) has the appropriate education/degree, licenses, certifications and/or other qualifications necessary to provide the kind of service at issue (each, an “Authorized Care Provider” or “ACP”), and (b) a System franchisee, as the manager of the Center, contracts with or otherwise engages to provide these types of services (collectively, the “ACP-Related Services”) to Clients at the Center pursuant to a form of management agreement that Franchisee prepares in accordance with applicable laws (a “Management Agreement”); and (ii) provides administrative, other back-office support and management services in connection with the overall operations of the Center (collectively, the “Management Services”) pursuant to that Management Agreement and otherwise.

B. Franchisor’s System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: (i) proprietary methodology and procedures for the establishment and operation of a Center; (ii) site selection guidance and criteria; specifications for the design, layout and construction of the interior of the Center; (iii) standards and specifications for the furniture, fixtures and equipment located within a Center; (iv) established relationships with approved or designated suppliers for certain products and services; (v) standards, specifications and/or recommended guidelines (as applicable in light of applicable law) for certain sales techniques, merchandising, marketing, advertising, inventory management systems, advertising, bookkeeping, sales and other aspects of operating a Center. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Developer hereby acknowledges and agrees that: (a) while the System and Franchisor’s related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information which makes the System unique as a whole; and (b) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential.

C. The System and Centers are identified by the then-current marks, as well as certain other trade names, trademarks, service marks and trade dress, that Franchisor (i) determines to designate and license for use in connection with the franchise system, and (ii) may modify, update, supplement or substitute in the future (collectively, the “Proprietary Marks”). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, System and brand generally.

D. Franchisor grants qualified third parties the right to develop a certain number of franchised Centers within a designated geographical area (a “Development Area”) in accordance with the terms of a mandatory development schedule (the “Development Schedule”) and other terms and conditions set forth in this Agreement, provided each Center within the Development Area being opened and operating utilizing the

Proprietary Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor's then-current form of franchise agreement (each, a "Franchise Agreement").

E. Developer recognizes the benefits from receiving the right to operate a Center utilizing the System and desires to: (i) become a multi-unit developer subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

F. Developer has applied for the right to open and operate a certain number of franchised Centers within the Development Area as set forth in this Agreement (each, a "Franchised Business"), and Franchisor has approved such application in reliance on Developer's representations made therein.

G. Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications, are essential to the operation of all Centers and the System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Development Area; Development Schedule and Obligations.

a. Subject to the terms and conditions set forth herein, Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish _____ Franchised Businesses within the Development Area specially defined in Section 1 of the Data Sheet attached to this Agreement as Exhibit A (the "Data Sheet").

b. Developer agrees and acknowledges that it must secure a location for, develop, buildout and otherwise open and commence operations of each Franchised Business in strict accordance with (a) the Development Schedule set forth in Section 2 of the Data Sheet, and (b) the other terms and conditions of this Agreement.

c. During the term of this Agreement and provided it is not subject to termination by Franchisor, Franchisor agrees and acknowledges that it will not own or operate, or license any third-party the right to own or operate, another Center from a physical location within the Development Area that utilizes the Proprietary Marks and System.

2. **Development Fee.** Developer shall pay Franchisor a development fee equal to \$_____ (the "Development Fee") for the right to develop the foregoing Franchised Businesses within the Development Area under this Agreement, which is: (i) deemed fully earned upon payment and is not refundable under any circumstances; and (ii) payable in accordance with the schedule set forth in this Section 3 below. Developer must pay Franchisor the full Development Fee upon execution of this Agreement. The Development Fee is deemed fully earned and non-refundable upon payment.

3. **Initial Franchise Agreement.** Contemporaneous with the execution of this Agreement, Developer must enter into Franchisor's current form of Franchise Agreement for the Initial Franchised Business that Developer is required to open within the Development Area. In the event Developer is a business entity of any kind, then Developer's principals/owners must each execute the form of personal guaranty attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.

4. **Additional Franchise Agreements.** Developer agrees and acknowledges that it must: (i) enter into Franchisor's then-current form of Franchise Agreement for each additional Franchised Business that Developer is required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times that are required for Developer to timely meet, and strictly adhere to, its obligations under the agreed upon Development Schedule.

5. **Development Obligations.** Developer must ensure that, at a minimum, Developer: (i) opens and commences operations of the number of new Franchised Businesses during and within each of the development periods defined in the Development Schedule (each, a "Development Period"); and (ii) has the minimum cumulative number of Franchised Businesses open and operating at the expiration of each such Development Period. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule in any manner with respect to any Development Period is grounds for immediate termination of this Agreement if not timely cured as set forth in Section 6.2 of this Agreement (and any future development rights granted hereunder).

6. **Term and Termination.**

6.1 This Agreement will commence as of the date it is fully executed and, unless earlier terminated by Franchisor, will expire on the earlier of: (i) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule; or (ii) the date Developer actually opens the last Franchised Business that Developer is granted the right to open under this Agreement. Upon expiration or termination of this Agreement for any reason, Developer will not have any territorial rights other than those that might be granted in connection with a "Designated Territory" associated with a Franchised Business that Developer has opened and commenced operating as of the date this Agreement is terminated or expires (if and as such rights are granted by Franchisor under the respective Franchise Agreement(s) that Developer entered into for such Franchised Business(es)).

6.2 Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) if Developer ceases to actively engage in development activities in the Development Area or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an objective intent by Developer to discontinue development of the Franchised Businesses within the Development Area; (ii) if Developer becomes insolvent or is adjudicated bankrupt, or if any action is taken by Developer, or by others against the Developer, under any insolvency, bankruptcy or reorganization act, or if Developer makes an assignment for the benefit of creditors or a receiver is appointed by the Developer; (iii) if Developer fails to meet its development obligations under the Development Schedule for any single Development Period and subsequently fails to cure such default within 30 days of receiving notice thereof; and (iv) if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

7. **Reservation of Rights.** Except as provided in Section 1 of this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein.

8. **Sale or Assignment.** Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is

wholly owned by Developer according to the same terms and conditions as provided in Developer's initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.

9. **Post-Term Restrictive Covenant.** Developer acknowledges that, as a participant in Franchisor's System, Developer will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Developer agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks and Franchisor's franchisees. During the term of this Agreement and for a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Developer, its principals, owners and guarantors, nor any member of the immediate family of Developer, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

- a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any of the Approved Services offered at or by another System Center (each, a "Competing Business") (i) within the Designated Area; (ii) within a twenty-five (25) mile radius of the perimeter of the Designated Area; (iii) within any other development area granted by Franchisor to any franchisee as of the date of expiration, transfer or termination of this Agreement; or (iv) within a twenty-five (25) mile radius of the perimeter of any other development area granted by Franchisor to any franchisee as of the date of expiration, transfer or termination of this Agreement;
- b. Solicit business from customers of Developer's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose; or
- c. Subject to and as permitted by applicable law, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

Developer agrees and acknowledges that the restrictive covenants above: (i) shall not apply to the operation of any Franchised Business pursuant to an active and valid Franchise Agreement that Franchisor; and (ii) are in addition to, and independent of, any in-term and post-term restrictive covenants set forth in the Initial Franchise Agreement and, if executed, any other Franchise Agreement between the parties.

10. **Acknowledgment.** Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Proprietary Marks or System.

11. **Notices.** All notices, requests and reports to be given under this Agreement are to be in writing, and delivered by either hand, overnight mail via recognized courier such as UPS or FedEx, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice).

12. **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to this state's conflict of laws principles.

13. **Internal Dispute Resolution.** Developer must first bring any claim or dispute between Developer and Franchisor to Franchisor's management, after providing Franchisor with notice of and a reasonable opportunity to cure an alleged breach hereunder. Developer must exhaust this internal dispute resolution procedure before bringing a dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

14. **Mediation.** At Franchisor's option, all claims or disputes between Franchisor and Developer or its affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisor and Developer or its affiliates, or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 12 above, must be submitted first to non-binding mediation, in or near Franchisor's then-current corporate headquarters, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Developer must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of 30 days following receipt of such notice within which to notify Developer as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Developer may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (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 Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor.

14.1 The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 13 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any confidential/proprietary information of Franchisor (as such information is defined more fully in the Franchise Agreements); (ii) any of the restrictive covenants contained in this Agreement or any other Franchise Agreements executed in connection with the Franchised Businesses opened within the Development Area; or (iii) any of Developer's payment obligations under this Agreement or any such Franchise Agreement.

14.2 This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation and that any mediation proceeding involving Franchisor and Developer or its principals that arises out of or relates to this Agreement in any manner must be mediated in a proceeding that does not involve any other third party, including any other franchisee or licensee of Franchisor's franchise system.

15. **Injunctive Relief.** Developer acknowledges and agrees that irreparable harm could be caused to Franchisor by Developer's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Developer's use of the Proprietary Marks and Franchisor's confidential information; (ii) Developer's covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement or any Franchise Agreement with Franchisor; (iii) Developer's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) prohibiting any act or omission by Developer or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Developer's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Developer waives all damage claims if the injunction is wrongfully issued.

16. **Jurisdiction and Venue.** Except for those claims described in Section 14 of this Agreement, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction closest to Franchisor's then-current headquarters or, if appropriate, the United States District Court for the Southern District of Florida (unless

settled by the parties after such action is initiated). Developer acknowledges that Franchisor may bring an action in any other court of competent jurisdiction to seek and obtain injunctive relief as set forth in Section 14 above. Developer hereby irrevocably consents to the personal jurisdiction of the state and federal courts described in this Section.

17. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the dispute resolution procedures contained herein, including without limitation, the right to specifically utilize and exhaust the mediation procedure with respect to any and all claims asserted against such person(s) by Developer or its principals.

18. **JURY TRIAL WAIVER.** 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 WILL 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 DEVELOPER'S PURCHASE FROM FRANCHISOR OF THE DEVELOPMENT RIGHTS DESCRIBED HEREIN.

