



## FRANCHISE DISCLOSURE DOCUMENT

LQV Franchising LLC  
(a Florida limited liability company)  
4901 NW 17th Way, Suite 305  
Fort Lauderdale, FL 33309  
(844) 548-2100  
E-mail: [info@liquivida.com](mailto:info@liquivida.com)  
[www.liquivida.com](http://www.liquivida.com)

The franchise is for the establishment and operation of a state-of-the-art medical center offering wellness, anti-aging and vitamin IV infusion products and services to individuals including offering a variety of medical wellness services that we may offer in either our Liquivida Wellness Center in-line unit or our Liquivida Lounge integrated unit.

The total investment necessary to begin operation of a Liquivida Wellness Center franchised business is \$620,840 to \$1,025,276. This includes \$77,200 to \$82,000 that must be paid to us or our affiliates. The total investment necessary to begin operation of an integrated Liquivida Lounge franchised business is \$97,650 to \$145,850. This includes \$42,000 to \$43,500 that must be paid to franchisor or its affiliates. If you enter into a Multi-Unit Development Agreement (“**MUDA**” or “**Development Agreement**”) to develop multiple Liquivida Wellness Center franchised businesses, the total initial investment necessary ranges between \$760,375 to \$1,184,600.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different forms, contact Samael A. Tejada, 4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309, (844) 548-2100 and [info@liquivida.com](mailto:info@liquivida.com).

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

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

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

Date of Issuance: May 1, 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
<b>How much can I earn?</b>	Item 19 may give you information about unit 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 and Exhibit G.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; Item 7 lists the initial investment to open, and Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Liquivida business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Liquivida franchisee?</b>	Item 20 or Exhibit G lists current or former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 your franchise is 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 clients, what you sell, how you market, and your hours of operation.

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

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

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

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in 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 state.
2. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **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.

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.

**(THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

- (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:

State of Michigan Department of Attorney General  
G. Mennen Williams Building, 7th Floor  
525 W. Ottawa Street  
P.O. Box 30755  
Lansing, Michigan 48909  
Telephone Number: (517) 335-7632

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

To simplify the language in this Franchise Disclosure Document (the “**Disclosure Document**”), LQV Franchising LLC is referred to as “Franchisor,” “we,” “us,” or “our”, and the person who is considering the franchise is referred to as “Franchisee,” “you,” or “your.” If you are a corporation, limited liability company, partnership or other legal entity, the word “you” or “your” will apply to your shareholders, members, partners, officers, managers and directors. The business you will own, whether it is a Liquivida Wellness Center or a Liquivida Lounge, may be referred herein collectively as a “Franchised Business.”

**The Franchisor, its Parent, Predecessor and Affiliates**

We are a Florida limited liability company formed on February 17, 2017, with a principal place of business at 4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309. We do business under our corporate name and under the trade names “Liquivida”, “Liquivida Wellness Center”, and “Liquivida Lounge” and do not do business under any other name. We have been offering franchises for Liquivida Franchised Businesses since June 2020 and have never offered franchises in any other line of business.

We are a subsidiary of LQV Management LLC, a Florida limited liability company, which shares our principal business address (“**LQV Management**”). LQV Management provides IV therapy management and administrative services to certain entities discussed below. LQV Management is also a supplier of the IV Nutrient Kits you will use in your Franchised Business. LQV Management does not offer franchises in this or any other line of business.

We have three affiliates, LQV Lauderdale Beach, LLC (“**LQV Lauderdale Beach**”), LQV Pines, LLC (“**LQV Pines**”), and LQV Coral Springs, LLC (“**LQV Coral Springs**”), that own Liquivida Wellness Centers located in Fort Lauderdale, Pembroke Pines, and Coral Springs, Florida, respectively, and each are Florida limited liability companies (collectively, the “**Affiliate-Owned Units**”). These Affiliate-Owned Units are similar to the Liquivida Wellness Center franchises that we offer and sell herein. The Liquivida Wellness Center owned and operated by LQV Lauderdale Beach is located at 3708 N. Ocean Blvd., Fort Lauderdale, FL 33308, and is partially owned by LQV Management.

Our affiliate, Liquivita LLC (“**Liquivita**”), shares our principal business address and holds the intellectual property licensed to us.

Our last affiliate is LQV Health, LLC, which was organized to manage a telemedicine center providing medical, health and wellness services and modalities.

These affiliates do not engage in any other line of business and have not offered franchises in this line or any other line of business.

In addition to the foregoing, LQV Management is a joint venture partner with various entities that operate three Liquivida Lounge locations located in Florida, Connecticut, and Arizona. These Liquivida Lounge locations are situated and integrated in existing medical offices, medspas, or in health and wellness facilities. Liquivita entered into agreements with these entities, and LQV Management provides certain management services. All of these affiliated entities operate a Liquivida Lounge business similar to the franchised businesses being offered in this Disclosure

Document. All of the owners of these entities will be given the opportunity to rescind their license agreements and become franchisees pursuant to this Disclosure Document and the Franchise Agreement attached as Exhibit B hereto. LQV Management and Liquivita will no longer be offering this type of arrangement to physicians and other medical practitioners.

We do not have any other affiliates required to be included in this item except as provided above.

We do not have any predecessors during the 10-year period immediately before the close of our most recent fiscal year.

### **Agent for Service of Process**

If we have agents in your state for service of process, they are disclosed in Exhibit A to this Disclosure Document.

### **The Franchise**

We offer the right to own and/or operate a **Liquivida Wellness Center** or **Liquivida Lounge** (the “**Franchised Business**”) that offer wellness, anti-aging and vitamin IV infusion products and services to individuals under our standard form of franchise agreement (the “**Franchise Agreement**”). The Franchise Agreement is attached as Exhibit B. WA Liquivida Wellness Center retail location offers our complete suite of wellness and anti-aging products, whereas an integrated Liquivida Lounge is operated from an existing medical practice or medspa and offers only vitamin IV therapy. You may be authorized to own and operate a Franchised Business under the direction of a licensed medical professional but, in certain states, you may be required by law to have a medical professional entity or a licensed professional (“**Medical Professionals**”) to own and/or operate your Franchised Business.

You must operate your Franchised Business according to our standards, specifications, techniques, and procedures that we designate for developing, operating, and managing a Franchised Business, all of which we may periodically change, improve, and further develop. You must operate and manage your Franchised Business according to our standards and procedures, as set out in our confidential operation manuals (collectively, the “**Manual**”). We will lend you a copy of the Manual for the duration of the Franchise Agreement.

We also offer the right to develop multiple Liquivida Wellness Center Franchised Businesses within a specific geographic area (the “**Development Area**”) under our standard form MUDA. The MUDA is attached as Exhibit C. The MUDA requires you to open an agreed-upon number of Liquivida Wellness Centers under a development schedule set forth in the MUDA. In connection with the development of Liquivida Wellness Centers under the MUDA, you must sign our then-current form of franchise agreement for each Franchised Business that you open.

Each franchise agreement grants you the right to own and/or operate a single Franchised Business generally identified by trademarks and service marks including “Liquivida Lounge”, “Liquivida”, “Liquivida Wellness Center”, and “LIV-2-100,” as stated in Item 13 and such other trade names, trademarks, and logos as we may designate from time to time (collectively, the “**Marks**”). Your Franchised Business will offer wellness, anti-aging and vitamin IV infusion products and services to individuals including IV infusion products, Dermalinfusion, energy boosters, Glutathione injections, hair growth services, hormone replacement, microdermabrasion, microneedling, weight loss, fillers, anti-aging products, telemedicine and other medical and wellness treatments that we may periodically change, discontinue, improve, modify and further

develop at our option from time to time (collectively the “**Services**”). The Services are provided under the Marks and such other trade names, trademarks, and logos as we may designate, modify and adopt from time to time.

Your Franchised Business operates using certain business processes, technologies, trade secrets, contracts, client lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress and other intellectual property; distinctive signage, furniture and decor; standards and specifications for services, products, supplies, appearance, operations and management control; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs which may be changed, discontinued, improved, modified and further developed by us from time to time (the “**System**”).

### **Market and Competition**

The market for anti-aging and wellness services is becoming highly competitive. The target market for the Services we offer includes the general public age 18 and up. You will compete with other individually owned and franchised providers of the Services we offer. You will compete with other medical spa, wellness center and IV infusion treatment businesses which may have larger marketing budgets than us. The anti-aging and wellness business can be affected by changes in consumer taste, developing products, fads, marketing, pricing, economic conditions, seasonal population fluctuation, and travel patterns.

### **Industry Specific Laws**

Your Franchised Business will offer medical treatments that are generally subject to federal and state laws and regulations as well as local permitting and zoning requirements at the county or municipal level. These laws may include federal, state and local rules and regulations related to health and safety; flow of funds; state professional licensing board rules of medical and cosmetic professionals including medical doctors, physician assistants, nurse practitioners, registered nurses, aestheticians, and estheticians; licensing and requirements as to the ordering, supply, and administration of procedures and services, ownership and control; the relationship of providers and suppliers of health care services, on the one hand, and physicians and clinicians, on the other, including anti-kickback laws such as the Federal Medicare Anti-Kickback Statute (42 U.S.C. §1320a-7b) and similar state laws; restrictions or prohibition on fee splitting; physician self-referral restrictions known as the Stark Law (42 U.S.C. § 1395nn); privacy of client records (including the Health Insurance Portability and Accountability Act of 1996, or HIPAA); state ownership and control restrictions known generally as CPOM regulations; patient inducement laws; use of medical devices; commercial bribery statutes; the Federal Travel Act; and advertising of medical services (“**Regulations**”). You must investigate and evaluate how all regulations and requirements specific to your geographic area, including but not limited to those listed above, apply and impact your operations. It is your sole responsibility to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time.

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.

Before signing a Franchise Agreement, you are strongly advised to consult with a lawyer to review the services and products that will be offered and sold by your Franchised Business and to determine the licensing requirements, construction requirements, medical office layout restrictions, or any other regulation that may or may not be imposed on you, your Franchised Business, the individuals hired by your Franchised Business and whether or not you may legally operate your Franchised Business.

## **ITEM 2** **BUSINESS EXPERIENCE**

### **President and Founder: Samael A. Tejada**

Samael Tejada is a Co-Founder of the Liquivida franchise system, and he has served as our President since our inception in February 2017. Mr. Tejada is also President of LQV Management since its inception in August 2014. Mr. Tejada is also President of Liquivita since its inception in February 2014. Mr. Tejada, as the manager of LQV Management, also manages the operations of LQV Lauderdale Beach.

### **Vice President - Finance and Accounting Operations: Shayna Tejada**

Shayna Tejada is a Co-Founder of the Liquivida franchise system, and she has served as our Vice President - Financing and Accounting Operations since our inception. Mrs. Tejada is also Vice President of LQV Management since its inception in August 2014.

### **Chief Medical Officer: Dr. Christopher J. Davis, M.D.**

Dr. Christopher Davis has served as our Chief Medical Officer since March 25, 2020. Since January 2018, Dr. Davis has served as owner and chief executive officer of Reveal Vitality, a health and wellness center located in Sarasota, Florida. Since March 2015, Dr. Davis has been the founder and chief executive officer of Manatee Cardiovascular Wellness Institute located in Bradenton, Florida.

### **Director of Operations: Lisa Samela**

Lisa Samela has served as our Director of Operations since our inception. Since March 2015, she has been employed by LQV Management, starting out as an IV therapist, then being promoted to client coordinator, and she currently is Director of Operations for LQV Management.

### **Vice President of Operations: Jessica Wright**

Jessica Wright has served as our Vice President of Operations from November 2022 through the present. Before that, from June 2021 to November 2022, Ms. Wright served as Regional Director for BHRC, a medical spa located in Boca Raton, Florida. Prior to that, from September 2017 to

May 2021, Ms. Wright served as Director of Operations for a wellness center, Healthgains, located in Aventura, Florida.

**Director of Franchise Sales: Jeff Cogswell**

Jeff Cogswell has served as our Director of Franchise Sales since our inception. Since December 2016, he has been sales director for LQV Management. From January 2017 to present, Mr. Cogswell is the founder and owner of JFH IV Consulting Inc., located in Coral Springs, Florida.

**Project and Logistics Manager: Blake Engle**

Blake Engle has served as our Operations Manager since our inception. From September 2017 to the present, she has been employed by our affiliate LQV Lauderdale Beach, starting out as an IV therapist, and since February 2019 has served as the corporate District Manager. Before that, Mrs. Engle was a lifeguard and paramedic during the summer months in 2017 and 2018 for American Heritage located in Plantation, Florida.

**Director of Retail Operations: Rebeca Rivera**

Rebeca Rivera has served as our Director of Retail Operations from May 2022 through the present. Prior to that, Ms. Rivera served as the Manager of our affiliate West Palm Beach location from April 2019 to May 2022.

**ITEM 3  
LITIGATION**

**Concluded Actions Against Us**

*LQV Franchising, LLC v. Todaro Bro, Inc. et al.*, 21-cv-60986 (S.D. Fla. May 11, 2021). We filed a lawsuit seeking an injunction against a franchisee to enforce our trademark rights under the Lanham Act and our non-compete in the Franchise Agreement. This franchisee was terminated for selling unauthorized medical services and products, utilizing unlicensed medical professionals, forging their medical director's name on documents submitted to the Florida Department of Health, misappropriating confidential information, misusing our trademark in marketing efforts, and failing to adhere to the post-termination covenants set forth in our Franchise Agreement. This matter was settled through a settlement agreement that required this terminated franchisee to de-brand from our Marks and pay us \$510,000.

*Todaro Bro, Inc. v. LQV Franchising, LLC et al.*, 01-21-0003-9397 (American Arbitration Association May 18, 2021). Our franchisee alleges that we misrepresented the total investment necessary to commence franchise operations, that we tortiously interfered with the franchisee's business relationships, and breach of a prior agreement. We brought counterclaims against this terminated franchisee for, *inter alia*, breach of contract. At trial, we were found to be the prevailing party and were awarded in excess of \$446,000 in damages and attorney's fees for the franchisees' breach of contract. This matter ultimately settled through a global agreement with the case listed above with the franchisee paying us \$510,000.

Other than the above, there is no litigation required to be disclosed in this Item.

## **ITEM 4** **BANKRUPTCY**

Jeff Cogswell, our Director of Franchise Sales, individually, filed bankruptcy under Chapter 7 of the Code (U.S. Bankruptcy Court for the Southern District of Florida, Case No. 17-12326-JKO). On March 16, 2018, the Court entered an Order discharging his debts.

There is no other bankruptcy required to be disclosed in this Item.

## **ITEM 5** **INITIAL FEES**

### **Initial Franchise Fee**

#### **Liquivida Wellness Center**

For a single franchise under the Liquivida Wellness Center model, you must pay us a \$75,000 initial franchise fee (“**Initial Franchise Fee**”) in full at the time the Franchise Agreement is executed. At our discretion, we may provide financing to qualified candidates for a portion of the Initial Franchise Fee for Liquivida Wellness Centers on the terms described in Item 10.

The Initial Franchise Fee is fully earned upon receipt and is non-refundable.

#### **Liquivida Lounge**

For a single franchise under the Liquivida Lounge integrated unit model, you must pay us a \$40,000 Initial Franchise Fee in full at the time the Franchise Agreement is executed. The Initial Franchise Fee is fully earned upon receipt and is non-refundable.

Under the Liquivida Lounge integrated unit model, if your medical practice includes the operation of two medical offices, and you want a Liquivida Lounge in both locations, you must purchase two Liquivida Lounge franchises. You must sign a separate Franchise Agreement for each Liquivida Wellness Center or Liquivida Lounge franchise that you purchase.

### **Reduction of Initial Franchise Fee for Veterans and First Responders**

If you are a veteran of the U.S. Armed Forces qualified under the International Franchise Association’s VetFran Program or a first responder (firefighter, paramedic, police officer or nurse), we will reduce the Initial Franchise Fee for your first Franchised Business by 15% or \$11,250 for a Liquivida Wellness Center and \$6,000 for a Liquivida Lounge.

### **Initial Inventory Package**

If you open a Liquivida Wellness Center, you must pay our affiliate LQV Management or another approved vendor \$2,200 to \$5,000 for your initial purchase of IV Nutrition Kits, packages, and vials (“**Initial Inventory Package**”), and if you open a Liquivida Lounge integrated unit, you must pay our affiliate LQV Management or another approved vendor \$2,000 to \$3,500 for the Initial Inventory Package. You will order the Initial Inventory Package two to four weeks prior to opening your Franchised Business. Payment for the Initial Inventory Package is non-refundable.

### **Lease Review**

Once we have accepted your location, we (or our authorized representative) will review the lease for the sole purposes of protecting our interests. We do not act as your legal counsel or representative in conducting this review and engaging the landlord in a negotiation. You must consult your own attorney for legal assistance with reviewing and negotiating the terms of your lease. If a formal lease review is deemed to be necessary, in our sole discretion, you will be required to pay us a non-refundable Lease Review Fee of \$2,000 (the “**Lease Review Fee**”).

**Multi-Unit Development Agreement**

We offer development packages if you choose to purchase three or more Liquivida Wellness Center franchises (“**Units**”). For your third Liquivida Wellness Center franchise and each additional Unit purchased thereafter, you must pay a Development Fee (the “**Development Fee**”) of \$20,000 multiplied by the number of additional Liquivida Wellness Center franchises to be developed. The Development Fee is in addition to the Initial Franchise Fee for the first Liquivida Wellness Center to be developed.

Developers will be required to pay the remaining balance of the Initial Franchise Fee for each additional Liquivida Wellness Center when you sign each Franchise Agreement. We will credit a portion of the Development Fee against the Initial Franchise Fee (\$20,000 for the second and each subsequent franchise agreement) until the Development Fee is exhausted. Developers must open a minimum of three Liquivida Wellness Centers.

Number of Units	Upfront Initial Franchise Fee + Development Fee
1	\$75,000
2	\$150,000
3	\$115,000
4	\$135,000
5	\$155,000
10	\$255,000

The Development Fee is uniformly calculated, payable when the Development Agreement is signed and is non-refundable under any circumstances, even if a Developer fails to open any Liquivida Wellness Centers.

**ITEM 6  
OTHER FEES**

**Franchise Agreement**

Fee	Amount	Due Date	Notes
Royalty Fee (Note 1)	6% of Gross Revenue	Payable monthly between the 11 <sup>th</sup> and 12 <sup>th</sup> calendar day of each month for the immediately preceding month (or such other date as we designate in the Manual or otherwise in writing).	You must pay your Royalty Fee directly to us by electronic funds transfer. We reserve the right to change the time and manner within which you pay the Royalty Fee.
Brand Fund Contribution (Note 2)	\$1,500 per month	Payable monthly with the Royalty Fee	You must pay your Brand Fund Contribution to us. We may from time to time change the rate or rates required to be paid by you as a Brand Fund Contribution as well as the time and manner within which you shall pay the Brand Fund Contribution.
LiquividaTV	\$150 per month	Payable monthly to LQV Management	You will receive Liquivida branded content videos on a regular basis.
POS System and Maintenance Fee (Note 3)	\$350 to \$650 per month	As incurred	Payable to an approved third-party POS supplier we designate. This fee is subject to change or increases by the POS vendor or if specifications change.  This fee is subject to increases by the vendor or if we change our technology specifications in our discretion. Because this fee is largely determined by third party vendor costs, we reserve the right to increase this fee upon notice to you.

Fee	Amount	Due Date	Notes
VOIP Phone System	\$425 per month	Monthly	Payable to third-party vendor, for an account with our then-current provider, currently Zenoti for the HyperConnect account that includes Voice, 2 way text, AI, chatbot, and call performance analytics.
Email Account Fee	\$16 per month per account	Payable monthly to LQV Management	You will be provided up to three email accounts at no cost to you. There will be a charge of \$16 per month for each additional email account requested by you. This monthly charge may increase each year by approximately \$3 per email account based on the agreement with our provider.
Local Marketing Payment (Note 4)	The difference between the amount you spent on local marketing each month and your required local advertising expenditure	Payable after receipt of invoice	If you fail to meet your required advertising requirement on local advertising, you must pay the difference between the amount you spent and the required advertising expenditure, which will be contributed to the Brand Fund or us.
Local Marketing (Note 4)	Minimum \$3,000 of per month	As incurred	You pay this amount directly to third-parties subject to our approval, but you may be required to pay this amount to us if you do not meet your minimum requirements. We may increase this requirement. This is the minimum amount that you must spend for local marketing.
Lease Review Fee	\$2,000	Prior to the execution of your lease agreement	We may elect to review your lease agreement for your Franchised Business to ensure it meets with our criteria and not for any other purpose.
Quality Assurance Fee	Up to \$250	As incurred	You will pay us or a third party to conduct quality assurance inspections of the Franchised Business.

Fee	Amount	Due Date	Notes
Mystery Shop Fee	Up to \$150	As incurred	You will pay us or a third party if we retain a third party to conduct mystery shops at the Franchised Business.
Promotions	Varies	As incurred	You must offer such rebates, giveaways and other promotions, including customer surveys and mystery shopper programs as may be required by us.
Relocation Fee	50% of the then current Initial Franchise Fee	Payable upon approval of relocation	You will pay us a relocation fee for supporting your relocation of the Franchised Business. Any proposed relocation will be subject to our review of the proposed new site under our then-current standards for site selection.
Audit Fee (Note 5)	Our cost plus the amount of underpayment if you understate Gross Revenue by 2% or more plus interest from the date such amount was due until it is received by Franchisor, paid at the rate of the lesser of 1.5% per month or the highest commercial contract interest rate allowed by law	Cost of the inspection – when billed; Underpayment and interest – immediately.	Due if the audit or any other inspection should reveal that any payments to us have been underpaid or for your failure to provide any required report. Further, you shall reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees).
Interest (Note 6)	The lesser of 1.5% per month or the highest commercial contract interest rate allowed by law	Amounts not received by us on the due date shall incur interest charges	Due on all overdue amounts owed to us.

Fee	Amount	Due Date	Notes
Late Fee	\$100 per occurrence	As incurred	Due on each occurrence that you fail to make a timely payment to us or fail to provide a report or requested financial information.
Insurance	You must reimburse our costs plus a 10% administrative fee	When billed	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us. You will pay a 10% administrative fee to account for our costs in obtaining your insurance.
Transfer Fee (Note 7)	The greater of (i) 25% of the then-current Initial Franchise Fee; or (ii) \$10,000	At the time of transfer	There is no fee for a one-time transfer if you are transferring the Franchise Agreement to an entity you control. You may not transfer your Franchised Business without our prior written consent. The Transfer Fee is due at the time of transfer and is not refundable.
Additional Training and Assistance	Currently \$450 per person per day (plus hotel, air fare, and other expenses incurred by our trainer) for each person attending	When training or assistance begins	This fee will be assessed for training a newly appointed Operating Principal and for training newly-hired personnel; for refresher training courses; and for special assistance or training you need or request to be conducted.
Conference Fee	\$750 per person (plus hotel, air fare, and other expenses)	Prior to the conference or at the time of training	We may hold an annual franchisee conference devoted to training and plans for our future which you will be required to attend. Additionally, you must pay for your representatives' salaries and benefits, and for their travel, lodging, and meal expenses.
Renewal Fee (Note 8)	The greater of (i) 25% of the then-current Initial Franchise Fee; or (ii) \$10,000	30 days before the expiration of the Franchise Agreement	You must timely notify us of your desire to renew the Franchise Agreement. The Renewal Fee is due 30 days prior to the renewal and is not refundable.

Fee	Amount	Due Date	Notes
Costs of Enforcement	All costs including reasonable attorneys' fees	Upon demand	You are responsible to pay all costs (including attorneys' fees) incurred by us, our affiliates and their respective directors, officers, shareholders, agents, employees and other representatives if you fail to comply with or breach any provision in the Franchise Agreement among our other remedies.
Costs to Participate in Automatic Debit Plan	Varies	On demand	We require you to participate in an automatic bank account debit plan which may come with additional administrative costs to you.
Management Fee (Note 9)	Our expenses plus an administrative fee equal to the 10% of Gross Revenue of the Franchised Business during the term of management agreement or when we are operating the Franchised Business	As incurred	Due when we (or a third party) manage your Franchised Business after your managing owner's death or disability, or after your default or abandonment.
Right to Remedy Default	Our expenses plus an administrative fee of 15%	Each month that it applies	If you fail to perform or observe any of the terms of your Franchise Agreement, we may take such steps as we consider necessary to attempt to remedy such default including: (i) performing any obligation of yours under the Franchise Agreement and (ii) making payments on your behalf.
Testing of Products or Approval of new Suppliers (Note 10)	All reasonable costs ranging from \$500 to \$2,000 per review	When billed	This covers the costs of testing new products or inspecting new suppliers you propose to us.

Fee	Amount	Due Date	Notes
Indemnification (Note 11)	Will vary	As incurred	You must reimburse us for all costs, fees and damages if we are held liable for claims from your operation of the Franchised Business, lease of the Franchised Business or a sale or transfer of the Franchised Business.
Liquidated Damages	Amount equal to the average Royalty Fees for the last 12 months (or shorter period, if your Franchised Business has been in operation less than 12 months), multiplied by: 36 or the number of months remaining in the term, whichever is less	On demand	We may require you to pay us this amount in the event you terminate the Franchise Agreement without cause, or we terminate the Franchise Agreement for cause.
Non-Compliance Fee	Our then current fee, which may vary depending upon the specific required policy that was violated	As incurred	Not including any monetary defaults, we may charge you our then-current non-compliance fee, as set forth in the Manual or otherwise, in the event you fail to fully comply with any of our then-required System standards.
Manual Replacement (Note 12)	\$250	As incurred	Payable to us if you lose or destroy the Manual.
Maintenance and Refurbishing (Note 13)	You are required to reimburse our expenses	As incurred	If, after we notify you, you do not undertake efforts to correct deficiencies in your location appearance, then we can undertake the repairs and you must reimburse us.
Insufficient Funds (Note 14)	\$100	As incurred	Due if you have insufficient funds in your designated bank account to cover a payment, or if any other payment instrument you use is rejected for insufficient funds.

Fee	Amount	Due Date	Notes
Taxes	Amount of taxes	As incurred	You must reimburse us for any taxes we must pay due to the operation of your Franchised Business or due to payments made to us (excluding federal and state income taxes for the state in which we are then located).
Local and Regional Advertising Cooperatives (Note 15)	Established by cooperative members. Currently, there are no cooperatives.	As established by cooperative members	If we authorize an Advertising Cooperative, fees that you pay to the cooperative will count toward the satisfaction of your Local Marketing requirement.

NOTES

**General:** All fees expressed in percentages are calculated by multiplying the percentage stated by the total monthly Gross Revenue of your Franchised Business unless otherwise indicated. All fees due to us shall be payable to us by direct deposit from franchisee’s account or in another form or manner approved by us.

“Gross Revenue” means all sales, revenues, charges and receipts from whatever source (whether in the form of cash, check, credit or debit card, barter exchange, trade credit or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with your Franchised Business. Gross Revenue includes all revenues earned from the Services offered at your Franchised Business, leasing space in your Franchised Business to subcontractors (if approved by us), usage income, and insurance proceeds you receive for loss or interruption of business due to a casualty or similar event at your Franchised Business. Gross Revenue excludes sales taxes collected from customers and paid to the appropriate taxing authority and any other bona fide refunds to customers.

We shall have direct access to your Computer System (defined below), which shall provide us up-to-date Gross Revenue information. However, if requested by us, you shall deliver to us electronically a signed and verified statement of Gross Revenue (“**Gross Revenue Report**”) for any time period requested. Royalty Fees are due on the 5<sup>th</sup> calendar day of each month for the previous month’s Gross Revenue. All fees and other amounts due to us or our affiliates shall be paid through a designated bank account. You must allow us or our affiliates to debit your account through the Automated Clearing House (“**ACH**”) system. The ACH form you are required to fill out is attached as Schedule 5 to the Franchise Agreement. You shall make deposits to the designated bank account sufficient to cover all amounts owed to us prior to the date such amounts are due. You shall not close your designated bank account without our written consent.

Note 1. **Royalty Fee:** The “Royalty Fee” rate is set at 6% of your Gross Revenue as calculated per calendar month for the entire term of the Franchise Agreement and all subsequent terms. The Royalty Fee obligation begins immediately on the first month your Franchised Business is open for operation. We reserve the right to change the time and manner of payment of your Royalty

Fee at any time upon written notice to you. Royalty Fees and all fees paid to us are non-refundable.

Note 2. **Brand Fund:** You must contribute \$1,500 each month during the term of the Franchise Agreement and all subsequent terms (the “**Brand Fund Contribution**”). The payment of the Brand Fund Contribution is due between the 11<sup>th</sup> and 12<sup>th</sup> calendar day of each month for the duration of your franchise term. We may raise, discontinue, or reduce your required contribution at our sole discretion by providing advanced written notice to you. You shall pay the Brand Fund Contribution at the same time, and on the same terms, as the Royalty Fee described above. The Brand Fund is defined and discussed in Item 11.

Note 3. **POS System Maintenance and Support Fee:** You will pay an approved third-party POS supplier we designate, currently Zenoti for the HyperConnect account that includes Voice, 2 way text, AI, chatbot, and call performance analytics. This fee is subject to change or increases by the POS vendor or if specifications change. This fee may include fees paid to third-party vendors and it may be adjusted to reflect their price increases. You will also be responsible for any increase in fees that result from any third-party vendor price increase upgrades, modifications or additional software.

Note 4. **Local Marketing and Local Marketing Payment:** You are required to spend a minimum of \$3,000 per month on local marketing during the term of the Franchise Agreement and all subsequent terms. We can require that you pay all of the local marketing expenditures that we require to us or our designated approved marketing firm. You will be required to submit an accounting of this expense to us upon request or, at minimum, on a monthly basis on the fifth day of each month. If you fail to spend the amounts required, you shall be required to pay us the amount underpaid in local marketing to us to be applied to our Brand Fund.

Note 5. **Audit Fee:** We will assess audit fees against you if you understate (or if we have reason to believe you understated) Gross Revenue or underpay any fees due to us including Royalty Fees and Brand Fund Contributions. The total amount of the audit fees that you pay us will vary depending on the cost of the audit itself (for which you will be entirely liable), and whether you have any unpaid Royalty Fees or Brand Fund Contributions for which you may be penalized in accordance with the Franchise Agreement.

Note 6. **Interest:** Interest and late charges begin to accrue on all amounts not received after the due date without notice to you. In addition to any interest and late charges, you must also pay any damages, expenses, collection costs, and/or reasonable attorneys’ fees we may incur when you do not make the required payments, provided no interest charged shall exceed the maximum legal rate of any local, national, or international authority having jurisdiction over your Franchised Business.

Note 7. **Transfer Fee:** The term “transfer” means any of the following: the sale of the assets of your Franchised Business; the sale, assignment, or conveyance of your stock, membership interest, membership units, or partnership units to any third party; or the placement of your assets, stock, membership interest, partnership units, or membership units of your business into a business trust. You will pay a Transfer Fee equal to the greater of (i) 25% of the then-current Initial Franchise Fee or (ii) \$10,000. There is no fee for a one-time transfer if you are transferring the Franchise Agreement to an entity you control. You may not transfer your Franchised Business without our prior written consent. The Transfer Fee is due at the time of transfer and is not refundable.

Note 8. **Renewal Fee:** Renewal fees are due 30 days prior to the time of the renewal of the Franchise Agreement.

Note 9. **Management Fee:** The total amount of Management Fees that you owe will be determined by the number of days that it is necessary for us to manage your business.

Note 10. **Testing of Products or Approval of New Suppliers:** You will be required to obtain our written approval for most of the products, vendors, and/or suppliers of products, which approval shall be granted or denied in our sole discretion, that you will use in the operation of your Franchised Business (as described in more detail in Item 8), and you will be charged an assessment fee for the examination of any product, vendor, or supplier submitted to us for approval. This fee ranges from \$500 to \$2,000 for any single product, vendor, or supplier you wish to offer, use, and/or substitute in your operation of your Franchised Business whether we give our approval or not. We may waive these fees at our sole and absolute discretion if the equipment, products, vendors and/or suppliers you select meet our requirements and are added to our approved list of equipment, products, vendors and/or suppliers for all franchise locations. We will make every effort to process our evaluation within three months of your request.

Note 11. **Indemnification:** You must protect, defend, indemnify, and hold us harmless against any claims, lawsuits, damages or losses of any kind arising out of your operation of your Franchised Business. This indemnification includes claims related to the lease of the premises, sale or transfer of your Franchised Business, any default under the Franchise Agreement, and for costs associated with defending claims that you used our Marks in an unauthorized or illegal manner including through your marketing efforts. You must pay for any and all damages, legal fees, enforcement or collection costs, and/or any other costs assessed against us in any proceeding related to your Franchised Business.

Note 12. **Manual:** We shall charge you this fee for the replacement of a lost or destroyed Manual.

Note 13. **Maintenance and Refurbishment:** We may charge you fees for any work we perform on your behalf to repair or otherwise improve the premises of your Franchised Business, including any such repairs or improvements made on our own initiative if you refuse to complete any requested maintenance or refurbishment upon inspection. The total amount of fees that you pay us will vary depending on the labor and material costs, as well as any associated costs or losses we may incur due to your failure to maintain or refurbish the location in accordance with our requests.

Note 14. **Insufficient Funds:** We require that all fees payable to us be paid through a designated bank account through ACH. If you have three or more insufficient funds occurrences within a 12-month period, it will be grounds for default under the Franchise Agreement.

Note 15. **Local and Regional Advertising Cooperatives.** If three or more franchises are operating within a market designated by us, we reserve the right to establish and require your participation in a local or regional advertising cooperative within a geographic area, region, or market designated by us. If a local or regional advertising cooperative is established within a market that includes your Store franchise, you will be required to participate in the cooperative and make on-going payments to the cooperative in such amounts and subject to such caps as established by the cooperative members. We anticipate that each franchisee will have one vote for each franchise location located within the cooperative market and that cooperative decisions shall be made based on approval of a simple majority vote based on a quorum of not less than

25% of the designated cooperative members. Contributions to a local or regional cooperative that we designate shall count toward the satisfaction of your local marketing obligations.

**MUDA**

If you sign a MUDA, you should review both the above table of fees applicable to your Franchise Agreement as well as the following table of fees applicable:

Fee	Amount	Due Date	Notes
Transfer Fee	The greater of (i) 75% of the then-current Initial Franchise Fee; or (ii) \$50,000	At the time of transfer	The transfer fee and all other fees paid to us are non-refundable.
Attorneys' fees and costs	Will vary	As incurred	Payable to us if we are forced to incur costs (including attorneys' fees) if you fail to comply with or breach any provision in the MUDA among our other remedies
Indemnification	Will vary	As incurred	You must reimburse us if we incur any expense, including attorneys' fees and other costs, or are held liable for claims arising out of your breach of the MUDA or the development and operation of your Franchised Businesses.

**ITEM 7  
INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

**FRANCHISE AGREEMENT – LIQUVIDA WELLNESS CENTER**

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee (Note 1)	\$75,000	Lump sum	Upon signing your Franchise Agreement	Us
Leasehold Improvements (Note 2)	\$201,000 - \$350,000	As arranged	Before opening	Landlord, Vendors, Utility Providers

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Rent (3 months) (Note 3)	\$19,500 - \$22,500	As arranged	As arranged	Landlord
Security Deposit	\$4,000 - \$6,500	As arranged	As arranged	Landlord
Furniture, Fixtures and Equipment (Note 4)	\$58,840 - \$173,776	As arranged	Before opening	Vendors
Signage (Note 5)	\$20,000 – \$25,000	As arranged	Before opening	Vendors
Startup Inventory and Supplies (Note 6)	\$27,000 - \$42,500	As arranged	Before opening	Vendors
Initial Inventory Package (Note 7)	\$2,200 - \$5,000	Lump sum	Before opening	Our affiliate or approved vendor
Additional Marketing and Promotional Materials (Note 8)	\$2,800 - \$3,500	As arranged	Before opening	Vendors
Insurance Deposits and Premiums (3 months) (Note 9)	\$3,500 - \$7,500	As arranged	Before opening	Insurance Carriers
Business License and Permits (Note 10)	\$2,000 - \$3,000	As arranged	According to statute or ordinance	Government Agencies
Professional Fees (Note 11)	\$10,000 - \$18,000	As arranged	As incurred	Your Accountant, Attorney and Other Professionals
Training Travel Expenses (Note 12)	\$10,000 - \$15,000	As arranged	Before opening	Hotel, Airlines, etc.
Grand Opening Marketing (Note 13)	\$15,000 - \$25,000	As incurred	Within 60 days after opening your Franchised Business	Us or Marketing Vendors
Office Supplies, Computer Equipment and Cameras	\$20,000 - \$28,000	As incurred	Before opening	Vendors
Additional Funds (Note 14)	\$150,000 - \$225,000	As arranged	As incurred	Employees, Vendors, Suppliers
<b>Total Estimated Initial Investment (Note 15)</b>	<b>\$620,840 - \$1,025,276</b>			

NOTES

Note 1. **Initial Franchise Fee:** You must pay us a \$75,000 Initial Franchise Fee if you purchase one Liquivida Wellness Center storefront unit.

Note 2. **Leasehold Improvements:** You must build out and construct your Franchised Business which must be renovated according to our standards and specifications. These improvements may include, for example, wiring, flooring, sheetrock, plumbing, paint, HVAC, lighting, and décor items which must be constructed according to our specifications. These costs are likely to vary depending upon the size, location, configuration, installation costs, and overall condition of the premises upon signing your lease. You may receive a leasehold allowance covering a portion of the costs of constructing the leasehold improvements from the landlord. The figures in the chart are for the build-out of a “plain vanilla shell” location for a space that is approximately 1,400 to 1,600 square feet in size. The low estimate assumes that you will receive a tenant improvement allowance that covers some of the improvements, whereas the high estimate does not and may be much higher if you establish your Franchised Business in an area where special requirements of any kind (e.g., historical, architectural, or preservation requirements) will apply. There are variables regarding potential sites that are likely to be site-specific and may impact overall construction and/or operating costs, such as, for example, special permitting rules and regulations, special HVAC requirements, or site-specific design criteria. You should evaluate those potential extra costs for any specific site that might be considered with a realtor or broker in your geographic region.

Note 3. **Rent:** You must lease or otherwise provide a suitable commercial space for the operation of your Franchised Business. The cost per square foot for leasing commercial space varies considerably depending upon the location and market conditions affecting commercial property. We estimate the cost of leasing commercial space per square foot to be between \$20 and \$75 plus NNN annually (although this figure can vary significantly from market to market). The amounts in the chart reflect our estimate for your payment of rent for the first three months from your rent commencement date. You may also be required to pay prepaid rent and/or a security deposit in connection with leasing space. Landlords will vary in the amount they charge for a security deposit. We have used a security deposit of one month’s rent for the estimate. You should consult a real estate broker in your area to assess the typical leasing costs for your target market area.