19. **WAIVER OF CLASS ACTIONS.** THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN DEVELOPER, DEVELOPER'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

20. **Waiver of Punitive Damages.** Developer waives 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 Developer may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Developer's recovery will 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 will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

21. **Attorneys' Fees.** If either party institutes any judicial or mediation proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and Franchisor prevails in the action or proceeding, Developer will be liable to Franchisor for all costs, including reasonable attorneys' fees and court costs, incurred in connection with such proceeding.

22. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

23. **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 will have the meaning, which renders it valid and enforceable. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially

valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement will 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, Franchisor reserves the right to terminate this Agreement.

24. **Construction of Language.** 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 Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

25. **Successors.** References to “Franchisor” or “Developer” include the respective parties’ successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

26. **Additional Documentation.** Developer must from time to time, subsequent to the date first set forth above, at Franchisor’s request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer’s attorney-in-fact to execute any and all documents on Developer’s behalf, as reasonably necessary to effectuate the transactions contemplated herein.

27. **No Right to Offset.** Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

28. **Entire Agreement.** This Agreement contains the entire agreement between the parties concerning Developer’s development rights within the Development Area; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will 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. Franchisor reserves the right to change Franchisor’s policies, procedures, standards, specifications or manuals at Franchisor’s discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement, or any related agreement, is intended to disclaim any of the representations Franchisor made to Developer in the Franchise Disclosure Document that Franchisor provided to Developer.

***[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK -
SIGNATURES ON THE FOLLOWING PAGE]***

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.

4EVER FRANCHISOR LLC

DEVELOPER:

Print Name: _____
Date: _____

IF AN INDIVIDUAL:

By: _____

Print Name: _____
Date: _____

Spouse Signature: _____

Spouse Name: _____
Date: _____

**IF A PARTNERSHIP, CORPORATION, OR
OTHER ENTITY:**

By: _____

Print Name: _____

Title: _____
Date: _____

Owner Signature: _____

Owner Name: _____
Date: _____

Owner Signature: _____

Owner Name: _____
Date: _____

EXHIBIT A to DEVELOPMENT AGREEMENT

DATA SHEET

1. **Development Area.** The Development Area, as referred to in Section 1 of the Development Agreement, shall be comprised of the geographical area described in the space below or, in the alternative, by the demarcated lines and other information detailed in a map attached to this Data Sheet before it is executed by both parties (in which case, said map will be referenced in the space below):

2. **Development Schedule.** The Development Schedule referred to in Section 5 of the Development Agreement is as follows:

Expiration of Development Period (each, a “Development Period”)	# of New Franchised Businesses Opened Within Development Period	Cumulative # of Franchised Businesses that Must Be Open and Operating
___ Months from Effective Date		
___ Months from Effective Date		
___ Months from Effective Date		
___ Months from Effective Date		
___ Months from Effective Date		
___ Months from Effective Date		
___ Months from Effective Date		
___ Months from Effective Date		
___ Months from Effective Date		
___ Months from Effective Date		

APPROVED AND ACCEPTED BY:

DEVELOPER

4EVER FRANCHISOR LLC

(Individual, Partnership or Corporation Name)

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

EXHIBIT D TO THE FRANCHISE DISCLOSURE DOCUMENT

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EXHIBIT E TO THE FRANCHISE DISCLOSURE DOCUMENT**LIST OF CURRENT AND FORMER FRANCHISEES****System Franchisees that Opened Franchised Center as of December 31, 2024**

City and State	Franchisee Name	Address of Franchised Business	Phone Number
Gilbert, AZ	John Lovato	75 East Rivulon Boulevard, Gilbert, AZ, USA	480-620-7999
Scottsdale, AZ	TKP Management, LLC	704 East Doubletree Ranch Road, Scottsdale, AZ, USA	480-620-7999
Arvada, CO	N.A.I.B Partners LLC	7357 Grandview Avenue Arvada, CO 80002	720-594-1444
Fort Collins, CO	N.A.I.B Partners LLC	2720 Council Tree Ave., Unit 112 Fort Collins, CO 80525	970-694-5050
Colorado Springs, CO	Christine Bradley, Shawn Bradley	9249 Highland Rdg Hts #140 Colorado Springs, CO 80920	719-355-2430
Aventura, FL	America Business Investment, LLC	2875 NE 191st Street, Suite 102 Miami, FL	305-425-9590
Delray Beach, FL	4Ever Young Delray, LLC	401 W. Atlantic Ave, Suite R-12, Delray Beach, FL 33444	561-461-6911
Doral, FL	4everyoung Doral, LLC	3535 NW 83 Avenue Suite 129 Doral, Florida 33166	305-629-9992
Fleming Island, FL	Arlette Perfetti	1846 EW Parkway Fleming Island, FL 32003	786-419-6292
Ft. Myers, FL	Triskin Potter/Craig Ayers	7940 Dani Dr. Fort Myers, FL 33966	239-414-3844
Jupiter, FL	LAS Financial Services, Inc.	1232 W Indiantown Rd., STE 104 Jupiter, FL 33458	561-423-1948
Merritt, Island, FL	Brevard Anti Aging Corporation	1450 N Courtenay Pkwy, Merritt Island, FL 32953	321-321-8240
Miami, FL	Vizzionaires Ventures I, LLC	9350 S. Dixie Hwy, Suite 150 Miami, FL 33156	786-529-6686
Naples, FL	MEGLOW LLC	9100 Strada Place, Suite #2135 Naples FL 34108	239-674-0879
Orlando, FL	Traction Management Corporation	1436 Alden Road Orlando, FL 32803	404-698-3141
Plantation, FL	4EY Plantation LLC	10105 Cleary Blvd. Plantation, FL 33324	954-686-7544
St Johns, FL	Matus de la Parra, INC	170 Fountains Way Ste 6, St Johns, FL 32259	904-758-8669
Stuart, FL	Stuart Wellness Spa, LLC	2650 Southeast Federal Highway, Stuart, FL	772-362-1811
Wellington, FL	Anti-Aging Solutions, LLC	10620 W. Forest Hill Blvd Suite 50 Wellington, FL 33414	561-220-3771
Weston, FL	4EY Weston, LLC	4551 Weston Road Weston, FL 33331	954-314-2000
Johns Creek, GA	Tara Campos/Alex Campos	3630 Peachtree Pkwy Suwanee, GA 30024	770-470-4441

City and State	Franchisee Name	Address of Franchised Business	Phone Number
Marietta (Kennesaw), GA	Melissa Silvia/Jason Silvia	2550 Sandy Plains Rd Marietta, GA 30066	770-273-4488
Woodstock, GA	Matthew Moran	8330 Main St., Building 13 Woodstock, GA 30188	470-280-9002
West Des Moines (Waukee), IA	Amy Vali/Viktor Vali	1180 SE University Ave. Waukee, IA 50263	515-304-2324
Frankfort, IL	Ryan Simmons & Kristen Simmons	91 Bankview Drive, Frankfort, IL	779-324-7144
Carmel/Clay Terrace, IN	Samantha & Nathan Rausch John Phares	14390 Clay Terrace Blvd, Carmel, IN, USA	317-435-5712
Overland Park (Leewood), KS	Amy Kentopp/Barry Kentopp	11810 Roe Ave. Leewood, KS 66211	913-320-4442
Apex, NC	Brett Noland/Tricia Bartley/Autumn Tobias/Eric Pollard	76 Hunter Street, Suite 110 Apex, NC 27502	984-319-4448
North Raliegh (Six Forks), NC	Sumeet Nathani	7431 Six Forks Road Raleigh, NC 27615	919-500-7439
South Charlotte (Carmel Village), NC	Derrick Kelson/Jennise Kelson	7510 Pineville Matthews Road Charlotte, NC 28226	980-470-4744
Omaha, NE	4 Little Pineapples, Inc.	2501 South 90th Street, Suite 117, Omaha, NE 68124	402-973-1525
Hoboken, NJ	Warner Aesthetic Investments, LLC	1201 Bernard McFeeley Shipyard Ln. Hoboken, NJ 07030	551-220-1430
Edgewater, NJ	Warner Aesthetic Investments, LLC	11 Edgewater Towne Ctr Unit 9C, Edgewater, NJ 07020	551-284-0266
Livingston, NJ	Ray Giordano	72 S. Livingston Ave. Livingston, NJ 07039	973-384-1447
Morristown, NJ	Ever Young Solutions, Incorporated	40 West Park Place, Morristown, NJ, USA	908-803-7117
Montvale, NJ	Doug Salz	22 Chestnut Ridge Road Montvale, NJ 07645	551-390-0404
Princeton, NJ	Rachana Behera/Soni Jha	301 North Harrison Street Princeton, NJ 08540	609-806-6464
Ridgewood, NJ	Forza Vita, Inc.	20 Wilsey Square Ridgewood, NJ 07450	908-670-3975
Spring Lake, NJ	Bellemina INC	2157 NJ State Hwy 35 Sea Girt, NJ 08750	917-623-9849
Bridgeport, OR	Lori Jorgensen/Cisco Jorgensen	7118 SW Hazel Fern Road Tualatin, Oregon 97224	971-253-1220
Newtown, PA*	KB United Investments, Inc.	2123 S. Eagle Road Newtown, PA 18940	267-755-3100
Philadelphia, PA	Robert & Erin Polizzano	1216 Walnut Street Philadelphia, PA 19107	215-914-3970
Mt. Pleasant, SC	Jon Hilfiger/Derek White	1704 Towne Centre Way Mt. Pleasant, SC 29464	843-984-3890
Alamo Heights, TX*	4Ever Young SA, LLC	555 E Basse Road, Suite 206 San Antonio, TX 78209	727-215-8178
Flower Mound, TX*	Vitality Anti-aging Blueprint, LLC	4251 Cross Timbers Rd #160, Flower Mound, TX 75022	469-390-0080