Note 4. **Furniture, Fixtures and Equipment:** The furniture and equipment needed to operate your Liquivida Wellness Center include, without limitation, tables and chairs, artwork, pharmaceutical refrigerators, multiple aesthetic beds, recliner lounge chairs and footrests, side tables, LED lights, several iPads, lap tops, computers, televisions, InBody machine, Shock Wave Therapy machine, Dermal Infusion machine, Hood system, and all equipment and products that is needed for IV infusions and any other services offered at Liquivida, an automated external defibrillator, and IV poles. You must also purchase a crash cart if it is not already in your office or facility. You will need a computer system (hardware and software) capable of running the Zenoti POS system. You may have additional expense if your computer system requires upgrades.

Note 5. **Signage:** Signage includes the exterior storefront signs as well as interior signage package and branding elements. However, the specific location where your Franchised Business will be located may have different requirements and regulations dictating the size, layout and illumination of the exterior signage. You will be required to abide by these regulations, and as a result may experience higher or lower costs for your exterior signage.

Note 6. **Inventory and Startup Supplies:** You must purchase certain types of supplies for your Franchised Business that will be necessary to offer the authorized and required Services and

products including medical and non-medical equipment and initial supply of products. The overall cost of the supplies will vary based upon the size of your Franchised Business. You are required to purchase an opening inventory of goods and supplies from approved suppliers, including our affiliate LQV Management.

**Note 7. Initial Inventory Package:** You must pay our affiliate LQV Management or another approved vendor \$2,200 to \$5,000 for your Initial Inventory Package. You will order the Initial Inventory Package two to four weeks prior to opening your Franchised Business. Payment for the Initial Inventory Package is non-refundable.

**Note 8. Additional Marketing and Promotional Materials:** You will be required to purchase some marketing and promotional materials from our designated vendors.

**Note 9. Insurance:** You must obtain certain insurance included in Item 8. Factors that may affect your cost of insurance include the size and location of your Franchised Business, the value of the leasehold improvements, the number of employees you have and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase.

**Note 10. Licenses:** You must obtain a general business license, if applicable in your state. Certain states may require that you file and post a bond if it is determined that your Franchised Business is a health club/spa. You may be required to obtain other licenses and permits applicable to the performance of Services depending on applicable law in your state or municipality. See Item 1 for more details. You must consult your attorney regarding licensing and permitting requirements in your state or municipality.

**Note 11. Professional Fees:** We strongly recommend that you hire your own attorney to help you evaluate this franchise offering, to identify the medical laws and regulations that may apply to your Franchised Business, to help you set up a business entity, to review and negotiate your lease, to investigate the laws governing medical facilities in your jurisdiction, and for whatever other purpose you deem appropriate. These fees may increase based on your jurisdiction and what medical laws may apply.

**Note 12. Training:** The cost of initial training for up to 10 people is included in the Initial Franchise Fee. However, you will be responsible for all travel and living expenses for you and anyone else required to attend training. If applicable, you will be responsible for your employees' wages while they are training. The costs will vary depending on the distance traveled, choice of accommodations and travel arrangements, and other related factors. We may conduct our training programs remotely/virtually so you may not incur these travel-related expenses if training is performed virtually. See Item 11 for more information on the training program we offer.

**Note 13. Grand Opening Marketing:** Under the Franchise Agreement, we have the right to require you to spend \$15,000 to \$25,000 on the "Grand Opening Marketing Program". You may choose to spend more than the required amount. The Grand Opening Marketing Program must be conducted within the first 60 days after opening your Franchised Business. Your Grand Opening Marketing Program must include the promotional elements we require, and we must approve of your Grand Opening Marketing Program before it is conducted.

**Note 14. Additional Funds:** You will need additional capital to support on-going expenses, such as payroll and utilities, insurance, licenses, inventory, security, repairs and maintenance, and miscellaneous expenses. This estimate includes payroll costs for one manager and other

employees but does not include a salary or draw for you or the Operating Principal. The estimate also includes pre-opening expenses such as organization expenses, and other service-related expenses. The estimate does not include Royalty Fee or Brand Fund Contribution payments due to us. We estimate that the amount given will be sufficient to cover on-going expenses for the start-up phase of the business, which we calculate to be three months. These costs are only an estimate, however, and there is no assurance that additional working capital will not be necessary during this startup phase. You will need to have staff on-hand before opening to prepare your Franchised Business for opening, for training, orientation, and related purposes. We recommend you review these figures carefully with your business advisor.

Note 15. **General:** In formulating these estimates, we have relied on the initial development costs of our Affiliate-Owned Units in South Florida. All expenses paid to us or our affiliates are non-refundable. These figures are estimates only, and we cannot and do not guarantee that you will not have additional expenses in starting this business. You should review this chart with a business advisor before making a decision to purchase a franchise.

### FRANCHISE AGREEMENT – LIQUIVIDA LOUNGE

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee (Note 1)	\$40,000	Single payment	Upon signing your Franchise Agreement	Us
Leasehold Improvements (Note 2)	\$2,500 - \$7,000	As arranged	Before opening	Landlord, Vendors, Utility Providers
Furniture, Fixtures and Equipment (Note 3)	\$8,000 - \$13,500	As arranged	Before opening	Vendors
Signage (Note 4)	\$1,800 - \$2,000	As arranged	Before opening	Vendors
Startup Inventory and Supplies (Note 5)	\$1,500 - \$2,000	As arranged	Before opening	Vendors
Initial Inventory Package (Note 6)	\$2,200 - \$3,500	Lump Sum	Before opening	Our affiliate or approved vendor
Additional Marketing and Promotional Materials	\$250 - \$350	As arranged	Before opening	Vendors
Insurance Deposits and Premiums (3 months) (Note 8)	\$0 - \$2,500	As arranged	Before opening	Insurance Carriers

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Professional Fees (Note 9)	\$2,500 - \$3,500	As arranged	As incurred	Your Accountant, Attorney and Other Professionals
Training Travel Expenses (Note 10)	\$4,500 - \$5,000	As arranged	Before opening	Hotel, Airlines, etc.
Grand Opening Marketing (Note 11)	\$7,500 - \$15,000	As incurred	Within 60 days after opening your Franchised Business	Us or Marketing Vendors
Office Supplies, Computer Equipment, and Cameras	\$1,900 - \$2,500	As arranged	As incurred	Vendors
Additional Funds (Note 12)	\$25,000 - \$50,000	As arranged	As incurred	Employees, Vendors, Suppliers
<b>Total Estimated Initial Investment (Note 13)</b>	<b>\$97,650 - \$145,850</b>			

## NOTES

Note 1. **Initial Franchise Fee:** You must pay us a \$40,000 Initial Franchise Fee if you purchase one Liquivida Lounge integrated unit.

Note 2. **Leasehold Improvements:** You must convert the space inside your medical office that will be dedicated to the operation of a Liquivida Lounge, the space must be renovated according to our standards and specifications. These improvements may include, for example, wiring, flooring, sheetrock, plumbing, paint, HVAC, lighting, and décor items which must be constructed according to our specifications. The figures in the chart are for the build-out of an already established medical office location for a space that is approximately 300 to 600 square feet in size. These costs are likely to vary depending upon the size, location, configuration, installation costs, and overall condition of the medical office and may be much higher if you establish your Franchised Business in an area where special requirements of any kind (e.g., historical, architectural, or preservation requirements) will apply. There are variables regarding potential sites that are likely to be site-specific and may impact overall construction and/or operating costs, such as, for example, special permitting rules and regulations, special HVAC requirements, or site-specific design criteria. You should evaluate those potential extra costs for any specific site that might be considered with a realtor or broker in your geographic region.

Note 3. **Furniture, Fixtures and Equipment:** The furniture and equipment needed to operate your Liquivida Lounge include, without limitation, tables and chairs, artwork, pharmaceutical refrigerators, multiple aesthetic beds, recliner lounge chairs and footrests, side tables, LED lights, several iPads, lap tops, computers, televisions, InBody machine, Shock Wave Therapy machine, Dermal Infusion machine, Hood system, and all equipment and products that is needed for IV infusions and any other services offered at your Liquivida Lounge, an automated external defibrillator, and IV poles. You must also purchase a crash cart if it is not already in your office or

facility. You will need a computer system (hardware and software) capable of running the Zenoti POS system. You may have additional expense if your computer system requires upgrades.

Note 4. **Signage:** Signage includes the cost of all signage used at the Liquivida Lounge within the medical office. The costs will vary based upon the size of the signage, the location, and local wage rates.

Note 5. **Inventory and Startup Supplies:** You must purchase certain types of supplies for your Franchised Business that will be necessary to offer the authorized and required Services and products including medical and non-medical equipment and initial supply of products. The overall cost of the supplies will vary based upon the size of your Franchised Business.

Note 6. **Initial Inventory Package:** You must pay our affiliate LQV Management or another approved vendor \$2,200 to \$3,500 for your Initial Inventory Package. You will pay the Initial Inventory Package within two to four weeks prior to opening your Franchised Business. Payment for the Initial Inventory Package is non-refundable.

Note 7. **Insurance:** You must obtain certain insurance included in Item 8. Factors that may affect your cost of insurance include the size and location of your Franchised Business, the value of the leasehold improvements, the number of employees you have and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase.

Note 8. **Professional Fees:** We strongly recommend that you hire your own attorney to help you evaluate this franchise offering, to identify the medical laws and regulations that may apply to your Franchised Business, to help you set up a business entity, to review and negotiate your lease, to investigate the laws governing medical facilities in your jurisdiction, and for whatever other purpose you deem appropriate.

Note 9. **Training:** The cost of initial training for up to ten people is included in the Initial Franchise Fee. However, you will be responsible for all travel and living expenses for you and anyone else required to attend training. If applicable, you will be responsible for your employees' wages while they are training. The costs will vary depending on the distance traveled, choice of accommodations and travel arrangements, and other related factors. We may conduct our training programs remotely/virtually so you may not incur these travel-related expenses if training is performed virtually. See Item 11 for more information on the training program we offer.

Note 10. **Grand Opening Marketing:** Under the Franchise Agreement, we have the right to require you to spend between \$7,500 to \$15,000 on the "Grand Opening Marketing Program". You may choose to spend more than the required amount. The Grand Opening Marketing Program must be conducted within the first 60 days after opening your Franchised Business. Your Grand Opening Marketing Program must include the promotional elements we require, and we must approve of your Grand Opening Marketing Program before it is conducted.

Note 11. **Additional Funds:** You will need additional capital to support on-going expenses, such as payroll and utilities, insurance, licenses, inventory, security, repairs and maintenance, and miscellaneous expenses. This estimate includes payroll costs for one manager and other employees but does not include a salary or draw for you or the Operating Principal. The estimate also includes pre-opening expenses such as organization expenses, and other service-related expenses. The estimate does not include Royalty Fee or Brand Fund Contribution payments due to us. We estimate that the amount given will be sufficient to cover on-going expenses for the

start-up phase of the business, which we calculate to be three months. These costs are only an estimate, however, and there is no assurance that additional working capital will not be necessary during this startup phase. You will need to have staff on-hand before opening to prepare your Franchised Business for opening, for training, orientation, and related purposes. We recommend you review these figures carefully with your business advisor.

Note 12. **General:** In formulating these estimates, we have relied on the initial development costs of our Affiliate-Owned Units in South Florida. All expenses paid to us or our affiliates are non-refundable. We will not finance any part of the initial investment. These figures are estimates only, and we cannot and do not guarantee that you will not have additional expenses in starting this business. You should review this chart with a business advisor before making a decision to purchase a franchise.

### MUDA

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Upfront Initial Franchise Fee and Development Fee (Note 1)	\$115,000 - \$255,000	Lump sum	Upon signing your MUDA	Us
Total Initial Investment of a Single Liquivida Wellness Center(Note 2)	<b>645,375 - \$929,600</b>	<i>See Table Above</i>		
<b>Total Estimated Initial Investment (Note 3)</b>	<b>\$760,375 - \$1,184,600</b>			

### Notes

Note 1. **Development Fee.** If you sign a MUDA to purchase three or more Liquivida Wellness Center franchises, the Development Fee will vary significantly depending upon the number of Franchised Businesses you are required to develop (See Item 5). The Development Fee is equal to the sum of the full initial franchise fee for the first Liquivida Wellness Center to be developed and \$20,000 multiplied by the number of additional Liquivida Wellness Center franchises to be developed. The Development Fee is in addition to the first Initial Franchise Fee for the first Liquivida Wellness Center to be developed. The Development Fee included in the table assumes the development of three Liquivida Wellness Centers on the low end and 10 Wellness Centers on the high end.

Note 2. **Total Initial Investment for a Single Liquivida Wellness Center.** For more information, please see the Estimated Initial Investment table for a Liquivida Wellness Center above. An initial investment will be required for each Wellness Center that you open. Our current estimate of the range of this initial investment is described in this Item 7. However, the Initial Franchise Fee for each Wellness Center developed under the MUDA will be in the amounts provided in Item 5, and you will not be responsible for paying the full amount of the Initial Franchise Fee upfront. When you sign the Franchise Agreement for a new Wellness Center, we will apply the Development Fee against the Initial Franchise Fee payable under each Franchise Agreement, and you will pay the remaining balance of the Initial Franchise Fee upon execution.

Note 3. **Total Estimated Initial Investment:** These figures are estimates based upon our experience in opening and operating Affiliate-Owned Units in South Florida. We recommend you review these estimates carefully with your business advisor, accountant or attorney before making any decision to sign the MUDA.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You must establish and operate your Franchised Business in compliance with the Franchise Agreement and with our System standards. In order to maintain the reputation, goodwill, high standards, quality and uniformity of the System, the Franchise Agreement restricts the sources of products and services you utilize in establishing and operating your Franchised Business. Our System standards may regulate all of the purchases and/or expenditures associated with operating your Franchised Business including, but not limited to, goods, services, supplies, fixtures, materials, equipment, inventory products, or services related to the establishment or operation of the Franchised Business. All products and items must conform to those standards and specifications we may periodically establish. You must obtain our written approval before making any changes to your Franchised Business and before modifications to or replacements of furniture, fixtures, equipment, computer hardware, proprietary software, generic software, products, signs or other items. All products and services to be sold, handled, or dispensed either by you or your Medical Professionals in your Franchised Business must be purchased from us, our affiliate(s) or approved suppliers to, among other things, ensure uniformity in our System and to ensure that we have reviewed and approved any and all medical procedures being performed at your Franchised Business. Your Franchised Business must also be operated in accordance with federal and state laws regulating the medical profession which is your responsibility to determine.

#### **Marketing and Promotional Materials; Items Bearing our Marks**

You must purchase from us or our designated suppliers all marketing, advertising, and promotional materials, including business cards, stationery, brochures, flyers, postcards, posters, advertisement templates, and any other promotional or business marketing tools we use, or might use, as a part of the System. Any items, including all merchandise and any promotional items, which bear or include our Marks, must be purchased from us or our designated suppliers to ensure brand consistency within the System. It is solely your responsibility to ensure that any marketing of the Services offered at your Franchised Business are compliant with the applicable laws in your jurisdiction. You may not use any marketing or promotional plans that we have not approved in writing.

#### **Approved Suppliers**

In addition, we may require that you, at your expense, enter into agreements with suppliers approved by us ("**Approved Suppliers**"). We may designate Approved Suppliers from whom you will be required to purchase certain fixtures, furnishings, equipment, uniforms, supplies, marketing materials, forms, computer hardware, software, routers, and peripheral equipment and other products, supplies, services, and equipment, which you may or must use or sell at or through your Franchised Business. We may change Approved Suppliers from time to time. We will provide you with a current list of Approved Suppliers through updates to the Manual or other forms of communication. We may designate ourselves or our affiliates as Approved Suppliers for certain products and services including the Services. Currently, LQV Management is the only Approved

Supplier of Nutrient Infusion Kits, Nutrient Vials for IM Booster Shots, and Add-On Nutrient Vial products to be purchased by you for sale at your Franchised Business, and other products that we may designate periodically..

If you would like to use any goods or services in establishing and operating your Franchised Business that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), or wish to use any item as a substitute for one of our then-current required items, you must obtain: (1) our prior written approval, as described in this item, and (2) 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 Business in compliance with all applicable laws and regulations. To obtain approval, you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications, or the supplier meets our Approved Supplier criteria. You must pay our expenses ranging from \$500 to \$2,000 to evaluate goods, services or suppliers regardless of whether we provide our approval or not.

We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers includes the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; our existing relationships with competitive vendors; and experience, dependability and general reputation. We will notify you in our Manual or other written communications if we revoke approval of any supplier.

Notwithstanding the foregoing, we may limit the number of Approved Suppliers with whom you may deal with for any reason, including suppliers that we have already designated as an exclusive source (which may be us or our affiliates) for any particular item or service if we believe doing so is in the best interest of our franchise system. We will notify you if and when we no longer approve a previously Approved Supplier, product, or piece of equipment. A supplier must continually adhere to our standards and specifications to maintain its approval. We reserve the right to condition our approval of any proposed product or equipment on such terms we decide at our discretion, including your execution of a general release in our favor, your agreement to obtain additional related insurance and to attend additional training, and your agreement to a test period. The CPOM doctrine restricts layperson-franchisees from dictating the medical equipment and supplies to be used in the operation of your Franchised Business.

### **Purchases According to Standards and Specifications**

You must develop/remodel, furnish, equip, and operate your Franchised Business according to our standards and specifications in order to preserve the goodwill embodied in the Marks. You must use the System and the Marks in strict compliance with the standards, procedures, specifications and requirements as set forth in the Franchise Agreement, in the Manual, and as otherwise designated in writing by us.

Our standards and specifications will be disclosed to you in the Manual and other communications provided to you. We may modify these standards and specifications periodically in our sole discretion. Specifications may include minimum standards for safety, quality, quantity, delivery, performance, design, appearance, durability, style, warranties, price range, and other related restrictions. We consider these specifications to be of critical importance to the success of the System. All specifications and guidelines are more fully described in our Manual.

## **Insurance**

You shall procure, at your sole expense, and maintain in full force and effect during the term of the Franchise Agreement, insurance, as specified in the Franchise Agreement or the Manual, naming us as additional insured and/or loss payee, in addition to any other insurance that may be required by applicable law, or any lender or lessor. The cost of such insurance may vary due to location, insurance carrier's offering, payment terms, your history, and other factors. You may already have insurance coverage as outlined below currently in effect at your medical offices or medspa location. You must provide us with copies of all required insurance prior to the opening of your Franchised Business and upon the policy renewal date thereafter.

We will consider you to have adequate insurance under the Franchise Agreement if you maintain the following coverage:

1. Comprehensive general liability insurance, including contractual liability, broad form property damage, premises liability, personal injury, advertising injury, product liability, automobile liability, employee liability, completed operations and independent contractors coverage, and fire damage coverage in the amount of \$1,000,000 per occurrence, with \$3,000,000 aggregate coverage; and \$300,000 for damage to leased property (or such higher amount as required by the lease for the premises);

2. Worker's compensation and employer's liability insurance, as well as such other insurance as may be required by applicable law;

3. Fire, vandalism and extended coverage insurance with primary and excess limits of at least the full replacement value of the Franchised Business and its furniture, fixtures and equipment;

4. Professional liability insurance coverage in the amount of \$1,000,000 per claim and \$3,000,000 annual aggregate;

5. Cyber liability coverage with limits of liability of at least \$500,000 protecting against first and third-party claims;

6. Business interruption and extra expense insurance for a minimum of six months to cover net profits and continuing expenses, including Royalty Fees;

7. Employment practices liability insurance in the amount of at least \$500,000 for each claim;

8. Identity theft protection with a minimum of \$5,000 expense limit;

9. Umbrella liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate;

10. All other insurance required by the state or locality in which the Franchised Business is operated in such amounts as required by statute; and

11. Any other insurance coverage we may reasonably require.

The insurance company must be authorized to do business in the state where your Franchised Business is located and must be approved by us. It must also be rated "A" or better by A.M. Best & Company, Inc. We have the right to establish and modify the minimum coverage required and

require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. All such insurance policies must name us as additional insured, include any endorsements we may require and include a waiver of subrogation in favor of us and our affiliates, and each company's officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees.

In connection with any construction, leasehold improvements, renovation, refurbishment or remodeling of the premises of the Franchised Business, your general contractor must maintain comprehensive general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builder's risk, product liability and independent contractors coverage) in at least the amount of \$1,000,000, with us named as an additional insured, as well as worker's compensation and employer's liability insurance as required by state law.

We do not derive revenue as a result of your purchase of insurance. If you fail to purchase and maintain any required insurance coverage or furnish satisfactory evidence of coverage to us, in addition to our other remedies (including without limitation declaring you in default of the Franchise Agreement), we may, but are not obligated to, purchase the insurance coverage for you. If we do purchase insurance on your behalf, you must pay us on our demand the amount of any premium and reasonable expenses we incur in obtaining the insurance. The failure to maintain insurance coverage at any time is a material default under the Franchise Agreement.

### **Payment Processing Services**

We require you to enter into a merchant services agreement with our designated supplier for payment processing and fund transfer services (i.e., ACH).

### **Revenue from Required Purchases**

We may derive revenue or other material consideration from required purchases or leases by you. For the fiscal year ending December 31, 2024, we did not earn revenue as a result of franchisee purchases but our parent company, LQV Management, earned \$623,420.47 in revenue from franchisee purchases, including \$430,833 as a result of franchisee purchases of IV Nutrition Kits, \$8,912 as a result of franchisee purchases of marketing and promotional items, \$17,550 as a result of franchisee purchases of Liquivida TV, \$12,896 as a result of franchisee purchases of email accounts, \$26,550 as a result of franchisee purchases of the VOIP telephone service and \$142,240 in rebates from suppliers. LQV Franchising, LLC has received none of its revenue from franchisee purchases and rebates. Except as described herein, neither we nor our affiliates have derived any other revenue or other material consideration as a result of your required purchases or leases.

### **Required Purchases as a Proportion of Costs**

We estimate that your required purchases and leases will range from 70% to 90% of your total initial investment (not including the Initial Franchise Fee) and from 90% to 100% of your ongoing purchases and leases in the operation of your Franchised Business.

### **Purchasing or Distribution Cooperatives**

At this time, we do not have any purchasing or distribution cooperatives. We anticipate that we will negotiate purchase arrangements with suppliers for the benefit of our franchisees.

## Purchase Arrangements

We do not provide you with any material benefits based on your purchase of particular products or services, or your use of designated or approved sources. We and our affiliate, LQV Management, will negotiate and enter into purchase arrangements which may include discounted pricing, special terms, rebates or other incentives with suppliers for the benefit of us and our franchisees. We or an affiliate (including LQV Management) may make (but we are not required to make) available to you the opportunity to participate from time to time in certain discounts, rebates, or other benefits (collectively “**Rebates**”) in connection with Approved Suppliers, if you meet certain conditions such as supplier terms and conditions. We may retain such Rebates for our own benefit. We may derive revenue as a result of your required purchases.

## **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.**

<b>Franchisee Obligations</b>	<b>Section In Franchise Agreement</b>	<b>Section in MUDA</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	2 and 5	2 and 5	11 and 12
b. Pre-opening purchases/leases	5, 13, and 15	N/A	7, 8, and 11
c. Site development and other pre-opening requirements	2, 3, 5, 8, and 10	1 and 2	11
d. Initial and ongoing training	8	N/A	11
e. Opening	4, 5, 11, and 13	1	11
f. Fees	3, 4, 8, 10, 11, 12, 13, 15, 18, 21, 22, and 23	1	5, 6, 7, 8, and 11
g. Compliance with standards and policies/Manual	6, 7, 9, 10, and 13	3	8, 11, 14, and 16
h. Trademarks and proprietary information	6, 7, and 9	N/A	13 and 14
i. Restrictions on products/ services offered	6 and 13	N/A	8 and 16

<b>Franchisee Obligations</b>	<b>Section In Franchise Agreement</b>	<b>Section in MUDA</b>	<b>Disclosure Document Item</b>
j. Warranty and customer service requirements	13	N/A	16
k. Territorial development and sales quotas	2	1	12
l. Ongoing product/service purchases	13	N/A	8, 11
m. Maintenance, appearance & remodeling requirements	3, 10, and 13	N/A	6
n. Insurance	15	N/A	6, 7, and 8
o. Advertising	11	N/A	6, 7, 8, and 11
p. Indemnification	21	N/A	6
q. Owner's participation/management/staffing	8 and 13	N/A	15
r. Records and reports	12	N/A	11
s. Inspections and Audits	6 and 12	N/A	6, 11, and 13
t. Transfer	18, 19, and Schedule 8	7	6 and 17
u. Renewal	4 and Schedule 8	N/A	17
v. Post-termination obligations	17 and Schedule 2	10	17
w. Non-competition covenants	7, 9, 17, and Schedule 2	10	17
x. Dispute resolution	23, Schedules 2 and 3	10	17

**ITEM 10  
FINANCING**

Except as stated below, we, our agents, and our affiliates offer no financing arrangements and do not receive payment or other consideration for the placing of financing, or do not guaranty any note, lease or obligation you enter into for your Liquivida Wellness Center business. Financing is not offered for any other purpose either in connection with the establishment or operation of a Liquivida Wellness Center franchise.

We, in our sole discretion, may offer financing to new franchisees, based on the following terms:

Item Financed	A portion of the Initial Franchise Fee
Source of Financing	Us or our Affiliate
Downpayment if lead by Franchisor	A minimum of \$25,000
Amount Financed if lead by Franchisor	Up to \$50,000 (balance of the Initial Franchise Fee)
Downpayment if lead by Franchise Broker	\$25,000 plus Broker Fee
Amount Financed if lead by Franchise Broker	Up to \$50,000
Interest	Interest is payable on unpaid Principal at interest rate of 12% per annum calculated monthly
Prepayment Penalty	None
Liability Upon Default	Accelerated obligation to pay the entire amount due, pay our court costs and attorney fees incurred in collecting the debt, and termination of the franchise.
Waiver of Defenses or Other Legal Rights	Waiver of right to a jury trial; homestead and other exemptions; waiver of presentment, demand, protest, a notice of dishonor

If you qualify and accept financing from us, you must sign the Promissory Note and the Security Agreement attached as Exhibit D to this Disclosure Document.

The Promissory Note must be paid by electronic funds transfer in scheduled monthly installments of not more than 12 months. The Promissory Note may be prepaid at any time without penalty. You and your spouse must personally guarantee the Promissory Note. We will retain a security interest in your Liquivida Wellness Center or other assets. If any payment or installment is not made within 30 days after the same shall become due, Payee may, at its option, impose an additional late charge on the undersigned in an amount equal to 5% of such installment or payment.

There are no prepayment penalties for any financing we provide to you, but prepayment will not reduce the monthly payments due under any promissory note until that note is paid in full. If we provide financing to you, we require a personal guarantee by the franchisee, its owners and their spouses, and a security interest in the equipment, furniture and fixtures on the site, your accounts receivable, your ownership interests in the franchisee if an entity, and other business- related assets you may own.

Under the Promissory Note, you waive: (1) the right to claim or enforce any right of offset, counterclaim, recoupment or breach in any action brought to enforce your obligations under the Note; (2) demand, presentment for payment, notices of nonperformance or nonpayment, protest and notice of protest, notice of dishonor, diligence in bringing suit and notice of acceleration and nonpayment may be extended or Note renewed; (3) questions of governing law, personal jurisdiction and convenience of forum and venue; (4) trial by jury; and (5) all claims that you may have against us and any persons and entities related to us, other than our obligations under the Franchise Agreement accruing on and after the date of the Promissory Note. If any of the events of default described in Section 5 of the Note occur, the entire unpaid principal and accrued interest of the Note will become immediately due and payable without further notice. Under Section 9 of the Note, you agree to pay all of our expenses and costs of collection, including attorneys' fees and expenses, court costs, costs of sale and costs of maintenance and repair we incur in connection with the enforcement of the Note, collection of amounts due and sale or other disposition of any collateral.

Under the Security Agreement, you waive: (1) questions of governing law, personal jurisdiction and convenience of forum and venue; and (2) trial by jury.

A default under the Franchise Agreement or any other agreement constitutes a default under the Promissory Note and the Security Agreement. A default under the Promissory Note or the Security Agreement constitutes a default under the Franchise Agreement, which gives us the right, among other remedies, to terminate the Franchise Agreement.

#### **ITEM 11**

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

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

#### **Pre-Opening Assistance**

Before you open your Franchised Business, we or our designee will:

1. Provide an initial training program. This training does not include any professional licenses, certification, or other training you must possess and/or complete before you can operate the Franchised Business. (FA Sec. 8.1).
2. Provide you assistance in ordering your initial inventory, equipment, signage and other required inventory as we deem necessary. (FA Sec. 8.2).
3. Provide you opening assistance and guidance that we think is advisable, in our sole discretion, and as may be described in the Manual. (FA Sec. 8.2).
4. Provide you one copy of the Manual. (FA Sec. 9.1).
5. Approve or disapprove the site you have selected for the Liquivida Wellness Center. If your Franchised Business is a Liquivida Lounge, we will approve or disapprove of your space within a medical office or medspa that meets our requirements. (FA Sec. 5.4).
6. Designate your Designated Territory. (FA Schedule 1).
7. Furnish prototypical plans and specifications for a Franchised Business. (FA Sec. 2.2.2).

8. For a Liquivida Wellness Center, provide to you site selection assistance as we deem advisable including our site selection guidelines and design specifications. (FA Sec. 2.2.5).
9. Provide you with information regarding approved, required and preferred products, suppliers and the Services. (FA Sec. 13.1).

### **Continuing Obligations**

During the operation of your Franchised Business, we or our designee will:

1. Provide you periodic assistance in the marketing, management, assistance with key suppliers, and the operation of the Franchised Business at the times and in the manner that we determine necessary. We may periodically offer you the services of certain of our representatives, such as a field representative, and these representatives may periodically visit your Franchised Business and offer advice regarding your operations. We will provide you with assistance and guidance in establishing prices for products and services. (FA Sec. 14.1).
2. Provide additional training and ongoing training as we deem necessary in our sole discretion at such places and times as we deem proper. (FA Sec. 8.4).
3. Have the right to approve or disapprove all marketing and promotional materials that you propose to use. (FA Sec. 11.1.2).
4. Provide you with any modifications to the Manual as they are made available to franchisees. (FA Sec. 9.2).
5. Administer the Brand Fund in the manner described in the Franchise Agreement. (FA Sec. 11.2).
6. Make periodic visits, which may be announced or unannounced, to your Franchised Business for the purpose of determining compliance with the requirements of the Franchise Agreement, for conducting quality assurance audits, and for any other purpose connected with the System only if we deem such necessary in our discretion. (FA Sec. 14.2).
7. Hold periodic conferences, as we deem necessary, to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. In the event that such conferences are held, we reserve the right to charge a fee for your attendance at the conference, and you must pay all your travel and living expenses related to your attendance at the conference. We also reserve the right to charge you a penalty fee for failure to attend the conference. These conferences will be held at a location chosen by us. Attendance is mandatory. (FA Sec. 8.4).

Neither the Franchise Agreement, nor any other agreement, requires us to provide any other assistance or services to you during the operation of your Franchised Business.

### **Site Selection**

You must locate, obtain our approval, and occupy the site for your Franchised Business (the “**Accepted Location**”) on your own initiative and at your own expense. For a Liquivida Wellness Center, we will approve or disapprove of your selected location. For a Liquivida Lounge, we will consent to a location within a medical office or medspa that will occupy one suitably sized room that is dedicated to the operation of a Liquivida Lounge. You are responsible for completing and submitting to us for review and approval the information and materials we designate regarding your proposed site. We will issue our approval or disapproval of your proposed site within 30 days after we receive all of the information and materials we requested. We may not withhold our approval unreasonably. We will not be deemed to have withheld our approval unreasonably if the proposed site fails to meet our then-current standards and specifications, as we determine in our sole and absolute discretion. Both you and your landlord for the Liquivida Wellness Center or sub-lessor/lessor for the Liquivida Lounge shall execute the Franchisor Lease Rider that is attached as Schedule 4 to the Franchise Agreement.

If you do not secure an Accepted Location and enter into a binding lease agreement that has been approved by us for such location within four months of signing the Franchise Agreement, we may terminate the Franchise Agreement.

### **Lease Review**

Once we have accepted your location, we (or our authorized representative) will review the lease for the sole purpose of protecting our interests. We do not act as your legal counsel or representative in conducting this review and engaging the landlord in a negotiation. You must consult your own attorney for legal assistance with reviewing and negotiating the terms of your lease. You may be required to pay us a non-refundable fee of \$2,000 (the “**Lease Review Fee**”). The Lease Review Fee covers the costs of our review of your lease. You must pay a Lease Review Fee for each lease we (or our authorized representative) review. This fee is uniform and is not refundable under any circumstances.

### **Design, Remodeling and Opening**

Our mandatory and suggested specifications and layouts for your Franchised Business, including requirements for design, color scheme, image, interior layout, signs and equipment are included in our Manual. You are obligated, at your expense, to have an architect designated by us or that meets our current standards prepare all required construction plans based on our prototype designs in the Manual. We have the right to review and approve all plans and specifications to ensure that they meet our design specifications and requirements. We may inspect the premises of your Franchised Business prior to opening. You must construct, equip, and improve your Franchised Business in compliance with our current design standards, and trade dress. You must purchase and install, at your expense, all millwork and customized fixtures, furnishings, equipment, décor, and signs from our designated or approved third-party suppliers.

### **Opening**

We estimate that you will open your Liquivida Wellness Center within nine to 12 months and your Liquivida Lounge integrated unit three to six months after you sign a Franchise Agreement. The factors that may affect this time are the ability to obtain a location, financing or permits, local ordinances, weather conditions, shortages and delayed installation of equipment and fixtures. You may not open your Franchised Business to the public until we issue a written approval authorizing your opening. We will not issue our approval, and you will be prohibited from opening your Franchised Business if (a) your Franchised Business has not been constructed and equipped

in accordance with our standards and specifications, (b) you failed to successfully complete initial training, (c) in view of our management, we determine you and your employees are not prepared to open, or (d) you have not been given all the proper governmental approvals by the local authorities. You must open your Liquivida Wellness Center within 12 months and you Liquivida Lounge within six months and of signing your Franchise Agreement or we may terminate the Franchise Agreement.

### **Local Marketing**

You must spend a minimum of \$3,000 per month on local advertising, promotion and marketing of your Franchised Business. Local marketing expenditures will be directed towards local online, digital marketing and advertising mechanisms within the geographical area of your Franchised Business. Local marketing expenditures are not included in your Brand Fund Contribution and will be your sole cost and expense. It is solely your responsibility to ensure that any marketing of the services and products offered at your Franchised Business are compliant with the applicable laws in your jurisdiction.

Certain criteria will apply to the local marketing that you conduct. All of your local marketing must be professional and dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. Local marketing must be compliant with all laws governing the advertising of medical services and products. You may not use any marketing or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials (unless, within the previous six months, we prepared or already approved the plans or materials). If you email us with your request for approval, along with all needed information, we will ordinarily provide you with our response (whether approval or disapproval) to the proposed plans or materials within ten business days; but if we do not give our approval within 15 business days, we will have been deemed to disapprove the plans or materials. All copyrights in and to marketing, advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign the documents (and, if necessary, require your independent contractors to sign the documents) that we deem reasonably necessary to implement this provision.

We may periodically make available to you certain marketing materials for your use in local marketing and promotion, some of which must be purchased. As used in the Franchise Agreement, the term “Local Marketing” refers to only the direct costs of purchasing and producing marketing materials (such as camera-ready advertising and point of sale materials), marketing to referral partners, and your direct out-of-pocket expenses related to costs of marketing in your local market or area. Local marketing and promotions also include postage, shipping, telephone, and photocopying costs. Local marketing does not, however, include any of the following: (a) salaries, incentives or discounts offered to your employees, and your employees’ expenses; (b) charitable, political, or other contributions or donations; and (c) the value of discounts given to consumers.

We, our vendors, or our affiliates may periodically make available to you for purchase marketing plans and promotional materials, merchandising materials, sales aids, point-of-purchase materials, special promotions, community relations programs, and similar marketing and promotional materials for use in local marketing. You acknowledge and agree that periodic marketing programs and promotions will, if and when we approve and adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in marketing programs and promotions that we establish and/or that other franchisees sponsor, so long as they do not violate regulations and laws of appropriate governmental authorities.

You must participate in all advertising, promotional and marketing initiatives we may require. Without limitation, initiatives may include prize contests, special product and service offers and coupons. Advertising, promotional and marketing initiatives may be conducted internationally, nationally, regionally, and locally and may vary from region to region or locality to locality; all other franchisees using the System shall not necessarily be required to participate in the initiatives in which you must participate. You must also participate in the launch of any new products we may require, and you must honor all coupons, gift certificates and other promotional offers authorized by us including without limitation, you must honor all coupons, certificates and promotional offers presented to you.

You acknowledge and agree that certain associations between you and/or the Franchised Business and/or the Marks and/or the System, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, and/or an adverse effect on, our reputation and/or the good will associated with the Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions that are, or which may be perceived by the public to be, taken in the name of, in connection or association with you, the Marks, us, and/or the System involving the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

You understand and acknowledge that the required contributions and expenditures are minimum requirements only, and that you may spend additional funds for local marketing and promotion, which will focus on disseminating marketing directly related to your Franchised Business. (FA Sec. 11.1.9).

### **Brand Fund**

The Brand Fund is for marketing, developing, and promoting the System, the Marks and Liquivida franchises. You shall pay \$1,500 each month to the Brand Fund (“**Brand Fund Contribution**”). Each franchisee will be required to contribute to the Brand Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. We may from time to time change the amount of contribution or rates required to be paid by you as a Brand Fund Contribution, provided that no change in the rate will take effect unless we give you at least three month’s prior written notice.

The Brand Fund will be administered by us, or our affiliates, or designees, at our discretion. We may prepare advertising materials in-house or use national and/or regional advertising.

The Brand Fund will be maintained and administered as follows:

1. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet, or other media for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Brand Fund.
2. We have complete discretion on how the Brand Fund will be utilized. We may use Brand Fund Contributions for producing, maintaining, administering and directing consumer advertising (including but not limited to the cost of preparing and conducting television, radio, Internet, magazine, direct mail and newspaper advertising campaigns and other public relations activities; hosting an Internet web page of similar activities; employing

advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees). We will maintain your contributions through separate accounting from our funds. We will not use Brand Fund Contributions for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Brand Fund. No more than 25% of the Brand Fund Contributions will be for the direct solicitation of franchise sales. We may include a statement regarding the availability of information about the purchase of franchises in advertising and other items produced or distributed using the Brand Fund.

3. We shall attempt to use all contributions in the fiscal year they are made; however, if less than all monies in the Brand Fund are spent in the fiscal year in which they accrue, the money will remain in the Brand Fund to be spent in the future. We will use any interest or other earnings of the Brand Fund before we use current contributions. We intend for the Brand Fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the fund until all contributions and earnings have been used for advertising and promotional purposes or we have returned your *pro rata* share. In 2024, we collected \$188,800 in Brand Fund Contributions, and of these funds, we allocated \$193,718 as follows:
  - (i) public relations: 47%;
  - (ii) administrative/marketing agency: 1%;
  - (iii) magazine placements/distribution: 4%
  - (iv) Brand Ambassadors: 9%
  - (v) Events: 9%
  - (vi) Print materials/Video Assets: 4%
  - (vii) Social Media: 10%
  - (viii) Website: 15%

The remainder of the funds collected have rolled over into the 2025 Brand Fund.

4. The Brand Fund is not audited. The Brand Fund is not a trust, and we assume no fiduciary duty to you in administering the fund. Upon your request, we will provide you, within 120 days of our fiscal year end, a written statement for such fiscal period setting forth in brief detail the total amounts collected, and disbursements made by us in connection with the Brand Fund. Locations owned by us or our affiliates are not required to contribute to the Brand Fund.
5. Except for salaries of marketing personnel employed by the Franchisor, we do not receive compensation for providing goods or services to the Brand Fund.
6. The Brand Fund is not and will not be our asset. Although the Brand Fund is intended to be of perpetual duration, we maintain the right to terminate the Brand Fund. The Brand Fund will not be terminated, however, until all monies in the Brand Fund have been expended for marketing purposes. If amounts are unspent in the Brand Fund at fiscal year-end, those amounts are carried over by the Brand Fund for expenditure in the following year. We reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable.

## **Local Advertising Cooperative**

We may, in our discretion, form local or regional marketing cooperatives covering your Designated Territory and the territory of at least one other franchisee for the purpose of developing and implementing local or regional marketing programs, or we may approve of the formation of such a marketing cooperative by our franchisees. If we require you to join a local or regional marketing cooperative (the “**Co-op**”), then you must: join the Co-op; participate with other franchisees in the Co-op’s marketing programs; and pay your share of the Co-op’s marketing expense. Any payments you make for the Co-op’s marketing will be applied towards your Local Advertising requirement and shall not exceed \$3,000 per month, but such payments will not affect your obligation to make Brand Fund Contributions under this Agreement. If the amount you contribute to a Co-op is less than the Local Advertising requirement, then you shall nevertheless spend the difference locally. The Co-op’s marketing expenses will be allocated among its members based on the number of participating franchisees or on some other reasonable basis as may be determined by the franchise advisory council or us. We or our designee will be responsible for administering the Co-op; however, we may delegate this authority to the franchise advisory council or some other committee of franchisees. The Co-op will operate under written governing documents prepared by us or our designee, which will be made available to you upon reasonable request. An accounting of the operation of the Co-op will be prepared annually by the Co-op, at the Co-op’s expense, and made available to Co-op members upon request. We have the right, in our sole discretion, to modify, merge or dissolve any Co-op upon written notice to its members; however, a Co-op will not be dissolved until all of the money in the Co-op has been spent for marketing purposes. Locations owned by us, or our affiliates are not required to participate in the Co-Op. No Cooperative Program yet exists for the franchise network.

## **Internet Marketing**

You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have Internet websites at the uniform resource locator (URL) [www.liquivida.com](http://www.liquivida.com) and [www.liquividalounge.com](http://www.liquividalounge.com) that provide information about the System and about our brand. We may provide you with a listing or page on our home page, where we will have contact information on your location. We retain the sole right to post content on our website and otherwise market on the Internet, including the use of other websites, domain names, social media accounts, URLs, keywords, linking, search engines (and SEO techniques), banner ads, meta-tags, marketing, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing efforts, and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, our website. You are not permitted to use a domain name containing Liquivida Lounge, Liquivida Wellness Center, Liquivida or LIV-2-100 in the URL.

We will have the right, but not the obligation, to provide you with one or more references or webpage(s), as we may periodically designate, within our Online Site. The term “Online Site” means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, the web, webpages, microsites, social networking sites (e.g., Facebook, Twitter, LinkedIn, YouTube, Instagram, etc.), blogs, vlogs, applications to be installed on mobile devices (for example, iOS or Android apps), and other applications. However, if we approve a separate Online Site for you (which we are not obligated to do), then each of the following provisions will apply: (1) you may neither establish nor use any Online Site without our prior written approval; (2) before establishing any Online Site, you

must submit to us, for our prior written approval, a sample of the proposed Online Site, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta tags), in the form and manner we may require; (3) you must not use or modify an Online Site without our prior written approval; (4) you must comply with the standards and specifications for Online Sites that we may periodically prescribe in the Manual or otherwise in writing; (5) if we require, you must establish hyperlinks to our Online Site and other Online Sites; and (6) we may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf.

### **Computer System**

You must purchase and use any hardware and software programs we designate.

We require our franchisees to purchase a Computer System. You must meet our current requirements concerning the Computer System, including: (a) POS, data, audio, video (including managed video security surveillance), telephone, voice messaging, retrieval, and transmission systems for use at the Franchised Businesses, between or among other Franchised Businesses, and between and among your Franchised Business(es), and you, and us; (b) physical, electronic, and other security systems and measures; (c) printers and other peripheral devices; (d) archival back-up systems; (e) Internet access mode (such as the telecommunications connection) and speed; and (f) technology used to enhance and evaluate the customer experience (collectively, all of the above are referred to as the “**Computer System**”). It is solely your responsibility to ensure the installation and operation of the Computer System complies with applicable law, including without limitation privacy laws (e.g., HIPAA) related to customer protected health information (as defined under HIPAA or applicable state law) or other customer data. You must have Cyber Liability insurance to protect you and us for any data breach.

You must use your Computer System to (a) enter and track reservations and sales receipts, Services purchased and performed, and customer information, (b) update inventory of merchandise and products, (c) enter and manage your customer contact information, (d) generate sales reports and analysis relating to your Franchised Business, (e) maintain electronic health and medical records, (f) conduct telehealth sessions, and (g) provide other services relating to the operation of your Franchised Business. We have the right to develop or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System (“**Required Software**”), which you must install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you must install; (c) the tangible media upon which you must record data; and (d) the database file structure of your Computer System. We rely on suppliers to provide support for the hardware and software, and we may require that you enter into service contracts directly with the hardware and software suppliers and pay the suppliers directly for this support.

Neither we nor our affiliates or any third party have any obligation to provide ongoing maintenance, repairs, upgrades, or updates to your Computer System. You must maintain your Computer System in good working order and must replace, update, or upgrade your hardware systems and Required Software as we may periodically require. There are no contractual limitations on the frequency and cost of these upgrades and updates. The estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your Computer System is \$600 to \$1,200.

You must use the Zenoti POS/EMR computerized point-of-sale system established under our Zenoti organizational platform (the “**POS/EMR System**”) or any other point of sale system be

determine in our discretion. You will pay approximately \$350 to \$650 monthly in subscription fees to the POS vendor for access, hosting and maintenance of your POS/EMR System dependent upon the features you select. If your POS/EMR System is not functioning due to your failure to pay the monthly charges for the POS System, or your negligence and we are unable to retrieve such reports, a late fee of \$100 will be assessed for untimely submission.

You must be able to access information that is available on the Internet and be able to send and receive email. We will provide you up to three email addresses. There will be a \$16 per month charge for each additional email account requested by you. This monthly charge may increase each year by approximately \$3 per email account per month based on our agreement with our provider. Emails from these accounts will remain our property and we will have the ability to access such emails at all times.

You must afford us unimpeded independent access to your Computer System and POS/EMR System in the manner, form, and at the times we may request. We will have the right at any time to retrieve and use this data and information from your Computer System and POS/EMR System in any manner we deem necessary or desirable. We have the right to require you to use one or more designated telephone vendors. You will also be required to maintain multiple VOIP phone lines with dedicated numbers of your Franchised Business. You will obtain your VOIP telephone service through LQV Management for access to an account with our designated vendor, currently Ring Central. The current charge to you for maintaining this phone line is \$50 per line per month. We may designate, and own, the telephone numbers for your Franchised Business.

Any client lists or information compiled or amassed through your Computer System, POS/EMR System or otherwise, will be our proprietary property. You may not sell or use client lists or information for any purpose other than in connection with the operation of your Franchised Business. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to your Franchised Business and any other operations taking place through your Franchised Business.

## **Training**

If you are a corporation, partnership or LLC, you must have an individual owner serve as your "Operating Principal". The Operating Principal must supervise the non-medical operation of your Franchised Business and must own at least 5% of the voting and ownership interests in the franchisee entity. You must inform us in writing whether the Operating Principal will assume full-time responsibility for the daily supervision and operation of your Franchised Business that is not within the purview of your Medical Professionals (See Item 1). If the Operating Principal will not supervise your Franchised Business on a full-time and daily basis, you must employ a full-time manager (a "**Manager**") with qualifications reasonably acceptable to us, who will assume responsibility for the daily administrative operation of your Franchised Business.

Before opening your Franchised Business, you (or if you are an entity, your Operating Principal), your Manager (if you will employ a Manager), and your Medical Professional must attend and successfully complete, to our satisfaction, the initial training program we offer for our franchisees at our headquarters, at another location that we specify or virtually. If you, your Operating Principal, your Manager, or your Medical Professionals cannot complete the training program to our satisfaction, we may terminate the Franchise Agreement.

If you (or your Operating Principal), your Manager or your Medical Professionals cease active management or employment at your Franchised Business, then any replacements must attend and successfully complete the basic management training program, to our reasonable satisfaction, as soon as it is practical to do so but, in all cases, the replacement shall successfully complete training within 30 days. You must pay our then-current per diem training charges for additional training.

The cloud-based learning management system “Trainual” will be utilized by you for all employee onboarding, training, and standard operating procedures. You will be required to have a unique log-in for each of your employees. All employees and franchise owners are required to complete all assigned modules and receive a satisfactory grade.

All staff hired to work at a Franchised Business must attend at least one training within the first six months of their employment. You must send them to the first available training date. You may send any employees you designate to the training, with our consent, for no additional attendance fee. We may require that your Operating Principal, Managers, Medical Professionals and employees periodically attend additional courses, seminars, and other training programs up to five days per year. You will incur expenses in attending trainings, such as the costs of a meeting space to host your team during the virtual training, any travel expenses (transportation, lodging, meals etc.), wages, and worker’s compensation insurance (see Items 6 and 7 of this Disclosure Document).

The subjects covered in the initial training program are described below:

### Initial Training Program

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Welcome/Expectations/Liquivida Culture	2-3 hours	1 hour	Corporate Headquarters, online or designated location
Standard Operating Procedures/Documentation	2-2.5 hours	10-12 hours	Corporate Headquarters, online or designated location
Client Consultations	1 hour	3-4 hours	Corporate Headquarters, online or designated location
Customer Service	2.5 hours	3-4 hours	Corporate Headquarters, online or designated location

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Sales and Service	2-4 hours	3-4 hours	Corporate Headquarters, online or designated location
IV Nutrient Therapy	4-6 hours	3-5 hours	Corporate Headquarters, online or designated location
Vida Journey: Other Product & Service Knowledge	7 hours	8-40 hours	Corporate Headquarters, online or designated location
The Liquivida Experience and Flow	2-2.5 hours	7-8 hours	Corporate Headquarters, online or designated location
Brand & Marketing	4-5 hours	1 hour	Corporate Headquarters, online or designated location
Communication Tools	1.5 hours	1 hour	Corporate Headquarters, online or designated location
<b><u>Total</u></b>	<b>28-35 hours</b>	<b>40-80 hours</b>	

The amount of hours listed in the chart above are estimates only, and the number of hours we will spend training you will depend on your, your Manager, your Medical Professional, and your employees' experience in the industry, job history, business acumen, and other related factors. We reserve the right to perform the training program in-person, online or on-the-job at your location, or at any location we deem appropriate in our sole discretion. The Initial Franchise Fee covers training for up to ten attendees. If you request additional attendees, each attendee shall pay the then-current fee (see Item 6). In addition, training will be held at the location of your Franchised Business prior to its opening by one of the members of our corporate staff or a designee, who will travel to your location and spend one to two days with you subject to availability. You will be responsible for the travel and living expenses of our team member who assists you in the start-up of your operations.

All training will be conducted under the supervision of Lisa Samela, Blake Engle, and Rebeca Rivera or a designee of theirs. Ms. Samela, Mrs. Engle, and Ms. Rivera are identified in Item 2 and have experience in the health and wellness industry. Additionally, we may have training specialists and product representatives who will assist with training you and/or your Medical Professionals. The principal instructional materials will consist of the Manual. The Table of Contents of the Manual is included as Exhibit E to this Disclosure Document. The Manual contains an approximate total of 225 pages.

## **ITEM 12** **TERRITORY**

Your Franchised Business will be located at a single site, which must meet our standards and specifications and must be approved by us in advance. (See Item 11). We will designate your territory (the “Designated Territory”) which will be based on the area that includes a radius of three to five miles around your Accepted Location if it is a Liquivida Wellness Center storefront, in-line unit or one to three miles around your Accepted Location if it is a Liquivida Lounge integrated unit or. The radius will be determined by us, in our sole discretion, using the mapping service, program and/or software selected by us, in our sole discretion, including, without limitation Google Maps. We may grant you a Designated Territory of less than a one to three mile radius based on the demographics of the area in which you wish to open your Franchised Business.

We retain the right to conduct any business at any location, including: (a) the right to offer franchises using our System and Marks to others for any site outside your Designated Territory regardless of how close the site is to your Accepted Location; (b) the right to sell, rent and distribute any services and products, directly or indirectly, and/or license others to sell and distribute any services and products, directly or indirectly, from any location or to any purchaser (including, but not limited to, sales made to purchasers in the Designated Territory through retail establishments, mail order, independent distributors, wholesale distribution, phone order, on the Internet, and/or sales to delivery customers), except that we shall not do so from a Franchised Business located inside the Designated Territory; (c) the right to produce, license, distribute and market products and services bearing the Marks, including packaged items, books, retail items, food and beverage products, and apparel, among other things, at any location or any outlet, regardless of proximity to your Franchised Business, through any distribution channel, at wholesale or at retail, including by means of the Internet, mail order, direct mail advertising, delivery, and other distribution methods; (d) the right to develop, operate, and franchise others to operate, any business concept except a Franchised Business at any place, including within the Designated Territory, and use the Marks or any other trademarks owned, licensed, or developed by us or our affiliates in connection with those concepts, even if such concepts sell products and services that are similar to, the same as, or competitive with the Services; (e) the right to approve or disapprove other franchisee’s requests to purchase local marketing that penetrates your Designated Territory in our sole discretion; (f) the right to merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Designated Territory; (g) the right to attend a trade show in your Designated Territory; (h) the right to operate a Liquivida pop-up shop and mobile unit in your Designated Territory; and (i) the right to open and operate a Liquivida business at “**Non-Traditional Sites**” which include without limitation military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums in your Designated Territory.

Our reserved right authorizing us to sell branded products in your Designated Territory through other channels of distribution may affect your ability to sell those products. There are no restrictions on our right to solicit or accept orders from consumers inside your Designated Territory. Nothing in the Franchise Agreement prohibits us or our affiliates from selling Services and other products and services through alternative channels of distribution within your Designated Territory. We are not required to pay you any compensation for soliciting or accepting orders from inside your Designated Territory. Neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks that sells or distributes similar products or services to those that you will offer.

Because we reserve the above rights, we must disclose the following statement: 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. You may not relocate your Franchised Business from the Accepted Location without our written consent. Any proposed relocation will be subject to our review of the proposed new site under our then-current standards for site selection, and we will also have the right to take into consideration any commitments we have given to other franchisees, licensees, landlords, and other parties relating to the proximity of a new Franchised Business to their establishment.

Except as expressly stated in this Item 12, we will not operate permanent outlets or grant franchises for a similar or competitive business within your Designated Territory, but we have the unlimited right to do so anywhere outside your Designated Territory. Neither we nor our affiliates are restricted from establishing other franchises or company-owned outlets, or other channels of distribution, selling or leasing similar products or services under a different trademark.

In the future, we and our affiliates may acquire or develop additional business concepts that use different trademarks, and those business concepts may also be located within your Designated Territory. We do not have a method to resolve conflicts between you and other franchisees of other systems we control involving territory, customers, or franchisor support. Except as disclosed above, neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks or that sells or distributes similar goods or services to those that you will offer.

Except for the Designated Territory granted in your Franchise Agreement, we do not grant any rights of first refusal to obtain additional franchise rights. If you wish to develop additional Franchised Businesses, you must enter into a new Franchise Agreement and meet all our current requirements for franchisees. The Designated Territory described above will affect where you and other franchisees may solicit business. You may not offer IV therapy infusion treatment, anti-aging, wellness, hair growth services, hormone replacement, microdermabrasion, microneedling, weight loss, telemedicine, or any products or services we currently offer outside your Designated Territory without our prior written consent. Except in conjunction with approved advertising promotions, you may not directly market or solicit business outside your Designated Territory without prior written authorization from us, including Internet marketing, postcards, letters, fliers, emails, or other marketing communications. You may not make telemarketing calls to clients or prospective clients located outside your Designated Territory or advertise in print or other media where two-thirds or more of the media circulation base or broadcast area is located outside your Designated Territory.

You must adhere to the terms of the Franchise Agreement. If during the term of the Franchise Agreement, you are unable to promptly and properly service any of your customers, you must notify us. For any default of the Franchise Agreement, as an alternative to termination, we may,

at our sole and absolute discretion, unilaterally modify or completely eliminate any rights that you may have with respect to the Designated Territory, effective ten days after delivery of written notice to you. In addition, we may modify, or eliminate completely, the Designated Territory. (FA Sec. 2.4). We reserve all rights not specifically granted to you in this Item.

**ITEM 13**  
**TRADEMARKS**

We grant you the right to operate your Franchised Business under the name “Liquivida,” “Liquivida Lounge” and “Liquivida Wellness Center”. As of the date of this Disclosure Document, the following marks are registered on the Principal Register, United States Patent and Trademark Office (“USPTO”):

MARK	REG. NUMBER	REG. DATE	INTERNATIONAL CLASS OF GOODS
	6,113,797	July 28, 2020	44
LIV-2-100	6,590,600	December 14, 2021	44
LIQUILIFT	5,640,481	January 1, 2019	5
YOUR VIDA JOURNEY	6,868,636	October 11, 2022	44
REPLENISH. REHYDRATE. REVITALIZE	6,819,050	August 16, 2022	44
LIQUIVIDA	7230163	November 28, 2023	44
<b>REGIMEN</b>	7258408	January 2, 2024	42
HEALTH IN CHECK	7258878	January 2, 2024	42

We intend to file all required renewals and affidavits when due in order to maintain these registrations.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by us. There is no pending material federal or state court litigation regarding our use or ownership rights in the Marks. We know of no infringing or prior superior uses that could materially affect the use of the Marks.

The registered trademarks listed in the table above are owned by our affiliate, Liquivita. Pursuant to a license agreement between us and our affiliate, we have the exclusive right to license the use of the trademarks to others within the United States. The license granted to us by Liquivita is perpetual and can only be terminated if we misuse the trademarks or willfully allow our franchisees to misuse the trademarks. If the trademark license agreement is terminated or modified, you may have to change to an alternative trademark for your business which may increase your expenses. Other than the license agreement with our affiliate, there are no agreements that limit our right to use or license the use of the trademarks.

You do not receive any rights to the Marks other than the right to use them in the operation of your Franchised Business. You must follow our rules when you use the Marks. You must use the Marks as the sole trade identification of the Franchised Business. You cannot use any Mark or portion of any Mark as part of any business entity name. You may not use the Marks in connection with the sale of any unauthorized services or products, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us in writing when you learn about any claim of infringement, unfair competition, or similar claims about the Marks. You must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so; however, you may communicate with your own counsel at your own expense. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding involving a trademark licensed by us. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

We reserve the right to substitute different Marks for use in identifying the System and the businesses operating as part of the System if our currently owned Marks no longer can be used, or if we determine, exercising our right to do so, that substitution of different Marks will be beneficial to the System. In such cases, you must implement and use such different Marks at your cost and in the manner we require. If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We have no obligation to reimburse you for modifying or discontinuing the use of a Mark or for substituting another

trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your Franchised Business for the new or modified Marks. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

If we undertake the defense or prosecution of any litigation concerning the Marks, you must sign any documents and agree to do the things as may, in our counsel's opinion, be necessary to carry out such defense or prosecution, such as becoming a nominal party to any legal action.

#### **ITEM 14**

### **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

There are no patents that are material to the franchise. On January 25, 2018, our President Samael Tejada obtained copyright protections from the United States Register of Copyrights on the proprietary Nutrition Recommendation Guide used in the System, registration number TXu002084104 ("**Protected Material**"), which has copyright protection for the life of the author plus 70 years. In addition to the Protected Material, we claim common law copyright protection in the Manual, our website, our marketing materials, training manuals or videos, and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights, but we reserve the right to register these copyrights in the future. You may use these items only as we specify while operating the Franchised Business and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding the Protected Materials or any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

You must immediately notify us in writing when you learn about any claim of infringement, unfair competition, or similar claims about the Protected Material. You must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so; however, you may communicate with your own counsel at your own expense. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding involving the Protected Material. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Protected Material or if the proceeding is resolved unfavorable to you. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Protected Materials.

We 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, in the Manual and as a result of the assistance we furnish you during the term of the Franchise Agreement. You may only use the trade secrets and other confidential information for the purpose of operating your Franchised Business. You may only disclose trade secrets and/or other confidential information to employees who must have access to it to operate your 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, agents, independent contractors, consultants and staff are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2 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 your Franchised Business and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, 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 Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in Item 17.

You must comply with our System standards, other directions from us, and all applicable laws and regulations, including HIPAA, regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of client information on your Computer System or otherwise in your possession or control and, in any case, employ reasonable means to safeguard the confidentiality and security of Client Information. "Client Information" means names, contact information, financial information and other personal identifiable information of or relating to your Franchised Business's clients and prospective clients. If there is a suspected or actual breach of security or unauthorized access involving your Client Information, you must notify us immediately after becoming aware of the occurrence and specify the extent to which Client Information was compromised or disclosed.

We and our affiliates will, through the Computer System or otherwise, have access to Client Information. We and our affiliates may use Client Information in our and their business activities. When the Franchise Agreement expires or terminates, we and our affiliates may make all disclosures and use the Client Information in any manner that we or they deem necessary or appropriate. You must secure from your clients, prospective clients and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Client Information to us and our affiliates, and for us and our affiliates to use that Client Information, in the manner that the Franchise Agreement contemplates.

#### **ITEM 15**

#### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

Subject to the health and medical laws in your jurisdiction, you must, at all times, retain and exercise direct management and decision-making control over all aspects of the Franchised Business. Your personal supervision is not required if the day-to-day operation of your Franchised Business is performed by a Manager who has successfully completed our required training

program and has, at our sole discretion, the appropriate experience and training. If you do not personally supervise the operation of your Franchised Business, you and your Operating Principal still must attend and satisfactorily complete training. You, your Operating Principal or your Manager must devote full time and best efforts to the operation of your Franchised Business. You are not restricted as to whom you may hire as a Manager, except that your Manager must be approved by us. Your Franchised Business may need to be operated by a physician, or Medical Professional. All medical decisions at your Franchised Business shall be made by Medical Professionals.

If you are a corporation or other business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3 to the Franchise Agreement.

#### **ITEM 16**

#### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer and sell the services and products we specify which definition may be expanded or retracted periodically in our discretion. You may not sell any services or products that we have not authorized, and you must discontinue offering any services or products that we may disapprove of even if the services or products were previously approved. We may take action, including terminating your Franchise Agreement, if you purchase or sell unapproved products/services or make purchases from unapproved suppliers. Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences. There are no limits on our right to do so.

You are required to retain the services of Medical Professionals approved and licensed in your state to administer certain Services. Depending on the regulations applicable in your Designated Territory (see Item 1), certain of the products sold and services offered through your Franchised Business may be deemed “medical services” and, in such case, may be offered, administered and/or provided only by or through the supervision of Medical Professionals. In certain cases, you will act solely in the capacity of an administrative management services provider to the Medical Professionals at your Franchised Business. You are solely responsible to comply with applicable laws in your jurisdiction.

Depending on your jurisdiction and subject to applicable law, your Liquivida Wellness Center or Liquivida Lounge may need to be operated by Medical Professionals licensed to provide medical services, including the Services. You may need a “Medical Services Agreement” which must be prepared, reviewed, and confirmed by your independent legal counsel as being compliant with all Medical Regulations, and such agreement must be approved by us. Depending on applicable law, you may be required to have a Medical Director for your Franchised Business who is approved by us to operate your Franchised Business under a “Medical Director Agreement” which also must be prepared by your independent legal counsel and approved by us. If you are a licensed physician, you should be able to operate your Franchised Business under your license in compliance with the terms of this Agreement, but we make no representations herein that you are compliant with applicable law which is solely your responsibility. You must comply with the applicable law in your jurisdiction.

You will not, without our approval, offer any products or services (including promotional items) not authorized by us. Your Franchised Business may not be used for any purpose, other than the operation of a Liquivida Wellness Center or a Liquivida Lounge, in compliance with the Franchise Agreement.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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

<b>PROVISION</b>	<b>SECTION IN FRANCHISE AGREEMENT/MUDA</b>	<b>SUMMARY</b>
a. Length of Franchise Term	FA: Section 4.1 MUDA: N/A	The initial term is 10 years.
b. Renewal or Extension of Term	FA: Section 4.2 MUDA: N/A	You have the right to renew for an additional two terms of five years each. You must pay the renewal fee equal to the greater of 25% of the then-current Initial Franchise Fee or \$10,000. If you do not meet the conditions, we may refuse to renew or extend the terms of your Franchise Agreement.
c. Requirements for Franchisee to Renew or Extend	FA: Section 4.2 MUDA: N/A	Renewal means that you can remain as a franchisee after the initial term of your Franchise Agreement expires. You may renew the Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us or any of our affiliates; are not in default of any provision of the Franchise Agreement or any other agreement between you and us or our affiliates or suppliers; have given timely written notice of your intent to operate a successor franchise to us not earlier than 12 months but no later than six months prior to the end of the term of the Franchise Agreement; sign a then current Franchise Agreement, which may have

		materially different terms and conditions than your original Franchise Agreement; comply with current qualifications and agree to comply with any training requirements; sign a general release in a form the same as or similar to the General Release attached as <u>Schedule 8</u> to the Franchise Agreement and pay a renewal fee of the greater of 25% of the then-current Initial Franchise Fee or \$10,000.
d. Termination by you	FA: Section 16.1 MUDA: N/A	You may not terminate the Franchise Agreement.
e. Termination by Franchisor without Cause	FA: N/A MUDA: N/A	Not Applicable
f. Termination by Franchisor with Cause	FA: Section 16.2 MUDA: 6	We may terminate the Franchise Agreement and MUDA only if you default. If we terminate the Franchise Agreement or MUDA following a default, your interests in both the franchise will terminate.
g. "Cause" Defined – Curable Defaults	FA: Section 16.2.2 MUDA: N/A	If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default, except for the defaults that require cure in a shorter time and non-curable defaults. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within 3 days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the

		<p>Franchise Agreement if you cure the default within 5 days of receiving our notice of default. If we terminate the Franchise Agreement resulting from a default, your interest in the franchise will terminate.</p>
<p>h. "Cause" Defined – Non-Curable Defaults</p>	<p>FA: Section 16.2.1 MUDA: 6</p>	<p>We have the right to terminate the Franchise Agreement and MUDA without giving you an opportunity to cure if you: fail to timely establish, equip, and commence operations of your Franchised Business pursuant to Section 5; fail to satisfactorily complete our training program or if your Operating Principal or Manager fail to satisfactorily complete our training program pursuant to Section 8; fail to obtain and maintain all required medical and non-medical professional licenses, permits, and certifications to operate your Franchised Business; make any material misrepresentation or omission during the pre-sale process and/or in your application to obtain a Franchised Business from us or otherwise to us in the course of entering into the Franchise Agreement; are convicted of or plead no contest to a felony or other crime or offense; fail to refrain from activities, behavior, or conduct likely to adversely affect the reputation of us, you or your Franchised Business after a 5-day written notice to cure; disclose, duplicate, or otherwise use in an unauthorized manner any portion of the Manual, trade secrets, trademarks, our trade name Liquivida Lounge, Liquivida Wellness Center, Liquivida, or LIV-2-100 or any</p>

		<p>Confidential Information; fail to have any holder of a legal or beneficial interest in your Franchisee entity (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of the Franchisee entity, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2, upon execution of the Franchise Agreement or prior to each such person's affiliation with you; surrender or transfer control of the operation of your Franchised Business without our approval; and other enumerated terminable offenses in Section 16.2.1 of the Franchise Agreement.</p>
<p>i. Franchisee's Obligations on Termination/Non-Renewal</p>	<p>FA: Section 17.1 MUDA: Not applicable</p>	<p>If the Franchise Agreement is terminated or not renewed, you must: stop operating the Franchised Business; stop using any trade secrets, Confidential Information, the System and the Marks; cancel or assign to us any assumed names; pay all sums owed to us (and our affiliates and suppliers) including damages and costs incurred in enforcing the Franchise Agreement; return the Manual, trade secrets and all other Confidential Information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.</p>

j. Assignment of Contract by Franchisor	FA: Section 18.1 MUDA: N/A	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by Franchisee – Definition	FA: Section 18.2 MUDA: N/A	"Transfer" includes transfer of an interest in the franchise, the Franchise Agreement or the Franchised Business's assets.
l. Franchisor's Approval of Transfer by Franchisee	FA: Section 18.2 MUDA: 7, 10	You may not transfer your interest in the MUDA or the Franchise Agreement without our prior written consent.
m. Conditions for Franchisor Approval of Transfer	FA: Section 18.2 MUDA: 7, 10	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us (and our affiliates and suppliers) are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached as <u>Schedule 8</u> to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay us a Transfer Fee of the greater of (i) 25% of the then-current Initial Franchise Fee, or (ii) \$10,000; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement; and the transferee

		has agreed that its Operating Principal will complete the initial training program before assuming management of the Franchised Business.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Franchised Business	FA: Section 19 MUDA: N/A	We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Franchisor's Option to Purchase Franchisee's Franchised Business	FA: Section 17.4 MUDA: N/A	Except as described in (n) above, we do not have the right to purchase your Franchised Business; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Franchised Business for at the depreciated value calculated on a declining basis of accounting at the rate of 20% per annum or your cost (at our option), less any sums of money owed by you to us and less any sums of money necessary to upgrade and renovate the Accepted Location to meet our then-current standards for a Franchised Business and less any sums necessary to acquire clear title to the lease or sublease interest.
p. Death or disability of Franchisee	FA: Section 18.6 MUDA: N/A	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within 180 days of death or incapacity or we may terminate.
q. Non-Competition Covenants During the Term of the Franchise	FA: Section 7.4 MUDA: N/A	You may not have an interest in a Competing Business during the term of your Franchise Agreement and MUDA. We have the right to require you, your owners (and members of their families and households)

		and your officers, directors, executives, managers, professional staff, and employees, agents, consultants, and independent contractors to execute a nondisclosure and non-competition agreement. You shall provide us with copies of all nondisclosure and non-competition agreements signed pursuant to this Section. We shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.
r. Non-Competition Covenants After the Franchise is Terminated or Expires	FA: Section 17.2 MUDA: See FA	For 2 years after the termination or expiration of the Franchise Agreement and MUDA, you may not offer competitive business services or sell products offered by us similar to the products offered by your Franchised Business within 25 miles of your Franchised Business or any other Franchised Business, or planned expansion thereof, or affiliate-owned businesses; or soliciting or influencing any of our customers, employees, or business associates to compete with us or terminate their relationship with us or any of our franchisees.
s. Modification of the Agreement	FA: Sections 9.2, 22.7, 22.8 MUDA: N/A	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/Merger Clause	FA: Section 22.7 MUDA: See FA	Only the terms of the Franchise Agreement and MUDA are binding (subject to state law). Any representations or promises outside of the Disclosure Document, MUDA

		and/or Franchise Agreement may not be enforceable.
u. Dispute Resolution by Arbitration or Mediation	FA: Section 23.9 MUDA: 10	You must mediate and arbitrate claims against us.
v. Choice of Forum	FA: Section 23.2 MUDA: 10	Any litigation or arbitration must be pursued in Broward County, Florida (subject to applicable state law).
w. Choice of Law	FA: Section 23.1 MUDA: 10	Except as to claims governed by federal law, Florida law applies (subject to applicable state law).

**ITEM 18**  
**PUBLIC FIGURES**

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

**ITEM 19**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

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

**Affiliate-Owned Units: Gross Sales**

The financial performance representation appearing in the first chart below is derived from the actual sales performance of all Affiliate-Owned Liquivida Wellness Centers that are or have been in operation up to the date of this Disclosure Document.

All Affiliate-Owned Units referenced above offer products and services that are similar to the products and services that will be offered by franchised Liquivida Wellness Centers and therefore are described below (“**Reporting Criteria**”). For this reason, the earnings below reflect the revenues that satisfy the Reporting Criteria. However, the Affiliate-Owned Units do not operate under territory or population restrictions. As a result, the operation and results of the Affiliate-Owned Units may not be directly comparable to the operation and results granted under the Franchise Agreement. However, the businesses operated by these businesses are substantially similar to those being offered through this Disclosure Document.

**Chart 1: Affiliate-Owned Gross Sales**

<b>Location</b>	<b>2024 Sales</b>
Lauderdale	\$2,258,767
Pembroke Pines	\$1,259,036
Coral Springs	\$1,019,588
Total	\$4,537,391

**Notes:**

(1) The Annual Gross Revenue information represents aggregate sales of services and products sold for the 2024 year, as reported by the point-of-sale system used by our Affiliate Owned Units satisfying the Reporting Criteria, and the information has not been audited or independently verified. The Affiliate-Owned Units are not franchises, and thus, they are not subject to some of the fees and expenses associated with the franchise, which are disclosed in Item 6 of this Disclosure Document. Specifically, a franchisee who achieves the average results shown in the table above will incur these additional costs for Royalty Fees and Brand Fund Contributions.

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

(3) Our affiliates have operated Liquivida Wellness Centers in the greater Fort Lauderdale area on a full-time basis from July 2015 through the present and offer products and services that are similar to those products and services that will be offered by Liquivida Wellness Centers under this Disclosure Document.

**Chart 2: Affiliate-Owned Mix of Revenues**

**Chart 2: Mix of Revenues Affiliate-Owned Centers**

	<b>Wellness</b>	<b>Aesthetics</b>	<b>Weight Loss</b>	<b>Total</b>
Lauderdale	30.0%	43.8%	26.2%	100.0%
Pembroke Pines	22.9%	55.8%	21.3%	100.0%
Coral Springs	25.2%	55.9%	18.9%	100.0%

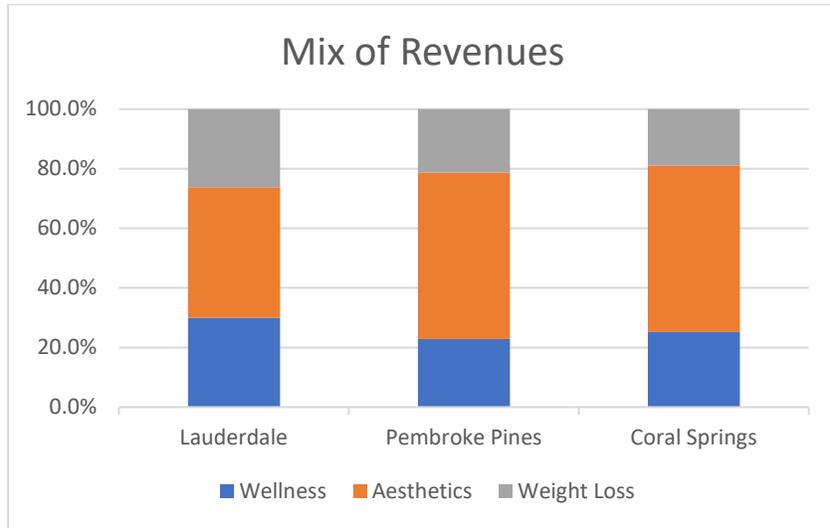
	<b>Wellness</b>	<b>Aesthetics</b>	<b>Weight Loss</b>
High	30.0%	55.9%	26.2%
Low	22.9%	43.8%	18.9%
Average	26.0%	51.8%	22.1%
Median	25.2%	55.8%	21.3%

**Notes**

(4) Wellness revenues include but are not limited to; IM Injections, Vitamin Drips, Diagnostics, HRT Service, General Nutrient Products, Supplements, HRT Products, Concierge Fees, Regen Service, Hair Restoration, Sexual Wellness Products.

(5) Aesthetics Revenues include but are not limited to; Medical Esthetics, Facials, Skin-Care Line

(6) Weight Loss Revenues include but are not limited to Weight Loss Service, Weight Loss Product, Weight Loss Product



**Chart 3: Gross Revenues of Franchisee-Owned Liquivida Wellness Centers (Open Minimum of 12-Months)**

As of December 31, 2024, we had 11 Franchisee-Owned Liquivida Wellness Centers in operation. Of these 11 locations, two of the Franchisee-Owned Liquivida Wellness Centers opened in 2024. Nine of the Franchisee-Owned Liquivida Wellness Centers were open for a minimum of 12 months.

The information in this chart relates to the only Franchisee-Owned Liquivida Wellness Centers that were in operation for the full 12 months of 2024.

The Franchisee-Owned Liquivida Wellness Centers operate on a full-time basis and offer products and services substantially similar to those that will be offered by you and are therefore described below. The Franchisee-Owned Liquivida Wellness Centers operate under territory restrictions as explained in Item 12 of this Disclosure Document. The business being operated by the Franchisee-Owned Liquivida Wellness Center is substantially similar to those being offered through this Disclosure Document. The Gross Revenue information provided below is based upon the Point of Sale System, and the information has not been audited or independently verified.

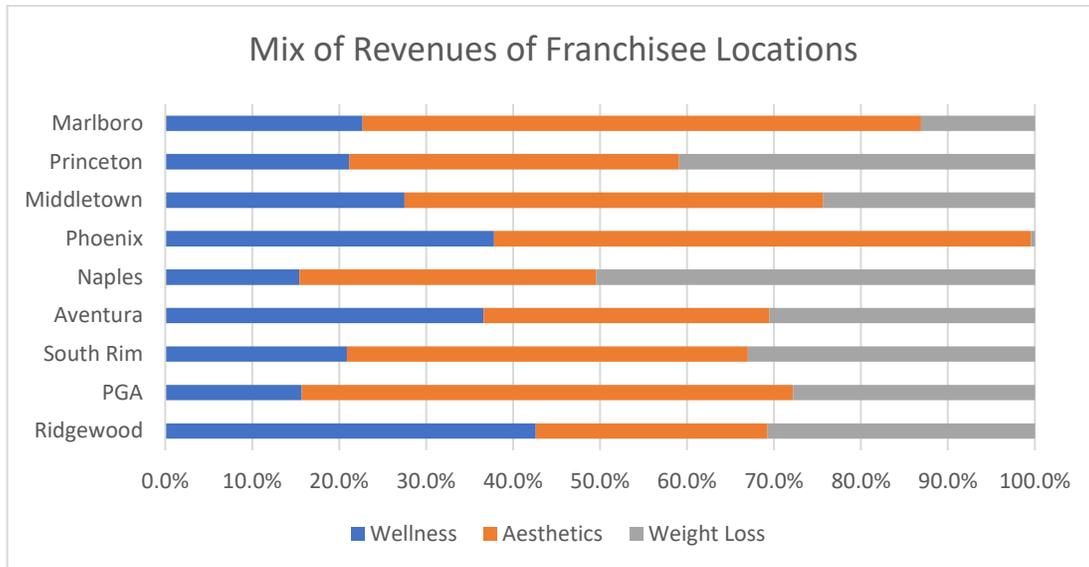
Location	2024 Sales
Ridgewood	\$ 2,658,911
PGA	\$ 1,415,483
South Rim	\$ 1,333,387
Aventura	\$ 1,253,891
Naples	\$ 925,997
Phoenix	\$ 899,363
Middletown	\$ 779,780
Princeton	\$ 599,167
Marlboro	\$ 251,099

**Chart 4: Mix of Revenues of Franchisee-Owned Locations**

The information in this chart relates to the nine active and operating Franchisee-Owned Liquivida Wellness Centers that have been open for a minimum of 12 months.