City and State	Franchisee Name	Address of Franchised Business	Phone Number
Houston Heights, TX	Anti-Aging Solutions of Texas LLC	550 Heights Blvd, Houston, TX 77007	713-449-8239
Houston Voss, TX	Lisa Sigloch Markowski, Steve Sigloch, Dara Sigloch	1745 South Voss Road, Houston, TX, USA	917-751-9314
Katy, TX	John Frederick & Mimi Ellen Howie	23128 Westheimer Pkwy, Katy, TX, USA	346-527-0500
Kingwood, TX	Cynthia Wilcox/Darrell	30130 Rock Creek Dr. Kingwood, TX 77339	281-242-1724
New Braunfels, TX*	4Ever Young SA, LLC	717 Generations Dr. Suite C, New Braunfels, TX 78130	727-215-8177
Spring, TX*	Robert Lowry & Leah Lowry	6600 Spring Stuebner Rd, Spring, TX, USA	832-585-8008
Vintage, TX*	Stay Healthy and Young LLC	10850 Louetta Rd. Suite 1000, Houston, TX 77070	346-527-0501
Wilchester, TX	MK5-FF	13210 Memorial Drive, Houston, TX	713-818-8982
Falls Church, VA	Heather Groves/Matthew Groves	108 N West Street Falls Church, VA 22046	571-562-7110
Loudoun, VA*	Magnolia Health and Wellness Group LLC	21435 Epicerie Plaza, Suite 130 Sterling, VA 20164	703-844-9440
Midlothian, VA	Christian Colvin/Jessica Colvin	15817 WC Main St. Midlothian, VA 23113	804-804-9144

*This Franchisee also has the right to develop multiple Franchised Businesses within a defined Development Area around the city/state listed above.

Franchisees with Signed Franchise Agreement for Franchised Center that Had Not Yet Commenced Operations as of December 31, 2024

City / State	Franchisee Entity	Contact E-Mail
Chandler, AZ	Eagle Eye Health LLC	robert@4everyoungchandler.com
Queen Creek, AZ	TE Wendel Investment Corp	tewendel1@gmail.com
Doctor Phillips, FL	Justin Stern	justin@4everyoungdoral.com
South Naples, FL*	MEGLOW LLC	gdjohnson1903@gmail.com
Tampa, FL	Manny Engel	engelmb@gmail.com
Wesley Chapel, FL	Marcus McCants	marcus_mccants@hotmail.com
Midtown Atlanta, GA	Carlton Washington	carlton@fyinstitute.com
Windermere, GA	Jenae Jia	jenaejia@gmail.com
Woodstock, GA	Amanda F. Resende	amanda4562@hotmail.com
Cornelius, NC	James McBride	jamesmarkmcbride@icloud.com
Ramsey, NJ	Warner Aesthetic Investments, LLC	alisonw@4everyoungedgewaternj.com
Bryn Mawr, PA	Robert & Erin Polizzano	bobp@4everyoungcentercityphilly.com
Whitpain, PA*	Spinio Wellness Holdings Inc	chriss@4everyoungwhitpain.com
Cottonwood Heights, UT	Jameson & Mindy King	jamesonjking@gmail.com
Park City, UT*	Michael Burchard & Curry Leavitt	mburchard1@icloud.com
Lake Country, WI	Nancy Jensen	nancyjensen@wi.rr.com

*This Franchisee also has the right to develop multiple Franchised Businesses within a defined Development Area around the city/state listed above.

List of Franchisees that Were Terminated, Transferred or Otherwise Exited the Franchise System in Franchisor's Past Fiscal Year

Franchisee Name	City	State	Last Known Email Address of Phone Number	Reason
Miguel Grados	Aventura	FL	mgrados@4everyoungaventura.com	Transfer
Miami Franchise Group LLC	Miami	FL	emiranda@miamifranchisegroup.com	Transfer
Hebe Group LLC	Naples	FL	dianidcamacho@gmail.com	Transfer
Starg Holdings LLC	Sarasota	FL	stevenstrnad@outlook.com	Termination*
Jongenics Inc	Atlanta	GA	tajkjones@gmail.com	Termination*
Denise Lebrun	Metairie	LA	Denise.lebrun@clubpilates.com	Termination*
Lilliane Ramos Schadtler	Highland Park	TX	lillianeramos@gmail.com	Termination*
Lisa Duke	Prosper	TX	lisa.duke73@gmail.com	Termination*

*Center never opened

EXHIBIT F TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

**4EVER FRANCHISOR LLC
(A Limited Liability Company)
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND FOR THE
PERIOD FROM AUGUST 18, 2023 (INCEPTION)
THROUGH DECEMBER 31, 2023**

4EVER FRANCHISOR LLC
(A Limited Liability Company)
FOR THE YEAR ENDED DECEMBER 31, 2024 AND FOR THE PERIOD FROM
AUGUST 18, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Member
4Ever Franchisor LLC

Opinion

We have audited the accompanying financial statements of 4Ever Franchisor LLC (a limited liability company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and member's equity and cash flows for the year ended December 31, 2024 and for the period from August 18, 2023 (inception) through December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 4Ever Franchisor LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the year ended December 31, 2024 and for the period from August 18, 2023 (inception) through December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 4Ever Franchisor LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 4Ever Franchisor LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

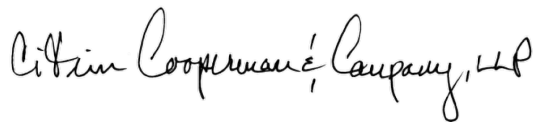
Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 4Ever Franchisor LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 4Ever Franchisor LLC's ability to continue as a going concern for a reasonable period of time.

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



New York, New York
April 24, 2025

4EVER FRANCHISOR LLC
(A Limited Liability Company)
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
Current assets:		
Cash	\$ 509,315	\$ 405,335
Accounts receivable, net	809,800	503,451
Due from related parties	-	293,670
Prepaid expenses	143,350	117,531
Prepaid commissions	<u>69,582</u>	<u>19,992</u>
Total current assets	<u>1,532,047</u>	<u>1,339,979</u>
Other assets:		
Prepaid commissions, net of current	914,594	351,771
Software, net	80,630	-
Intangible asset, net	<u>10,163,167</u>	<u>11,319,167</u>
Total other assets	<u>11,158,391</u>	<u>11,670,938</u>
TOTAL ASSETS	<u>\$ 12,690,438</u>	<u>\$ 13,010,917</u>

LIABILITIES AND MEMBER'S EQUITY

Current liabilities:		
Accounts payable	\$ 227,675	\$ 239,141
Accrued expenses and other current liabilities	254,456	76,241
Due to related parties	467,479	-
Brand fund payable	57,887	-
Deferred revenue - current	346,811	52,777
Other current liabilities	<u>29,253</u>	<u>29,321</u>
Total current liabilities	<u>1,383,561</u>	<u>397,480</u>
Long-term liability:		
Deferred revenue, net of current	<u>1,264,134</u>	<u>510,581</u>
Total liabilities	2,647,695	908,061
Commitments and contingencies (Note 7, 8 and 9)		
Member's equity	<u>10,042,743</u>	<u>12,102,856</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 12,690,438</u>	<u>\$ 13,010,917</u>

See accompanying notes to financial statements.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024 AND FOR THE PERIOD FROM
AUGUST 18, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

	2024	2023
Revenues:		
Royalty income	\$ 2,755,788	\$ 543,137
Rebate revenue	1,233,031	257,819
Franchise fees	152,413	1,642
Brand fees	133,751	-
Other income	<u>13,649</u>	<u>-</u>
Total revenues	4,288,632	802,598
Operating expenses:		
Selling, general and administrative expenses	<u>5,249,366</u>	<u>952,242</u>
Net loss	(960,734)	(149,644)
Member's equity - beginning	12,102,856	-
Contributions	-	12,252,500
Distributions	<u>(1,099,379)</u>	<u>-</u>
MEMBER'S EQUITY - ENDING	<u>\$ 10,042,743</u>	<u>\$ 12,102,856</u>

See accompanying notes to financial statements.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND FOR THE PERIOD FROM
AUGUST 18, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net loss	\$ (960,734)	\$ (149,644)
Adjustments to reconcile net loss to net cash provided by (used in)		
operating activities:		
Amortization	1,158,623	240,833
Bad debt expense	165,750	12,721
Changes in assets and liabilities:		
Accounts receivable	(472,099)	(516,172)
Due to/from related parties	761,149	69,330
Prepaid expenses	(25,819)	(131,523)
Prepaid commissions	(612,413)	(351,771)
Accounts payable	(11,466)	152,585
Accrued expenses and other current liabilities	178,215	76,297
Brand fund payable	57,887	-
Other liabilities	(68)	29,321
Deferred revenue	<u>1,047,587</u>	<u>563,358</u>
Net cash provided by (used in) operating activities	<u>1,286,612</u>	<u>(4,665)</u>
Cash used in investing activities:		
Purchases of software	<u>(83,253)</u>	<u>-</u>
Cash flows from financing activities:		
Capital contributions	-	410,000
Distributions	<u>(1,099,379)</u>	<u>-</u>
Net cash provided (used in) by financing activities	<u>(1,099,379)</u>	<u>410,000</u>
Net increase in cash	103,980	405,335
Cash - beginning	<u>405,335</u>	<u>-</u>
CASH - ENDING	<u>\$ 509,315</u>	<u>\$ 405,335</u>
Supplemental schedules for noncash financing activities:		
Contributions of intangible assets (see Note 8)	<u><u>\$ -</u></u>	<u><u>\$ 11,842,500</u></u>

See accompanying notes to financial statements.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND FOR THE
PERIOD FROM AUGUST 18, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

4Ever Franchisor LLC (the "Company"), a wholly-owned subsidiary of 4Ever Holdco LLC (the "Parent"), was formed on August 18, 2023, as a Delaware limited liability company. The Company sells franchises pursuant to a license agreement dated October 11, 2023 (the "license agreement"), between the Company and 4Ever Marketing and IP, LLC ("Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "4Ever Young Center" name and system providing anti-aging services ranging from medical aesthetics to weight loss, hormone replacement therapy, and other related services.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts and changes in the allowance are included in operating expenses on the statements of income and member's equity. The Company assesses collectibility by reviewing accounts receivable and its contract assets on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and makes judgments about the creditworthiness of the pool of customers based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for doubtful. Uncollectible accounts are written off when all collection efforts have been exhausted.