	Wellness	Aesthetics	Weight Loss	Total
Ridgewood	42.6%	26.7%	30.7%	100%
PGA	15.7%	56.5%	27.8%	100%
South Rim	20.9%	46.1%	33.0%	100%
Aventura	36.6%	32.9%	30.5%	100%
Naples	15.4%	34.1%	50.5%	100%
Phoenix	37.8%	61.7%	0.5%	100%
Middletown	27.5%	48.1%	24.3%	100%
Princeton	21.1%	37.9%	40.9%	100%
Marlboro	22.7%	64.2%	13.1%	100%

	Wellness	Aesthetics	Weight Loss	Total
High	37.8%	64.2%	50.5%	100.0%
Low	15.4%	32.9%	0.5%	100.0%
Average	26.9%	46.5%	26.6%	100.0%
Median	25.1%	43.0%	27.4%	100.0%



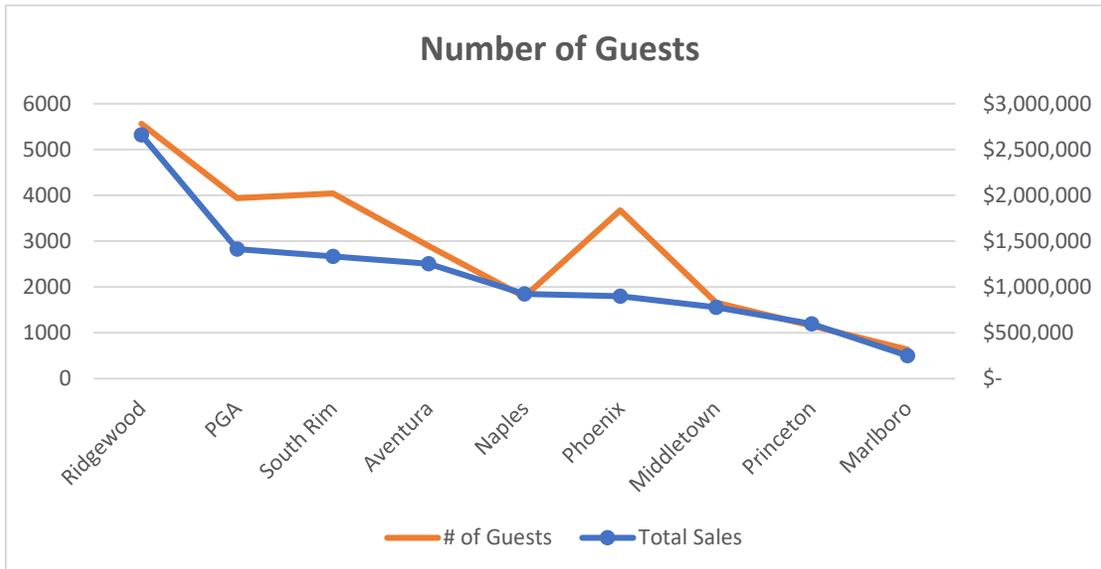
**Chart 5: Number of Unique Guests Per Franchised Location**

The information in this chart relates to the nine active and operating Franchisee-Owned Liquivida Wellness Centers that have been open for a minimum of 12 months.

**Unique Guests per Franchised Location**

	Total Sales	# of Guests	Average Spend per Guest
Ridgewood	\$ 2,658,911	5,563	\$ 489.60
PGA	\$ 1,415,483	3,939	\$ 364.72
South Rim	\$ 1,333,387	4,041	\$ 332.65
Aventura	\$ 1,253,891	2,900	\$ 460.02
Naples	\$ 925,997	1,783	\$ 535.15
Phoenix	\$ 899,363	3678	\$ 244.09
Middletown	\$ 779,780	1,664	\$ 470.46
Princeton	\$ 599,167	1,156	\$ 516.45
Marlboro	\$ 251,099	636	\$ 378.22

	Total Sales	# of Guests	Average Spend per Guest
High	\$ 2,658,911	5,563	\$ 535
Low	\$ 251,099	636	\$ 244
Average	\$ 1,124,120	2,818	\$ 421
Median	\$ 925,997	2,900	\$ 460



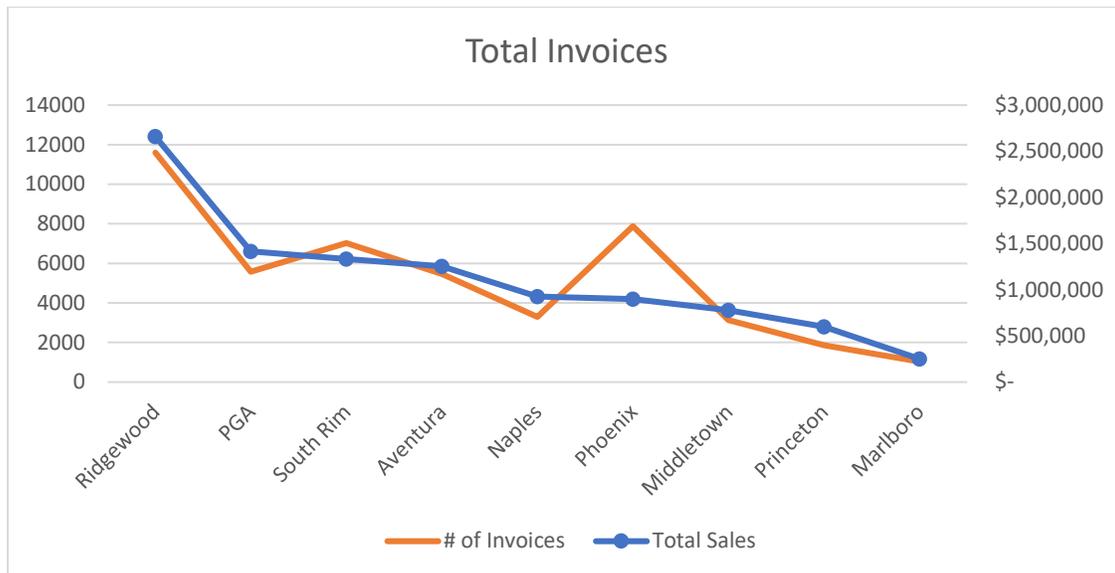
**Chart 6: Number of Invoices per Franchised Location**

The information in this chart relates to the nine active and operating Franchisee-Owned Liquivida Wellness Centers that have been open for a minimum of 12 months.

### Unique Invoices per Franchised Location

	Total Sales	# of Invoices	Average per Invoice
Ridgewood	\$ 2,658,911	11597	\$ 230.41
PGA	\$ 1,415,483	5584	\$ 256.18
South Rim	\$ 1,333,387	7024	\$ 190.51
Aventura	\$ 1,253,891	5473	\$ 229.54
Naples	\$ 925,997	3288	\$ 285.14
Phoenix	\$ 899,363	7881	\$ 113.89
Middletown	\$ 779,780	3131	\$ 251.15
Princeton	\$ 599,167	1859	\$ 323.00
Marlboro	\$ 251,099	1034	\$ 240.09

	Total Sales	# of Invoices	Average per Invoice
High	\$ 2,658,911	11597	\$ 323
Low	\$ 251,099	1034	\$ 114
Average	\$ 1,124,120	5208	\$ 236
Median	\$ 925,997	5473	\$ 240



**Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much. A franchisee's sales revenues are likely to be lower in its first years of business.**

Actual results may vary from franchise to franchise and depend on a variety of internal and external factors, many of which neither we nor any prospective franchisee can estimate, such as competition, economic climate, demographics, and changing consumer demands and tastes. A franchisee's ability to achieve any level of product sales or net income will depend on these factors and others, including the franchisee's level of expertise, none of which are within our control. Accordingly, we cannot, and do not, estimate the results of any particular franchise.

You should also be aware that the financial performance of any particular Liquivida Wellness Center might be affected by a number of factors that may vary due to the individual characteristics of the site. These factors include, but are not limited to: competition from other businesses; location of your site; your experience; your ability to operate the business; the quality and effectiveness of your managerial skills; and your decisions with respect to location, additional advertising programs, personnel and cost controls; geographic and socio-economic conditions in your locality; business cycles; and the performance of the local, national and world economy. You should consult with financial, business and legal advisors in evaluating the information presented in this Disclosure Document and the accompanying charts above. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon request.

Other than the preceding financial performance representations, we do not make any financial performance representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Samael A. Tejada, 4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309 and (844) 548-2100, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Years December 31, 2022 to December 31, 2024**

<b>Column 1</b> <b>Outlet Type</b>	<b>Column 2</b> <b>Year</b>	<b>Column 3</b> <b>Outlets at the Start of the Year</b>	<b>Column 4</b> <b>Outlets at the End of the Year</b>	<b>Column 5</b> <b>Net Change</b>
Franchised	2022	4	7	+3
	2023	7	10	+3
	2024	10	12	+2
Company-Owned*	2022	2	3	+1
	2023	3	3	+1

	2024	3	3	0
<b>Total Outlets</b>	<b>2022</b>	<b>6</b>	<b>10</b>	<b>+4</b>
	<b>2023</b>	<b>10</b>	<b>13</b>	<b>+3</b>
	<b>2024</b>	<b>13</b>	<b>15</b>	<b>+2</b>

\*All references in these tables to “Company-Owned” outlets refer to outlets owned by our affiliates.

**Table No. 2**  
**Transfers of Outlets From Franchisees**  
**To New Owners**  
**(Other Than The Franchisor)**  
**For years December 31, 2022 to December 31, 2024**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Florida	2021	0
	2023	0
	2024	1
New Jersey	2022	0
	2023	0
	2024	1
<b>Total</b>	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>2</b>

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years December 31, 2022 to December 31, 2024**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at the Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
Florida	2022	4	3	1	0	2	1	3
	2023	3	1	0	0	0	0	4
	2024	4	1	0	0	0	0	5
New Jersey	2022	0	3	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Texas	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Arizona	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<b>Totals</b>	<b>2022</b>	<b>4</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>7</b>
	<b>2023</b>	<b>7</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
	<b>2024</b>	<b>10</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Years December 31, 2022 to December 31, 2024**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets sold to Franchisees	Column 8 Outlets at End of the year
Florida	2022	2	0	2	1	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Total	<b>2022</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>3</b>
	<b>2023</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
	<b>2024</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

**Table No. 5**  
**Projected Openings as of December 31, 2024**

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	3	1	0
New Jersey	2	2	0
Texas	3	2	0
Illinois	0	1	0
<b>Total</b>	<b>8</b>	<b>6</b>	<b>0</b>

Exhibit G provides you with the names of all current franchisees with their business address and business telephone number and the name, city and state and current business telephone number, or if unknown, 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 the most recently completed fiscal year or who has not communicated with us within 10 weeks of the date of issuance of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. We have no current or former franchisees who have signed provisions during the last three fiscal years restricting their ability to speak openly to you about their experience with the Liquivida franchise system. As of the date of the Disclosure Document, we have three co-branded locations that we have licensed to three doctors operating integrated units in Connecticut (opened May 2017), Sarasota (opened February 2018), and Arizona (opened March 2018). We supply vitamin IV kits to these locations but they have no territorial protection. We intend to convert them to franchisees in our System. As of the date of this Disclosure Document, there are no franchisee organizations sponsored or endorsed by us, and no independent franchisee organizations have asked to be included in this Disclosure Document.

**ITEM 21**  
**FINANCIAL STATEMENTS**

The following documents are attached to this Disclosure Document as Exhibit F:

- Audited Financial Statements as of December 31, 2024 December 31, 2023 and related statements of income, changes in members' equity, and cash flows for the years ended December 31, 2024 December 31, 2023, December 31, 2022.

Our fiscal year end is December 31.

**ITEM 22**  
**CONTRACTS**

The following contracts are attached to this Disclosure Document:

Exhibit B – FRANCHISE AGREEMENT  
Schedule 1-Franchise Fee, Accepted Location and Territory  
Schedule 2-Nondisclosure and Non-Competition  
Schedule 3-Unlimited Guaranty and Assumption of Obligations  
Schedule 4-Franchisor Lease Rider  
Schedule 5-ACH Payment Agreement  
Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal  
Schedule 7-State Addenda to the Franchise Agreement  
Schedule 8-General Release  
Schedule 9-SBA Addendum  
Schedule 10-Conditional Assignment of Telephone Number  
Exhibit C – MULTI-UNIT DEVELOPMENT AGREEMENT

**ITEM 23**  
**RECEIPTS**

You will find two copies of a receipt in Exhibit K at the end of the Disclosure Document. One receipt must be signed, dated and delivered to us. The other Receipt should be retained for your records.

**EXHIBIT "A" TO THE LQV FRANCHISING LLC DISCLOSURE DOCUMENT**

**STATE AGENCIES AND ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

Our registered agent in the State of Florida is: Shayna D. Tejada, 4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309. We intend to register this Disclosure Document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

<b>STATE</b>	<b>STATE REGULATORY AGENCY</b>	<b>AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY</b>
California	Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677	Commissioner of the Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677
Connecticut	Banking Commissioner Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 061031800 (860) 240-8299	
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722
Illinois	Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Indiana	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
Michigan	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222	Secretary of State 99 Washington Avenue Albany, New York 12231 (518) 473-2492
North Dakota	North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505- 0510 (701) 328-4712	North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505- 0510 (701) 328-4712

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Rhode Island	Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527	Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760	Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
Wisconsin	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

**EXHIBIT "B" TO THE LQV FRANCHISING LLC DISCLOSURE DOCUMENT**

**FORM OF FRANCHISE AGREEMENT**

**LQV FRANCHISING, LLC  
FRANCHISE AGREEMENT**



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- Schedule 5-ACH Payment Agreement
- Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal
- Schedule 7-State Addenda to the Franchise Agreement
- Schedule 8-General Release
- Schedule 9-SBA Addendum
- Schedule 10-Conditional Assignment of Telephone Number

**LQV FRANCHISING, LLC  
FRANCHISE AGREEMENT**

This Franchise Agreement is made and entered on \_\_\_\_\_ (the “Effective Date”) by and between:

- LQV Franchising, LLC, a Florida limited liability company having its principal place of business at 4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309 (“Franchisor,” “we,” “us,” or “our”); and
- \_\_\_\_\_, an individual/partnership/corporation/limited liability company established in the State of \_\_\_\_\_ and whose principal address is \_\_\_\_\_ (“Franchisee,” “you,” or “your”).

**RECITALS**

A. We have developed our own distinctive and proprietary systems for operating retail medical centers under the trade name “Liquivida,” “Liquivida Lounge”, “Liquivida Wellness Centers” and “LIV-2-100” that provide to the general public wellness, anti-aging and vitamin IV infusion products and services including IV drips, Dermalinfusion, energy boosters, Glutathione injections, hair growth services, hormone replacement, microdermabrasion, microneedling, weight loss, fillers, anti-aging products, telemedicine and other medical and wellness treatments all of which we may periodically change, discontinue, improve, modify and further develop at our option from time to time (collectively the “Services”).

B. The distinguishing characteristics of a Liquivida Wellness Center and Liquivida Lounge franchised business includes among other things: business processes, technologies, trade secrets, customer lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress and other intellectual property; distinctive signage and decor; branding elements; standards, specifications and sources for services, products, supplies, appearance, operations and management control; safety standards; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs; all of which we may periodically change, discontinue, improve, modify and further develop at our option from time to time (the “System”).

C. The System relates to and includes the development and operation of a storefront, in-line unit under the name “Liquivida Wellness Center” and an integrated model within a doctor’s office or medspa under the name “Liquivida Lounge” (each, a “Franchised Business”), that depending on Franchisee’s qualifications and applicable local, state and federal laws and regulations involve the development, ownership, management and/or operation of a Franchised Business under a system and structure that is legally compliant in your jurisdiction.

D. You have been advised that, among other things, the Services, involve products, services and activities of a nature and type that require the administration, supervision, management, and oversight of licensed medical professionals and health care providers (collectively “Medical Professionals”) and that your ownership and the types of activity that your Franchised Business may engage in is subject to and requires compliance with significant federal,

state and local rules and regulations related to the practice of medicine and other licensing requirements.

E. You have been advised that, prior to signing this Agreement and prior to developing your Franchised Business, you should retain your own independent legal counsel to advise you as to all applicable laws and regulations. By signing this Agreement, you acknowledge that your legal counsel has advised you on the structure of your Franchised Business and that your Franchised Business is compliant with all applicable medical and health laws.

F. We identify the System by means of our proprietary marks. Our proprietary marks include the trade name “Liquivida Lounge”, “Liquivida Wellness Center”, “Liquivida”, “LIV-2-100” and our logos, service marks, trademarks, emblems, and indicia of origin, as well as other trade names, service marks, and trademarks that we may use in connection with the System (all of these are referred to herein as our “Marks”). We continue to develop, use, and control the use of our Marks in order to identify for the public the source of services and products marketed under those marks and under the System, and to represent the System’s high standards of quality, appearance, and service.

G. You have asked to obtain a franchise from us. By entering into this Agreement, you understand and acknowledge (a) the importance of our high standards of quality, appearance, and service and the necessity of operating your Franchised Business under this Agreement in conformity with our standards and specifications; (b) that you received our current Franchise Disclosure Document and its exhibits, including this Agreement (the “Disclosure Document”) at least fourteen (14) calendar days before you signed this Agreement or made a payment to us in connection with the franchise sale; (c) that you have carefully reviewed the Disclosure Document and had enough time, if you wanted, to consult with a lawyer, accountant or other professional advisor; (d) that you had the opportunity to ask us and our employees, agents, or representatives all appropriate questions and those questions have been answered to your satisfaction; (e) that, if you chose not use a professional advisor, you represent you are satisfied relying on your own education, experience, and skill to evaluate the Disclosure Document and this Agreement; (f) that you have reached the age of majority, you have the legal capacity to enter into this Agreement and independently operate your Franchised Business, you are not violating any other agreement by entering into or performing under this Agreement, and you are not listed or “blocked” in connection with, and are not in violation of any anti-terrorism law, regulation, or executive order; (g) that no employee, agent or representative of ours made any oral, written or visual representation or projection to you of actual or potential sales, earnings or net or gross profits, costs involved in operating Franchised Business, or the likelihood of success that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document; (h) that you understand the risks of owning your Franchised Business and you are able to accept such risks; (i) that you understand the success of your Franchised Business will depend primarily on your own efforts and abilities and those of your employees; (j) that our approval of the location for your Franchised Business does not guarantee your success; and (k) that other factors beyond our or your control will affect your Franchised Business’s success including competition, demographic patterns, consumer trends, economic and market conditions, government policies, labor costs, lease terms and other factors which may be difficult to anticipate, assess or even identify.

In recognition of all of the details noted above, the parties have chosen to enter into this Agreement, taking into account all of the promises and commitments that they are each making

to one another in this contract, and for other good and valuable consideration (the sufficiency and receipt of which they hereby acknowledge) and they agree as follows:

## 1. DEFINITIONS

While certain terms may be defined in the body of this Agreement, the following words and terms have the following meanings for your ease of reference:

**“Affiliate”** means any business entity that is under our control and with common ownership as us;

**“Agreement”** means this agreement entitled “LQV Franchising, LLC Franchise Agreement” and all instruments supplemental hereto or in amendment hereof;

**“Client Information”** means names, contact information, financial information and other personal identifiable information of or relating to your Franchised Business’s clients and prospective clients. If there is a suspected or actual breach of security or unauthorized access involving your Client Information, you must notify us immediately after becoming aware of the occurrence and specify the extent to which Client Information was compromised or disclosed.

**“Competitive Business”** means any business that offers the same or similar products and services as your Franchised Business under any service system or any business that offers wellness, anti-aging and vitamin IV infusion products and services to individuals including vitamin IV drips, vitamin IV infusion products, Dermalinfusion, energy boosters, Glutathione injections, hair growth services, hormone replacement, microdermabrasion, microneedling, weight loss, fillers, anti-aging products, telemedicine and or any business in which Trade Secrets and Confidential Information could be used to the disadvantage of us, any affiliate or our other franchisees but does not include (a) any business operated by you under a Franchise Agreement with us, or (b) any business operated by a publicly-held entity in which you own less than a 5% legal or beneficial interest;

**“Computer System”** has the meaning given to such term in 12.5.1;

**“Confidential Information”** means technical and non-technical information used in or related to the operation of your Franchised Business and not commonly known by or available to the public, including, without limitation, Trade Secrets (defined below), methods and products, customer or client services techniques and other techniques and methodologies not generally known to the industry or public, client lists, Services, the Manual, and any other information identified or labeled as confidential when delivered by us but shall not include any information that: (a) is now or subsequently becomes generally available to the public through no fault of you; (b) you can demonstrate it was rightfully in your possession, without obligation of nondisclosure, pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

**“Default Rate”** has the meaning given to such term in 3.5.1;

**“Effective Date”** means the date on which we and you fully execute this Agreement, thereby commencing its effectiveness and term;

**“Franchise”** means the right granted to you by us to use the System and the Marks;

**“Franchisor Indemnities”** has the meaning given to such term in Section 21.3;

**“Gross Revenue”** means all sales, revenues, charges and receipts from whatever source (whether in the form of cash, check, credit or debit card, barter exchange, trade credit or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with your Franchised Business. Gross Revenue includes all revenues earned from the Services offered at your Franchised Business, leasing space on your premises to subcontractors (if approved by us and the landlord), usage income, and insurance proceeds you receive for loss or interruption of business due to a casualty or similar event at your Franchised Business. Gross Revenue excludes sales taxes collected from customers and paid to the appropriate taxing authority and any other bona fide refunds to customers;

**“Gross Revenue Reports”** has the meaning give to such term in Sections 3.2.3 and 12.2;

**“Incapacity”** means the inability of you, or any holder of a legal or beneficial interest in you, to operate or oversee the operation of your Franchised Business on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

**“Initial Franchise Fee”** has the meaning given to such term in 3.1;

**“Internet”** means any local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web and social media websites and applications;

**“Management Fee”** has the meaning given to such term in 3.10;

**“Manager”** means the individual who is approved by us that will run the day-to-day operation of your Franchised Business;

**“Manual”** means the Liquivida Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by us from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers’ manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, us;

**“Marks”** means the service mark “Liquivida Lounge”, “Liquivida”, “Liquivida Wellness Center”, “LIV-2-100” and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as we may designate to be used in connection with your Franchised Business;

**“Medical Professionals”** means those licensed individuals, professional corporations and other individuals and entities that, under applicable federal, state and local rules and regulations are trained, authorized and permitted to perform, offer, provide, oversee, and manage the delivery and performance of those Services that such individual and/or corporate entity performs, offers, provides, oversees, and/or manages at the Franchised Business and/or on behalf of the Franchised Business;

**“Medical Regulations”** means all applicable federal, state and local rules and regulations that relate to the ownership and operation of your Franchised Business, the Services, and the

operation of your Franchised Business including, but not limited to, laws related to actions that a Medical Professional may or may not engage in regarding ownership, diagnosis, treatment, supervision, delegation, flow of funds and the actions that you may or may not engage in. Without limitation to the foregoing, Medical Regulations shall include all health law regulations and rules including, but not limited to, to health privacy laws such as the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), the Stark laws, anti-kickback laws, state disclosure laws, the corporate practice of medicine (“CPOM”) doctrine, and advertising and promotion laws of medical-related services;

“**Operating Principal**” means the person you designate if you are a corporate entity that must devote full time and best efforts to the development and operation of your Franchised Business and must have at least 5% ownership of the Franchisee entity and full authority to bind you regarding all operational decisions about your Franchised Business;

“**POS System Maintenance and Support Fee**” has the meaning given to such term in 3.11;

“**Royalty Fee**” has the meaning given to such term in Section 3.2;

“**System**” means the uniform standards, methods, procedures and specifications developed by us and as may be added to, changed, modified, withdrawn or otherwise revised by us for the operation of your Franchised Business; and

“**Trade Secrets**” means information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the operation of your Franchised Business that is not commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

## **2. GRANT OF FRANCHISE; ACCEPTED LOCATION**

### **2.1 Grant**

Subject to the terms and conditions set forth in this Agreement, we grant you the right, and you accept and undertake the obligation:

- 2.1.1 to operate one Franchised Business under the System;
- 2.1.2 to use the Marks and the System, but only in connection with your Franchised Business (recognizing that we may periodically change, improve and further develop the Marks and the System); and
- 2.1.3 to do so only at or from a location referred to herein as the “Accepted Location” and within the “Designated Territory” identified and defined in Section 2.2, Section 2.4 and Schedule 1 attached hereto.

### **2.2 Accepted Location**

- 2.2.1 *Accepted Location Defined.* The street address or geographical description of the area for your Franchised Business is specified in Schedule 1 attached to this Agreement and is referred to herein as the “Accepted Location.”
- 2.2.2 *Retail Space.* You must locate, obtain and occupy the site for your Franchised Business on your own initiative and at your own expense. For an Integrated Unit, we will consent to the location of the Franchised Business within a medical office or medspa that will occupy one suitably sized room that is dedicated to the operation of a Franchised Business. We will furnish you with prototypical plans and design specifications for your Franchised Business.
- 2.2.3 *Reservation of Rights to Approve Location.* We have the absolute right to grant or withhold approval of the Accepted Location under this Section 2.2. You understand, acknowledge, and agree that our review and approval of your proposed location, under this Section 2.2 does not constitute our assurance, representation, or warranty of any kind that your Franchised Business will be profitable or successful.
- 2.2.4 *Restriction on Relocation.* You may not relocate your Franchised Business from the Accepted Location without our written consent. Any proposed relocation will be subject to our review of the proposed new site under our then-current standards for site selection, and we will also have the right to take into consideration any commitments we have given to other franchisees, licensees, landlords, and other parties relating to the proximity of a new Franchised Business to their establishment. You will be required to pay us a relocation fee equal to 50% of then current Initial Franchise Fee.
- 2.2.5 *Site Review.* You are responsible for completing and submitting to us for review and approval, the information and materials we designate regarding your proposed site. We will issue our approval or disapproval of your proposed site within 30 days after we receive all of the information and materials we requested. We may not withhold our approval unreasonably. We will not be deemed to have withheld our approval unreasonably if the proposed site fails to meet our then-current standards and specifications, as we determine in our discretion.
- 2.2.6 *Lease Review Fee.* If, after your submission of the information we request, we issue an approval of your proposed site, you must submit a site approval form along with a copy of the proposed lease or sublease for the approved site before you sign the lease. You must pay us \$2,000 as administrative fees for our review of your lease or sublease to ensure that the lease meets our criteria. If we do not approve the proposed lease for the site, the site will be deemed disapproved, and you will not be permitted to open your Franchised Business at that location.
- 2.2.7 *Time Limit to Sign Lease.* If you do not secure an Accepted Location and enter into a binding lease agreement that has been approved by us for such location within four (4) months of signing this Agreement, we may terminate this Agreement.
- 2.2.8 *Time Limit to Commence Operation.* You must open your Liquivida Wellness Center no more than 12 months after the Effective Date of this Agreement and your Liquivida Lounge no more than six months after the Effective Date of this

Agreement. You may not open your Franchised Business the public until we issue a written approval authorizing your opening. We will not issue our approval, and you will be prohibited from opening your Franchised Business until you obtain our written approval, if (a) your Franchised Business has not been constructed and equipped in accordance with our standards and specifications, (b) you failed to successfully complete initial training, (c) in view of our management, we determine you and your employees are not prepared to open, (d) your Franchised Business has not been given all the proper governmental approvals by the local authorities, or (e) any of the conditions in Section 5.3 have not been met.

## 2.3 Sub-Franchising/Third Parties

2.3.1 *Restriction on Sublicensing.* You shall not sublicense the use of the System or Marks to any person or entity.

2.3.2 *Restriction on Granting Rights to Third Parties.* Except as permitted in Section 18, you shall not grant any person or entity the right to perform any part of your rights or obligations licensed hereunder.

## 2.4 Designated Territory

2.4.1 *Territory Defined.* Your Franchised Business will be located at a single site, which must meet our standards and specifications for both a Liquivida Wellness Center storefront, inline unit and Liquivida Lounge integrated unit and must be approved by us in advance. You shall be prohibited from operating a franchise, conducting business or soliciting customers outside of the Designated Territory without our prior written consent. We will approve your Designated Territory in Schedule 1 after your Accepted Location is approved by us. You may be required to sign an amended Schedule 1 after your Accepted Location is approved.

2.4.2 *Your Rights and Our Rights.* During the initial term and all renewal terms of this Agreement, and provided that you are in full compliance with this Agreement and all other agreements between you and us or between you and our affiliates or suppliers, we shall not own or operate, or grant anyone else the right to own or operate, a Franchised Business within the Designated Territory identified in Schedule 1 which may be modified and finalized after you sign this Agreement. You understand that is the limit of your rights.

2.4.3 *Territory Size.* We reserve the right to grant each franchisee a Designated Territory on a case-by-case basis in order to account for the unique features of each geographic marketplace and your Designated Territory shall be listed in Schedule 1. We reserve the right to demarcate the exact bounds of your Designated Territory once a primary location is chosen and approved, and such Designated Territory shall not be altered.

2.4.4 *Activity Restricted to Your Territory.* You may not offer or sell general anti-aging and vitamin IV infusion products and services including IV drips, IV infusion products, Dermalinfusion, energy boosters, Glutathione injections, hair growth services, hormone replacement, microdermabrasion, microneedling, weight loss, fillers, anti-aging products, telemedicine and other medical and wellness

treatments or any service we offer or may offer in the future outside your Designated Territory without our prior written consent. Except in conjunction with approved advertising promotions, you may not directly market or solicit business outside your Designated Territory without prior written authorization from us, including ad and Internet marketing. You may not distribute postcards, letters, fliers, e-mails, or other marketing communications outside your Designated Territory, make telemarketing calls to clients located outside your Designated Territory, or advertise in print or other media where two-thirds or more of the media circulation base or broadcast area is located outside your Designated Territory.

- 2.4.5 *No Right of First Refusal.* Except for the Designated Territory granted in this Agreement, we do not grant you any rights of first refusal to obtain additional franchise rights. If you wish to develop additional Franchised Businesses, you must enter into a new Franchise Agreement and meet all our current requirements for franchisees.
- 2.4.6 *Your Compliance.* You shall have the right to the benefits of the Designated Territory as long as you adhere to the terms of this Agreement. If you default on your obligations under this Agreement, as an alternative to termination, we may, at our sole and absolute discretion, unilaterally modify or completely eliminate any rights that you may have with respect to the Designated Territory, effective ten (10) days after delivery of written notice to you and your failure to cure the default if the default is curable.
- 2.4.7 *Reservation of Rights.* You understand and acknowledge that any rights not expressly granted to you with respect to your Designated Territory are reserved to us. We retain the right to conduct any business at any location, including: (a) the right to offer Franchised Businesses using our System and Marks to others for any site outside your Designated Territory regardless of how close the site is to your Accepted Location; (b) the right to sell, rent and distribute any services and products, directly or indirectly, and/or license others to sell and distribute any Services and products, directly or indirectly, from any location or to any purchaser (including, but not limited to, sales made to purchasers in the Designated Territory through retail establishments, mail order, independent distributors, wholesale distribution, phone order, on the Internet, and/or sales to delivery customers), except that we shall not do so from a Franchised Business located inside the Designated Territory; (c) the right to produce, license, distribute and market Services and other products and services bearing the Marks, including wellness, vitamin IV infusion products, anti-aging products, packaged items, books, retail items, food and beverage products, and apparel, among other things, at any location or any outlet, regardless of proximity to your Franchised Business, through any distribution channel, at wholesale or at retail, including by means of the Internet, mail order, direct mail advertising, delivery, and other distribution methods; (d) the right to develop, operate, and franchise others to operate, any business concept except a Liquivida-branded business at any place, including within the Designated Territory, and use the Marks or any other trademarks owned, licensed, or developed by us or our affiliates in connection with those concepts, even if such concepts sell products and services that are similar to, the same as, or competitive with the Services you offer; (e) the right to approve or disapprove other franchisee's requests to purchase local marketing that penetrates your

Designated Territory in our sole discretion; and (f) the right to merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Designated Territory; (g) the right to attend a trade show in your Designated Territory; (h) the right to operate a Liquivida pop-up shop and mobile unit in your Designated Territory; and (i) the right to open and operate a Liquivida business at “Non-Traditional Sites” which include without limitation military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums in your Designated Territory.

### 3. FEES

#### 3.1 Initial Franchise Fee

You shall pay us a fee \$75,000 for a Liquivida Wellness Center storefront, in-line unit, and \$40,000 for a Liquivida Lounge integrated unit upon execution of this Agreement. You acknowledge and agree that this Initial Franchise Fee is fully earned by us when paid in consideration of the administrative and other expenses incurred by us in granting the franchise and for our lost or deferred opportunity to offer the rights of this franchise to others and is not refundable under any circumstances.

#### 3.2 Royalty Fee

3.2.1 *Royalty Fee Payment.* You agree to pay us a continuing fee equal to 6% of Gross Revenue (the “Royalty Fee”) for the right to use the System and the Marks.

3.2.2 *Royalty Fee Payment Date.* The Royalty Fee shall be paid by you monthly between the 11<sup>th</sup> and 12<sup>th</sup> calendar day of the month for the prior month. The Royalty Fee begins when you commence operations of the Franchised Business. We reserve the right to change the time and manner of payment (including receiving weekly payments) at any time upon written notice to you.

3.2.3 *Gross Revenue Report.* Upon our request, you shall provide to us a Gross Revenue Report, as required by Section 12.2, for the months requested.

#### 3.3 Taxes, Permits and Indebtedness

3.3.1 *Payment of Taxes.* You agree to promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind that you incur in the conduct of your Franchised Business. You agree to pay us an amount equal to any sales tax, gross receipts tax, or similar tax imposed on us with respect to any payments that you make to us as required under this Agreement within 30 days, unless the tax is credited against income tax that we otherwise pay to a state or federal authority. If any taxes, fees, or assessments are imposed on Royalty Fee payments, for example, by reason of us acting as a franchisor or licensing the Marks under this Agreement, you shall reimburse us the amount those taxes, fees, or assessments within 30 days after receipt of our invoice.

- 3.3.2 *Payment of Vendors.* You agree to promptly pay when due all trade creditors and vendors (including any that are affiliated with us) that supply goods or services to you and/or your Franchised Business. Your failure to pay vendors and suppliers shall be grounds for default and/or termination.
- 3.3.3. *Tax Disputes.* If there is a bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event will you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of your Franchised Business, or any improvements thereon.
- 3.3.4 *Compliance with Law.* You must comply with all state and local laws and regulations regarding the management of a medical office. You must also make sure that your relationship with the physicians complies with all laws and regulations, and that the physicians and Medical Professionals secure and maintain in force all required licenses, permits and certificates relating to the operation of your Franchised Business. Each state has medical, nursing, physician assistant, cosmetology, naturopathic, chiropractic and/or other boards that determine rules and regulations regarding their respective members and the scope of services that may legally be offered by their members. Applicable laws and regulations generally include requirements for medical providers to hold state licenses and registrations to work as (as applicable) physicians, nurse practitioners, advanced practice registered nurses, and physician assistants in the state where your Franchised Business is located, and to hold required certifications by, or registrations in, any applicable professional association or registry. If we grant you the right to operate a Franchised Business, we are not engaging in the practice of medicine, nursing or any other profession that requires specialized training or certification, and you must not engage in the practice of medicine, nursing, or any other profession that requires specialized training or certification. This Agreement shall and does not interfere, affect or limit the independent exercise of medical judgment by the Medical Professionals, including physicians and their medical staff. Your Franchised Business will be subject to laws, regulations and ordinances that are applicable to businesses generally. You must obtain and maintain any permits, licenses, and certifications necessary for the operation of your Franchised Business. Your failure to comply with all applicable laws shall be grounds for default and/or termination.
- 3.3.5 *Notice of Violations and Actions.* You agree to notify us in writing immediately after: (a) you receive notice of any investigation by a government entity, any complaint or notice from the state or federal department of financial services, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, (b) the occurrence of any accident or injury which may adversely affect the operation of your Franchised Business or your financial condition, or give rise to liability or a claim against either party to this Agreement, or (c) the discovery of any facts that may give rise to a professional liability claim against either party to this Agreement.

### 3.4 **Electronic Transfer of Funds**

All fees and other amounts due to us, our affiliates, or advanced by us shall be paid to us through a designated bank account. You must allow us and our affiliates to debit your account through the Automated Clearing House (ACH) system. The ACH form you are required to fill out is attached as Schedule 5 to this Agreement. You shall make deposits to the designated bank account sufficient to cover amounts owed to us prior to the date such amounts are due. You shall not close your designated bank account without our written consent.

### 3.5 **Interest, Late Fees and Failure to Comply**

- 3.5.1 *Interest and Default Rate.* All amounts due to us, and other amounts not received by us within five days after the due date shall incur interest at the rate of 1.5% per month (the “Default Rate”) from the date payment is due to the date payment is received by us.
- 3.5.2 *Late Fees.* In addition to the interest fee referenced above, you will pay us a \$100 late fee for each occurrence of a payment or required report is not received by us on or before its due date. This Section does not constitute an agreement by us to accept any payments after the due date or a commitment by us to extend credit to or otherwise finance you.
- 3.5.3 *Failure to Comply.* You shall pay us for all costs incurred by us in the collection of any unpaid and past due amounts, including reasonable accounting and legal fees. You shall also reimburse us on demand for all costs and expenses incurred by us (including without limitation, our costs of re-training your personnel, legal and accounting costs and the costs and expenses of our personnel) to enforce compliance of your monetary and non-monetary obligations under this Agreement. You shall reimburse us for such costs and expenses through the ACH system.

### 3.6 **Application of Payments**

Notwithstanding any designation by you, we shall have the right to apply any payments by you to any past due indebtedness owed to us or our affiliates in any proportion or priority.

### 3.7 **Operations Manual Replacement Fee**

You agree to pay us \$250 if you lose or destroy the Manual.

### 3.8 **Maintenance and Refurbishing of Business**

We may charge you certain maintenance and refurbishment fees for any work we perform on your behalf to repair or otherwise improve your Franchised Business, including any such repairs or improvements made on our own initiative if you refuse to complete any requested maintenance or refurbishment. The total amount of the maintenance and refurbishment fees that you pay us will vary depending on the labor and material costs of any such maintenance and refurbishing, as well as any associated costs or losses we may incur due to your failure to maintain or refurbish the location in accordance with our requests. If, after we notify you, and you do not undertake efforts to correct deficiencies in the appearance of your Franchised Business, we can undertake the repairs, and you must reimburse us.

### **3.9 Insufficient Funds Fee**

You agree to pay to us \$100 if any payment you owe to us or one of our affiliates is rejected due to insufficient funds in your designated bank account, or if any other payment instrument you use is rejected for insufficient funds.