At December 31, 2024 and 2023, accounts receivable was \$941,786 and \$503,451, respectively. The allowance for doubtful accounts for the years ended December 31, 2024 and 2023, is comprised of the following:

	2024	2023
Beginning balance	\$ -	\$ -
Provisions	131,986	-
Allowance for doubtful accounts	<u>\$ 131,986</u>	<u>\$ -</u>

4EVER FRANCHISOR LLC
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NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Software

Costs for software developed for internal use are accounted for in accordance with FASB ASC 350, *Intangibles - Goodwill and Other - Internal-Use Software*. FASB ASC 350 requires the capitalization of certain costs incurred in connection with developing or obtaining internal-use software. Client-related costs capitalized in accordance with FASB ASC 350 are included in deferred contract costs, while capitalized costs for internal-use software are included in software -net in the accompanying balance sheets. The Company amortizes the costs of software obtained or developed for internal use over five years.

Costs that are incurred in the preliminary project stage are expensed as incurred. Once the capitalization criteria of FASB ASC 350 have been met, the Company capitalizes: external direct costs of materials and services consumed in developing or obtaining internal-use computer software; payroll and payroll-related costs for employees who are directly associated with, and who devote time to, the internal-use computer software project (to the extent of their time spent is directly on the project); and interest costs incurred when developing computer software for internal use.

Intangible assets

Intangible assets represent the value of the franchise agreements assigned by the Parent in conjunction with the purchase of the franchise system in October 2023. These intangible assets are amortized over their estimated useful lives on a straight-line basis. Intangible assets are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable (i.e., a triggering event). There were no impairment charges recorded as of December 31, 2024 and 2023, and for the year ended December 31, 2024 and for the period from August 18, 2023 (inception) through December 31, 2023.

Revenue and cost recognition

The Company derives substantially all its revenue from franchise agreements related to franchise fee revenue, royalty fees, technology and software fees, transfer fees, training fees and brand development fund fees.

Franchise fees, royalties and other franchise related fees

Contract consideration from franchisees consists primarily of initial or renewal franchise fees, area development agreement ("ADA") fees, sales-based royalties, sales-based brand development fund fees, training fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company may also enter into ADAs which grant the franchisee the right to develop two or more franchise territories. The Company collects an up-front fee for the grant of such rights. The initial franchise fees are nonrefundable and collectable when the underlying franchise agreement or ADA is signed by the franchisee. Sales-based royalties and brand development funds are payable monthly and technology and software fees are payable on a monthly basis. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively. The Company's primary performance obligation under the franchise agreement include granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including initial training and other such activities commonly referred to collectively as "pre-opening

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
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PERIOD FROM AUGUST 18, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees, royalties and other franchise related fees (continued)

activities." The Company has determined that certain training provided to the franchisee is not brand specific and provides the franchisee with relevant general business information that is separate and distinct from the operation of a Company-branded franchise unit. The portion of training services provided that is not brand specific is deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated or interdependent to the access of the Company's intellectual property, and therefore is accounted for as a separate distinct performance obligation. All other pre-opening activities have been determined to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of training services that are not brand specific using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration, under the franchise agreement to the stand-alone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to training services that are not brand specific is recognized ratably as the training services are rendered.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. ADAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, up-front fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees.

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND FOR THE
PERIOD FROM AUGUST 18, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Brand development fund

The Company maintains a brand development fund established to collect and administer funds contributed for use in marketing and promotional programs for franchise units. Brand development fund fees are collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the brand development fund and therefore recognizes the revenues and expenses related to the brand development fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand development fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the brand development fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur.

If brand development fund fees exceed the related brand development fund expenses in a reporting period, advertising costs are accrued up to the amount of brand development fund revenues recognized.

Other revenues

The Company will recognize revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement and ADAs. In the case of costs paid related to ADAs for which no signed franchise agreement has been received, these costs are deferred until the signed franchise agreement is received.

Advertising

Advertising costs are expensed as incurred and amounted to \$214,749 and \$25,221 for the year ended December 31, 2024 and for the period from August 18, 2023 (inception) through December 31, 2023, respectively.

Income taxes

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND FOR THE
PERIOD FROM AUGUST 18, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2024 and 2023.

The Parent will file income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

Variable interest entities

In accordance with the provisions of FASB ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities* ("ASU 2018-17"), FASB no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has applied these provisions to the accompanying financial statements and has determined that the entities disclosed in Note 9 meet the conditions under ASU 2018-17, and accordingly, is not required to include the accounts of the related parties in the Company's financial statements.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassification adjustments had no effect on the Company's previously reported net loss or member's equity.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 24, 2025, the date on which these financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure in the financial statements.

NOTE 3. FRANCHISED AND AFFILIATE-OWNED OUTLETS

The following data presents the status of the Company's franchised and affiliate-owned outlets as of December 31:

	<u>2024</u>	<u>2023</u>
Franchises sold	26	5
Franchises assigned and assumed	-	67
Franchised outlets in operation	56	36
Affiliate-owned outlets in operation	3	3

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND FOR THE
PERIOD FROM AUGUST 18, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States and the Company's ability to collect on its contracts. The Company disaggregates revenues from contracts with customers by the timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors.

Revenues by timing of recognition were as follows:

	<u>2024</u>	<u>2023</u>
Point in time:		
Royalties	\$ 2,755,788	\$ 543,137
Rebate revenue	1,233,031	257,819
Franchise fees	25,500	-
Brand fees	133,751	-
Other income	<u>13,649</u>	<u>-</u>
Total	<u>\$ 4,161,719</u>	<u>\$ 800,956</u>
Over time:		
Franchise fees	<u>\$ 126,913</u>	<u>\$ 1,642</u>

Contract balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenue" in the accompanying balance sheets. A summary of significant changes in deferred revenue during the year ended December 31, 2024 and for the period from August 18, 2023 (inception) through December 31, 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Deferred franchise revenues - beginning of year	\$ 563,358	\$ -
Revenue recognized during the year	(152,413)	(1,642)
New deferrals due to cash received	1,450,000	565,000
Refunds of previously collected franchise fees	<u>(250,000)</u>	<u>-</u>
Deferred franchise revenues - end of year	<u>\$ 1,610,945</u>	<u>\$ 563,358</u>

At December 31, 2024, deferred franchise revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2025	\$ 346,811
2026	153,653
2027	131,373
2028	125,163
2029	129,153
Thereafter	<u>724,792</u>
Total	<u>\$ 1,610,945</u>

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND FOR THE
PERIOD FROM AUGUST 18, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Contract balances (continued)

Deferred franchise revenues consisted of the following:

	<u>2024</u>	<u>2023</u>
Franchise units not yet opened	\$ 1,314,065	\$ 563,358
Opened franchise units	<u>296,880</u>	<u>-</u>
Total	<u>\$ 1,610,945</u>	<u>\$ 563,358</u>

Broker commissions

The direct and incremental costs, principally consisting of commissions recognized as "Prepaid commissions" in the accompanying balance sheets, expected to be recognized over the remaining term of the associated franchise agreements at December 31, 2024, are as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2025	\$ 69,582
2026	99,250
2027	101,834
2028	101,946
2029	102,059
Thereafter	<u>509,505</u>
Total	<u>\$ 984,176</u>

NOTE 5. CONCENTRATION OF CREDIT RISK

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution.

NOTE 6. BRAND DEVELOPMENT AND COOPERATIVE FUNDS

Brand development fund

Pursuant to the structured form of the franchising arrangement, the Company collects brand development fund fees up to 3% of franchisees' weekly reported sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. Funds collected and not yet expended on the franchisees' behalf totaled \$57,887 as of December 31, 2024. There were no funds collected and not yet expended on the franchisees' behalf as of December 31, 2023.

Cooperative fund

Pursuant to the structured form of the franchising arrangement, the Company also has reserved the right to designate any geographical area in which franchisees are operating for purposes of establishing a regional advertising cooperative ("Cooperative"). If the Cooperative is established, amounts contributed to the cooperative will be credited against the franchisees local advertising requirement as further defined in the franchise agreement.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND FOR THE
PERIOD FROM AUGUST 18, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

NOTE 7. SOFTWARE

Software consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>
Software costs	\$ 83,253
Less: accumulated amortization	<u>2,623</u>
Software, net	<u>\$ 80,630</u>

Amortization expense amounted to \$2,623 for the year ended December 31, 2024. There was no amortization expense for the period from August 18, 2023 (inception) through December 31, 2023.