### **3.10 Management Fee**

If we agree to take over your business upon default or abandonment, you agree to pay our expenses plus an administrative fee equal to 10% of the Gross Revenue earned at the Franchised Business above the other fees due to us (the "Management Fee"). The Management Fee will only be charged when we, one of our employees, or a third party appointed by us, actively control(s) the day-to-day management of your Franchised Business. The Management Fee shall be paid at the same time as Royalty Fees and all other fees due to us. We have no obligation to you to manage your business upon default or abandonment, but we reserve this right in our sole discretion.

### **3.11 POS System Maintenance and Support Fee**

You agree to pay \$350 to \$650 per month to an approved third-party POS supplier we designate, currently Zenoti. This fee is subject to change or increases by the POS vendor or if specifications change.

### **3.12 Conference Fee**

We may hold an annual franchisee conference devoted to training and plans for the future of Liquivida which you will be required to attend. You shall pay \$750 per person for our conference. Additionally, you must pay for your representatives' salaries and benefits, and for their travel, lodging, and meal expenses.

### **3.13 Quality Assurance Fee**

You will pay us or a third party that we designate up to \$250 to conduct a quality assurance inspection of the Franchised Business.

### **3.14 Mystery Shopper Fee**

You will pay us or a third party that we designate up to \$150 if we retain a third party to conduct mystery shops at the Franchised Business.

### **3.15 Liquivida TV**

You will pay our affiliate LQV Management, LLC an initial set up fee which is currently \$150 per month to receive Liquivida branded content videos on a regular basis.

### **3.16 E-Mail Account Fee**

You will be provided up to three e-mail accounts at no cost to you. There will be a charge of \$16 per month for each additional e-mail account requested by you.

## **4. TERM AND RENEWAL**

#### **4.1 Initial Term**

The term of this Agreement starts on the Effective Date and, unless this Agreement is earlier terminated in accordance with its provisions, will expire ten years from the Effective Date.

#### **4.2 Renewal Terms**

You will have the right to renew your rights to operate your Franchised Business for two additional successor terms of five years, so long as you have satisfied all of the conditions specified below before each such renewal:

- 4.2.1 You have, during the entire term of this Agreement, fully complied with the provisions of this Agreement;
- 4.2.2 You have, at your expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that your Franchised Business reflects our then-current standards and specifications;
- 4.2.3 You have satisfied all monetary obligations owed by you to us (or any affiliate or supplier), and have timely met these obligations throughout the term of this Agreement;
- 4.2.4 You are not in default of any provision of this Agreement or any other agreement between us or between you and our affiliates or suppliers, landlord and vendors;
- 4.2.5 You have given written notice of your intent to operate a successor franchise to us not earlier than 12 months but no later than six months prior to the end of the term of this Agreement;
- 4.2.6 You have executed our then-current form of franchise agreement, which such franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or Brand Fund Contribution;
- 4.2.7 You have complied with our then-current qualifications for a new franchisee and have agreed to comply with any training requirements;
- 4.2.8 You have executed a general release, in a form the same as or similar to the General Release attached as Schedule 8, of any and all claims against us, any affiliate, and against our and our affiliates' officers, directors, shareholders, managers, members, partners, owners, employees and agents, except to the extent prohibited by the laws of the state where your Franchised Business is located; and
- 4.2.9 You have paid the renewal fee of the greater of 25% of the then-current Initial Franchise Fee or \$10,000 due 30 days prior to the renewal.

### **5. FRANCHISED BUSINESS**

#### **5.1 Operation of Your Franchised Business**

You shall operate your Franchised Business within the Designated Territory from the Accepted Location. You shall manage and administer your Franchised Business from the Accepted Location and shall maintain and store your books and records at the Accepted Location.

## 5.2 Time to Open

You shall have 12 months after the Effective Date to develop and open your Liquivida Wellness Center and six months after the Effective Date to open your Liquivida Lounge and. If you fail to meet this requirement, we shall have the right to terminate this Agreement and retain all fees paid to us or our affiliate by you. You shall comply with all conditions set forth in Section 5.3 below and be prepared to open and continuously operate your Franchised Business. Time is of the essence.

## 5.3 Opening

Before opening your Franchised Business and commencing business, you must:

- 5.3.1 fulfill all of your obligations pursuant to the other provisions of this Section 5;
- 5.3.2 furnish us with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we may request;
- 5.3.3 must attend and successfully complete, to our satisfaction, the initial training program (which may include an online component) we offer for our franchisees at our headquarters or another location that we specify;
- 5.3.4 possess all required state, county, city, and local professional licenses and certifications;
- 5.3.5 obtain all necessary state, county, city, and local permits and licenses, including any zoning permits needed to operate a medical center which offers the Services at your Accepted Location;
- 5.3.6 pay in full all amounts due to us, our affiliates and any third-party vendors;
- 5.3.7 provide us with a copy of any agreements necessary to operate a medical facility in your jurisdiction; and
- 5.3.8 obtain our written permission and approval of an opening date.

## 5.4 Site Approval and Failure to Open

- 5.4.1 *Our Approval.* You acknowledge that our acceptance of the premises for your Accepted Location nor any information communicated to you regarding our standard site selection criteria, or the specific location of the premises regardless whether a Liquivida Wellness Center storefront, in-line unit or a Liquivida Lounge integrated unit will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for your Franchised Business. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise for a Franchised Business at the site.

- 5.4.2 *Rights Upon Termination for Failure to Open.* If this Agreement is terminated because you fail to open or fail to comply with the time limitations to open, we shall retain the entire Initial Franchise Fee paid by you among our other rights. The parties agree that the Initial Franchise Fee shall be retained in consideration of the services provided, time expended, work performed, and other efforts of us up to the date of your failure to timely commence operations of your Franchised Business and shall not be construed as nor considered to be a penalty.

## 6. MARKS

### 6.1 Ownership

Your right to use the Marks is derived solely from this Agreement, is exclusive and is limited to the conduct of business by you pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by us. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights in and to the Marks. Your use of the Marks, and any goodwill created thereby, shall inure solely to our benefit. You shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to you. You shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

### 6.2 Limitations on Use

- 6.2.1 *Business Entity Name.* You shall not use the name Liquivida, Liquivida Lounge, Liquivida Wellness Center, LIV-2-100, or a portion of any Mark as part of your business entity name.
- 6.2.2 *Unauthorized Service.* You shall not use Liquivida, Liquivida Lounge, Liquivida Wellness Center, LIV-2-100, or any of our Marks in connection with the sale of any unauthorized medical service or product or in any other manner not expressly authorized in writing by us. This is a material term of the Agreement and shall constitute grounds for immediate termination.
- 6.2.3 *Fictitious Name.* You shall obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Liquivida Lounge or Liquivida Wellness Center and shall immediately cancel the fictitious name upon termination or expiration of this Agreement.
- 6.2.4 *Trademark Registration.* You shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, the name Liquivida, Liquivida Lounge, Liquivida Wellness Center, LIV-2-100, or any of the Marks used in conjunction with your Franchised Business or a trademark or service mark that is confusingly similar to any Mark licensed to you.
- 6.2.5 *Public Notification.* You shall include on your letterhead, forms, cards and other such identification, a prominent notice stating that your Franchised Business is an “Independently Owned and Operated (Liquivida Lounge or Liquivida Wellness Center) Franchise”.

6.2.6 *Limited Permission to Use the Marks.* The permission to use the name Liquivida, Liquivida Lounge, Liquivida Wellness Center, LIV-2-100, and our other Marks granted to you under this Agreement does not constitute a warranty of the absence of any third-party senior or superior use claims in and to the Marks. We shall have no liability to you for any senior users that may claim rights to the Marks. You shall amend any business entity name at our request and at your expense.

### 6.3 **Notification of Infringements and Claims**

You shall immediately notify us in writing of any infringement, claim of infringement, unfair competition, or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You shall not communicate with any person other than us and our counsel in connection with any such infringement, challenge, or claim. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding arising out of any infringement, challenge, or claim involving a trademark licensed by us. This Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. You shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of us or our counsel, be necessary or advisable to protect and maintain our interests in any such litigation or other proceeding or to otherwise protect and maintain our interest in the Marks.

### 6.4 **Indemnification for Use of Marks**

We may but we are not required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the use of our Marks. At our option, we or our designee may defend and control the defense of any proceeding arising directly from your use of any Mark.

### 6.5 **Discontinuance of Use**

If we deem it necessary for you to modify or discontinue use of any of the Marks, and/or use additional or substitute trade names, trademarks, service marks or other commercial symbols, you shall comply with our directions within ten business days after notice to you by us and subject to the limitations in Section 10.2. We shall not be required to reimburse you for your expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by you to promote a modified or substitute Mark.

### 6.6 **Right to Inspect**

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that you are properly employing the Marks in the operation of your Franchised Business, we reserve the right to inspect your Franchised Business at any time without advanced notice. You shall comply with all reasonable requests for information and documentation during these inspections and shall give us access to speak directly to your employees and Medical Professionals about the operation of your Franchised Business.

### 6.7 **Franchisor's Sole Right to Domain Name**

You shall not advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the words “Liquivida”, “Liquivida Lounge”, “Liquivida Wellness Center”, “LIV-2-100”, or any variation thereof without our written approval. We are the sole owner of a right, title and interest in and to such domain names. We will grant you a sub-page or listing on our website for purposes of providing the public with contact information for your Franchised Business and other content in our discretion.

## **7. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION**

### **7.1 Confidentiality of Trade Secrets and Other Confidential Information**

You acknowledge that we are disclosing Trade Secrets and other Confidential Information to you during the training program, through the Manual, and as a result of guidance furnished to you during the term of this Agreement. You shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of your Franchised Business and in performing your duties during the term of this Agreement. You acknowledge that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. You acknowledge that the Trade Secrets and other Confidential Information are proprietary and are disclosed to you solely on the condition that you (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by us to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. You shall enforce this Section as to your employees, agents and representatives including by requiring them to sign the Nondisclosure and Non-Competition Agreement attached as Schedule 2 and shall be liable to us for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

### **7.2 Additional Developments**

All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for you or your owners or employees, shall be promptly disclosed to us and shall be deemed the sole and exclusive property of ours and our works made-for-hire, and no compensation shall be due to you or your owners or employees therefore, and you hereby agree to assign to us all right, title and interest in any intellectual property so developed. We have the right to incorporate such items into the System. To the extent any item does not qualify as a “work made-for-hire,” you shall assign, and by this Agreement, do assign, ownership of that item, and all related rights to that item, to us and shall sign any assignment or other document as we request to assist us in obtaining or preserving intellectual property rights in the item. We shall disclose to you concepts and developments of other franchisees that are made part of the System. As we may reasonably request, you shall take all actions to assist our efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by us or not.

### 7.3 Exclusive Relationship

You acknowledge that we would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among our franchisees if owners of Franchised Businesses and members of their immediate families or households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, you and any holder of a legal or beneficial interest in the Franchisee entity (or any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff of the Franchisee entity, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall not:

- 7.3.1 divert or attempt to divert any business or customer of your Franchised Business to any Competitive Business, 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;
- 7.3.2 at any time during the term of this Agreement, own, maintain, engage in, be employed by, perform services for 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 Competitive Business;
- 7.3.3 at any time within a two-year period following termination or expiration of this Agreement, own, maintain, engage in, be employed by, perform services for 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 Competitive Business at the Accepted Location or within a 25-mile radius of your Franchised Business or any then-existing Franchised Business or Affiliate-Owned Unit as set forth in Section 17;
- 7.3.4 call on, solicit, accept business from, or take away any customers or prospective customers of your Franchised Business or of us or our affiliates for the benefit of any person or entity outside the System. The term "Prospective Customer(s)" includes any person or entity that received a quote for any of the Services we offer services from your Franchised Business, or any person or entity whose information was provided to your Franchised Business, at any time during the six-month period preceding the termination, expiration, non-renewal or transfer of the Agreement; or
- 7.3.5 call on, solicit, accept business from, or take away for the benefit of yourself or any other person or entity, any prospective customers or customers of your Franchised Business or of us or our affiliates, that you worked with or serviced in any capacity or that you received any confidential or proprietary information about, regarding the Services similar to those provided by your Franchised Business, for a continuous period of two years after the nonrenewal, expiration or termination of this Agreement.

### 7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals

We have the right to require any holder of a legal or beneficial interest in the Franchisee entity (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of the Franchisee entity to execute a Nondisclosure and Non-Competition Agreement, in a form the same as or similar to Schedule 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee. Upon our request, you shall provide us with copies of all Nondisclosure and Non-Competition Agreements signed pursuant to this Section. Such agreements shall remain on file at your Accepted Location and are subject to audit or review as otherwise set forth herein. We shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.

## 7.5 Reasonableness of Restrictions

You acknowledge that the restrictive covenants contained in this Section are essential elements of this Agreement, and that without their inclusion we would not have entered into this Agreement. You acknowledge that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of us, the System and the Marks and you waive any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

## 7.6 Client Information

You must comply with our System standards, other directions from us, and all applicable laws and regulations, including HIPAA, regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of client information on your Computer System or otherwise in your possession or control and, in any case, employ reasonable means to safeguard the confidentiality and security of Client Information. Subject to applicable law, we and our affiliates will, through the Computer System or otherwise, have access to Client Information. We and our affiliates may use Client Information in our and their business activities. When this Agreement expires or terminates, we and our affiliates may make all disclosures and use the Client Information in any manner that we or they deem necessary or appropriate. You acknowledge and agree that the Client Information shall be transferred to us upon termination or expiration of this Agreement. You must secure from your clients, prospective clients and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Client Information to us and our affiliates, and for us and our affiliates to use that Client Information, in the manner that the Franchise Agreement contemplates.

## 8. TRAINING AND ASSISTANCE

### 8.1 Initial Training

- 8.1.1 *Who Must Attend Training.* Before opening your Franchised Business, you (or if you are an entity, your Operating Principal) your Manager (if you will employ a Manager) and your Medical Professionals must attend and successfully complete, to our satisfaction, the initial training program (which may include an online component) we offer for our franchisees at our headquarters or another location that we specify (including virtual training).
- 8.1.2 *Staff Training.* All staff hired to work at a Franchised Business must attend at least one training within the first 6 months of their employment. You must send them to

the first available training date. You may send any employees you designate to the training, with our consent, for no additional attendance fee.

The learning management system “Trainual” will be utilized by you for all employee onboarding, training, and standard operating procedures. You will be required to have a unique log-in for each of your employees. All employees and franchise owners are required to complete all assigned modules and receive a satisfactory grade.

- 8.1.3 *Qualified Replacement Training.* If you (or your Operating Principal), your Manager or your Medical Professionals cease active management or employment at your Franchised Business, then any replacements must attend and successfully complete the basic management training program to our reasonable satisfaction, as soon as it is practical to do so but, in all cases, the replacement shall successfully complete training within 30 days. You must pay our then-current per diem training charges for additional training.

## 8.2 Opening Assistance

Prior to opening of your Franchised Business, we will provide to you, general guidance that we think is advisable, in our sole discretion, and as may be described in the Manual.

## 8.3 Failure to Complete Initial Training Program

You (and your Operating Principal), your Manager (if applicable), your Medical Professionals, and your employees are required to complete the initial training program before commencing operation of your Franchised Business. If we determine that you, your Operating Principal, your Manager, your Medical Professionals or your employees are unable to satisfactorily complete the training program described above, we have the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 8.3, we shall have no obligation to return any of the Initial Franchise Fee. If you are a business entity and the Operating Principal fails to complete the initial training program to our reasonable satisfaction, you may be permitted to select a substitute Operating Principal who must complete the initial training to our satisfaction. You will be required to pay us our then-current rates for additional training or \$450 per day per trainee (plus hotel, air fare and other expenses incurred by us and our trainers).

## 8.4 Ongoing Training

We may require that your Operating Principal, Managers, Medical Professionals and employees periodically attend additional courses, seminars, and other training programs. You will also bear all other expenses incurred in attending training, such as the costs of transportation, lodging, meals, wages, and worker’s compensation insurance. We may hold periodic conferences, as we deem necessary, to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. In the event that such conferences are held, we reserve the right to charge a fee for your attendance at the conference, and you must pay all your travel and living expenses related to your attendance at the conference. You are solely responsible for ensuring that your management staff and employees are adequately trained.

## 9. OPERATIONS MANUAL

## 9.1 **Loan by Franchisor**

While this Agreement is in effect, we shall lend to you one copy of the Manual or grant you access to an electronic copy of the Manual. Except in the case of a conflict with applicable laws or regulations, you shall conduct your Franchised Business in strict accordance with the provisions set forth in the Manual. The Manual may consist of one or more separate manuals and other materials as designated by us and may be in written or electronic form. The Manual shall, at all times, remain our sole property and shall promptly be returned to us upon expiration or termination of this Agreement.

## 9.2 **Revisions**

We have the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules we prescribe. We may make such additions or modifications without prior notice to you. You shall immediately, upon notice, adopt any such changes and shall ensure that your copy of the Manual is up-to-date at all times. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by us at our headquarters shall be controlling.

## 9.3 **Confidentiality**

The Manual contains Trade Secrets and other Confidential Information of ours, and its contents shall be kept confidential by you during the term of this Agreement and subsequent to the expiration, non-renewal or termination of this Agreement. You shall at all times ensure that your copy of the Manual is available at your Franchised Business in a current and up-to-date manner. If the Manual is in paper form or stored on computer-readable media, you shall maintain the Manual in a secure manner at the Accepted Location; if the Manual is in electronic form, you shall maintain the Manual in a password-protected file. You shall only grant authorized personnel, as defined in the Manual, access to the Manual or any key, combination, or passwords needed for access to the Manual. You shall not disclose, duplicate, or otherwise use any portion of the Manual in an unauthorized manner.

# 10. **FRANCHISE SYSTEM**

## 10.1 **Uniformity**

Except in the case of a conflict with applicable laws or regulations, you shall strictly comply, and shall cause your Franchised Business and your employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Manual or other communications supplied to you by us. Consistent with the goals of the System, you shall be responsible for the day-to-day operation of your Franchised Business. In case of a conflict between the Manual, this Agreement or other communications supplied to you on the one hand, and applicable laws or regulation, you shall request a variance and we shall grant an automatic variance for the purpose of compliance with such laws or regulations. You acknowledge the mandatory specifications, standards and operating procedures are not for the purpose of exercising control of over the day-to-day operation of your Franchised Business.

## 10.2 **Modification of System**

You acknowledge and understand that, from time to time, we may introduce, as part of the System, other methods, technology or Services and products which require certain System modifications including, without limitation, the adoption and use of modified or substitute Marks, new computer hardware and software, new equipment, new technology or signage. You agree to make all required upgrades and modifications at your expense as may be required by us.

### **10.3 Refurbishment of your Franchised Business**

Upon our request, you shall correct any deficiencies in your Franchised Business's appearance or set-up and you must refurbish and/or update the Accepted Location to current System standards. The obligations described in this Section are exclusive of the obligations described in Section 10.2. There is no limit to the amount you will need to spend to refurbish or remodel your Franchised Business.

### **10.4 Variance**

We have the right to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which we deem to be of importance to the successful operation of any particular Franchised Business. We shall not be required to disclose or grant to you a like or similar variance hereunder.

### **10.5 Unapproved Products and Services**

You acknowledge that the offer or sale of any unapproved products or services at the Franchised Business constitutes a material breach of this Agreement and good cause for termination of this Agreement. You authorize us to cure any default under this Section on your behalf by removing and disposing of any unapproved products and unapproved equipment and other materials from your Franchised Business. Any dispute between you and us as to whether any item, service, or equipment is approved will be governed by the official lists we maintain at our principal place of business. You hereby grant us all of your right, title, and interests in and to any unapproved products and equipment at the Franchised Business and waive any claims you may have against us arising from the removal and disposal of any unapproved products and unapproved equipment and other materials. You acknowledge that we have the right to physically remove any unapproved products and equipment from your Franchised Business, and to dispose of them in any way we desire, without any compensation or liability to you.

## **11. ADVERTISING AND PROMOTIONAL ACTIVITIES**

### **11.1 Local Marketing**

**11.1.1 *Local Marketing Requirement.*** You must spend a minimum of \$3,000 per month on local advertising, promotion and marketing of your Franchised Business. Local marketing expenditures will be directed towards local online, digital marketing and advertising mechanisms within the geographical area of your Franchised Business. Local marketing expenditures are not included in your Brand Fund Contribution and are your sole cost and expense.

- 11.1.2 *Franchisor's Control and Approval.* We shall have sole control over creative concepts, materials, and media used in local marketing programs, and the placement and allocation thereof. We do not warrant that any particular franchisee will benefit directly or pro rata from expenditures by its local marketing program. We do not warrant the success or effectiveness of any particular advertising/marketing program. We shall have the right to approve or disapprove all marketing and promotional materials that you propose to use.
- 11.1.3 *Local Marketing Criteria.* Certain criteria will apply to the local marketing that you conduct. All of your local marketing must be professional and dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any marketing or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials (unless, within the previous six months, we prepared or already approved the plans or materials). If you email us with your request for approval, along with all needed information, we will ordinarily provide you with our response (whether approval or disapproval) to the proposed plans or materials within ten business days; but if we do not give our approval within 15 business days, we will have been deemed to disapprove the plans or materials.
- 11.1.4 *Our Sole Property.* All copyrights in and to marketing, advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign any documents (and, if necessary, require your independent contractors to sign the documents) that we deem reasonably necessary to implement this provision. We may periodically make available to you certain marketing materials for your use in local marketing and promotion, some of which must be purchased.
- 11.1.5 *Local Marketing Defined.* As used in this Agreement, the term "local marketing" refers to only the direct costs of purchasing and producing marketing materials (such as camera-ready advertising and point of sale materials), marketing to referral partners, and your direct out-of-pocket expenses related to costs of marketing in your local market or area. Local marketing and promotions also include postage, shipping, telephone, and photocopying costs. Local marketing does not, however, include any of the following: (a) salaries, incentives or discounts offered to your employees, and your employees' expenses; (b) charitable, political, or other contributions or donations; and (c) the value of discounts given to consumers.
- 11.1.6 *Materials Available for Purchase.* We, our vendors or our affiliates may periodically make available to you for purchase marketing plans and promotional materials, merchandising materials, sales aids, point-of-purchase materials, special promotions, community relations programs, and similar marketing and promotional materials for use in local marketing.
- 11.1.7 *Periodic Marketing Programs.* You acknowledge and agree that periodic marketing programs and promotions will, if and when we approve and adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in marketing programs and promotions that we establish and/or that

other franchisees sponsor, so long as they do not violate regulations and laws of appropriate governmental authorities. You must participate in all advertising, promotional and marketing initiatives we may require. Without limitation, initiatives may include prize contests, special product and service offers and coupons. Advertising, promotional and marketing initiatives may be conducted internationally, nationally, regionally and locally and may vary from region to region or locality to locality; all other franchisees using the System shall not necessarily be required to participate in the initiatives in which you must participate. You must also participate in the launch of any new products we may require, and you must honor all coupons, gift certificates and other promotional offers authorized by us including without limitation, you must honor all coupons, certificates and promotional offers presented to you.

11.1.8 *Considerations as to Charitable Efforts.* You acknowledge and agree that certain associations between you and/or the Franchised Business, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, and/or an adverse effect on, our reputation and/or the good will associated with the Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions that involve the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

11.1.9 *Additional Marketing Expenditure Encouraged.* You understand and acknowledge that the required contributions and expenditures are minimum requirements only, and that you may spend additional funds for local marketing and promotion, which will focus on disseminating marketing directly related to your Franchised Business. If you fail to make the required local marketing expenditures, you must pay the balance due to us to be applied to our Brand Fund.

## 11.2 **Brand Fund**

During the term of this Agreement, you will contribute to the System-wide marketing, advertising, and promotion fund (the "Brand Fund"). You shall pay to us an amount equal to \$1,500 per month as a Brand Fund Contribution. We will maintain and administer the Brand Fund as follows:

11.2.1 We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet, or other media for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Brand Fund;

11.2.2 We will use Brand Fund Contributions for producing, maintaining, administering and directing consumer advertising (including but not limited to the cost of preparing and conducting television, radio, Internet, magazine, direct mail and newspaper advertising campaigns and other public relations activities; hosting an Internet web page of similar activities; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees). We will maintain your

contributions through separate accounting from our funds. We will not use Brand Fund Contributions for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Brand Fund. No more than 25% of the Brand Fund Contributions will be for the direct solicitation of franchise sales. We may also include a statement regarding the availability of information about the purchase of Franchised Businesses in advertising and other items produced or distributed using the Brand Fund;

- 11.2.3 We shall attempt to use all contributions in the fiscal year they are made; however, if less than all monies in the Brand Fund are spent in the fiscal year in which they accrue, the money will remain in the Brand Fund to be spent in subsequent years. We will use any interest or other earnings of the Brand Fund before we use current contributions. We intend for the Brand Fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the fund until all contributions and earnings have been used for advertising and promotional purposes or we have returned your *pro rata* share;
- 11.2.4 The Brand Fund is not audited. The Brand Fund is not a trust, and we assume no fiduciary duty in administering the fund. Upon your request, we will provide you, within 120 days of our fiscal year end, a written statement for such fiscal period setting forth in brief detail the total amounts collected, and disbursements made by us in connection with the Brand Fund. Locations owned by us, or our affiliates contribute equally to the Brand Fund;
- 11.2.5 Except for salaries of marketing personnel employed by the Franchisor, we do not receive compensation for providing goods or services to the Brand Fund; and
- 11.2.6 The Brand Fund is not and will not be our asset. Although the Brand Fund is intended to be of perpetual duration, we maintain the right to terminate the Brand Fund. The Brand Fund will not be terminated, however, until all monies in the Brand Fund have been expended for marketing purposes. If amounts are unspent in the Brand Fund at fiscal year-end, those amounts are carried over by the Brand Fund for expenditure in the following year.

### 11.3 Internet Marketing

- 11.3.1 *Restrictions on Internet.* You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have an Internet website at the uniform resource locator (URL) [www.liquivida.com](http://www.liquivida.com) that provides information about the System and about us. We may provide you with a page on our home page, where we will have contact information on your location. We retain the sole right to post content on our website and otherwise market on the Internet, including the use of other websites, domain names, social media accounts, URLs, keywords, linking, search engines (and SEO techniques), banner ads, meta-tags, marketing, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing efforts, and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements. We retain the sole

right to approve any linking to, or other use of, the Liquivida website. You are not permitted to use a domain name containing Liquivida or LIV-2-100 in the URL.

11.3.2 *Online Site.* We will have the right, but not the obligation, to provide you with one or more references or webpage(s), as we may periodically designate, within our Online Site. The term “Online Site” means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, the web, webpages, microsites, social networking sites (e.g., Facebook, Twitter, LinkedIn, YouTube, Instagram, etc.), blogs, vlogs, applications to be installed on mobile devices (for example, iOS or Android apps), and other applications. However, if we approve a separate Online Site for you (which we are not obligated to do), then each of the following provisions will apply: (1) you may neither establish nor use any Online Site without our prior written approval; (2) before establishing any Online Site, you must submit to us, for our prior written approval, a sample of the proposed Online Site, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta tags), in the form and manner we may require; (3) you must not modify an Online Site without our prior written approval; (4) you must comply with the standards and specifications for Online Sites that we may periodically prescribe in the Manual or otherwise in writing; (5) if we require, you must establish hyperlinks to our Online Site and other Online Sites; and (6) we may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf. We shall be the administrator on any social media pages we approve for you.

#### 11.4 **Grand Opening Marketing Program**

You must between \$15,000 and \$25,000 on the local advertising, promotion, and other marketing activities that we specify or approve in connection with your grand opening of a Liquivida Wellness Center. The range is \$7,500 to \$15,000 for a Liquivida Lounge integrated unit. Such amount shall be spent before your Franchised Business opens and during its first 60 days of operation. You must submit to us proof of these expenditures within 120 days after your Franchised Business first opens for business. This requirement is in addition to your Local Advertising requirement.

#### 11.5 **Cooperative Marketing**

We may, in our discretion, form local or regional marketing cooperatives covering your Designated Territory and the territory of at least one other franchisee for the purpose of developing and implementing local or regional marketing programs, or we may approve of the formation of such a marketing cooperative by our franchisees. If we require you to join a local or regional marketing cooperative (the “Co-op”), then you must: join the Co-op; participate with other franchisees in the Co-op’s marketing programs; and pay your share of the Co-op’s marketing expense. Any payments you make for the Co-op’s marketing will be applied towards your Local Advertising requirement, but will not affect your obligation to make Brand Fund Contributions under this Agreement. If the amount you contribute to a Co-op is less than the Local Advertising requirement, then you shall nevertheless spend the difference locally. The Co-op’s marketing expenses will be allocated among its members based on the number of participating franchisees or on some other reasonable basis as may be determined by the franchise advisory council or us. We or our designee will be responsible for administering the Co-op; however, we may delegate this authority

to the franchise advisory council or some other committee of franchisees. The Co-op will operate under written governing documents prepared by us or our designee, which will be made available to you upon reasonable request. An accounting of the operation of the Co-op will be prepared annually by the Co-op, at the Co-op's expense, and made available to Co-op members upon request. We have the right, in our sole discretion, to modify, merge or dissolve any Co-op upon written notice to its members; however, a Co-op will not be dissolved until all of the money in the Co-op has been spent for marketing purposes.

### **11.6 Membership Programs, Gift Cards, and Loyalty Programs**

We currently do not require that you enroll in or subscribe to any CRM, social media analytics and online and mobile ordering software or programs; however, we reserve the right to do so in the future. You may not create or issue any gift certificates or gift cards and may only sell gift certificates or gift cards that have been issued by us that are accepted at all locations. You must participate in all gift certificate and/or gift card administration programs as we may designate from time to time. You must honor all coupons, gift certificates, gift cards and other programs or promotions we direct. You must fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by us. You must not issue coupons or discounts of any type for use at your Franchised Business except as approved by us in writing. In addition, you must purchase, enroll in or subscribe to, as applicable, all CRM, social media analytics and online and mobile ordering software or programs that we designate. We may change the designated suppliers of these or similar services in our discretion. You must change, purchase or subscribe to the additional programs or software, as applicable, after we give you notice to do so.

## **12. ACCOUNTING, RECORDS, AND REPORTING OBLIGATIONS**

### **12.1 Records**

During the term of this Agreement, you shall maintain full, complete, and accurate books, records and accounts in compliance with all HIPAA and CPOM regulations as well as any applicable state laws governing patient records. You shall utilize the accounting software QuickBooks (or other Franchisor approved accounting software) to manage your books. You shall retain during the term of this Agreement, and for three years thereafter, all books and records related to your Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by us or required by law. By signing this Agreement, you grant us unlimited access to the accounting software and Computer System for any legitimate reason in our discretion or business purpose.

### **12.2 Gross Revenue Reports**

You shall maintain an accurate record of Gross Revenue and, upon our request, shall deliver to us electronically a signed and verified statement of Gross Revenue.

### **12.3 Financial Statements**

You shall supply to us on or before the 15th day of each month a balance sheet and income statement for the preceding month. You shall, at your expense, submit to us within 90 days after the end of each calendar year, an income statement, profit and loss statement, and balance sheet

for the calendar year just ended. If required by us, such financial statements shall be reviewed or audited by a certified public accountant. You shall submit to us such other periodic financial reports in the manner and at the time specified in the Manual or otherwise requested by us in writing.

#### 12.4 Other Reports

You shall submit to us copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as we may reasonably request from time to time or as specified in the Manual. We shall have the right to release financial and operational information relating to your Franchised Business to our lenders or prospective lenders. You shall certify as true and correct all reports to be submitted pursuant to this Agreement.

#### 12.5 Computer Equipment; Required Software; Our Access; Telephone Numbers

12.5.1 *Computer System.* You must meet our current requirements concerning the Computer System, including: (a) POS, data, audio, video (including managed video security surveillance), telephone, voice messaging, retrieval, and transmission systems for use at your Franchised Business, between or among other franchised businesses, and between and among your Franchised Business(es), and you, and us; (b) physical, electronic, and other security systems and measures; (c) printers and other peripheral devices; (d) archival back-up systems; (e) Internet access mode (such as the telecommunications connection) and speed; and (f) technology used to enhance and evaluate the customer experience (collectively, all of the above are referred to as the “Computer System”). It is solely your responsibility to ensure the installation and operation of the Computer System complies with applicable law, including without limitation privacy laws (e.g., HIPAA) related to customer protected health information (as defined under HIPAA or applicable state law) or other customer data. You must have Cyber Liability insurance to protect you and us for any data breach.

12.5.2 *Required Equipment and Software.* Franchisee shall purchase, install, and use computer equipment consisting of hardware and software in accordance with our specifications in the Manual. We may periodically require you to upgrade and update the hardware and software used in connection with the Computer System. There are no contractual limitations on the frequency and cost of these upgrades and updates. We reserve the right to approve your email address or require you to use only an email address that we provide for your Franchised Business’s business emails.

12.5.2 *Franchisor Access.* We shall have full access to all of your Computer System, POS system and data and all related information by means of direct access, either in person or by telephone, modem, or Internet to permit us to verify your compliance with your obligations under this Agreement. You must afford us unimpeded independent access to your Computer System in the manner, form, and at the times we may request. We will have the right at any time to retrieve and use this data and information from your Computer System in any manner we deem necessary or desirable. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your

paper and electronic business records related to your Franchised Business and any other operations taking place through your Franchised Business. There are no contractual limitations on our right to access the information stored on your Computer System.

12.5.3 *Telephone.* We have the right to require you to use one or more designated telephone vendors. Currently you will also be required to maintain a VOIP phone line with a dedicated number of your Franchised Business. You will obtain your VOIP telephone service through a third-party vendor for an account with our then-current provider, currently Zenoti, for the HyperConnect account that includes Voice, 2 way text, AI, chatbot, and call performance analytics. The current charge to you for maintaining this phone line is \$425 per month. We may designate, and own, the telephone numbers for your Franchised Business. You must sign our Conditional Assignment of Telephone Number attached hereto as Schedule 10.

12.5.4 *POS System.* You must use the Zenoti POS/EMR computerized point-of-sale system established under our Zenoti organizational platform (the "POS/EMR System") or any other point of sale system be determine in our discretion. If you determine that you want to have a separate computer system from the one you now use in your medical practice or medspa for the Integrated Unit, You will pay approximately \$350 to \$450 monthly in subscription fees to the POS vendor for access, hosting and maintenance of your POS/EMR System. If your POS/EMR System is not functioning due to your failure to pay the monthly charges for the POS System, or your negligence and we are unable to retrieve such reports, a late fee of \$100 will be assessed for untimely submission.

12.5.5 *Email and Internet.* You must be able to access information that is available on the Internet and be able to send and receive email. We will provide you up to three email addresses. There will be a \$16.00 per month charge for each additional email account requested by you. This monthly charge may increase each year by approximately \$3.00 per email account based on our agreement with our provider. Emails from these accounts will remain our property and we will have the ability to access such emails at all times.

12.5.6 *Client Lists.* Any client lists or information compiled or amassed through your Computer System, point-of-sale system or otherwise, will be our proprietary property. You may not sell or use client lists or information for any purpose other than in connection with the operation of your Franchised Business.

## 12.6 **Right to Inspect**

We have the right, during normal business hours without notice, to examine, copy, and audit your books, records, and tax returns. If the audit or any other inspection should reveal that any payments to us have been underpaid, then you shall immediately pay us the amount of the underpayment plus interest from the date such amount was due until paid at the rate of 1.5% per month (or the rate legally allowed by the law of the state where you are located, whichever is lower). You shall, in addition, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies we may have.

## 12.7 Release of Records

At our request, you shall release or authorize and direct third party(ies), including accounting and legal professionals, to release to us copies of all accounting and financial records arising from or relating to the operation of your Franchised Business including, but not limited to, records evidencing sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to us on a monthly basis for the length of the unexpired term of this Agreement or until such time as we withdraw our request. You shall execute all documents necessary to facilitate the release of records referenced herein to us.

## 13. STANDARDS OF OPERATION

### 13.1 Authorized Services, Products and Suppliers

13.1.1 *Reputation and Goodwill.* You acknowledge that the reputation and goodwill of the System is based in large part on offering high quality services and products to your customers. Accordingly, you, your staff, and your Medical Professionals shall provide the Services with the greatest diligence and care and comply with our specifications and quality standards. You shall not offer for sale, sell or provide through your Franchised Business or from the Franchised Business any products or services that we have not approved. Furthermore, you must offer for sale all Services and products currently offered by us or which will be offered by us in the future.

13.1.2 *Suppliers.* If you would like to use any goods or services in establishing and operating your Franchised Business that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), or wish to use any item as a substitute for one of our then-current required items, you must obtain: (a) our prior written approval, and (2) 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 Business in compliance with all applicable laws and regulations. To obtain approval, you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications, or the supplier meets our Approved Supplier criteria. You must pay our expenses ranging from \$500 to \$2,000 to evaluate goods, services or suppliers regardless of whether we provide our approval or not.

We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers includes: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; our existing relationships with competitive vendors; and experience, dependability and general reputation. We notify you in our Manual or other written communications if we revoke approval of any supplier.

13.1.3 *Variance Rights.* We have the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as we determine including, but not limited to, franchisee qualifications, test marketing and regional or local differences. We have the right to give our consent to one (1) or more franchisees to provide certain services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 10.4 and shall not create any rights in you to provide the same products or services.

13.1.4 *Supplier Benefits.* We have the right to retain volume rebates, markups and other benefits from suppliers, including our affiliates, or in connection with the furnishing of suppliers. You shall have no entitlement to or interest in any such benefits.

### **13.2 Appearance and Condition of your Franchised Business**

You shall maintain your Franchised Business, including the signage, décor and branding elements in a condition we approve and shall repair or replace the signage, décor and branding elements as necessary to comply with our specifications and any applicable laws or regulations. The expense of such maintenance shall be borne by you and shall be in addition to any required System modifications, as described in Section 10.2.

### **13.3 Ownership and Management**

You must, at all times, retain and exercise direct management control over all aspects of your Franchised Business except in jurisdictions which prohibit your management over medical services offered. You agree that your Medical Professionals will be in control and supervise the medical offerings at your Franchised Business as set forth in Section 13.13 below. Your personal supervision is not required if the day-to-day operation of your Franchised Business is performed by an approved Manager who has successfully completed our required training program and has, at our sole discretion, the appropriate experience and training. Even if you do not plan to personally supervise the operation of your Franchised Business on a daily basis, you and your Operating Principal still must attend and satisfactorily complete training. You, your Operating Principal or your Manager must devote full time and best efforts to the operation of your Franchised Business. You are not restricted as to whom you may hire as a Manager, except that your Manager must be competent, conscientious, substance-free, fully-trained and must meet all of our requirements. Your Manager must be approved by us. You and/or your Manager will recruit, hire, train, terminate, and supervise all non-medical employees, set pay rates, and pay all wages and related amounts, including any employment benefits, unemployment insurance, withholding taxes or other sums. We are not an employer, co-employer or joint employer with you of your management staff or other employees. You are solely responsible for all employment matters, decisions and relationships.

### **13.4 Days of Operation**

You shall keep your Franchised Business open for business during normal business hours on the days specified in the Manual.