NOTE 8. INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31, 2024:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Estimated Useful Life</u>
Intangible assets:				
Franchise agreements and development rights	\$ <u>11,560,000</u>	\$ <u>1,396,833</u>	\$ <u>10,163,167</u>	10 years

Intangible assets consisted of the following at December 31, 2023:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Estimated Useful Life</u>
Intangible assets:				
Franchise agreements and development rights	\$ <u>11,560,000</u>	\$ <u>240,833</u>	\$ <u>11,319,167</u>	10 years

The following table represents the total estimated amortization expense of the intangible assets:

<u>Year ending December 31:</u>	<u>Amount</u>
2025	\$ 1,156,000
2026	1,156,000
2027	1,156,000
2028	1,156,000
2029	1,156,000

Total amortization expense amounted to \$1,156,000 and \$240,833 for the year ended December 31, 2024 and for the period from August 18, 2023 (inception) through December 31, 2023, respectively.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND FOR THE
PERIOD FROM AUGUST 18, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

NOTE 9. RELATED-PARTY TRANSACTIONS

Assignment and assumption agreements

On October 11, 2023, the Parent acquired substantially all of the assets of 4Ever Young Franchising, LLC ("Predecessor Franchisor") including the marks, intellectual property, franchise agreements and other assets from the Predecessor Franchisor. On October 12, 2023, the Parent assigned the acquired franchise agreements, along with other certain assets and liabilities, to the Company at no cost and on October 11, 2023, the Parent assigned the related trademarks and intellectual property to the Licensors, an entity related to the Company by common ownership and control.

License agreement

On October 11, 2023, the Company entered into a perpetual non-exclusive license agreement with the Licensors for the use of the registered name "4Ever Young" (the "license agreement"). Pursuant to the license agreement, the Company acquired the right to sell "4Ever Young" franchises, and the right to earn franchise fees, royalties and other fees from franchisees. There will be no license fees payable to the Licensors.

Related-party transactions

In the ordinary course of business, the Company periodically advanced funds to entities related through common ownership. No interest is charged on these advances. Additionally, entities related through common ownership pay for certain expenses and a portion is allocated to the Company. Advances to and expense reimbursements to the related parties are unsecured and have no specific repayment terms. Management expects balances with the related parties to be settled within the next year. As of December 31, 2024, the amount owed to related parties amounted to \$467,479 and is included in "Due to related parties" in the accompanying balance sheets. As of December 31, 2023, the amount owed from related parties amounted to \$293,670 and is included in "Due from related parties" in the accompanying balance sheets.

Guarantees

The Company guarantees an initial term loan in the amount of \$6,000,000 which was entered into by the Parent on October 11, 2023, with a financial institution. The initial term loan is guaranteed by the Parent, the Company and affiliates of the Company and is collateralized by substantially all of the assets of the Company, the Parent and affiliates of the Company. In the event of default at the Parent level, as defined in the credit and guarantee agreement, it is possible that the financial institution may call on the Company to satisfy the debt obligations. There were no known events of default as of the date these financial statements were available to be issued.

NOTE 10. RETIREMENT PLAN

In October 2023, the Company formed a participant-directed, defined contribution plan covering all full-time employees who are at least 21 years of age. The plan provides for employee salary reduction elections, and the Company may also make discretionary non-elective contributions to all eligible participants based on eligible compensation. The Company made elective contributions for the year ended December 31, 2024 and for the period from August 18, 2023 (inception) through December 31, 2023, in the amount of \$83,709 and \$9,703, respectively.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
FINANCIAL STATEMENTS
PERIOD FROM AUGUST 18, 2023 (INCEPTION)
THROUGH DECEMBER 31, 2023

4EVER FRANCHISOR LLC
(A Limited Liability Company)
FOR THE PERIOD FROM AUGUST 18, 2023 (INCEPTION)
THROUGH DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Member
4Ever Franchisor LLC

Opinion

We have audited the accompanying financial statements of 4Ever Franchisor LLC (a limited liability company), which comprise the balance sheet as of December 31, 2023, and the related statements of income and member's equity and cash flows for the period from August 18, 2023 (inception) to December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 4Ever Franchisor LLC as of December 31, 2023, and the results of its operations and its cash flows for the period from August 18, 2023 (inception) to December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 4Ever Franchisor LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 4Ever Franchisor LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

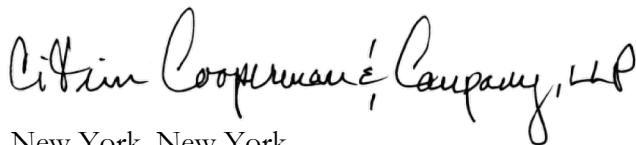
Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 4Ever Franchisor LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 4Ever Franchisor LLC's ability to continue as a going concern for a reasonable period of time.

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



New York, New York
April 24, 2024

4EVER FRANCHISOR LLC
(A Limited Liability Company)
BALANCE SHEET
DECEMBER 31, 2023

ASSETS

Current assets:	
Cash	\$ 405,335
Accounts receivable	503,451
Due from related parties	293,670
Prepaid expenses	<u>489,294</u>
Total current assets	1,691,750
Other assets:	
Intangible asset, net	<u>11,319,167</u>
TOTAL ASSETS	<u>\$ 13,010,917</u>

LIABILITIES AND MEMBER'S EQUITY

Current liabilities:	
Accounts payable and accrued expenses	\$ 315,382
Deferred revenue - current	52,777
Other current liabilities	<u>29,321</u>
Total current liabilities	397,480
Long-term liability:	
Deferred revenue, net of current	<u>510,581</u>
Total liabilities	908,061
Commitments and contingencies (Note 8)	
Member's equity	<u>12,102,856</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 13,010,917</u>

See accompanying notes to financial statements

4EVER FRANCHISOR LLC
(A Limited Liability Company)
STATEMENT OF INCOME AND MEMBER'S EQUITY
FOR THE PERIOD FROM AUGUST 18, 2023 (INCEPTION)
THROUGH DECEMBER 31, 2023

Revenues:	
Franchise fees and royalties	\$ 544,779
Rebate revenue	<u>257,819</u>
Total revenues	802,598
Operating expenses:	
Selling, general and administrative expenses	<u>952,242</u>
Net loss	(149,644)
Member's equity - beginning	-
Contributions	<u>12,252,500</u>
MEMBER'S EQUITY - ENDING	<u>\$ 12,102,856</u>

See accompanying notes to financial statements

4EVER FRANCHISOR LLC
(A Limited Liability Company)
STATEMENT OF CASH FLOWS
PERIOD FROM AUGUST 18, 2023 (INCEPTION)
THROUGH DECEMBER 31, 2023

Cash flows from operating activities:	
Net loss	\$ (149,644)
Adjustments to reconcile net loss to net cash used in operating activities:	
Amortization	240,833
Bad debt expense	12,721
Changes in assets and liabilities:	
Accounts receivable	(516,172)
Due from related parties	69,330
Prepaid expenses	(483,294)
Accounts payable and accrued expenses	228,882
Deferred revenue	563,358
Due to sellers	<u>29,321</u>
Net cash used in operating activities	(4,665)
Cash provided by financing activities:	
Capital contributions	<u>410,000</u>
Net increase in cash	405,335
Cash - beginning	<u>-</u>
CASH - ENDING	<u><u>\$ 405,335</u></u>
Supplemental schedule for noncash financing activities:	
Contributions of intangible assets (See Note 8)	<u><u>\$ 11,842,500</u></u>

See accompanying notes to financial statements

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

4Ever Franchisor LLC (the "Company"), a wholly-owned subsidiary of 4Ever Holdco LLC (the "Parent"), was formed on August 18, 2023, as a Delaware limited liability company. The Company sells franchises pursuant to a license agreement dated October 11, 2023 (the "license agreement"), between the Company and 4Ever Marketing and IP, LLC ("Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "4Ever Young Center" name and system providing anti-aging services ranging from medical aesthetics to weight loss, hormone replacement therapy, and other related services.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts and changes in the allowance are included in operating expenses on the statements of income and member's equity. The Company assesses collectibility by reviewing accounts receivable and its contract assets on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and makes judgments about the creditworthiness of the pool of customers based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for doubtful. Uncollectible accounts are written off when all collection efforts have been exhausted. The Company allowance for doubtful accounts was immaterial as of December 31, 2023.

Intangible assets

Intangible assets represent the value of the franchise agreements assigned by the Parent in conjunction with the purchase of the franchise system in October 2023. These intangible assets are amortized over their estimated useful lives on a straight-line basis. Intangible assets are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable (i.e., a triggering event). There were no impairment charges recorded as of December 31, 2023, and for the period from August 18, 2023 (inception) through December 31, 2023.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition

The Company derives substantially all its revenue from franchise agreements related to franchise fee revenue, royalty fees, technology and software fees, transfer fees, training fees and brand development fund fees.

Franchise fees, royalties and other franchise related fees

Contract consideration from franchisees consists primarily of initial or renewal franchise fees, area development agreement ("ADA") fees, sales-based royalties, sales-based brand development fund fees, training fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company may also enter into ADAs which grant the franchisee the right to develop two or more franchise territories. The Company collects an up-front fee for the grant of such rights. The initial franchise fees are nonrefundable and collectable when the underlying franchise agreement or ADA is signed by the franchisee. Sales-based royalties and brand development funds are payable monthly and technology and software fees are payable on a monthly basis. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively. The Company's primary performance obligation under the franchise agreement include granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including initial training and other such activities commonly referred to collectively as "pre-opening activities." The Company has determined that certain training provided to the franchisee is not brand specific and provides the franchisee with relevant general business information that is separate and distinct from the operation of a Company-branded franchise unit. The portion of training services provided that is not brand specific is deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated or interdependent to the access of the Company's intellectual property, and therefore is accounted for as a separate distinct performance obligation. All other pre-opening activities have been determined to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of training services that are not brand specific using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration, under the franchise agreement to the stand-alone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to training services that are not brand specific is recognized ratably as the training services are rendered.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. ADAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, up-front fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees, royalties and other franchise related fees (continued)

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

Brand development fund

The Company may maintain a brand development fund which will be established to collect and administer funds contributed for use in marketing and promotional programs for franchise units. Brand development fund fees will be collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the brand development fund and therefore will recognize the revenues and expenses related to the brand development fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand development fund are highly interrelated and therefore will be accounted for as a single performance obligation. As a result, revenues from the brand development fund represent sales-based royalties related to the right to access the Company's intellectual property, which will be recognized as franchisee sales occur.

If brand development fund fees exceed the related brand development fund expenses in a reporting period, advertising costs will be accrued up to the amount of brand development fund revenues recognized.

Other revenues

The Company will recognize revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement and ADAs. In the case of costs paid related to ADAs for which no signed franchise agreement has been received, these costs are deferred until the signed franchise agreement is received.

Advertising

Advertising costs are expensed as incurred and amounted to \$25,221 period from August 18, 2023 (inception) through December 31, 2023.

Income taxes

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2023.

The Parent will file income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

Variable interest entities

In accordance with the provisions of FASB ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities* ("ASU 2018-17"), FASB no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has applied these provisions to the accompanying financial statements and has determined that the entities disclosed in Note 9 meet the conditions under ASU 2018-17, and accordingly, is not required to include the accounts of the related parties in the Company's financial statements.

Credit losses

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)* ("ASC 326"), along with subsequently issued related ASUs, requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial asset is originated or acquired.

The Company's financial instruments include cash and accounts receivable. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 24, 2024, the date on which these financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure in the financial statements.

NOTE 3. FRANCHISED AND AFFILIATE-OWNED OUTLETS

The following data presents the status of the Company's franchised and affiliate-owned outlets as of December 31:

Franchises sold	5
Franchises assigned and assumed	67
Franchised outlets in operation	36
Affiliate-owned outlets in operation	3

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States and the Company's ability to collect on its contracts. The Company disaggregates revenues from contracts with customers by the timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors.

Revenues by timing of recognition were as follows:

Point in time:

Royalties	\$ 543,137
Rebate revenue	<u>257,819</u>
Total	<u><u>\$ 800,956</u></u>

Over time:

Franchise fees	<u><u>\$ 1,642</u></u>
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Contract balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenue" in the accompanying balance sheet. A summary of significant changes in deferred revenue during the period from August 18, 2023 (inception) through December 31, 2023, is as follows:

Deferred franchise revenues - beginning of year	\$ -
Revenue recognized during the year	(1,642)
New deferrals due to cash received	<u>565,000</u>
Deferred franchise revenues - end of year	<u><u>\$ 563,358</u></u>

At December 31, 2023, deferred franchise revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2024	\$ 52,777
2025	74,500
2026	55,990
2027	50,890
2028	50,890
Thereafter	<u>278,311</u>
Total	<u><u>\$ 563,358</u></u>

Deferred franchise revenues consisted of the following at 2023:

Franchise units not yet opened	\$ 563,358
Opened franchise units	<u>-</u>
Total	<u><u>\$ 563,358</u></u>

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5. CONCENTRATIONS OF CREDIT RISK

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution.

NOTE 6. BRAND DEVELOPMENT AND COOPERATIVE FUNDS

Brand development fund

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect brand development fund fees up to 3% of franchisees' weekly reported sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. As of December 31, 2023, the brand development fund has not yet been established.

Cooperative fund

Pursuant to the structured form of the franchising arrangement, the Company also has reserved the right to designate any geographical area in which franchisees are operating for purposes of establishing a regional advertising cooperative ("Cooperative"). If the Cooperative is established, amounts contributed to the cooperative will be credited against the franchisees local advertising requirement as further defined in the franchise agreement.

NOTE 7. INTANGIBLE ASSET

Intangible assets consisted of the following at December 31, 2023:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Estimated Useful Life</u>
Intangible assets:				
Franchise agreements and development rights	\$ <u>11,560,000</u>	\$ <u>240,833</u>	\$ <u>11,319,167</u>	10 years

The anticipated annual amortization expense to be recognized over the next five years as of December 31, 2023, is as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2024	\$ 1,156,000
2025	1,156,000
2026	1,156,000
2027	1,156,000
2028	1,156,000

Total amortization expense amounted to \$240,833 for the period from August 18, 2023 (inception) through December 31, 2023.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8. RELATED-PARTY TRANSACTIONS

Assignment and assumption agreements

On October 11, 2023, the Parent acquired substantially all of the assets of 4Ever Young Franchising, LLC ("Predecessor Franchisor") including the marks, intellectual property, franchise agreements and other assets from the Predecessor Franchisor. On October 12, 2023, the Parent assigned the acquired franchise agreements, along with other certain assets and liabilities, to the Company at no cost and on October 11, 2023, the Parent assigned the related trademarks and intellectual property to the Licensor, an entity related to the Company by common ownership and control.

License agreement

On October 11, 2023, the Company entered into a perpetual non-exclusive license agreement with the Licensor for the use of the registered name "4Ever Young" (the "license agreement"). Pursuant to the license agreement, the Company acquired the right to sell "4Ever Young" franchises, and the right to earn franchise fees, royalties and other fees from franchisees. There will be no license fees payable to the Licensor.

Related-party transactions

In the ordinary course of business, the Company periodically advanced funds to entities related through common ownership. No interest is charged on these advances. Advances to the related parties are unsecured and have no specific repayment terms. Management expects balances with the related parties to be settled within the next year. As of December 31, 2023, the amount owed from related parties amounted to \$293,670 and is included in "Due from related parties" in the accompanying balance sheet.

Guarantees

The Company guarantees an initial term loan in the amount of \$6,000,000 which was entered into by the Parent on October 11, 2023, with a financial institution. The initial term loan is guaranteed by the Parent, the Company and affiliates of the Company and is collateralized by substantially all of the assets of the Company, the Parent and affiliates of the Company. In the event of default at the Parent level, as defined in the credit and guarantee agreement, it is possible that the financial institution may call on the Company to satisfy the debt obligations. There were no known events of default as of the date these financial statements were available to be issued.

4EVER FRANCHISOR LLC
(A Limited Liability Company)

BALANCE SHEET

SEPTEMBER 15, 2023

4EVER FRANCHISOR LLC
(A Limited Liability Company)
SEPTEMBER 15, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Member
4Ever Franchisor LLC

Opinion

We have audited the accompanying balance sheet of 4Ever Franchisor LLC (a limited liability company) as of September 15, 2023, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of 4Ever Franchisor LLC as of September 15, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of 4Ever Franchisor LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 4Ever Franchisor LLC's ability to continue as a going concern within one year after the date that the financial statement is available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 4Ever Franchisor LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 4Ever Franchisor LLC's ability to continue as a going concern for a reasonable period of time.

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


CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
October 13, 2023

4EVER FRANCHISOR LLC
(A Limited Liability Company)
BALANCE SHEET
SEPTEMBER 15, 2023

ASSETS

Cash	\$ <u>250,000</u>
TOTAL ASSETS	\$ <u><u>250,000</u></u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities	\$ -
Commitments and contingencies (Notes 4 and 5)	
Member's equity	<u>250,000</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ <u><u>250,000</u></u>

See accompanying notes to financial statement.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 15, 2023

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

4Ever Franchisor LLC (the "Company"), a wholly-owned subsidiary of 4Ever Holdco LLC (the "Parent"), was formed on August 18, 2023, as a Delaware limited liability company to sell franchises in accordance with the subsequent events as further described in Note 5. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "4Ever Young Center" name and system providing anti-aging services ranging from medical aesthetics to weight loss, hormone replacement therapy, and other related services. The Company has not had significant operations from the date of formation through October 11, 2023, the date of the subsequent events as disclosed in Note 5.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Variable interest entities

The Company applies the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has determined that 4Ever Marketing and IP LLC (the "Licensor"), as described in Note 5, meet the conditions under the standard, and accordingly, is not required to include the accounts of those entities in its financial statement.

Use of estimates

The preparation of a balance sheet in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

Revenue and cost recognition

The Company expects that it will derive substantially all its revenue from franchise agreements related to franchise fee revenue, royalty fees, technology and software fees, transfer fees, training fees and brand development fund fees. No such franchise agreements have been executed by the Company as of the date this financial statement was available to be issued.

Franchise fees, royalties and other franchise related fees

Contract consideration from franchisees is expected to consist primarily of initial or renewal franchise fees, multi-unit agreement ("MUA") fees, sales-based royalties, sales-based brand development fund fees, training fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company expects to also enter into MUAs which grant the franchisee the right to develop two or more franchise territories. The Company intends to collect an up-front fee for the grant

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 15, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees, royalties and other franchise related fees (continued)

of such rights. The initial franchise fees will be nonrefundable and collectable when the underlying franchise agreement or MUA is signed by the franchisee. Sales-based royalties and brand development funds will be payable weekly and technology and software fees will be payable on a monthly basis. Renewal and transfer fees will be due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively. The Company's primary performance obligation under the franchise agreement will include granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including initial training and other such activities commonly referred to collectively as "pre-opening activities." The Company has determined that certain training provided to the franchisee is not brand specific and provides the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of training services provided that is not brand specific will be deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated or interdependent to the access of the Company's intellectual property, and therefore will be accounted for as a separate distinct performance obligation. All other pre-opening activities will be determined to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore will be accounted for as a single performance obligation, which will be satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

The Company will estimate the stand-alone selling price of training services that are not brand specific using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration, under the franchise agreement to the stand-alone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to training services that are not brand specific will be recognized ratably as the training services are rendered.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property will be recognized as revenue on a straight-line basis over the term of the respective franchise agreement. MUAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, up-front fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement will be recognized as revenue in the same manner as the initial and renewal franchise fees.

Royalties will be earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property will be recognized as franchisee sales occur and the royalty is deemed collectible.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 15, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Brand development fund

The Company may maintain a brand development fund which will be established to collect and administer funds contributed for use in marketing and promotional programs for franchise units. Brand development fund fees will be collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the brand development fund and therefore will recognize the revenues and expenses related to the brand development fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand development fund are highly interrelated and therefore will be accounted for as a single performance obligation. As a result, revenues from the brand development fund represent sales-based royalties related to the right to access the Company's intellectual property, which will be recognized as franchisee sales occur.