### **13.5 Contributions and Donations**

In order to protect the Marks, you must obtain our prior written consent before making any contributions or donations of items, services or funds to any non-profit organization on behalf of your Franchised Business. We may withhold any such consent in our sole and absolute discretion.

### **13.6 Licenses, Permits and Regulations (Medical and Non-Medical)**

You shall secure and maintain in force all required operational and professional licenses, permits and certificates necessary for the operation of your Franchised Business, including all zoning and local permits necessary to operate your Franchised Business at your Accepted Location, and shall operate your Franchised Business in full compliance with all applicable laws, ordinances and regulations. We make no representation to you with regard to any legal requirements that you must satisfy or comply with in connection with the operation of your Franchised Business. YOU SHALL BE SOLELY RESPONSIBLE FOR INVESTIGATING AND COMPLY WITH ALL LAWS, ORDINANCES, AND MEDICAL OR NON-MEDICAL REGULATIONS with regard to the operation of your Franchised Business.

### **13.7 Notification of Proceedings**

You shall notify us in writing of the commencement of any action, suit or proceeding involving you, your owners, or your Franchised Business, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of your Franchised Business immediately but not more than three (3) days after notice of such commencement or issuance. You shall deliver to us immediately but not more than three (3) days after your receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects your failure to meet and maintain the highest applicable rating or your noncompliance or less than full compliance with any applicable law, rule or regulation.

### **13.8 Compliance with Good Business Practices**

You acknowledge that the quality of customer service, and every detail of appearance and demeanor of you and your employees, is material to this Agreement and the relationship created and licenses granted hereby. Accordingly, you shall endeavor to maintain high standards of quality and service in the operation of your Franchised Business, including operating in strict compliance with all applicable rules and regulations. You shall at all times give prompt, courteous and efficient service to customers of your Franchised Business. You shall in all dealings with your customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. If we deem that you did not fairly handle a customer complaint or that you have operated outside of applicable rules and regulations, we have the right to intervene and satisfy the customer. We have the right to terminate this Agreement for a material violation of this Section that negatively impacts the goodwill in our brand. You shall reimburse us for all costs and expenses (including attorneys' fees) incurred by us in servicing a customer of your Franchised Business or responding to negative publicity pursuant to this Section.

### **13.9 Attire**

You shall abide by all dress code requirements stated in the Manual or upon our notification to you.

### **13.10 Credit Cards**

You shall, at your expense, lease or purchase the necessary equipment and/or software through approved vendors and shall have arrangements in place with Visa, MasterCard, American Express and such other credit card issuers as we may designate, from time to time, to enable your Franchised Business to accept such methods of payment from your customers.

#### **13.11 Email**

You shall, at all times and at your expense, maintain a Liquivida email address and account for communicating with us and your customers. We will provide you up to three email addresses. There will be a \$13 per month charge for each additional email account requested by you. This monthly charge may increase each year by approximately \$3 per email account based on our agreement with our provider. In sending emails from your Liquivida email address, you shall identify yourself as an independent owner and operator of the Franchisee entity doing business as a Liquivida Lounge or Liquivida Wellness Center. You shall refrain from giving out titles to employees and your staff that causes confusion to the public as to the ownership of the Franchisor and as to our and your franchise relationship.

#### **13.12 Best Efforts**

You shall use your best efforts to promote and increase the clients and recognition of Services and products offered through your Franchised Business. You shall require all of your employees, officers, agents and representatives to make a good faith effort to enhance the sales of all Services and products provided as part of the System.

#### **13.13 Medical Professionals**

Depending on your jurisdiction, your Liquivida Wellness Center or Liquivida Lounge may need to be operated by Medical Professionals licensed to provide medical services, including the Services. You may need a "Medical Services Agreement" which must be prepared, reviewed, and confirmed by your independent legal counsel as being compliant with all Medical Regulations, and such agreement must be approved by us. Depending on applicable law, you may be required to have a Medical Director for your Franchised Business that is approved by us to operate your Franchised Business under a "Medical Director Agreement" which also must be prepared by your independent legal counsel and approved by us. If you are a licensed physician, you may operate your Franchised Business under your license in compliance with the terms of this Agreement. You must comply with the applicable law in your jurisdiction.

### **14. FRANCHISOR'S ASSISTANCE**

#### **14.1 General Advice and Guidance**

We may periodically provide general guidance to you by telephone and/or electronic correspondence, with respect to operating your Franchised Business as we deem necessary in our sole discretion. We will provide you with assistance and guidance in establishing prices for products and services. We do not set a minimum or maximum price but we provide you with a recommended price range.

#### **14.2 Periodic Visits**

We and our representative may, in our sole discretion, make periodic visits, which may be announced or unannounced, to your Franchised Business. During the visit, we may monitor and observe the conduct of the Franchisee, the Operating Principal, and the employees of your Franchised Business for the purposes of determining compliance with the requirements of this Agreement, for conducting quality assurance audits which may include customer surveys, and for any other purpose connected with the System. Such right shall also include, without limitation, the ability to confer with your employees and customers and to observe the manner in which you are selling products and dealing with customers. You shall, in all cases, facilitate our exercise of our rights under this Section. Our representatives who visit, monitor or review your Franchised Business may prepare, for the benefit of both you and us, written reports detailing any successes, problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of your Franchised Business. By signing this Agreement, you agree to implement any required changes or improvements as required by us with time being of the essence.

## 15. INSURANCE

### 15.1 Types and Amounts of Coverage

15.1.1 *Insurance Coverage Required.* Before starting any activities or operations under this Agreement, you agree to procure and maintain in full force and effect during the term of this Agreement, at your expense, at least the following insurance policy or policies in connection with your Franchised Business:

- 15.1.1.1 Commercial general liability insurance, including us, and any entity in which we have an interest and any entity affiliated with us and each of our members, managers, shareholders, directors, officers, partners, employees, servants and agents as additional insureds protecting against any and all claims for personal, bodily and/or property injury occurring in or about the premises of the Franchised Business and protecting against assumed or contractual liability under this Agreement with respect to your Franchised Business and your operations, including personal and advertising liability as well as products and completed operations coverage, with such policy to be placed with minimum limits of \$1,000,000 combined single limit per occurrence; \$3,000,000 general aggregate per location; and \$300,000 for damage to leased property, provided, however, that at our election, such minimum limits may be periodically increased;
- 15.1.1.2 Property Liability coverage covering all perils to personal property contained within and outside the premises of your Franchised Business. The amounts may vary based on coverage needed but must cover your business property and a minimum of \$500,000;
- 15.1.1.3 Workers' Compensation Coverage and such other insurance as may be required by statute or rule of the state or locality in which your Franchised Business is located in the amount of \$1,000,000 per person, \$1,000,000 in the aggregate and \$1,000,000 for occupational disease;

- 15.1.1.4 Employment Practices Liability insurance in the amount of at least \$500,000 for each claim;
  - 15.1.1.5 Professional liability coverage in the amount of \$1,000,000 per claim and \$3,000,000 annual aggregate;
  - 15.1.1.6 Cyber Liability coverage with limits of liability of at least \$500,000 protecting against first and third-party claims;
  - 15.1.1.7 Business interruption and extra expense insurance for a minimum of 12 months to cover net profits and continuing expenses, including Royalty Fees;
  - 15.1.1.8 Identity theft protection with a minimum of \$5,000 expense limit;
  - 15.1.1.9 Umbrella liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate; and
  - 15.1.1.10 Any other insurance coverage that is required by us or federal, state, or municipal law.
- 15.1.2 *Insurance Advice.* You shall seek advice from your professional and business advisors and a licensed insurance agent and procure such other types of coverage and amounts of coverage in accordance with the advice received and as required by law.
- 15.1.3 In connection with any construction, leasehold improvements, renovation, refurbishment or remodeling of the premises of the Franchised Business, your general contractor must maintain comprehensive general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builder's risk, product liability and independent contractors coverage) in at least the amount of \$1,000,000, with us named as an additional insured, as well as worker's compensation and employer's liability insurance as required by state law.

## 15.2 **Future Increases**

We have the right to establish and modify the minimum coverages required and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. In addition to naming us as additional insured, you must include any endorsements we may require (including an "alternate employer endorsement" under Employer's Liability policy even though we are not your employer) and include a waiver of subrogation in favor of us and our affiliates, and each of our and our affiliates' officers, directors, shareholders, partners, members, agents, attorneys, representatives, independent contractors, servants, and employees.

## 15.3 **Carrier Standards**

The insurance policies you procure must be written by an insurance company or companies we have approved, having at all times a rating of at least "A" in the most recent Key Rating Guide

published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and licensed and admitted to do business in the state in which your Franchised Business is located, and must include, at a minimum (except that we may reasonably specify additional coverages and higher policy limits for all franchisees periodically in the Manual or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances).

#### **15.4 Evidence of Coverage**

Your obligation to obtain and maintain the insurance policies shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of this obligation relieve you of liability under the indemnity provisions set forth in Section 21.3. Upon issuance of a policy and renewal of said policy, you shall provide to us certificates of insurance showing compliance with the foregoing requirements immediately but no later than 15 days from your receipt of such certificates. Such certificates shall state that said policy or policies shall not be canceled or altered without at least 30 days' prior written notice to us and shall reflect proof of payment of premiums.

#### **15.5 Failure to Maintain Coverage**

We do not derive revenue as a result of your purchase of insurance. If you fail to purchase and maintain any required insurance coverage or furnish satisfactory evidence of coverage to us, in addition to our other remedies (including without limitation declaring you in default of this Agreement), we may, but are not obligated to, purchase the insurance coverage for you. If we do purchase insurance on your behalf, you must pay us on our demand the amount of any premiums plus an additional 10% administrative fee to cover expenses we incur in obtaining the insurance. The failure to maintain insurance coverage at any time is a material default under this Agreement.

### **16. DEFAULT AND TERMINATION**

#### **16.1 Termination by Franchisee**

Under no circumstances may Franchisee terminate this Agreement.

#### **16.2 Termination by Franchisor**

16.2.1 We have the right to terminate this Agreement, upon notice to you and without any opportunity to cure, if you:

16.2.1.1 fail to timely establish, equip, and commence operations of your Franchised Business pursuant to Section 5;

16.2.1.2 fail to satisfactorily complete our training program or if your Operating Principal, Medical Professionals, or Manager fail to satisfactorily complete our training program pursuant to Section 8;

16.2.1.3 fail to obtain and maintain all required medical and non-medical professional licenses, permits, and certifications to operate your Franchised Business;

- 16.2.1.4 make any material misrepresentation or omission during the pre-sale process and/or in your application to obtain a Franchised Business from us or otherwise to us in the course of entering into this Agreement;
- 16.2.1.5 you or your principals are convicted of or plead no contest to a felony or other crime or offense;
- 16.2.1.6 fail to refrain from activities, behavior, or conduct likely to adversely affect the reputation of us, you or your Franchised Business after a 5-day written notice to cure;
- 16.2.1.7 disclose, duplicate, or otherwise use in an unauthorized manner any portion of the Manual, Trade Secrets, trademarks, our trade name Liquivida, the Marks, or any Confidential Information;
- 16.2.1.8 fail to have any holder of a legal or beneficial interest in your Franchisee entity (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of the Franchisee entity, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide us with copies of all nondisclosure and non-competition agreements signed pursuant to Section 7.4 if requested by us;
- 16.2.1.9 abandon, fail, or refuse to actively operate your Franchised Business for three (3) or more consecutive days (unless your Franchised Business has not been operational for a purpose approved by us), or, if first approved by us, fail to promptly relocate your Franchised Business or any other event rendering your premises unusable;
- 16.2.1.10 surrender or transfer control of the operation of your Franchised Business without our approval, make or attempt to make an unauthorized direct or indirect assignment of your Franchised Business, or your assets, or an ownership interest in the Franchisee entity, or if you fail or refuse to assign your Franchised Business or the interest in the Franchisee entity of a deceased or incapacitated owner thereof as herein required;
- 16.2.1.11 fail to maintain your Franchised Business under the primary supervision of your Operating Principal or approved Manager during the 180 days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in the Franchisee entity pursuant to Section 18.6;
- 16.2.1.12 submit to us at any time during the term of this Agreement any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to us by more than 2% for any accounting period and you are unable to demonstrate that such

understatements resulted from inadvertent error;

- 16.2.1.13 become insolvent, meaning unable to pay bills as they become due in the ordinary course of business or if a receiver of your property or any part thereof is appointed by a court or if you make a general assignment for the benefit of your creditors or if a final judgment remains unsatisfied of record for 30 days or longer (unless supersede as bond is filed) or if execution is levied against your business or property or if a suit to foreclose any lien or mortgage against your Franchised Business, and/or the equipment is instituted against you and not dismissed within 30 days;
- 16.2.1.14 misuse or make an unauthorized use of any of the Marks or commit any other act which impairs the goodwill associated with any of the Marks;
- 16.2.1.15 fail to submit reports or other information or supporting records when due, to pay any Royalty Fee, Brand Fund Contribution, amounts due for purchases from us or any of our affiliates, or other payment when due to us or any affiliate within five days of a written notice to you;
- 16.2.1.16 violate any medical, health or safety law, ordinance or regulation, or operate your Franchised Business in a manner that presents a health or safety hazard to your customers, employees, or the public;
- 16.2.1.17 engage in any activity exclusively reserved to us;
- 16.2.1.18 fail to comply with any applicable medical law or regulation governing the operation of your Franchised Business;
- 16.2.1.19 breach this Agreement three times in a 12-month period and/or fail three times in a 12-month period to comply with mandatory specifications, customer service standards, or operating procedures prescribed in the Manual, whether or not previous breaches or failures are cured;
- 16.2.1.20 default under any other agreement between us (or any of our affiliates) and you, including without limitation the Promissory Note, such that we or our affiliates, as the case may be, have the right to terminate such agreement or such agreement automatically terminates;
- 16.2.1.21 perform any competing Services in any geographic location outside of the Designated Territory, whether or not such geographic location falls within another franchisee's territory or the territory of any other Franchisor-controlled business;
- 16.2.1.22 fail to refer business opportunities or offers received by third parties, if such business opportunities or offers would take place in any geographic location which falls under the territory of other franchisees, our affiliated business(es), or which are directly controlled by us; and

16.2.1.23 if any governmental office overseeing your business determines you violated any state or federal law or if, during the investigation, we determine in our sole discretion that you violated any of the subsections in Section 16.2.1.

16.2.1.24 you fail to obtain our prior written approval as expressly required by this Agreement.

16.2.2 Except as otherwise provided in Section 16.2.1, we have the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that you may avoid termination by curing such default or failure (or by providing proof acceptable to us that you have made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

16.2.2.1 within three days of receiving notice of your failure to maintain insurance as specified in Section 15 of this Agreement;

16.2.2.2 within five days of receiving notice of your failure to pay any amounts due to us, one of our affiliates or an approved supplier; or

16.2.2.3 within 30 days of receiving notice of any other default by you or upon your failure to comply with any mandatory specification, standard, or operating procedure prescribed in the Manual or otherwise prescribed in writing.

16.2.3 For any default of this Agreement which triggers our ability to terminate, we may as an alternative to termination, at our sole and absolute discretion:

16.2.3.1 modify or completely eliminate any rights you may have with respect to the Designated Territory effectively immediately or on a new effective date in our sole discretion; or

16.2.3.2 automatically and permanently transfer your clients to an existing Liquivida franchisee or one or more of our affiliates.

### **16.3 Reinstatement and Extension**

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, we may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to you without waiving any of our rights under this Agreement.

### **16.4 Right of Franchisor to Discontinue Services to Franchisee**

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of default or termination, we have the right to suspend our performance of any of our obligations under this Agreement until such time as you correct the breach.

## 16.5 Right of Franchisor to Operate Your Franchised Business

Following the delivery of a notice of default or termination, if necessary, in our discretion, we shall have the right, but not the obligation, to assume the operation of your Franchised Business until such time as you correct the breach if applicable. We charge a Management Fee as set forth in Section 3.10.

## 17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

### 17.1 Actions to be Taken

Except as otherwise provided herein, upon termination, non-renewal or expiration, this Agreement and all rights granted hereunder to you shall terminate and you shall:

- 17.1.1 immediately cease to operate your Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former Liquivida franchisee;
- 17.1.2 cease to use the Trade Secrets or other Confidential Information, the System and the Marks, including, without limitation, all slogans, symbols, logos, advertising materials, stationery, forms, and any other items which display or are associated with the Marks;
- 17.1.3 take such action as may be necessary to cancel or assign to us, at our option, any assumed name or equivalent registration filed with state, city, or county authorities which contains the name "Liquivida Lounge", "Liquivida Wellness Center", "Liquivida", "LIV-2-100" or any other Mark, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within t30 days after termination or expiration of this Agreement;
- 17.1.4 pay all sums owing to us and any of our affiliates. In the event of termination for any default, such sums shall include, but not be limited to, all damages, costs, and expenses, including reasonable attorneys' fees, with respect to litigation, arbitration, appellate, or bankruptcy proceedings, unpaid Royalty Fees, loss of future Royalty Fee payments incurred by us as a result of any early termination of this Agreement, and any other amounts due to us or any affiliate;
- 17.1.5 pay to us all costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of your Franchised Business in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement as set forth in Section 22.4;
- 17.1.6 immediately return to us the Manual, Trade Secrets, and all other Confidential Information, including records, files, instructions, brochures, agreements, and any other materials relating to the operation of your Franchised Business (all of which are acknowledged to be our property);
- 17.1.7 assign all telephone listings and numbers for your Franchised Business to us and shall notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone numbers or facsimile numbers

associated with the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same;

17.1.8 if applicable, assign to us any interest which you have in any lease or sublease for your Franchised Business by executing the Franchisor Lease Rider attached as Schedule 4 upon our request. In the event that we do not elect to exercise our option to acquire such lease or sublease, you shall make such modifications or alterations to the Accepted Location immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said Accepted Location from that of other Franchised Businesses and shall make such specific additional changes thereto as we may reasonably request for that purpose. In the event you fail or refuse to comply with these requirements, we shall have the right to enter upon the Accepted Location without being guilty of trespass or any other tort for the purpose of making or causing to be made such changes as may be required, at your expense, which expense you agree to pay upon demand;

17.1.9 if this Agreement is terminated by us for cause, we shall be entitled, as stipulated liquidated damages and not as a penalty and solely to compensate us for lost Royalty Fees for the period after termination of this Agreement, to a sum equal to the average Royalty Fees earned (even if not paid) per month over the 12 month period preceding the date of termination (or, if the Franchised was not open throughout such 12 month period, then the average Royalty Fees earned per month for the period in which your Franchised Business was open), multiplied by 36 or the number of months remaining in the then-current term of this Agreement, whichever is less ("Liquidated Damages"). In the event a default of this Agreement by you caused the Royalty Fees earned to substantially decline during the period to be used to calculate average Royalty Fees earned, then we may use any other reasonable time period or method to calculate Liquidated Damages;

17.1.10 execute any legal document that may be necessary to effectuate the termination of this Agreement and shall furnish to us, within 30 days after the effective date of termination, written evidence satisfactory to us of your compliance with the foregoing obligations;

17.1.11 comply with all applicable covenants that, by their nature, survive expiration or termination of this Agreement, including those discussing confidentiality, non-competition, and non-solicitation, in this Agreement;

17.1.12 transfer any interests in existing client contracts to us or our designee; and

17.1.13 comply with all other applicable provisions of this Agreement.

## 17.2 **Post-Termination Covenant Not to Compete**

17.2.1 *Franchisee Acknowledgement.* You and your owners expressly agree to be personally bound by all restrictive covenants contained in this Section and in Section 7 and acknowledge that these restrictive covenants are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

- 17.2.1.1 to protect the Trade Secrets and other Confidential Information of Franchisor;
- 17.2.1.2 to induce us to grant a Franchised Business to you; and
- 17.2.1.3 to protect us against our substantial costs in training you and your officers, directors, executives, and professional staff.

17.2.2 *In-Term and Post-Termination Non-Compete and Non-Solicit Agreement.* Except as otherwise approved in writing by us neither you, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee or any of their immediate family, shall, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, during the term of this Agreement and for a period of two years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly:

- 17.2.2.1 own, maintain, engage in, be employed by or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, offer services or products (including identical or similar products offered by your Franchised Business) to or have any interest in or involvement with a Competitive Business located or operating (a) at or within a 25-mile radius of your Franchised Business, or (b) within a 25-mile radius of any other Franchised Business in existence at the time of termination or expiration, or (c) any other business owned or operated by us in existence at the time of termination or expiration;
- 17.2.2.2 solicit business from customers of your former Franchised Business;
- 17.2.2.3 contact or communicate with any of your suppliers or vendors for any purpose related to a Competitive Business;
- 17.2.2.4 solicit any of your employees, or any other Liquivida franchisee for any competitive purpose, or knowingly solicit or induce such an employee or franchisee to violate any confidentiality, non-competition or franchise agreement; or
- 17.2.2.5 refrain from any activity set forth in Section 7.3.

### 17.3 **Unfair Competition**

If you operate any other business during and after the term of this Agreement that is not in violation of the in-term and post-term covenants, you shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute our rights in the Marks. You shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with us. This Section is not intended as an approval of your right to operate other businesses and in no way is it intended to contradict Sections 7.3, 17, 17.1 or 17.2. You shall make such modifications or alterations to your Franchised Business (including changing telephone and facsimile numbers) immediately upon termination or

expiration of this Agreement as may be necessary to prevent any association between us or the System and any business subsequently operated by you or others at your Franchised Business. You shall make such specific additional changes to your Franchised Business as we may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If you fail or refuse to comply with the requirements of this Section, we have the right to enter upon your Franchised Business for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense you shall pay upon demand.

#### **17.4 Franchisor's Option to Purchase Certain Business Assets**

We have the right (but not the obligation), for a period of 30 days after termination or expiration of this Agreement, to purchase any or all assets of your Franchised Business including equipment, supplies and other inventory or equipment at the depreciated value calculated on a declining basis of accounting at the rate of 20% per annum or your cost (at our option), less any sums of money owed by you to us and less any sums of money necessary to upgrade and renovate the Accepted Location to meet our then-current standards for a Franchised Business and less any sums necessary to acquire clear title to the lease or sublease interest. In the event that we are unable to agree on the value of said items, an independent appraiser shall be appointed by us to determine the value of the items based on the declining basis of accounting metric set forth in this Section. The determination of said appraiser shall be final and binding upon the parties. You shall pay the costs and expenses associated with the appointment of an independent appraiser.

#### **17.5 Survival of Certain Provisions**

All obligations of you and us, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

### **18. TRANSFERABILITY OF INTEREST**

#### **18.1 Transfer by Franchisor**

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by us and such rights will inure to the benefit of any person or entity to whom transferred. Nothing contained in this Agreement shall require us to remain in the medical wellness, vitamin IV infusion, and anti-aging business or to offer the same products or services, whether or not bearing our Marks, in the event that we exercise our rights under this Agreement to assign our rights in this Agreement.

#### **18.2 Transfer by Franchisee to a Third Party**

Your rights and duties as set forth in this Agreement, and the franchise herein granted, are personal to you (or your owners), and we have entered into this Agreement in reliance upon your personal or collective skill and financial ability. Accordingly, neither you nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, your Franchised Business granted hereby, the assets of your Franchised Business or any part or all of the ownership interest in you without our prior written approval. The term "transfer" means any of the following: the sale of the assets of your Franchised Business; the

sale, assignment, or conveyance of your stock, membership interest, membership units, or partnership units of your franchise to any third party; or the placement of your assets, stock, membership interest, partnership units, or membership units of your business into a business trust. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If you are in compliance with this Agreement, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

- 18.2.1 you have complied with the requirements set forth in Section 19;
- 18.2.2 all obligations owed to us, our subsidiaries, our affiliates, suppliers, and all other outstanding obligations relating to your Franchised Business, are fully paid and satisfied;
- 18.2.3 you (and any transferring owners, if you are a business entity) have executed a general release, in a form the same as or similar to the General Release attached as Schedule 8, of any and all claims against us, including our officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of your interest herein or to the transfer of your ownership of all or any part of your Franchised Business; provided, however, that if a general release is prohibited, you shall give the maximum release allowed by law;
- 18.2.4 the prospective transferee has satisfied us that it meets our management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as we may require to demonstrate ability to own and operate your Franchised Business;
- 18.2.5 the transferee and, if we require, all persons owning any interest in the transferee, have executed the then-current franchise agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Brand Fund Contribution rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;
- 18.2.6 the transferee has executed a general release, in a form the same as or similar to the General Release attached as Schedule 8, of any and all claims against us and our officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;
- 18.2.7 you have provided us with a complete copy of all contracts and agreements and related documentation between you and the prospective transferee relating to the intended sale or transfer of the franchise;
- 18.2.8 you have paid to us a fee in the amount equal to the greater of 25% of the then-current Initial Franchise Fee or \$10,000;

- 18.2.9 the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by us;
- 18.2.10 you have agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the transferee, if required by us;
- 18.2.11 the transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;
- 18.2.12 you have, and if you are an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to us a nondisclosure and non-competition agreement in a form satisfactory to us and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7 and 17; and
- 18.2.13 the transferee agrees that its Operating Principal, Medical Professionals and Manager (if applicable) shall complete, to our satisfaction, a training program in substance similar to our initial training program prior to assuming the management of the day-to-day operation of your Franchised Business.

### 18.3 **Transfer to a Controlled Entity**

- 18.3.1 *Controlled Entity*. If you wish to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by you (“Controlled Entity”), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements:
  - 18.3.1.1 the Controlled Entity is newly organized, and its charter or articles of formation provides that its activities are confined exclusively to the operation of your Franchised Business;
  - 18.3.1.2 Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;
  - 18.3.1.3 all obligations of you to us or any affiliate are fully paid and satisfied. There is no fee for a one-time transfer to a Controlled Entity. All other transfers will be require the payment of the greater of 25% of the then-current Initial Franchise Fee or \$10,000;
  - 18.3.1.4 the Controlled Entity has entered into a written agreement with us expressly assuming the obligations of this Agreement and all other agreements relating to the operation of your Franchised Business. If the consent of any other party to any such other agreement is required,

you have obtained such written consent and provided the same to us prior to consent by us;

- 18.3.1.5 all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with us jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to us and the performance by the Controlled Entity of all the obligations of this Agreement;
- 18.3.1.6 each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and
- 18.3.1.7 copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to us. Any amendment to any such documents shall also be furnished to us immediately upon adoption.

18.3.2 *Term of Transferred Franchise.* The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

18.3.3 *No Waiver.* We consent to a transfer of any interest in this Agreement, or of any ownership interest in your Franchised Business, shall not constitute a waiver of any claims we may have against the transferor or the transferee, nor shall it be deemed a waiver of our right to demand compliance with the terms of this Agreement.

#### **18.4 Franchisor's Disclosure to Transferee**

We have the right, without liability of any kind or nature whatsoever to you, to make available for inspection by any intended transferee of your Franchised Business all or any part of our records relating to this Agreement, your Franchised Business or to the history of the relationship of the parties hereto. You hereby specifically consent to such disclosure by us and shall release and hold us harmless from and against any claim, loss or injury resulting from an inspection of our records relating to your Franchised Business by an intended transferee identified by you.

#### **18.5 For-Sale Advertising**

You shall not, without our prior written consent, place in, on or upon the area of your Franchised Business, or in any communication media, including the Internet, any form of advertising relating to the sale of your Franchised Business.

#### **18.6 Transfer by Death or Incapacity**

Upon the death or incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding 180 days following such event, transfer such individual's interest in your Franchised Business or in Franchisee to a third party approved by us. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement. During such 180-day period, your Franchised Business must remain at all times under the primary management of an operator who otherwise meets our management qualifications. Following such a death or incapacity of such person, if necessary, in our discretion, we shall have the right, but not the obligation, to assume operation of your Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by us. We shall be given access to your Franchised Business, even if located within our principal residence, and shall not be held liable for trespass or any related tort. We may charge a management fee as stated in Section 16.5 for the period in which we operate your Franchised Business, and we shall be entitled to reimbursement of any expenses we incur that are not paid out of the operating cash flow of your Franchised Business.

## **19. RIGHT OF FIRST REFUSAL**

### **19.1 Submission of Offer**

If you, or any of your owners, propose to sell or otherwise transfer (including a transfer by death or incapacity pursuant to Section 18.6) your Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in your Franchised Business granted hereunder, you shall obtain and deliver a bona fide, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to us, except with regards to a sale or transfer to a family member. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of your owners.

### **19.2 Franchisor's Right to Purchase**

We shall, for 30 days from the date of delivery of all such documents, have the right, exercisable by written notice to you, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to you. We have the right to substitute cash for the fair market value of any form of payment proposed in such offer. Our credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to you of our intent to exercise this right of first refusal, we shall have up to 60 days to close the purchase. We shall be entitled to receive from you all customary representations and warranties given by you as the seller of the assets or such ownership interest or, at our election, such representations and warranties contained in the proposal.

### **19.3 Non-Exercise of Right of First Refusal**

If we do not exercise our right of first refusal within 30 days from the date of delivery of all such documents, the offer or proposal may be accepted by you, subject to our prior written approval as required by Section 18.2. Should the sale fail to close within one 120 days after the offer is delivered to us, our right of first refusal shall renew and be implemented in accordance with this Section.

### **19.4 Sales or Transfers to Family Excepted**

If you propose to sell or otherwise transfer your Franchised Business (or any of your assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in your Franchised Business granted hereunder to a member of Franchisee's (or your owners') family, then the terms and conditions of this Section shall be inapplicable. Nothing in this Section 19.4 shall be construed to relieve you from full compliance with the terms and conditions of Section 18.2 prior to a sale or transfer to family pursuant to this Section.

## **20. BENEFICIAL OWNERS OF FRANCHISEE**

You represent, and we enter into this Agreement with you in reliance upon such representation, that the individual(s) identified in Schedule 6 of this Agreement is/are the sole holder(s) of a legal or beneficial interest (in the stated percentages) of the Franchisee entity. You further represent that the individuals listed as Operating Principals in Schedule 6. The Operating Principal must supervise the non-medical operation of your Franchised Business and must own at least 5% of the voting and ownership interests in the franchisee entity. You must inform us in writing whether the Operating Principal will assume full-time responsibility for the daily supervision and operation of your Franchised Business that is not within the purview of your Medical Professionals. If the Operating Principal will not supervise your Franchised Business on a full-time and daily basis, you must employ a full-time manager (a "Manager") with qualifications reasonably acceptable to us, who will assume responsibility for the daily administrative operation of your Franchised Business.

## **21. RELATIONSHIP AND INDEMNIFICATION**

### **21.1 Relationship**

This Agreement is purely a contractual relationship between the parties and does not appoint or make you an agent, legal representative, joint-venturer, partner, employee, servant, or independent contractor of Franchisor for any purpose whatsoever. You may not represent or imply to third parties that you are an agent of Franchisor, and you are in no way authorized to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to create any obligation, express or implied, on our behalf. During the term of this Agreement, and any extension or renewal hereof, you shall hold yourself out to the public only as a franchisee and an owner and operator of your Franchised Business pursuant to a franchise license granted by us. You shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on all forms, stationery or other written materials, the content of which we have the right to specify. You shall also conspicuously identify yourself as the independent owner of your business in all business communications, such as email signatures, and on any documents, materials or information released by you. You shall ensure all employees, vendors and contractors receive actual notice of the correct legal name of their employer or the party with whom they have contracted, which is Franchisee and not Franchisor. Under no circumstances shall we be liable for any act, omission, contract, debt, nor any other obligation of you. We shall in no way be responsible for any injuries to persons or property resulting from the operation of your Franchised Business. Any third-party contractors and vendors retained by you to convert or construct the premises are independent contractors of you alone.

### **21.2 Standard of Care**

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement

requires you to obtain our written consent or permits you to take any action or refrain from taking any action, we are free to act in our own self-interest without any obligation to act reasonably, to consider the impact on you or to act subject to any other standard of care limiting our right, except as may be provided by statute or regulation.

### **21.3 Indemnification**

You shall hold harmless and indemnify us, our affiliates, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively “Franchisor Indemnities”) from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys’ fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon your (a) ownership or operation of your Franchised Business, including without limitation, any marketing, promotion, advertisement, or sale of any services offered by you pursuant to this Agreement, including unfair or fraudulent advertising, commercial speech, or medical claims; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule, including any claims for the unauthorized practice of medicine or medical malpractice; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between you and us (or an affiliate); (d) defamation, libel or slander of us or the System; (e) acts, errors or omissions committed or incurred in connection with your Franchised Business; (f) acts, errors or omissions committed or occurring in connection with the sale or transfer of this Agreement, the assets of your Franchised Business or any ownership interest in you or the use or occupancy of your Franchised Business; (g) infringement or misuse of a third party’s trademark, patent, copyright or other intellectual property; (h) any allegedly unauthorized service or act rendered or performed in connection with this Agreement; or (h) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information. The obligations of this Section shall expressly survive the termination of this Agreement.

### **21.4 Right to Retain Counsel**

You shall give us immediate notice of any such action, suit, demand, claim, investigation, or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnity. We have the right to retain counsel of our own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, our reputation or the goodwill of others, we have the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in our sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If our exercise of our rights under this Section causes any of your insurers to refuse to pay a third-party claim, all cause of action and legal remedies you might have against such insurer shall automatically be assigned to us without the need for any further action on either party’s part. Under no circumstances shall we be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against you. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by us from you.

## **22. GENERAL CONDITIONS AND PROVISIONS**

### **22.1 No Waiver**

No failure of ours to exercise any power reserved to it hereunder, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Waiver by us of any particular default by you shall not be binding unless in writing and executed by us and shall not affect nor impair our right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by us of any payment(s) due shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

## **22.2 Injunctive Relief**

As any breach by you of any of the restrictions contained in Sections 6, 7, and 17 would result in irreparable injury to us, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, we shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without the necessity of posting security or bond and you shall be responsible for our reasonable attorneys' fees incurred in pursuing the same. Our right to seek injunctive relief will not affect the parties' waiver of jury trial and the arbitration requirements set forth herein. Our rights herein shall include pursuing injunctive relief through arbitration or in a state or federal court in our discretion.

## **22.3 Notices**

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. Either party may change their address by a written notice sent in accordance with this Section 22.3. All notices, payments and reports required by this Agreement shall be sent to us at the following address, or at such other address as we may provide:

LQV Franchising, LLC  
4901 NW 17th Way, Suite 305  
Fort Lauderdale, FL 33309

With a copy to:

All notices to Franchisee shall be sent to the address set forth on Page 1 of this Agreement.

## **22.4 Cost of Enforcement or Defense**

You agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, arbitration fees, discovery costs, and all other related expenses) that we incur before expiration and termination to enforce or defend any provision in this Agreement including your non-payment of fees due to us and/or non-compliance of any System standard. You further agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, arbitration fees, discovery costs, and all other related expenses) that we incur

after the termination or expiration of the franchise granted under this Agreement in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement (including without limitation Sections 9 and 17 above); and/or (b) successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship. If we are required to enforce or defend this Agreement or any claim arising out of the franchise relationship in a judicial or arbitration proceeding, we shall be entitled to reimbursement of our costs, including reasonable accounting and attorneys' fees, in connection with such proceeding if we are deemed the prevailing party or if you bring an action and voluntarily dismiss it.

## **22.5 Unlimited Guaranty and Assumption of Obligations**

All holders of a legal or beneficial interest in the Franchisee entity of 5% or greater shall be required to execute, as of the date of this Agreement, the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3, through which such holders agree to assume and discharge all of your obligations under this Agreement and to be personally liable hereunder for all of the same.

## **22.6 Approvals**

Whenever this Agreement requires the prior approval or consent of us, you shall make a timely written request to us for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. We make no warranties or guarantees upon which you may rely and assumes no liability or obligation to you or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

## **22.7 Entire Agreement**

This Agreement, its schedules and the documents referred to herein shall be construed together and constitute the entire, full, and complete agreement between us and you concerning the subject matter hereof and shall supersede all prior agreements. You agree that no representation, oral or otherwise, has induced you to execute this Agreement, and there are no representations (other than those within our Disclosure Document), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties. Nothing in this Agreement or any related agreement is intended to disclaim the representations made in the Disclosure Document.

## **22.8 Severability and Modification**

Except as noted below, each paragraph, part, term, and provision of this Agreement shall be considered severable. If any paragraph, part, term, or provision herein is ruled to be unenforceable, unreasonable, or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable, or invalid paragraphs, parts, terms or provisions shall be deemed not part of this

Agreement. If we determine that a finding of invalidity adversely affects the basic consideration of this Agreement, we have the right to, at our option, terminate this Agreement. Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable, or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

## **22.9 Construction**

All captions and headings herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

## **22.10 Force Majeure**

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation, pandemic or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement. During any applicable force majeure event, you shall be required to pay Royalty Fees and all fees due to us timely unless otherwise notified in writing by us.

## **22.11 Timing**

Time is of the essence. Except as set forth in Section 22.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

## **22.12 Withholding Payments**

You shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to us or one of our affiliates or suppliers. You shall not withhold or offset any amounts, damages or other monies allegedly due to you against any amounts due to us. No endorsement or statement on any payment for less than the full amount due to us will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and we have the right to accept and cash any such payment without prejudice to our right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. We have the right to apply any payments made by you against any of your past due indebtedness as we deem appropriate. We shall set off sums we might owe to you against any unpaid debts owed by you to us.

## **22.13 Further Assurances**

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

## **22.14 Third Party Beneficiaries**

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

### **22.15 Multiple Originals**

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original.

## **23. DISPUTE RESOLUTION**

### **23.1 Choice of Law**

This Agreement is effective upon its acceptance in Florida by our authorized officer. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, Florida law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties. However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

### **23.2 Jurisdiction and Venue**

Franchisee and Franchisor each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction for Broward County, Florida, for any claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties, except those required to be submitted to arbitration, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

### **23.3 Jury Waiver**

IN ANY TRIAL BETWEEN ANY OF THE PARTIES AS TO ANY CLAIMS, YOU AND WE AGREE TO WAIVE OUR RIGHTS TO A JURY TRIAL AND INSTEAD HAVE SUCH ACTION TRIED BY A JUDGE.

### **23.4 Class Action Waiver**

YOU AGREE TO BRING ANY CLAIMS, IF AT ALL, INDIVIDUALLY AND YOU SHALL NOT JOIN SUCH CLAIM WITH CLAIMS OF ANY OTHER PERSON OR ENTITY NOR SHALL YOU BRING, JOIN OR PARTICIPATE IN A CLASS OR COLLECTIVE ACTION AGAINST US WITH OTHER FRANCHISEES OR OTHER PERSONS OR ENTITIES.

### **23.5 Limitation of Damages**

FRANCHISEE WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE FRANCHISOR AND AGREES THAT IF THERE IS A DISPUTE, FRANCHISEE WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT WHICH SHALL NOT EXCEED AND SHALL BE LIMITED TO THE REFUND OF FRANCHISEE'S INITIAL FRANCHISE FEE AND ROYALTY FEES PAID. FRANCHISEE WAIVES AND DISCLAIMS ANY RIGHT TO CONSEQUENTIAL DAMAGES IN ANY ACTION OR CLAIM AGAINST FRANCHISOR CONCERNING THIS AGREEMENT OR ANY RELATED AGREEMENT.