If brand development fund fees exceed the related brand development fund expenses in a reporting period, advertising costs will be accrued up to the amount of brand development fund revenues recognized.

Other revenues

The Company will recognize revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement and MUAs. In the case of costs paid related to MUAs for which no signed franchise agreement has been received, these costs are deferred until the signed franchise agreement is received.

Accounts receivable

Accounts receivable will be stated at the amount the Company expects to collect. The Company will maintain an allowance for doubtful accounts to estimate expected lifetime credit losses that are based on historical experience, the aging of accounts receivable, consideration of current economic conditions and its expectations of future economic conditions. If the financial condition of the Company's franchisees was to deteriorate or other circumstances occur that result in an impairment of franchisees' ability to make payments, the Company will record additional allowances as needed. The Company will write off uncollectible receivables against the allowance when collection efforts have been exhausted.

Income taxes

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statement does not include a provision or liability for federal or state income taxes.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 15, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at September 15, 2023.

The Parent will file income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through October 13, 2023, the date on which this financial statement was available to be issued. Except as disclosed in Note 5, there were no other material subsequent events that required recognition or additional disclosure in this financial statement.

NOTE 3. CONCENTRATIONS OF CREDIT RISK

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits, with major financial institutions. As of September 15, 2023, there were no balances in excess of FDIC insurance limits.

NOTE 4. BRAND DEVELOPMENT AND COOPERATIVE FUNDS

Brand development fund

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect brand development fund fees up to 3% of franchisees' weekly reported sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. As of September 15, 2023, the brand development fund has not yet been established.

Cooperative fund

Pursuant to the structured form of the franchising arrangement, the Company also has reserved the right to designate any geographical area in which franchisees are operating for purposes of establishing a regional advertising cooperative ("Cooperative"). If the Cooperative is established, amounts contributed to the cooperative will be credited against the franchisees local advertising requirement as further defined in the franchise agreement.

4EVER FRANCHISOR LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 15, 2023

NOTE 5. SUBSEQUENT EVENTS

Assignment and assumption agreement

On October 11, 2023, the Parent acquired substantially all of the assets of 4Ever Young Franchising LLC ("Predecessor Franchisor") including the marks, intellectual property, franchise agreements and other assets from the Predecessor Franchisor. On October 12, 2023, the Parent assigned the acquired franchise agreements to the Company at no cost and on October 11, 2023, the Parent assigned the related trademarks and intellectual property to the Licensor, an entity related to the Company by common ownership and control.

License agreement

On October 11, 2023, the Company entered into a perpetual non-exclusive license agreement with the Licensor for the use of the registered name "4Ever Young" (the "license agreement"). Pursuant to the license agreement, the Company acquired the right to sell "4Ever Young" franchises, and the right to earn franchise fees, royalties and other fees from franchisees. There will be no license fees payable to the Licensor.

Guarantee

The Company guarantees an initial term loan in the amount of \$6,000,000 which was entered into by the Parent on October 11, 2023, with a financial institution. The initial term loan is guaranteed by the Parent, the Company and affiliates of the Company and is collateralized by substantially all of the assets of the Company, the Parent and affiliates of the Company. In the event of default at the Parent level, as defined in the credit and guarantee agreement, it is possible that the financial institution may call on the Company to satisfy the debt obligations. There were no known events of default as of the date this financial statement was available to be issued.

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

Income Statement - YTD May 2025			
Royalties			1,293,526
Rebates			530,108
Fund Contributions			285,708
Other Revenue			(14,661)
Total Revenue			2,094,680
Rent			29,369
Marketing Expense			521,101
Payroll Expense			1,007,529
Other Expenses			660,749
Total Expenses			2,218,749
Net Operating Income			(124,068)
Balance Sheet - YTD May 2025			
Cash & Cash Equivalents			235,555
Accounts Receivable			617,907
Other Current Assets			1,485,415
Fixed Assets			10,288,197
Total Assets			12,627,075
Current Liabilities			2,893,063
Total Liabilities			2,893,063
Total Equity			9,734,012
Total Liabilities & Equity			12,627,075

EXHIBIT G TO THE FRANCHISE DISCLOSURE DOCUMENT

SAMPLE FORM OF GENERAL RELEASE

SAMPLE FORM OF GENERAL RELEASE

This General Release ("Release") is made and entered into on this _____ day of _____, 20____ (the "Effective Date") by and between 4Ever Franchisor LLC ("Franchisor") and _____ ("Franchisee").

WITNESSETH:

NOW THEREFORE, in consideration of the mutual covenants and conditions contained in this Release, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, the parties hereto agree as follows:

Franchisee, for itself and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasors"), irrevocably and absolutely releases and forever discharges Franchisor and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasees"), of and from all claims, obligations, actions or causes of action (however denominated), whether in law or in equity, and whether known or unknown, present or contingent, for any injury, damage, or loss whatsoever arising from any acts or occurrences occurring as of or prior to the date of this Release relating to the Franchise Agreement, the business operated under the Franchise Agreement, and/or any other agreement between any of the Releasees and any of the Releasors. The Releasors, and each of them, also covenant not to sue or otherwise bring a claim against any of the Releasees regarding any of the claims being released under this Release. Releasors hereby acknowledge that this release is intended to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist.

Each of the Releasors expressly acknowledges that they are familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing a release, which if known by him or her must have materially affected his or her settlement with the debtor.

Each of the Releasors hereby specifically and expressly waives all rights that it may have under Section 1542 of the California Civil Code or any similar provision of law in any other jurisdiction. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Releasors acknowledge and agree that they have read the terms of this Release, they fully understand and voluntarily accept the terms, and that they have entered into this Release voluntarily and without any coercion.

IN WITNESS WHEREOF, the parties hereto have executed this Release as of the Effective Date.

4EVER FRANCHISOR LLC

FRANCHISEE

Name: _____
Title: _____

Name: _____
Title: _____

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE-SPECIFIC ADDENDA TO THE DISCLOSURE DOCUMENT

PLEASE NOTE THAT THE SIGNATURE PAGE FOR THE APPROPRIATE ADDENDUM OR ADDENDA IDENTIFIED IN THE “APPLICABLE STATE” LINE AT THE END OF ALL STATE ADDENDA SET FORTH BELOW FOLLOWS ALL THE ADDENDA BELOW AND SHOULD BE SIGNED IF THE FRANCHISE BEING AWARDED IS SUBJECT TO ONE OR MORE OF THE APPLICABLE STATE FRANCHISE PRE-SALE DISCLOSURE AND REGISTRATION LAWS BELOW. THERE IS NOT A SPECIFIC SIGNATURE PAGE FOR EACH ADDENDUM UNLESS SPECIFICALLY REQUIRED BY THAT STATE.

ADDITIONAL STATE DISCLOSURES

If the franchise being awarded is subject to the franchise-specific laws of one (1) or more of the following states because (a) the franchise prospect is a resident of that state, and/or (b) the franchise rights being awarded in withinthat state, as applicable under the specific state statute(s) at issue, the addendum (or addenda) of that state set forthbelow will apply to the franchise documents and should be entered into with Franchisor.

CALIFORNIA

ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

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.

The following language is added to the end of Item 3 of the Disclosure Document:

Neither 4Ever Franchisor LLC, nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark 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, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement and Development Agreement provide 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 and Development Agreement contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law but we will enforce it to the extent enforceable.

The Franchise Agreement and Development Agreement require application of the laws of the State of Florida. This provision may not be enforceable under California law, but we will enforce it to the extent enforceable.

The Franchise Agreement and Development Agreement requires that any dispute not resolved by mediation, if Franchisor elects to submit such dispute to mediation, shall be resolved by litigation. The litigation must be initiated in the State of Florida at the state court of competent jurisdiction or, if appropriate, the federal district court that is closest to, or encompasses, the Franchisor's then-current headquarters. Franchisee will be responsible for reimbursing Franchisor the costs that Franchisor incurred in connection with any litigation in which Franchisor prevails. Franchisor shall be entitled to recover reasonable compensation for

expenses, costs and fees in connection with litigation, including reasonable attorney's fees. 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) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

MARYLAND

ADDENDUM TO DISCLOSURE DOCUMENT

1. With respect to each Chart in Item 17 of the FDD, the “Summary” section of (a) Item 17(b) entitled Renewal or Extension of the Term, and (b) Item 17(m) entitled Conditions for franchisor approval of transfer, are hereby amended by adding the following:

Any general release you sign shall not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law.

2. The “Summary” section of Item 17(h) of each Chart in Item 17, entitled “Cause” defined – non-curabledefaults, is amended by adding the following:

The Franchise (and, if applicable, Development) Agreement provides for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following are added to the end of each Chart in Item 17:

Despite any contradicting provision in the Franchise Agreement (and, if applicable, Development Agreement), you have three (3) years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, provided such laws are applicable to the awarding of the franchise right(s) at issue.

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

4. Significant Expansion. During the last 3 years, the franchisor expanded significantly and plans to continue to expand aggressively. This franchise is likely to be a riskier investment than a franchise that grows gradually.

MARYLAND

AMENDMENT TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

The Franchise Agreement and Development Agreement are specifically amended as follows:

Any provision requiring Franchisee to execute a general release of any and all claims against Franchisor shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

Termination upon bankruptcy of the Franchisee might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but Franchisor intends to enforce it to the extent enforceable.

Section 21(I) of the Franchise Agreement shall be supplemented by the following additional language:

PROVIDED, HOWEVER, THAT THIS LIMITATION OF CLAIMS SHALL NOT ACT TO REDUCE THE THREE (3) YEAR STATUTE OF LIMITATIONS AFFORDED FRANCHISEE FOR BRINGING A CLAIM UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Any provision of this Franchise Agreement which requires a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

Section 1 of the Franchise Agreement, under the heading “Acknowledgements and Representations of Franchisee,” is modified as described below.

- a. Sections 1.A, 1.B, 1.C, 1.F, 1.G, 1.H, 1.I, and 1.L are hereby deleted in their entirety.

Section 23 of the Franchise Agreement, under the heading “Acknowledgments,” is modified as described below.

- a. Section 23.B is hereby deleted in its entirety and replaced by the following new Section 23.B:

B. Franchisee acknowledges that this Agreement, the franchise disclosure document (“FDD”), and the exhibits hereto constitutes the entire Agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subjects.

- b. Section 23.C is hereby deleted in its entirety.

4EVER FRANCHISOR LLC

FRANCHISEE

Name: _____
Title: _____

Name: _____
Title: _____

MARYLAND

AMENDMENT TO FRANCHISEE COMPLIANCE QUESTIONNAIRE

The Franchisee Disclosure Questionnaire is specifically amended as follows:

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (as amended), Md. Code Bus. Reg. Sections 14-201 through 14-233, the following paragraph is added to the Franchisee Disclosure Questionnaire:

Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Representations in this questionnaire are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Name of Franchisee/Applicant

Date: _____

Signature

Name and Title of Person Signing

MINNESOTA

ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

Item 13 Trademarks is amended by adding the following:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any of your costs incurred in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and are given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

Item 17 Renewal, Termination, Transfer and Dispute Resolution is amended by adding the following:

Renewal and Termination

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

Choice of Forum

Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Releases

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.22.

These franchises have been registered under the Minnesota Franchise Act, registration does not constitute approval, recommendation, or endorsement by the Commissioner of Commerce of Minnesota or a finding by the Commissioner that the information provided herein is true, complete, and not misleading.

The Minnesota Franchise Act makes it unlawful to offer or sell any franchise in this state which is subject to registration without first providing to the franchisee, at least 7 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 7 days prior to the payment of any consideration, by the franchisee, whichever occurs first, a copy of this Disclosure Document, together with a copy of all proposed agreements relating to the franchise. This Disclosure Document contains a summary only of certain material provisions of the Franchise Agreement. The contract or agreement should be referred to for an understanding of all rights and obligations of both the franchisor and the franchisee.

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

MINNESOTA

AMENDMENT TO FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et seq., the parties to the attached Franchise Agreement (“Agreement”) agree as follows:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Agreement.

As required by Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee’s right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Agreement.

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Section 80C.22.

The franchisee cannot consent to franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Any claims brought pursuant to the Minnesota Franchises Act, § 80C.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.

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

4EVER FRANCHISOR LLC

FRANCHISEE

Name: _____
Title: _____

Name: _____
Title: _____

NEW YORK

ADDENDUM TO DISCLOSURE DOCUMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. The following information is added to the cover page of the Franchise Disclosure Document.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity

as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 5, Additional Disclosures.

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

RHODE ISLAND

ADDENDUM TO DISCLOSURE DOCUMENT

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

Item 17, Additional Disclosure. The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a 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.”

RHODE ISLAND

AMENDMENT TO FRANCHISE AGREEMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act (Section 19-28.1-14), the parties to the attached Franchise Agreement agree as follows:

Section 21(A) of the Franchise Agreement, as well as Section 12 of the Development Agreement, each entitled "GOVERNING LAW", are amended by adding the following at the end of this provision:

§19-24.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a 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."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

4EVER FRANCHISOR LLC

FRANCHISEE

Name: _____
Title: _____

Name: _____
Title: _____

VIRGINIA

**ADDENDUM TO DISCLOSURE DOCUMENT AND
FRANCHISE/DEVELOPMENT AGREEMENT**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for 4Ever Franchisor LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statement is added to Item 17.h of the FDD, and well as the default/termination provisions of the Franchise Agreement:

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 ground for default or termination stated in the franchise agreement does not constitute “reasonable cause”, as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Item 17 of the FDD and the integration provision(s) set forth in the Franchise Agreement and, if applicable, Development Agreement are hereby supplemented by the following:

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

EXHIBIT I TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE QUESTIONNAIRE

FRANCHISEE QUESTIONNAIRE*

As you know, 4Ever Franchisor LLC (“we,” “us” or “Franchisor”) and you are preparing to enter into a Franchise Agreement and, if appropriate, Development Agreement, for the right to independently develop, own and manage one (1) or more franchised Centers (each, a “Franchised Business”) under Franchisor’s Proprietary Marks and developed System of operations. The purpose of this Questionnaire is to help monitor and improve our franchise sales processes and procedures and help ensure such processes/procedures comply with franchise pre-sale disclosure laws.

We appreciate you taking the time to review each questions carefully, and provide honest and complete responses to each Question.

REPRESENTATIONS

- | | | | |
|-------|------|-----|--|
| Yes__ | No__ | 1. | Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it? |
| Yes__ | No__ | 2. | Have you received and personally reviewed the Franchise Disclosure Document we provided? |
| Yes__ | No__ | 3. | Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it? |
| Yes__ | No__ | 4. | Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement? |
| Yes__ | No__ | 5. | Did you receive the Franchise Disclosure Document at least 14 calendar days before signing any agreement relating to the franchise (other than an NDA) or paying any money? |
| Yes__ | No__ | 6. | Did you receive a complete execution copy of the Franchise Agreement at least seven (7) calendar days before you signed it? |
| Yes__ | No__ | 7. | Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor? |
| Yes__ | No__ | 8. | Have you discussed the benefits and risks of developing and operating a 4EVER YOUNG franchise with an existing 4EVER YOUNG franchisee? |
| Yes__ | No__ | 9. | Do you understand the risks of developing and operating a 4EVER YOUNG franchise? |
| Yes__ | No__ | 10. | Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors? |
| Yes__ | No__ | 11. | Do you understand that you must satisfactorily complete the initial training course before we will allow your franchised business to open or consent to a transfer? |

Yes___ No___ 12. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a 4EVER YOUNG franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes___ No___ 13. Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes___ No___ 14. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a 4EVER YOUNG franchise will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes___ No___ 15. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the 4EVER YOUNG business, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Do not sign if the franchisee is a Maryland resident or if the franchised business will be located within the State of Maryland.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

EXHIBIT J TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

State	Effective Date
California	Pending
Illinois	See Separate FDD
Indiana	Pending
Maryland	See Separate FDD
Michigan	Pending
Minnesota	Pending
New York	Pending
Rhode Island	Pending
Virginia	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT K TO THE FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

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 4Ever Franchisor LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that 4Ever Franchisor LLC 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 requires that 4Ever Franchisor LLC 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.

If 4Ever Franchisor LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your state agency listed in Exhibit A. 4Ever Franchisor LLC authorizes the agents listed in Exhibit A to receive service of process on its behalf. The franchise seller(s) offering this franchise is/are checked off below:

_____ Dan Amin, Deniz Duygulu, Slade Gicca, James Kapnick, Patrick Pantano and Carlton Washington, c/o 4Ever Franchisor LLC, 5458 TownCenter Road, #19, Boca Raton, Florida 33486 Telephone: (561) 320-8111

_____ Angie Shaw, Rhino7 Consulting, 46 Mansion Ridge Blvd, Monroe, NY 10950, 919-324-6652

_____ Joe Schadle, Rhino7 Consulting, 51 Kilmayne Dr. Ste. 200, Cary, NC 27511, 919-977-9519

_____ (other) _____

Issuance Date: April 28, 2025, as amended August 18, 2025

I have received a disclosure document dated April 28, 2025, as amended August 18, 2025, that included the following exhibits:

EXHIBIT A	List of State Administrators and Agents for Service of Process.	EXHIBIT F	Financial Statements
EXHIBIT B	Franchise Agreement	EXHIBIT G	Sample General Release Agreement
EXHIBIT B-2	Sample Form of MSA	EXHIBIT H	State Addendum to Disclosure Document
EXHIBIT C	Development Agreement	EXHIBIT I	Franchisee Questionnaire
EXHIBIT D	Tables of Contents for Manual(s)	EXHIBIT J	State Effective Dates
EXHIBIT E	List(s) of Current and Former Franchisees	EXHIBIT K	Receipt(s)

Date: _____
(Do not leave blank)

(Print Name of Prospective Franchisee (For Entity))

By: _____

Its: _____

Signature _____

(Print Name of Prospective Franchisee (For Individuals))

State: _____

Signature _____

PLEASE SIGN AND DATE THIS PAGE AND RETAIN THIS PAGE IN YOUR POSSESSION AS PART OF YOUR RECORDS

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 4Ever Franchisor LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that 4Ever Franchisor LLC 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 requires that 4Ever Franchisor LLC 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.

If 4Ever Franchisor LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your state agency listed in Exhibit A. 4Ever Franchisor LLC authorizes the agents listed in Exhibit A to receive service of process on its behalf. The franchise seller(s) offering this franchise is/are checked off below:

_____ Dan Amin, Deniz Duygulu, Slade Gicca, James Kapnick, Patrick Pantano and Carlton Washington, c/o 4Ever Franchisor LLC, 5458 TownCenter Road, #19, Boca Raton, Florida 33486 Telephone: (561) 320-8111

_____ Angie Shaw, Rhino7 Consulting, 46 Mansion Ridge Blvd, Monroe, NY 10950, 919-324-6652

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Date: _____
(Do not leave blank)

(Print Name of Prospective Franchisee (For Entity))

By: _____

Its: _____

Signature _____

(Print Name of Prospective Franchisee (For Individuals))

State: _____

Signature _____

**PLEASE SIGN AND DATE THIS PAGE AND RETURN THIS COPY OF THIS RECEIPT
ACKNOWLEDGEMENT PAGE TO FRANCHISOR (US) AT 5458 TOWN CENTER ROAD, #19
BOCA RATON, FLORIDA 33486**