### **23.6 Limitation of Actions**

FRANCHISEE AGREES TO BRING ANY CLAIMS AGAINST FRANCHISOR, IF AT ALL, WITHIN ONE (1) YEAR OF THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIMS OR ONE (1) YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST, AND THAT ANY ACTION NOT BROUGHT WITHIN THIS PERIOD SHALL BE BARRED AS A CLAIM, COUNTERCLAIM, DEFENSE, OR SET-OFF EXCEPT FOR CLAIMS FOR: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE CONFIDENTIAL INFORMATION OR MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT OUR RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

### **23.7 Prior Notice of Claims**

As a condition precedent to commencing an action for any legal claim brought by you, you must notify us within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages and serve as a condition precedent to filing an arbitration against us.

### **23.8 Internal Dispute Resolution**

As a mandatory condition precedent prior to you taking any legal or other action against us, or our owners, officer and directors, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of ours, you shall first give us 90 days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

### **23.9 Mediation and Arbitration**

23.9.1 *Mediation.* With the exception of any controversy or claim relating to the ownership or improper use of our Marks or Confidential Information, and except for equitable claims and claims of non-payment by us against you under this Agreement or any other agreement between us, the parties agree to submit any claim, controversy or dispute between or involving us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, representatives and/or employees) and you (and your agents, representatives and/or employees, as applicable) arising out of or related to: (a) this Agreement or any other agreement between us and you or our and your respective affiliates; (b) our relationship with you; (c) the validity of this Agreement or any other agreement between you and us or our and your respective affiliates; or (d) any System standard, to non-binding mediation at a place that we designate within 25 miles of where our principal office

is located at the time of the demand for mediation is made in Broward County, Florida. The mediation shall be conducted by either a mutually agreed-upon mediator or, failing such agreement within a reasonable period of time (not to exceed 15 days) after either party has notified the other of their desire to seek mediation, by the American Arbitration Association in accordance with its Commercial Mediation Procedures. Absent agreement to the contrary, the mediator shall be experienced in the mediation of disputes between franchisors and franchisees. You and we agree that any statements made by either you or us in any such mediation proceeding will not be admissible in any subsequent arbitration or legal proceeding or otherwise disclosed by either you or us to any third party who, except to the extent a third party is a participant in the mediation proceeding. Each party will bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate. However, the parties must immediately and contemporaneously submit the dispute for non-binding mediation. If the parties are unable to resolve the claim, controversy or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by the written agreement of the parties, either party may bring a legal proceeding under this Section. The mediation provisions of this Agreement are intended to benefit and bind certain third-party non-signatories, and all of your and our owners and affiliates. Any mediation proceeding conducted pursuant to this sub-section and any settlement or agreement arising therefrom shall be kept confidential between the parties, except for any settlement disclosure we are legally required to make within a franchise disclosure document. The parties intend for any mediation proceeding to be both private and confidential. Any third parties who are required to participate in a mediation proceeding must be bound by the same confidentiality obligations as the parties.

23.9.2 *Arbitration.* EXCEPT FOR ACTIONS BROUGHT BY US AGAINST YOU FOR NON-PAYMENT OF FEES OR ROYALTIES UNDER THIS AGREEMENT OR ACTIONS BY US FOR INJUNCTIVE RELIEF, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, IF NOT RESOLVED BY THE INTERNAL DISPUTE RESOLUTION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED BY ARBITRATION IN BROWARD COUNTY, FLORIDA, OR WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR ARBITRATION IS FILED BY THE AMERICAN ARBITRATION ASSOCIATION (“AAA”). THIS ARBITRATION CLAUSE WILL NOT DEPRIVE US OF ANY RIGHT WE MAY OTHERWISE HAVE TO SEEK INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. THE FLORIDA-BASED ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND WITH COMMERCIAL DISPUTES. THE PARTIES AGREE THEY WILL ASK THAT THE ARBITRATOR LIMIT DISCOVERY TO THE GREATEST EXTENT POSSIBLE CONSISTENT WITH BASIC FAIRNESS IN ORDER TO MINIMIZE THE TIME AND EXPENSE OF ARBITRATION. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL BY JURY OR TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER.

THE ARBITRATOR WILL HAVE NO POWER TO: (A) STAY THE EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; (B) ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY; OR (C) MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS AGREEMENT. THE PARTY AGAINST WHOM THE ARBITRATORS RENDER A DECISION MUST PAY ALL EXPENSES OF ARBITRATION. ANY COURT OF COMPETENT JURISDICTION MAY ENTER JUDGMENT UPON ANY AWARD. THE PARTIES AGREE AND INTEND THAT AN ARBITRATION WILL BE KEPT BOTH PRIVATE AND CONFIDENTIAL BETWEEN THEM. AT THE OUTSET OF ANY ARBITRATION, THE PARTIES WILL SEEK THE ENTRY OF A PROTECTIVE ORDER FROM THE ARBITRATOR, PROTECTING ALL PLEADINGS, MOTIONS, EXHIBITS, DEPOSITION TRANSCRIPTS, DISCOVERY REQUESTS AND RESPONSES, DOCUMENTS, AWARDS, ORDERS, DECISIONS AND REPORTS FROM DISCLOSURE BY THE PARTIES, THE ARBITRATOR, AND ANY NON-PARTY WITNESSES OR OTHER PARTICIPANTS. ADDITIONALLY, ANY FINAL AWARD SHALL REITERATE SUCH ORDER OF PROTECTION, EXCEPT FOR THE TERMS OF AN AWARD WHICH WE ARE LEGALLY REQUIRED TO DISCLOSE IN A FRANCHISE DISCLOSURE DOCUMENT, OR DISCLOSURES IN CONNECTION WITH JUDICIAL PROCEEDINGS ANCILLARY TO THE ARBITRATION, SUCH AS A JUDICIAL CHALLENGE TO, OR ENFORCEMENT OF, AN AWARD, AND UNLESS OTHERWISE REQUIRED BY LAW.

#### **23.10 Waiver of Bond**

You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

#### **23.11 Arbitration Fees**

If we are the substantially prevailing party in arbitration, you agree to reimburse our costs and attorney fees, as well as the arbitration costs and fees, incurred in pursuing or defending the claims against you or us including all mediation and investigation costs and expenses. In any arbitration filed by you where we have no substantive counterclaim against you, you are required to advance and pay all fees to the AAA and the arbitrator.

#### **23.12 Third Party Beneficiaries**

Our officers, directors, members, shareholders, agents, and employees are express third-party beneficiaries of the terms of the dispute resolution provisions contained herein.

#### **23.13 Release of Prior Claims**

By executing this Agreement, you, individually and on behalf of your heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting assignment of the same, forever releases and discharges Franchisor and our officers, directors, employees, agents and servants, including our subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under this Agreement or any other agreement between the parties executed prior to the date of this

Agreement including, but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state or territory thereof.

#### 23.14 **No Personal Liability**

You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications that may be ruled to be binding in a court of law will be our sole responsibility and none of our agents, representatives, nor any individuals associated with our franchise company will be personally liable to you for any reason. This is an important part of this Agreement. You agree that nothing that you believe you have been told by us or our representatives will be binding unless it is written in this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

### 24. **ACKNOWLEDGMENTS**

#### 24.1 **Receipt of this Agreement and the Franchise Disclosure Document**

You represent and acknowledge that you have received, read and understand this Agreement and Disclosure Document; and that we have given you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement. You represent and acknowledge that you have received our Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed. **Initial:** [     ]

#### 24.2 **Consultation by Franchisee**

You represent that you have been urged to consult with your own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. You represent that you have either consulted with such advisors or have deliberately declined to do so. **Initial:** [     ]

#### 24.3 **True and Accurate Information**

You represent that all information set forth in any and all applications, financial statements, and submissions to us is true, complete, and accurate in all respects, and you acknowledge that we are relying upon the truthfulness, completeness, and accuracy of such information. **Initial:** [     ]

#### 24.4 **Risk**

You represent that you have conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in a Franchised Business involves business risks and that the success of the venture is dependent, among other factors, upon your business abilities and efforts. We make no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby. **Initial:** [     ]

#### 24.5 **No Guarantee of Success**

You represent and acknowledge that you have not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of your Franchised Business. You represent and acknowledge that there have been no representations by Franchisor's officers, directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Disclosure Document or this Agreement. **Initial:** [       ]

**24.6 No Violation of Other Agreements**

You represent that your execution of this Agreement will not violate any other agreement or commitment to which you or any holder of a legal or beneficial interest in the Franchisee entity is a party. **Initial:** [       ]

**24.7 Medical and Health Law Compliance**

You represent that you have retained, or had the opportunity to, retain a medical or health lawyer with expertise in medspa and/or medical business compliance to advise you on the structure of your Franchised Business. **Initial:** [       ]

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

**LQV FRANCHISING, LLC**

**FRANCHISEE:**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 1 TO THE FRANCHISE AGREEMENT**  
**FRANCHISE FEE, ACCEPTED LOCATION AND TERRITORY**

**INITIAL FRANCHISE FEE: \$** \_\_\_\_\_

**ACCEPTED LOCATION AND TERRITORY**

The Accepted Location under this Agreement will be:

\_\_\_\_\_

If the Accepted Location has not yet been selected and approved, the geographic area within which you will select the site for your Franchised Business is [subject to change in our discretion]:

\_\_\_\_\_

The Designated Territory under this Agreement (if applicable) will be:

\_\_\_\_ mile-radius around Accepted Location

Check if map is attached.

**LQV FRANCHISING, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 2 TO THE FRANCHISE AGREEMENT  
NONDISCLOSURE AND NON-COMPETITION AGREEMENT**

This "Agreement" made as of the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, is by and between \_\_\_\_\_  
\_\_\_\_\_, ("Franchisee," "we," "us," or "our") and  
\_\_\_\_\_, ("Individual," "you," or "your").

**WITNESETH:**

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated \_\_\_\_\_,  
20\_\_ ("Franchise Agreement") by and between Franchisee and the Franchisor, LQV Franchising,  
LLC ("Company"); and

WHEREAS, Franchisee desires Individual to have access to and review certain Trade Secrets  
and other Confidential Information, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this  
Agreement prior to providing Individual access to said Trade Secrets and other Confidential  
Information; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any  
other party or using such information to compete against Company, Franchisee or any other  
franchisee of Company in any business (i) offers the same or similar services and products as a  
Liquvida Franchised Business under any service system (ii) in which Trade Secrets and other  
Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or  
Company, any affiliate of Company or Company's other franchisees (hereinafter, "Competitive  
Business"); provided, however, that the term "Competitive Business" shall not apply to any  
business operated by Franchisee under a Franchise Agreement with Company.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein,  
and intending to be legally bound hereby, the parties hereby mutually agree as follows:

**1. Trade Secrets and Confidential Information**

- 1.1 Individual understands Franchisee possesses and will possess Trade Secrets and  
other Confidential Information that are important to its business.
- 1.2 For the purposes of this Agreement, a "Trade Secret" is information in any form  
(including, but not limited to, materials and techniques, technical or non-technical  
data, formulas, patterns, compilations, programs, devices, methods, techniques,  
drawings, processes, financial data, financial plans, product plans, passwords,  
lists of actual or potential customers or suppliers) related to or used in the Liquvida  
Franchised Business that is not commonly known by or available to the public and  
that information: (i) derives economic value, actual or potential, from not being  
generally known to, and not being readily ascertainable by proper means by, other  
persons who can obtain economic value from its disclosure or use; and (ii) is the  
subject of efforts that are reasonable under the circumstances to maintain its  
secrecy.

- 1.3 For the purposes of this Agreement “Confidential Information” means technical and non-technical information used in or related to Liquivida Franchised Businesses that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the Operations Manual and training guides and materials. In addition, any other information identified as confidential when delivered by Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Individual; (ii) Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.
- 1.4 Any information expressly designated by Company or Franchisee as “Trade Secrets” or “Confidential Information” shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee’s providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

## **2. Confidentiality/Non-Disclosure**

- 2.1 Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, Individual must take all steps reasonably necessary and/or requested by Franchisee to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. Individual must comply with all applicable policies, procedures and practices that Franchisee has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.
- 2.2 Individual’s obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual’s relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual’s obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Liquivida Franchised Business.

## **3. Non-Competition**

- 3.1 During the term of Individual’s relationship with Franchisee and for a period of two (2) years after the expiration or termination of Individual’s relationship with Franchisee, regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, divert or attempt to divert any business or customer of

Franchisee or the Company or any licensed Liquivida franchise location to any Competitive Business, 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 Company's service mark "Liquivida Lounge", "Liquivida Wellness Center", "Liquivida", "LIV-2-100" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with the franchisee's or the Company's uniform standards, methods, procedures and specifications for the establishment and operation of a Liquivida Franchised Business.

- 3.2 During the term of Individual's relationship with Franchisee, Individual shall not, directly or indirectly, develop, own, manage, operate, be employed by or have any interest in a Competitive Business or offer Competitive Business services without the express written consent of Franchisee and the Company.
- 3.3 For a period of two (2) years after the term of Individual's relationship with Franchisee, regardless of the cause of termination, Individual shall not, directly or indirectly, develop, own, manage, operate, be employee by or have any interest in a Competitive Business or offer Competitive Business services anywhere within a 15-mile radius of any Liquivida Franchised Business location without the express written consent of Franchisee and the Company.
- 3.4 At no time shall Individual, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee, Company or any other Liquivida Franchised Business to violate a non-disclosure or non-competition agreement to which such employee or business associate is a party.

#### **4. Reasonableness of Restrictions**

Individual acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

#### **5. Relief for Breaches of Confidentiality, Non-Solicitation, and Non-Competition**

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and/or Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this

Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

## 6. Dispute Resolution

- 6.1 **Choice of Law.** Except as to claims governed by federal law, Florida law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties (“Claims”).
- 6.2 **Jurisdiction and Venue.** You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters in Broward County, Florida.
- 6.3 **Jury Waiver.** In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.
- 6.4 **Class Action Waiver.** You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.
- 6.5 **Punitive Damages Waiver.** As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.
- 6.6 **Limitation of Actions.** You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.
- 6.7 **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, you must notify us within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.
- 6.8 **Internal Dispute Resolution.** You must first bring any Claim to our CEO, after providing notice as set forth in Section 6(g) above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.
- 6.9 **Mediation and Arbitration.** Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association (“AAA”), and split any AAA and mediator fees equally. If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county of our headquarters in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon

the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

- 6.10 **Waiver of Bond.** You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.
- 6.11 **Attorney Fees.** If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

## **7. Miscellaneous**

- 7.1 This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.
- 7.2 This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the confidentiality and non-competition provisions contained herein.
- 7.3 The failure of either party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.
- 7.4 In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.
- 7.5 This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.
- 7.6 The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement.

**INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THE COMPANY IS A THIRD-PARTY BENEFICIARY TO THIS AGREEMENT AND THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL**

**AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.**

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one original being delivered to each party as of the day and year first above written.

FRANCHISEE:

By: \_\_\_\_\_

Its: \_\_\_\_\_

INDIVIDUAL:

Signature: \_\_\_\_\_

Name Printed: \_\_\_\_\_

**SCHEDULE 3 TO THE FRANCHISE AGREEMENT  
UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS**

THIS UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS is given on \_\_\_\_\_, by \_\_\_\_\_.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated \_\_\_\_\_ herewith (“Franchise Agreement”) by LQV Franchising, LLC (“Franchisor”), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that \_\_\_\_\_ (“Franchisee”) shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee’s (a) financial and operational obligations under the Franchise Agreement (and Multi-Unit Development Agreement (“MUDA”) if applicable) and (b) breach of any provision in the Franchise Agreement (and MUDA if applicable), including those relating to monetary obligations, operational obligations, and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 6, 7, and 17 of the Franchise Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee (or Developer) or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) the undersigned’s direct and immediate liability under this Guaranty shall be joint and several; (b) the undersigned shall render any payment or performance required under the Franchise Agreement (or MUDA if applicable) upon demand if Franchisee (or Developer) fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement.

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

Successors and Assigns; Death of Guarantor. This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor’s death shall not

serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor's estate and heirs shall continue to be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor's death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Florida (without giving effect to principles of conflicts of law).

This Guaranty shall apply in equal force to any MUDA signed by Guarantor or an affiliated entity owned by Guarantor in conjunction with the Franchise Agreement and/or MUDA. Specifically, Guarantor shall render any payment or performance required under the MUDA upon demand if the Developer fails or refuses punctually to do so.

Dispute Resolution. You agree to be bound by the Dispute Resolution provisions found in Section 23 of any Franchise Agreement between the Franchisor and Franchisee as if set forth herein and as being equally applicable to this Guaranty and the dealings of the parties hereunder. Specifically, Guarantor agrees to arbitrate any and all Claims against the Franchisor in Broward County, Florida, and that Broward County, Florida is the sole and exclusive jurisdiction and venue for any such Claims, Franchisor may have against you for non-payment of amounts due and owing to the Franchisor or to obtain an injunction against Guarantor for breaches of the Franchise Agreement.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

**PERSONAL GUARANTOR**

**PERSONAL GUARANTOR**

\_\_\_\_\_  
Personally and Individually (Printed Name)

\_\_\_\_\_  
Personally and Individually (Printed Name)

\_\_\_\_\_  
Personally and Individually (Signature)

\_\_\_\_\_  
Personally and Individually (Signature)

HOME ADDRESS

HOME ADDRESS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TELEPHONE NO.: \_\_\_\_\_

TELEPHONE NO.: \_\_\_\_\_

PERCENTAGE OF OWNERSHIP  
IN FRANCHISEE: \_\_\_\_\_%

PERCENTAGE OF OWNERSHIP  
IN FRANCHISEE: \_\_\_\_\_%

**SCHEDULE 4  
FRANCHISOR LEASE RIDER**

**FRANCHISOR'S RIDER TO LEASE**

THIS RIDER TO LEASE ("Rider") is made on \_\_\_\_\_ by and among \_\_\_\_\_ ("Landlord"), \_\_\_\_\_ ("Tenant") and LQV Franchising, LLC, a Florida Limited Liability Company, with its principal offices at 4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309 ("Franchisor").

This Rider supplements and forms a part of that certain lease between Landlord and Tenant, dated \_\_\_\_\_ (the "Lease"; any and all references to the Lease shall be deemed to include this Rider) for the leased premises located at \_\_\_\_\_ (the "Leased Premises"). This Rider is entered into in connection with Franchisor's grant of a franchise to Tenant to operate a franchised business at the Leased Premises, and is intended to provide Tenant the right to assign the Lease to Franchisor and to provide Franchisor the opportunity to preserve the Leased Premises as a state-of-the-art medical center offering wellness, anti-aging and vitamin IV infusion products and services operated under Franchisor's brand in the event of any termination of the Lease or any franchise agreement between Franchisor and Tenant. Landlord agrees that Franchisor will have the right, but not the obligation, to assume the Lease on the terms, covenants and conditions hereinafter set forth. All capitalized terms used herein, but not defined herein, shall have the same meanings as set forth in the Lease.

**ARTICLE - I DEFAULT BY TENANT UNDER THE LEASE**

SECTION 1.01. Landlord will send Franchisor copies of all written notices of default that it gives to Tenant at the same time Landlord gives such written notices to Tenant.

SECTION 1.02. If Tenant fails to cure a Tenant default under the Lease after the giving of any required default notice and passage of any applicable cure period, then Landlord shall so notify Franchisor and Franchisor or any or to a parent, subsidiary or affiliate of Franchisor (a "Franchisor Party") will have the right and the option (but not the obligation), by giving written notice to Landlord within five (5) business days after receipt of Landlord's notice that Tenant is in default under the Lease and has failed to cure the default within the applicable cure period set forth in the Lease, to (a) cure any such default on behalf of Tenant, or (b) request Landlord consent to the assumption of the Lease provided that Franchisor or such Franchisor Party cures all existing defaults of Tenant under the Lease and assumes in writing the obligations of Tenant under the Lease.

**ARTICLE - II TERMINATION OF TENANT'S FRANCHISE AGREEMENT**

In the event of the termination of Tenant's franchise agreement for the Leased Premises as a result of Tenant's breach thereof, Franchisor shall have the right to request Landlord consent to the assumption of the Lease by giving written notice to Landlord and Tenant of its election to so succeed to Tenant's interest under the Lease, within five (5) business days after the date of the termination of such franchise agreement, provided that Franchisor cures all existing defaults of Tenant under the Lease and assumes in writing the obligations of Tenant under the Lease. A

party, whether Franchisor or any Franchisor Party, that assumes the Lease pursuant to Section 1.02(b) above or this Article II is sometimes referred to herein as an “Assuming Franchisor Party”.

### ARTICLE - III OBTAINING POSSESSION OF THE LEASED PREMISES

Landlord will, at no cost or expense to Landlord, cooperate and reasonably assist with any Assuming Franchisor Party in gaining possession of the Leased Premises if such Assuming Franchisor Party has delivered to Landlord a fully executed assumption of the Lease pursuant to Section 1.02(b) above or Article II above.

### ARTICLE - IV ADDITIONAL PROVISIONS

SECTION 4.01. Tenant shall remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to an Assuming Franchisor Party. Such Assuming Franchisor Party shall be entitled to recover from Tenant all amounts it pays to Landlord to cure Tenant’s defaults under the Lease, including interest and reasonable collection costs.

SECTION 4.02. After an Assuming Franchisor Party assumes Tenant’s interest in the Lease, unless otherwise agreed to in writing, such Assuming Franchisor Party will pay, perform and be bound by all of the duties and obligations of the Lease applicable to Tenant that accrue after such assumption, except that such Assuming Franchisor Party shall not be required to assume or be bound by the terms of any amendment to the Lease executed by Tenant without obtaining Franchisor’s prior written approval, which approval shall not be unreasonably withheld by Franchisor.

SECTION 4.03. After an Assuming Franchisor Party assumes Tenant’s interest in the Lease, Franchisor or such Franchisor Party will not be subject to any provision of the Lease that requires the Tenant to (a) continuously operate a business in the Leased Premises during the 15 days immediately following the date on which the Assuming Franchisor Party executes the assumption of the Lease if the Leased Premises is closed for remodeling or while Franchisor or the applicable Franchisor Party is seeking to obtain and train a new employees to operate a franchised business in the Leased Premises, or (b) make any payment to Landlord for any excess rent or other consideration that is greater than the rent and other charges payable under the Lease.

SECTION 4.04. After an Assuming Franchisor Party assumes Tenant’s interest in the Lease, such Assuming Franchisor Party may, with Landlord’s consent, which shall not be unreasonably withheld, conditioned or delayed, sublet or assign the Leased Premises to a franchisee of Franchisor who meets Franchisor’s financial qualifications and requirements (a “Replacement Franchisee”). It shall not be deemed “unreasonable” for Landlord to require any proposed assignee or additional guarantor of the Lease to have a net worth equal to or greater than that of Tenant or any current guarantor and/or to have equivalent or greater business and operating expertise with regard to the Permitted Use and the market in which the Leased Premises are located. In the event of such a sublease or assignment, Franchisor shall deliver to Landlord (a) a copy of such Replacement Franchisee’s application for the franchise, including but not limited to personal and financial information that Landlord customarily requires from all of its tenants, (b) as applicable, a copy of the sublease or a copy of the assumption agreement pursuant to which such Replacement Franchisee assumes the Lease and agrees to observe the terms, conditions and agreements on the part of tenant to be performed under the Lease (a “Replacement Franchisee

Assumption Agreement”) and (c) a Rider To Lease in the same form as this Rider, to be executed among Landlord, Franchisor and the applicable Replacement Franchisee (a “New Rider”).

SECTION 4.05. If the Lease is terminated and the Franchisor does not exercise its option to assume the Lease, Tenant agrees, upon receipt of written demand from Franchisor to promptly remove signs decor and other items which Franchisor reasonably requests to be removed as being distinctive and indicative of Franchisor’s trademarks and trade dress. Franchisor may enter upon the Leased Premises without being guilty of trespass or tort to affect such de-identification if Tenant fails to do so within (10) days after receipt of written demand from Franchisor, provided, however, Franchisor shall promptly, at its sole cost and expense, repair, to Landlord’s reasonable satisfaction, all damage caused to the Leased Premises and the Franchised Business in connection with such de-identification of the Leased Premises. Tenant shall pay Franchisor for its reasonable costs and expenses in effecting de-identification. Franchisor shall defend, indemnify and hold Landlord harmless from and against any claims arising from Franchisor’s de-identification of the Leased Premises.

SECTION 4.06. BY EXECUTING THIS RIDER, FRANCHISOR DOES NOT HEREBY ASSUME ANY LIABILITY WITH RESPECT TO THE LEASED PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE, UNLESS AND UNTIL FRANCHISOR EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATION AS HEREIN ABOVE DESCRIBED.

SECTION 4.07. All notices hereunder shall be delivered by certified mail or nationally recognized overnight courier to the addresses described in the Lease or to such other addresses as any party hereto may, by written notice, instruct that notices be given. In the case of Franchisor, notices shall be sent to LQV Franchising, LLC, 4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309, until further notice.

SECTION 4.08. Landlord and Tenant agree that each of them shall provide written notice to Franchisor in the event of any change in their respective addresses. Franchisor shall provide written notice to Landlord and Tenant in the event of any change in Franchisor’s address.

LANDLORD:

TENANT:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISOR:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 5 TO THE FRANCHISE AGREEMENT  
ACH PAYMENT AGREEMENT**

FRANCHISEE NAME: \_\_\_\_\_

**AUTHORIZATION AGREEMENT FOR ACH Payments**

(I/we) do hereby authorize LQV Franchising, LLC and LQV Management, LLC, hereinafter named the "Franchisor", to initiate (debit or credit) entries to (my/our) (Checking Account / Savings Account) as indicated and named below as the depository financial institution, hereafter named FINANCIAL INSTITUTION pursuant to the terms of the Franchise Agreement by and between us and the Franchisor.

(I/we) acknowledge that the origination of ACH transactions to my (my/our) account must comply with the provisions of U.S. law. Furthermore, if any such debit(s) should be returned NSF, (I/we) authorize the Franchisor to collect such debit(s) by electronic debit and subsequently collect a returned debit NSF fee of \$100.00 per occurrence by electronic debit from my account identified below. In the event all funds and interests are not received by Franchisor within five (5) days from presentment and intended withdrawal from our account by Franchisor, then we will be deemed in default of the Franchise Agreement. We further agree to pay all reasonable costs of collection including but not limited to reasonable attorneys' fees and court costs incurred by Franchisor. I am a duly authorized check signer on the financial institution account identified below, and authorize all of the above as evidenced by my signature below.

CHECK (ACH) INFORMATION ROUTING NUMBER: \_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_

DEPOSITORY NAME: \_\_\_\_\_

BRANCH: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

FIRST NAME/LAST NAME: \_\_\_\_\_

BILLING ADDRESS: \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

CUSTOMER NUMBER: \_\_\_\_\_

SIGNATURE ON FILE: \_\_\_\_\_

PHONE OR EMAIL APPROVAL AUTHORIZATION NUMBER: \_\_\_\_\_

FRANCHISEE:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 6 TO THE FRANCHISE AGREEMENT  
HOLDERS OF LEGAL OR BENEFICIAL INTEREST  
IN FRANCHISEE; OPERATING PRINCIPAL**

**Operating Principal:**

Name: \_\_\_\_\_  
Position/Title: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Percentage of ownership: \_\_\_%

Name: \_\_\_\_\_  
Position/Title: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Percentage of ownership: \_\_\_%

Name: \_\_\_\_\_  
Position/Title: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Percentage of ownership: \_\_\_%

**Holders of Legal or Beneficial Interest:**

Name: \_\_\_\_\_  
Position/Title: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Percentage of ownership: \_\_\_%

Name: \_\_\_\_\_  
Position/Title: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Percentage of ownership: \_\_\_%

Name: \_\_\_\_\_  
Position/Title: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Percentage of ownership: \_\_\_%

Name: \_\_\_\_\_  
Position/Title: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Percentage of ownership: \_\_\_%

Name: \_\_\_\_\_  
Position/Title: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Percentage of ownership: \_\_\_%

Name: \_\_\_\_\_  
Position/Title: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Percentage of ownership: \_\_\_%

Name: \_\_\_\_\_  
Position/Title: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Percentage of ownership: \_\_\_%

**SCHEDULE 7 TO THE FRANCHISE AGREEMENT  
STATE ADDENDA TO THE FRANCHISE AGREEMENT**

**CALIFORNIA ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Section 16.2 is deleted and in its place are substituted the following:

**16.2.1 Termination by Us Without Right to Cure.** We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 16.2.2 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

**16.2.2 Termination by Us with Opportunity to Cure.** We may terminate this Agreement, after sending you notice and a 60-day opportunity to cure, for any other breach of this Agreement.

FRANCHISEE:

LQV FRANCHISING, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**HAWAII ADDENDUM  
TO THE FRANCHISE AGREEMENT**

Section 3.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business.

FRANCHISEE:

LQV FRANCHISING LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ILLINOIS ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Franchisee rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. Section 3.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisees and franchisee has commenced operations of its Franchised Business. The Illinois Attorney General's Office has imposed this deferral requirement due to Franchisor's financial condition.

FRANCHISEE:

LQV FRANCHISING, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MARYLAND ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability 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.

FRANCHISEE:

LQV FRANCHISING, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MINNESOTA ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.
- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

FRANCHISEE:

LQV FRANCHISING, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **NORTH DAKOTA ADDENDUM TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. You are not required to sign a general release upon renewal of the franchise agreement.
2. The franchise agreement is amended to also provide as follows:

“Covenants not to compete are generally considered unenforceable in the State of North Dakota.”

3. All provisions in the Franchise Agreement concerning choice of law, jurisdiction and venue, jury waiver, and waiver of exemplary or punitive damages are hereby deleted and in their place is substituted the following language: “You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.”

4. North Dakota law governs any cause of action arising out of the franchise agreement for North Dakota franchisees.

5. Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

6. Section 3.1 of the Franchise Agreement is amended to state that the Initial Franchise Fees/Development Fees shall be deferred until Franchisor has satisfied its pre-opening obligation to franchisees/area developer and franchisee/area developer has commenced operations of its Franchised Business.

7. Section 17 of the Franchise Agreement is modified and deletes the obligation of franchisees to consent to termination or liquidated damages.

8. Section 23 of the Franchise Agreement is hereby amended by the addition of the following language: “Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota”.

9. Section 23 of the Franchise Agreement is modified and amended to provide that all arbitration or mediation required under the Franchise Agreement shall be at a location agreeable to all parties and may not be remote from the franchisee's Franchised Business.

10. Section 23 of the Franchise Agreement is modified and amended to provide that the statute of limitations under North Dakota law shall apply.

11. Section 23.3 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law”.

12. Section 23.5 of the Franchise Agreement is hereby amended by the addition of the following language: "Provisions requiring a franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law".

FRANCHISEE:

LQV FRANCHISING, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**RHODE ISLAND ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

5. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

FRANCHISEE:

LQV FRANCHISING, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SOUTH DAKOTA ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is clarified to also indicate that 50% of the initial franchise fee and 50% of royalties are deemed paid for the use of our Marks and 50% are deemed paid for our training, support, and franchise system.

FRANCHISEE:

LQV FRANCHISING, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**VIRGINIA ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Section 3.1 of the Franchise Agreement is amended to state: "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement.

FRANCHISEE:

LQV FRANCHISING, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**WASHINGTON ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

The state of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal rights of your franchise. There may also be court decisions that may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights signed by the franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:

LQV FRANCHISING, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**WISCONSIN ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the Franchise Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.
2. The Franchise Agreement is amended to also include the following language:

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

FRANCHISEE:

LQV FRANCHISING, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 8 TO THE FRANCHISE AGREEMENT  
GENERAL RELEASE**

THIS GENERAL RELEASE is made and given on this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_ by \_\_\_\_\_, (“RELEASOR”) an  
individual/corporation/ limited liability company/partnership with a principal address of  
\_\_\_\_\_, in consideration of:

\_\_\_\_\_ the execution by LQV Franchising, LLC, a Florida limited liability company  
 (“RELEASEE”), of a successor Franchise Agreement or other renewal documents renewing the  
 franchise (the “Franchise”) granted to RELEASOR by RELEASEE pursuant to that certain  
 Franchise Agreement (the “Franchise Agreement”) between RELEASOR and RELEASEE; or

\_\_\_\_\_ RELEASEE’S consent to RELEASOR’S assignment of its rights and duties under the  
 Franchise Agreement; or

\_\_\_\_\_ RELEASEE’S consent to RELEASOR’S assumption of rights and duties under the  
 Franchise Agreement;

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and  
 accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE’s officers,  
 directors, shareholders, managers, members, partners, owners, employees and agents (in their  
 corporate and individual capacities), and RELEASEE’s successors and assigns, from any and all  
 causes of action, suits, debts, damages, judgments, executions, claims and demands  
 whatsoever, in law or in equity, that RELEASOR and RELEASOR’s heirs, executors,  
 administrators, successors and assigns had, now have or may have, upon or by reason of any  
 matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE  
 arising out of or related to the Franchise or the Franchise Agreement, including, without limitation,  
 claims arising under federal, state and local laws, rules and ordinances. This General Release  
 shall not be amended or modified unless such amendment or modification is in writing and is  
 signed by RELEASOR and RELEASEE.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date  
 first above written.

RELEASOR: \_\_\_\_\_  
 (type/print name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_  
 (or, if an individual)

Signed: \_\_\_\_\_

Name printed: \_\_\_\_\_

**SCHEDULE 9 TO THE FRANCHISE AGREEMENT  
SBA ADDENDUM**

SOP 50 10 5(J)

Appendix 9



**ADDENDUM TO FRANCHISE<sup>1</sup> AGREEMENT**

**THIS ADDENDUM** (“Addendum”) is made and entered into on \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“Franchisor”), located at \_\_\_\_\_, and \_\_\_\_\_ (“Franchisee”), located at \_\_\_\_\_.

Franchisor and Franchisee entered into a Franchise Agreement on \_\_\_\_\_, 20\_\_\_\_, (such Agreement, together with any amendments, the “Franchise Agreement”). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (“SBA”). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

**CHANGE OF OWNERSHIP**

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor’s consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

**FORCED SALE OF ASSETS**

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional

<sup>1</sup> While relationships established under license, jobber, dealer and similar agreements are not generally described as “franchise” relationships, if such relationships meet the Federal Trade Commission’s (FTC’s) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

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renewals) for fair market value.

**COVENANTS**

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee’s real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

**EMPLOYMENT**

- Franchisor will not directly control (hire, fire or schedule) Franchisee’s employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

**Authorized Representative of FRANCHISOR:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Authorized Representative of FRANCHISEE:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Note to Parties:** This Addendum only addresses “affiliation” between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

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**SCHEDULE 10 TO THE FRANCHISE AGREEMENT  
CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBER**

## **CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS**

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS (this “**Assignment**”) is effective as of \_\_\_\_\_, between LQV FRANCHISING, LLC a Florida limited liability corporation, with its principal place of business at 4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309 (“**we**,” “**us**” or “**our**”) and \_\_\_\_\_,

whose current place of business is \_\_\_\_\_, (“**you**” or “**your**”). You and we are sometimes referred to collectively as the “**parties**” or individually as a “**party**.”

### **BACKGROUND INFORMATION:**

We have simultaneously entered into that certain franchise agreement dated \_\_\_\_\_ with you (the “**Franchise Agreement**”), pursuant to which you plan to own and operate a Liquivida Lounge or Liquivida Wellness Center (the “**Franchised Business**”). Franchised Businesses use certain proprietary information, knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques authorized or developed by us (collectively the “**System**”). We identify various components of our System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the “**Marks**”). In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings if the Franchise Agreement is terminated.

### **OPERATIVE TERMS:**

You and we agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.

2. **Conditional Assignment:** You assign to us, all of your right, title and interest in and to those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the “**Numbers and Listings**”) associated with the Marks and used from time to time in connection with the operation of the Franchised Business. This Assignment is for collateral purposes only. We will have no liability or obligation of any kind arising from or in connection with this Assignment, unless we notify the telephone company, the provider of a voice over Internet phone, and/or the listing agencies with which you have placed telephone directory listings (collectively, the “**Telephone Company**”) to effectuate the assignment of the Numbers and Listings to us. Upon termination or expiration of the Franchise Agreement we will have the right and authority to ownership of the Numbers and Listings. In such event, you will have no further right, title or interest in the Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the date on which the assignment is effective. As between us and you, upon termination or expiration of the Franchise Agreement, we will have the sole right to and interest in the Numbers and Listings.

3. **Power of Attorney:** You irrevocably appoint us as your true and lawful attorney-in-fact to: (a) direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us; and (b) sign on your behalf such documents and take such actions as may be necessary to effectuate the assignment. Notwithstanding anything else in the Assignment, however, you will immediately notify and instruct the Telephone Company to effectuate the assignment described in this Assignment to us when, and only when: (i) the Franchise Agreement is terminated or expires; and (ii) we instruct you to so notify the Telephone Company.

Company. If you fail to promptly direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, we will direct the Telephone Company to do so. The Telephone Company may accept our written direction, the Franchise Agreement or this Assignment as conclusive proof of our exclusive rights in and to the Numbers and Listings upon such termination or expiration. The assignment will become immediately and automatically effective upon Telephone Company's receipt of such notice from you or us. If the Telephone Company requires that you and/or we sign the Telephone Company's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, our signature on such forms or documentation on your behalf will effectuate your consent and agreement to the assignment. At any time, you and we will perform such acts and sign and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement. The power of attorney conferred upon us pursuant to the provisions set forth in this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our consent.

4. **Indemnification:** You will indemnify and hold us and our affiliates, shareholders, directors, officers and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action in which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company.

5. **Binding Effect:** This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

6. **Assignment to Control:** This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company.

7. **Attorney's Fees, Etc.:** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "attorneys' fees" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability:** If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

9. **Governing Law and Forum:** This Assignment is governed by Florida law. The parties will not institute any action against any of the other parties to this Assignment except in the state or federal courts of general jurisdiction in Broward County, Florida, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

Liquivida

Franchise Disclosure Document | Multistate 2025

**LQV FRANCHISING, LLC**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE**

Franchisee Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT C TO THE LQV FRANCHISING LLC DISCLOSURE DOCUMENT**

**LQV FRANCHISING, LLC  
MULTI-UNIT DEVELOPMENT AGREEMENT**

## **MULTI-UNIT DEVELOPMENT AGREEMENT**

This Multi-Unit Development Agreement (“MUDA”) made and entered on \_\_\_\_\_  
(the “Effective Date”) by and between:

- LQV Franchising LLC, a Florida limited liability company, having its principal place of business at 4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309 (“Franchisor,” “we,” “us,” or “our”); and
- \_\_\_\_\_, an individual/partnership/corporation/limited liability company established in the State of \_\_\_\_\_ and whose principal address is \_\_\_\_\_ (“Developer,” “you,” or “your”).

WHEREAS, we have developed certain business processes, technologies, trade secrets, contracts, client lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress and other intellectual property; distinctive signage and decor; standards and specifications for services, products, supplies, appearance, operations and management control; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs which may be changed, discontinued, improved, modified and further developed by us from time to time (the “System”).

WHEREAS, by signing below, you understand and acknowledge that it is solely your responsibility to comply with all business, franchise and health laws applicable to your Franchised Businesses including the laws set forth in our Franchise Disclosure Document (“Disclosure Document”).

WHEREAS, by signing below, you understand and acknowledge that each location you open shall be subject to the then-current franchise agreement (the “Franchise Agreement”) which may have terms that are materially different than the franchise agreement you are signing in conjunction with this MUDA.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:

### **1. GRANT**

1.1. We hereby grant to you, pursuant to the terms and conditions of this MUDA, certain development rights (“Development Rights”) to establish and operate \_\_\_\_ Liquivida Wellness Centers (each, a “Franchised Business”) at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.1 hereof, and pursuant to the schedule established in Attachment “D” of this MUDA (hereinafter “Minimum Performance Schedule”). Each Franchised Business developed hereunder shall be located in the area described in Attachment “E” of this MUDA (hereinafter “Development Area”).

1.2. This MUDA is not a franchise agreement and does not grant to you any right to use our trade names, trademarks, and logos as we may designate from time to time (collectively,

the “Marks”). You shall have no right under this MUDA to sub-franchise, sub-license, or sell Franchised Businesses to third parties.

## 2. DEVELOPMENT FEE

2.1. In consideration of the Development Rights granted herein, you shall pay to us an initial payment, or “Development Fee,” upon signing this MUDA, in an amount that is determined based upon the number of Franchised Businesses (“Units”) you agree to develop and operate. We offer development packages if you choose to purchase three or more Liquivida Wellness Center franchises (“Units”). For your third Wellness Center franchise and each additional Unit purchased thereafter, you must pay a development fee (the “Development Fee”) of \$20,000 multiplied by the number of additional Liquivida Wellness Center franchises to be developed. The Development Fee is in addition to the Initial Franchise Fee for the first Liquivida Wellness Center to be developed.

Developers will be required to pay the remaining balance of the Initial Franchise Fee for each additional Liquivida Wellness Center when you sign each Franchise Agreement. We will credit a portion of the Development Fee against the Initial Franchise Fee (\$20,000 for the second and each subsequent franchise agreement) until the Development Fee is exhausted. Developers must open a minimum of three Liquivida Wellness Centers.

The Development Fee is determined based on the chart below:

Number of Units	Upfront Initial Franchise Fee + Development Fee
1	\$75,000
2	\$150,000
3	\$115,000
4	\$135,000
5	\$155,000
10	\$255,000

2.2. You acknowledge and agree that the Development Fee shall be fully earned by us upon execution of this MUDA, is not refundable, and will not be credited against any other fees you may pay to us pursuant to this MUDA or any Franchise Agreement. The Development Fee constitutes 100% of the initial franchise fees for the number of Units you must open.

## 3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1. You shall assume all responsibility and expense for locating potential sites for your Units and shall submit to us for our evaluation and approval, in the form specified by us, the Site-Review Package which shall include, at minimum, a description of the site, the terms of the lease or purchase, and such other information and materials as we may reasonably require. We will make reasonable efforts to notify you within 30 days after receipt of such information and materials from you to accept or decline the site in our sole discretion. We shall have no obligation to approve sites which do not meet our criteria for you to meet the Minimum Performance Schedule.

3.2. Recognizing that time is of the essence, you agree to exercise the Development Rights granted hereunder in the manner specified herein, and in accordance with the Minimum Performance Schedule. Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this MUDA as provided in Section 9.1. hereof. Under no circumstances may you or an affiliate (defined herein as a separate corporate entity commonly owned by you) open a Unit for business unless and until there is a fully executed Franchise Agreement in place for each such Unit, and we have been paid all amounts due and owing to us upon execution of such Franchise Agreement.

3.3. You shall exercise your Development Rights granted herein only by executing a Franchise Agreement for each Unit at a site approved by us in the Development Area as hereinafter provided within ten days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Unit shall be executed contemporaneously with this MUDA by you or your affiliate. In the event we do not receive the properly executed Franchise Agreement within ten (10) days from delivery to you, our approval of the approved site may be voided, at our option.

3.4. You acknowledge that neither our acceptance of the premises nor any information communicated to you regarding our standard site selection criteria, or the specific location of your Unit will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for your Unit. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise at the approved site.

3.5. You shall be required to execute each Franchise Agreement and own a minimum of 51% of the issued and outstanding stock or membership interests for each Unit to be opened pursuant to said Franchise Agreement. In no event shall you relinquish control over any entity operating each Unit.

#### **4. DEVELOPMENT RIGHTS AND OBLIGATIONS**

4.1. Subject to the provisions of this MUDA, we grant to you the Development Rights, as described in Section 1.1. Notwithstanding any other provision of this MUDA, Development Rights under this MUDA may or may not, in our sole discretion, include the right to develop Franchised Businesses at "Non-Traditional Sites". Non-Traditional Sites include without limitation military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums. If a Non-Traditional Site becomes available within the Development Area during the term of this MUDA, we may, in our sole discretion, offer you the opportunity to develop a Unit at the Non-Traditional Site. You will have 30 days after we notify you that the site is available to accept this right of first refusal. If you accept the development of the Non-Traditional Site, it will be included in your Development Schedule.

4.2. Provided you are in full compliance with all the terms and conditions of this MUDA, including, without limitation, your development obligations described in Section 3.2., and you are in full compliance with all of your obligations under all Franchise Agreements executed pursuant to this MUDA, then during the term of this MUDA, neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Franchised Businesses within the Development Area, except the franchises that are granted to you pursuant to this MUDA and

except as otherwise expressly provided in this MUDA. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of this MUDA and all of the Franchise Agreements signed under it.

4.3. Upon the termination or expiration of this MUDA, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Franchised Businesses within the Development Area subject only to the territorial rights granted to you with respect to each Unit operated by you pursuant to the Franchise Agreements signed under this MUDA and subject, further, to the right of first refusal described in Section 6 below.

4.4. We and our affiliates retain all rights with respect to each Unit, the System, the Marks and the sale of any Liquivida branded goods and services, anywhere in the world, including, without limitation, the right:

4.4.1. to produce, offer and sell and to grant others the right to produce, offer and sell any of the products or services offered at Franchised Businesses and any other goods or services displaying the Marks or other trade and service marks through alternative channels of distribution (including, but not limited to, the Internet, catalog sales, grocery stores, telemarketing or other marketing methods) both within and outside your Development Area, and under any terms and conditions we deem appropriate;

4.4.2. to operate and to grant others the right to operate Franchised Businesses located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your Development Area and Units thereunder;

4.4.3. to operate and to grant others the right to operate Franchised Businesses at Non-Traditional Sites within and outside the Development Area under any terms and conditions we deem appropriate; and

4.4.4. the right to acquire and operate a business operating one or more competing businesses located or operating in your Development Area.

4.5. To maintain your rights under the MUDA, you must have open and maintain in operation the cumulative number of Liquivida Lounge or Liquivida Wellness Center franchises stated on the Minimum Performance Schedule by the dates agreed upon. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the MUDA.

## **5. RENEWAL**

This MUDA shall not be subject to renewal. However, if you wish to purchase a new Development Area and continue to develop Units, we will, in good faith, negotiate a new MUDA with you subject to availability in our discretion and on terms commensurate with our then-current MUDA and Development Fee schedules.

## **6. TERM AND RIGHT OF FIRST REFUSAL**

6.1. Unless sooner terminated in accordance with the terms of this MUDA, the term of this MUDA and all Development Rights granted hereunder shall expire on the date the last Unit is opened pursuant to the Minimum Performance Schedule established in Attachment "D".

6.2 If, at any time or from time to time following the opening for business of all the Units in accordance with the Minimum Performance Schedule, we determine that it is desirable to operate one or more additional Units in the Development Area, and provided you have timely complied with the Minimum Performance Schedule and are in compliance with all terms and conditions of all Franchise Agreements signed under the MUDA, you shall have a right of first refusal to obtain the Development Rights to such additional Units upon such reasonable terms and conditions as are determined by us including, but not limited to, the imposition of a new Development Fee and payment of the then-current Initial Franchise Fee for each Unit upon execution of the then-current Franchise Agreement. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such additional Unit(s). If you do not exercise this first right of refusal, in whole, we may, following the expiration of the 60-day period, grant the Development Rights to such additional Unit(s) to any other person or persons on the same terms and conditions or we may elect to develop and construct any such additional Unit(s).

## 7. YOUR OBLIGATIONS

7.1. You acknowledge and agree that:

7.1.1. Except as otherwise provided herein, this MUDA includes only the right to select sites for the establishment of Units and to submit the same to us for our approval in accordance with the terms of this MUDA. This MUDA does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Franchised Businesses within the Development Area. You shall obtain the license to use such additional rights at each Unit upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.1.2. The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section 11 hereof.

7.1.3. Except as provided in Sections 6.1. and 6.2. hereof, the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

7.1.3.1. to continue to construct and operate other Franchised Businesses and to use the System and the Marks at any location outside the Development Area, and to license others to do so.

7.1.3.2. to develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

7.1.3.3. to develop, merchandise, sell and license others to sell any of our products, proprietary or otherwise, presently existing or to be developed in the future, to the public through alternative channels of distribution outside or inside of the Development Area and to use the Marks in connection therewith.

7.1.4. You have sole responsibility for the performance of all obligations arising out of the operation of your development business pursuant to this MUDA, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.1.5. In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your development business and that the operations of said business are separate and distinct from the operation of a Unit.

7.1.6. You shall, at all times, preserve in confidence any and all materials and information furnished or disclosed to you by us, and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.1.7. You shall comply with all requirements of federal, state and local laws, rules and regulations.

7.1.8. You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.1.9. In no event shall any Unit be opened for business unless and until a Franchise Agreement for such Unit has been fully executed and any additional initial fees due to us or our affiliates have been paid.

## **8. OUR SERVICES**

8.1. We will review the information regarding potential sites for your Units that you provide to us to determine whether the sites meet our then-current standards and criteria, and if the site meets our criteria, accept the site.

8.2. We will assist you in determining the layout and configuration of each Unit once the location has been approved. After you and we have determined the layout and configuration of each Unit, you must arrange for site plan and build-out plans and specifications to be prepared and submitted to us for our review.

8.3. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications.

8.4. We may provide other resources and assistance as may be developed and offered to our developers in our discretion and as we deem appropriate.

## 9. DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this MUDA upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this MUDA shall be terminated in accordance with the provisions of any such law:

9.1.1. If you shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2. If you shall purport to affect any assignment other than in accordance with Section 11 hereof.

9.1.3. Except as provided in Section 11 hereof, if you attempt to sell, assign, transfer or encumber this MUDA prior to the time that at least 50% of the Units to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.4. If you make, or have made, any material misrepresentation to us in connection with obtaining this MUDA, any site approval hereunder, or any Franchise Agreement signed under this MUDA.

9.1.5. If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6. If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of any Unit under this MUDA, and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7. If you or an owner of yours owning a 25% or more interest in you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one year.

9.1.8. If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment

remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9. If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the Units developed pursuant to the terms of this MUDA.

9.2 Upon occurrence of any of the events stated in this Section 9.2, we may, without prejudice to any other rights or remedies contained in this MUDA or provided by law or equity, terminate this MUDA. Such termination shall be effective 30 days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1. If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property, except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.2.2. If you, or persons controlling, controlled by or under common control with you, shall have any interest, direct or indirect, in the ownership or operation of any business engaged in the sale of products or services similar to those permitted to be sold by you within the Development Area or in any business which looks like, copies or imitates a Franchised Business or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement with us.

9.2.3. If you shall fail to remit to us any payments pursuant to Section 2 when same are due. Any amounts paid by you toward the Development Fee upon termination shall be non-refundable.

9.2.4. If you shall begin work upon any Unit at any site unless all the conditions stated in Section 3 hereof have been met.

9.2.5. If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this MUDA.

9.2.6. If you default in the performance of any other obligation under this MUDA.

9.2.7. If you open any Unit for business before a Franchise Agreement for such Unit has been fully executed by you and us and all initial fees due to us have been paid.

## **10. OBLIGATIONS FOLLOWING TERMINATION**

10.1. Upon termination of this MUDA becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1. to cease immediately any attempts to select sites on which to establish Units.

10.1.2. to cease immediately to hold yourself out in any way as a Developer of ours or to do anything which would indicate a relationship between you and us.

10.1.3. to immediately and permanently cease to use the Marks and distinctive forms, slogans, signs, and symbols associated with the Developer program and the System.

10.1.4. to promptly pay all sums owing to us and our affiliates under this MUDA. In the event of termination for any default by you, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees and expenses, incurred by us or our affiliates as a result of the default.

10.1.5. You shall comply with the covenants contained in Section 12 of this MUDA.

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

## **11. TRANSFER OF INTEREST**

11.1. This MUDA is personal to you, and you shall neither sell, assign, transfer nor encumber this MUDA, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this MUDA may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Section 11 shall constitute a material breach of this MUDA.

11.2. In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guarantees by the equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Units pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the Units shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by us for a one-time assignment to a corporate entity.

11.3. If you are a corporation or if your rights hereunder are assigned to a corporate entity, you or those individuals disclosed on Attachment "B" attached hereto shall be the legal and beneficial owner of not less than 51% of the outstanding equity of said entity and shall act as such entity's principal officer. The assignment to a corporate entity will not relieve you of personal liability to us for performance of any of the obligations under this MUDA. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity

of the entity or assignee entity shall be subject to our prior written approval. We agree that we will not unreasonably restrict the issuance or transfer of equity, provided that you comply with the provisions of this Section 11, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of ours. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

**“The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Development Agreement with LQV Franchising, LLC, dated \_\_\_\_\_. Reference is made to said Multi-Unit Development Agreement and related franchise agreements and to restrictive provisions of the governing documents of this entity.”**

11.4. The entity or assignee entity’s records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section 11. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded. You are strictly prohibited from offering your securities through a public offering or private placement.

11.5. In the event of your death, disability or permanent incapacity, we shall consent to the transfer of all of the interest of you to your spouse, heirs or relatives, by blood or marriage, or if this MUDA was originally executed by more than one party, then to the remaining party(ies) who originally executed this MUDA, whether such transfer is made by your Last Will and Testament or by operation of law, provided that the requirements of Section 11 hereof have been met. In the event that your heirs do not obtain our consent as prescribed herein, your personal representative shall have a reasonable time to dispose of your interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this MUDA.

11.6. You have represented to us that you are entering into this MUDA with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this MUDA, prior to the time that at least 50% of the Units to be constructed hereunder are opened or under construction, except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7. Except as provided in Section 11.6, if you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within 30 days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.7, to purchase such business, Development Rights and interests, including your right to develop sites within the Development Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If

we decline or do not accept the offer in writing within 30 days, you may, within 30 days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section 11. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this MUDA, including all of the requirements of this Section 11.7 with respect to the proposed transfer.

11.8. You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit developers and franchisees. Any assignment or transfer permitted by this Section 11.7 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.9. Except as provided in Section 11.6. hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.9.1. All of your obligations created by this MUDA, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2. All ascertained or liquidated debts of you to us or our affiliates or are paid.

11.9.3. You are not in default hereunder.

11.9.4. We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5. Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of MUDA, Franchise Agreements for all Units open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit developers on the date of transfer.

11.9.6. You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this MUDA or the performance or non-performance thereof by us.

11.9.7. You or transferee pay to us a transfer fee in an amount greater of (i) 75% of our then-current applicable initial franchise fee for a single unit franchise, (ii) or \$50,000, to cover

our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.10. Upon the death or mental incapacity of any person with an interest of more than 50% in this MUDA or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within twelve (12) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this MUDA. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this MUDA, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon 90 days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

11.11. Our consent to a transfer of any interest in you or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this MUDA by the transferee.

11.12. We shall have the right to assign this MUDA and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (a) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (b) the assignee shall expressly assume and agree to perform such obligations. You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "LQV Franchising, LLC" as Franchisor. Nothing contained in this MUDA shall require us to remain in our current industry or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this MUDA.

## 12. COVENANTS

12.1. You covenant that during the term of this MUDA, except as otherwise approved in writing by us, you (or if Developer is a corporation or partnership, the Operating Principal) or your

manager shall devote full time, energy, and best efforts to the management and operation of the Developer's business governed by this MUDA.

12.2. You specifically acknowledge that, pursuant to this MUDA, you will receive confidential information, including without limitation, marketing methods and techniques of us and the System. You covenant that, during the term of this MUDA, you and persons controlling, controlled by or under common control with you shall not, either directly or indirectly, for yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.2.1. Divert or attempt to divert any business or customer of any Franchised Business operated under the System to any competitor or do any other act injurious or prejudicial to the goodwill associated with the System.

12.2.2. Employ or seek to employ any person who is at that time employed by us or any of our franchisees or developers, or directly or indirectly induce such person to leave their employ.

12.2.3. Own, maintain, operate, affiliate with, or have an interest in any business (whether directly operating such a business or as a franchisee, area representative, developer, or otherwise) that is competitive with a Franchised Business.

12.3. You and your owners covenant that, except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted period of two years from the date of: (a) a transfer permitted under Section 11; (b) expiration or termination of this MUDA (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 12.3, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any persons or entity, own, maintain, operate, engage in, develop or acquire any interest in any business that is competitive with a Unit and, and which business is, or is intended to be, located (a) within the Development Area; (b) within a 25 mile radius of the Development Area; or (c) within a 15 mile radius of any Franchised Business operating under the System at the time of transfer, expiration or termination.

12.4. Sections 12.2 and 12.3 above shall not apply to ownership by Developer of an interest in any business operated under the System under a franchise granted by us or of less than 5% beneficial interest in the outstanding equity securities of any publicly held entity.

12.5. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this MUDA. If all or any portion of a covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 12.

12.6. You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 12.2 and 12.3 of this MUDA, or any portion thereof, without your consent, effective immediately upon receipt of written notice

thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

12.7. You expressly agree that the existence of any claims you may have against us, whether or not arising from this MUDA, shall not constitute a defense to the enforcement by us of the covenants in this Section 12. You agree to pay all costs and expenses (including reasonable attorneys' fees and expenses) we incur in connection with the enforcement of this Section 12.

12.8. You shall require and obtain execution of covenants, in a form reasonably acceptable to us, of confidentiality and non-competition similar to those set forth elsewhere in this MUDA (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons: (a) all managers of Developer; (b) all officers, directors, and holders of a beneficial interest of 5% or more of the securities of Developer, and of any entity directly or indirectly controlling Developer, if Developer is an entity; and (c) the general partners and any limited partners if Developer is a partnership. The covenants required by this Section 12 shall be in a form specified by us, including, without limitation, specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them.

12.9. You and your owners agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you and your owners certify, represent, and warrant that none of your respective property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that neither you nor any of your owners are otherwise in violation of any of the Anti-Terrorism Laws. For the purposes of this Section 12.9, the following terms have the following meanings: (a) "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States ("Executive Order 13224"), the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control, and any other government agency with jurisdiction over the parties to this MUDA and/or their actions) addressing or in any way relating to terrorist acts and/or acts of war; (b) "Owner" means any person, partner, member, or shareholder who owns any direct or indirect interest in Developer. You and your owners certify that none of you, your respective employees, or anyone associated with any of them is listed in the Annex to Executive Order 13224 (the "Annex"). You agree not to knowingly hire any individual who is listed in the Annex (or, if he or she is already employed, retain the employment of that individual). You also agree not to knowingly: (a) establish a new relationship with a person as an employee, owner, banker, or otherwise who is listed in the Annex (whether or not we have consented to a Transfer involving such new owner); and (b) maintain a business relationship (whether with an employee, an owner, banker, or otherwise) with a person who is added to the Annex. You certify that you have no knowledge or information that, if generally known, would result in you or your owners, your employees, or anyone else associated with you to be listed in the Annex to Executive Order 13224. You understand that you are solely responsible for ascertaining what actions you must take to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in

this MUDA also apply to your obligations under this Section 12.9. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners, your employees, and/or their respective affiliates shall constitute grounds for immediate termination of this MUDA and any other agreement you have entered into with us or one of our affiliates.

### **13. NOTICES**

Any and all notices required or permitted under this MUDA shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the respective parties at the addresses listed in the opening paragraph unless and until a different address has been designated by written notice to the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

### **14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

14.1. It is understood and agreed by the parties hereto that this MUDA does not create a fiduciary relationship between them, and that nothing in this MUDA is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this MUDA is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

14.2. You shall hold yourself out to the public to be an independent contractor operating pursuant to this MUDA. You agree to take such actions as shall be necessary to that end.

14.3. You understand and agree that nothing in this MUDA authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

### **15. APPROVALS**

15.1. Whenever this MUDA requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this MUDA, or by reason of any neglect, delay or denial of any request therefor.

## **16. NON-WAIVER**

No failure of ours to exercise any power reserved to us under this MUDA or to insist upon compliance by you with any obligation or condition in this MUDA, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this MUDA. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this MUDA affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

## **17. SEVERABILITY AND CONSTRUCTION**

17.1. Each covenant and provision of this MUDA shall be construed as independent of any other covenant or provision of this MUDA. The provisions of this MUDA shall be deemed severable.

17.2. If all or any portion of a covenant or provision of this MUDA is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this MUDA.

17.3. Nothing in this MUDA shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this MUDA.

17.4. All captions in this MUDA are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5. All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this MUDA on your behalf.

17.6. This MUDA may be executed in multiple copies, each of which shall be deemed an original.

## **18. ENTIRE AGREEMENT; APPLICABLE LAW**

18.1. This MUDA, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change or variance

from this MUDA shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

18.2. This MUDA takes effect upon its acceptance and execution by us. Except to the extent this MUDA or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, this MUDA and the relationship created hereby are governed by Florida law, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

18.3. Subject to the Arbitration provision below, you and we each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction for Broward County, Florida, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

## **19. DISPUTE RESOLUTION**

19.1 WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO (A) THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, (B) EQUITABLE CLAIMS, AND (C) AMOUNTS DUE FROM YOU TO US, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN OR INVOLVING US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO: (A) THIS MUDA OR ANY OTHER AGREEMENT BETWEEN US AND YOU OR OUR AND YOUR RESPECTIVE AFFILIATES; (B) OUR RELATIONSHIP WITH YOU; (C) THE VALIDITY OF THIS MUDA OR ANY OTHER AGREEMENT BETWEEN YOU AND US OR OUR AND YOUR RESPECTIVE AFFILIATES; OR (D) ANY SYSTEM STANDARD, TO NON-BINDING MEDIATION AT A PLACE THAT WE DESIGNATE WITHIN 25 MILES OF WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR MEDIATION IS FILED. (IF YOU AND WE CANNOT AGREE ON A LOCATION, THE MEDIATION WILL BE CONDUCTED AT OUR HEADQUARTERS). THE MEDIATION SHALL BE CONDUCTED BY EITHER A MUTUALLY AGREED-UPON MEDIATOR OR, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED 15 DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS COMMERCIAL MEDIATION PROCEDURES. ABSENT AGREEMENT TO THE CONTRARY, THE MEDIATOR SHALL BE EXPERIENCED IN THE MEDIATION OF FRANCHISE DISPUTES. YOU AND WE AGREE THAT ANY STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE IN ANY SUBSEQUENT ARBITRATION OR LEGAL PROCEEDING. EACH PARTY WILL BEAR ITS OWN COSTS AND EXPENSES OF CONDUCTING THE MEDIATION AND SHARE EQUALLY

THE COSTS OF ANY THIRD PARTIES WHO ARE REQUIRED TO PARTICIPATE. NEVERTHELESS, BOTH YOU AND WE HAVE THE RIGHT IN A PROPER CASE TO OBTAIN TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. HOWEVER, THE PARTIES MUST IMMEDIATELY AND CONTEMPORANEOUSLY SUBMIT THE DISPUTE FOR NON-BINDING MEDIATION. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY THE WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER THIS SECTION. THE MEDIATION PROVISIONS OF THIS MUDA ARE INTENDED TO BENEFIT AND BIND CERTAIN THIRD-PARTY NON-SIGNATORIES, AND ALL OF YOUR AND OUR OWNERS AND AFFILIATES.

19.2. WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO (A) THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, (B) EQUITABLE CLAIMS, AND (C) AMOUNTS DUE FROM YOU TO US, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS MUDA, IF NOT RESOLVED BY THE NEGOTIATION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED WITHIN 50 MILES OF WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR ARBITRATION IS FILED BY THE AMERICAN ARBITRATION ASSOCIATION (“AAA”) (IF YOU AND WE CANNOT AGREE ON A LOCATION, THE ARBITRATION WILL BE CONDUCTED AT OUR HEADQUARTERS). THIS ARBITRATION CLAUSE WILL NOT DEPRIVE US OF ANY RIGHT WE MAY OTHERWISE HAVE TO SEEK PROVISIONAL INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. THE ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND WITH COMMERCIAL DISPUTES. THE PARTIES ASK THAT THE ARBITRATOR LIMIT DISCOVERY TO THE GREATEST EXTENT POSSIBLE CONSISTENT WITH BASIC FAIRNESS IN ORDER TO MINIMIZE THE TIME AND EXPENSE OF ARBITRATION. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL BY JURY OR TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. THE ARBITRATOR WILL HAVE NO POWER TO: (A) STAY THE EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; (B) ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY; OR (C) MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS MUDA. THE PARTY AGAINST WHOM THE ARBITRATOR RENDERS A DECISION MUST PAY ALL EXPENSES OF ARBITRATION. ANY COURT OF COMPETENT JURISDICTION MAY ENTER JUDGMENT UPON ANY AWARD.

19.3. As a mandatory condition precedent prior to your taking any legal or other action against us, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of ours, you shall first give us 90 days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

19.4. Nothing in this MUDA shall bar our right to obtain specific performance of the provisions of this MUDA and injunctive relief against threatened conduct that will cause us loss

or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy, in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

19.5. No right or remedy conferred upon or reserved to us or you by this MUDA is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

19.6. YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS MUDA, THE RELATIONSHIP CREATED BY THIS MUDA, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US AND/OR YOUR AND OUR RESPECTIVE AFFILIATES.

19.7. EXCEPT FOR YOUR OBLIGATIONS TO US AND CLAIMS FOR UNAUTHORIZED USE OF THE MARKS OR CONFIDENTIAL INFORMATION, YOU WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST US. YOU ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING THE CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES YOU SUSTAIN.

19.8. ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS MUDA OR THE RELATIONSHIP BETWEEN YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN ONE YEAR FROM THE OCCURRENCE OF THE ACT OR EVENT GIVING RISE TO SUCH CLAIM OR ONE YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST, EXCEPT FOR CLAIMS FOR: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE CONFIDENTIAL INFORMATION OR PROPRIETARY MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT OUR RIGHT TO TERMINATE THIS MUDA IN ANY WAY.

19.9. You shall pay to us all damages, costs and expenses (including without limitation reasonable attorneys' fees) that we incur subsequent to the termination or expiration of the license granted under this MUDA in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this MUDA; (b) successfully defending a claim that we defrauded you into signing this MUDA, that the provisions of this MUDA are not fair, were not properly entered into, and/or that the terms of this MUDA do not govern the parties' relationship; and/or (c) enforcing any term in this MUDA.

## **20. TIMELY PERFORMANCE**

You hereby acknowledge that your timely development of the Units in the Development Area in accordance with the Minimum Performance Schedule is of material importance to us and

you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Units within the Development Area in accordance with the Minimum Performance Schedule, to operate such Unit pursuant to the terms of the Franchise Agreements and to maintain all such Units in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this MUDA shall not be a default hereunder if such failure or delay arises out of or results from a "Force Majeure", which for purposes of this MUDA shall be defined as fire, flood, acts of God, global pandemic, government shutdown, earthquake or other natural disasters, or acts of a public enemy, war, act of terrorism, rebellion or sabotage. Force Majeure shall not include your lack of financing.

## **21. ACKNOWLEDGMENTS**

21.1. You acknowledge and agree that we shall have the right to operate the System as we determine is appropriate, including but not limited to making decisions of whether to enter into an agreement of any sort with any party (such as a prospective franchisee), determining the terms of any agreement that we will enter into with any party (such as the provisions of a Franchise Agreement), determining whether and how to enforce its agreements (such as whether and when to bring actions to require payment in full by all parties, including franchisees), and all other matters whatsoever pertaining to the System. You understand that you shall not have any right whatsoever to enforce or to require us to do business with any particular party, enter into any particular agreement, or to enforce the terms of any particular Franchise Agreement.

21.2. You acknowledge that you have conducted an independent investigation of the Liquivida development business and recognize that the business venture contemplated by this MUDA involves business risks and that its success will be largely dependent upon the ability of you as an independent businessperson or business. We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, orally or in writing, as to the potential volume, profits, or success of the business venture contemplated by this MUDA.

21.3. You acknowledge that you have read and understood this MUDA, the documents referred to in this MUDA and agreements relating thereto, if any; and that we have accorded you ample time and opportunity to consult with advisors and/or attorneys of your own choosing about the potential benefits and risks of entering into this MUDA.

21.4. You acknowledge and agree that we have in the past, and may in the future, modify the offer of its licenses to other multi-unit developers in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that differ from the terms, conditions, and obligations in this MUDA.

21.5. You acknowledge that you received the Disclosure Document required by the Federal Trade Commission Franchise Rule at least 14 calendar days prior to the date on which this MUDA was executed or any consideration was paid to us.

21.6. Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this MUDA; (b) exercising its rights under this MUDA; and/or (c) fulfilling its responsibilities under this MUDA.

21.7. You acknowledge that the success of the business venture contemplated under this MUDA is speculative and depends, to a large extent, upon your ability as an independent businessperson, his/her active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

21.8. We expressly disclaim the making of, and you acknowledge that you have not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this MUDA.

**22. EFFECTIVE DATE**

22.1 This MUDA shall be effective as of the date it is executed by us.

**IN WITNESS WHEREOF**, the parties hereto have duly executed, sealed and delivered this Agreement on the day and year first above written.

**LQV FRANCHISING, LLC**

**DEVELOPER:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**LQV FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT**  
**ATTACHMENT "A"**  
**CERTIFICATION BY DEVELOPER**

The undersigned, \_\_\_\_\_, personally, ("Developer") do/does hereby certify that they have conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the LQV Franchising, LLC Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated Units, except as may be included in the Liquivida Franchise Disclosure Document heretofore provided to Developer. The undersigned further certifies that he/she understands the risks involved in this investment and LQV Franchising, LLC makes no representation or guaranty, explicit or implied, that the Developer will be successful or will recoup his/her investment.

Each of the undersigned owns a 5% or greater beneficial interest in Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Developer hereunder.

IN WITNESS WHEREOF, this Certification has been signed the day and year below.

**DEVELOPER'S MEMBERS/STOCKHOLDERS:**

\_\_\_\_\_  
Personally and Individually (Printed Name)

\_\_\_\_\_  
Personally and Individually (Printed Name)

\_\_\_\_\_  
Personally and Individually (Signature)

\_\_\_\_\_  
Personally and Individually (Signature)

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Date Signed

**LQV FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT**

**ATTACHMENT "B"**

**GUARANTY**

In consideration of the execution by LQV Franchising, LLC of the annexed Multi-Unit Development Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, \_\_\_\_\_, agree(s) to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Development Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Development Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Development Agreement and any amendments thereto or renewals thereof.

The guarantors hereunder hereby waive notice of termination or default under the Multi-Unit Development Agreement.

Each of the undersigned owns a 5% or greater beneficial interest in Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Developer hereunder.

IN WITNESS WHEREOF, this Guaranty has been signed the day and year below.

**GUARANTORS:**

\_\_\_\_\_  
Personally and Individually (Printed Name)

\_\_\_\_\_  
Personally and Individually (Printed Name)

\_\_\_\_\_  
Personally and Individually (Signature)

\_\_\_\_\_  
Personally and Individually (Signature)

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Date Signed

HOME ADDRESS

HOME ADDRESS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TELEPHONE NO.: \_\_\_\_\_

TELEPHONE NO.: \_\_\_\_\_

PERCENTAGE OF OWNERSHIP  
IN FRANCHISEE: \_\_\_\_\_%

PERCENTAGE OF OWNERSHIP  
IN FRANCHISEE: \_\_\_\_\_%

**LQV FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT**  
**ATTACHMENT “C”**  
**TRANSFER OF A FRANCHISE TO**  
**A CORPORATION OR LIMITED LIABILITY COMPANY**

This Transfer Agreement shall amend that certain Multi-Unit Development Agreement between \_\_\_\_\_ (“Developer”) and LQV Franchising, LLC (“Franchisor”).

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding membership interests of the Limited Liability Company set forth below, and the Developer of the Units under a Multi-Unit Development Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Development Area set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Developer constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Development Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section 11 of the Multi-Unit Development Agreement, agree as follows:

1. The undersigned Developer shall remain personally liable in all respects under the Multi-Unit Development Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Development Agreement including the restrictive covenants contained in Section 12 thereof, to the same extent as if each of them were the Developer set forth in the Multi-Unit Development Agreement and they jointly and severally personally guarantee all of the Developer’s obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

“The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_ between \_\_\_\_\_ and LQV Franchising, LLC”

or

“The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_ between \_\_\_\_\_ and LQV Franchising, LLC”.

3. \_\_\_\_\_ or his/her designee shall devote his best efforts to the day-to-day operation and development of the Units.

4. \_\_\_\_\_ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Development Agreement executed on the date set forth below between Developer and Franchisor, to the same extent as if it were named as the Developer therein.

Date of Multi-Unit Development Agreement: \_\_\_\_\_

Development Area for Units: \_\_\_\_\_

As to Paragraph 3:

As to Paragraph 4:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

In consideration of the execution of the above Agreement, LQV Franchising, LLC hereby consents to the above referred to assignment on \_\_\_\_\_.

**LQV FRANCHISING, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**LQV FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT  
ATTACHMENT "D"  
MINIMUM PERFORMANCE SCHEDULE**

The Agreement authorizes and obliges Developer to establish and operate \_\_\_\_\_ Units pursuant to a franchise agreement for each Unit. The following is Developer's Minimum Performance Schedule:

Liquivida Wellness Center #	Deadline for Opening	Total # of Franchised Businesses to be Open and Operating On Deadline	Development Fee
			\$ _____
			\$ _____
			\$ _____
			\$ _____
			\$ _____
Total Amount Due:			

The Minimum Performance Schedule shall be deemed completed, and this MUDA shall expire, upon the opening of the final Unit to be developed pursuant to this Agreement.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Minimum Performance Schedule.

**LQV FRANCHISING, LLC**

**DEVELOPER:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**LQV FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT**

**ATTACHMENT "E"**

**"DEVELOPMENT AREA"**

The following describes the Development Area within which Developer may locate Units under the MUDA:

---

**Check if Map attached**

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Development Area.

**LQV FRANCHISING, LLC**

**DEVELOPER:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**LQV FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT**

**ATTACHMENT “F”**

**STATE ADDENDA TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

**CALIFORNIA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT**

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operation. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of pre-opening obligations and you are open for business. For California franchisees who sign a Multi-Unit Development Agreement, the payment of the development and initial fees attributable to a specific unit in your Development Schedule is deferred until that unit is open.

No statement, questionnaire, or acknowledgement 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 state 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.

**DEVELOPER:**

**LQV FRANCHISING, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## ILLINOIS ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The “Illinois Act” means the Illinois Franchise Disclosure Act of 1987.
2. The Multi-Unit Development Agreement is governed by Illinois law.
3. In conformance with Section 4 of the Illinois Act, any provision in the Multi-Unit Development Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Multi-Unit Development Agreement may provide for arbitration to take place outside of Illinois.
4. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Act.
5. In conformance with Section 41 of the Illinois Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Act or any other law of Illinois is void.
6. This Addendum is effective as of the Effective Date.
7. Section 2.1 of the Multi-Unit Development Agreement shall be amended to state that the Initial Franchise Fees/Development Fees owed by franchisees/area developer shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisees/area developer and franchisee/area developer has commenced operations of its Franchised Business. The Illinois Attorney General’s Office has imposed this deferral requirement due to Franchisor’s financial condition.

**DEVELOPER:**

**LQV FRANCHISING, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**HAWAII ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT**

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control:

Payment of Initial Franchise Fees/Development Fees shall be deferred until Franchisor has met its initial obligations to area developer and area developer has commenced its Franchised Business.

**FRANCHISEE:**

**LQV FRANCHISING LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MARYLAND ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT**

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.
2. Notwithstanding any provision of the Agreement to the contrary, as a condition of the sale of a franchise, Franchisor shall not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve Franchisor or any other person from liability under the Maryland Franchise Law.
3. Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
4. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.
5. Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.
6. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability 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.

**DEVELOPER:**

**LQV FRANCHISING, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## MINNESOTA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.
2. **Amendments.** The Agreement is amended to comply with the following:
  - Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
  - With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
  - The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
  - Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
  - The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
  - The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”
  - No statement, questionnaire, or acknowledgement 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 with the franchise.
3. **Effective Date.** This Rider is effective as of the Effective Date.

**FRANCHISEE:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**LQV FRANCHISING LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

## **NORTH DAKOTA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT**

1. Section 2 of the Multi-Unit Development Agreement shall be amended to state that the Initial Franchise Fees/Development Fees shall be deferred until Franchisor has satisfied its pre-opening obligation to area developer and area developer has commenced operations of its Franchised Business.

2. Section 10 of the Multi-Unit Development Agreement is modified and deletes the obligation of developers to consent to termination or liquidated damages.

3. Section 10 of the Multi-Unit Development Agreement is modified and amended to provide that all arbitration or mediation required under the Multi-Unit Development Schedule shall be at a location agreeable to all parties and may not be remote from the franchisee's Franchised Business.

4. All provisions in the Multi-Unit Development Agreement concerning choice of law, jurisdiction and venue, jury waiver, and waiver of exemplary or punitive damages are hereby deleted and in their place is substituted the following language: "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

5. Section 19 of the Multi-Unit Development Agreement shall be modified to state that the statute of limitations under North Dakota law shall apply.

6. Sections 12.7 and 19 of the Multi-Unit Development Agreement shall be modified to state that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.

7. North Dakota law governs any cause of action under Multi-Unit Development Agreement.

8. Section 18 of the Multi-Unit Development Agreement is hereby amended by the addition of the following language: "Covenants requiring North Dakota developers to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota".

9. Section 19.6 of the Multi-Unit Development Agreement is hereby amended by the addition of the following language: "Provisions requiring a developer to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law".

10. Section 19.7 of the Multi-Unit Development Agreement is hereby amended by the addition of the following language: "Provisions requiring a franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law".

**DEVELOPER:**

**LQV FRANCHISING, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**VIRGINIA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Section 2 of the Multi-Unit Development Agreement is amended to state: “The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the Multi-Unit Development Agreement.

**DEVELOPER:**

**LQV FRANCHISING, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT “D” TO THE LQV FRANCHISING LLC DISCLOSURE DOCUMENT**

**PROMISSORY NOTE AND SECURITY AGREEMENT**

## PROMISSORY NOTE

\$ \_\_\_\_\_ 20\_\_

**FOR VALUE RECEIVED**, the undersigned, \_\_\_\_\_,  
a \_\_\_\_\_ (“Maker”), promises to pay to the order of LQV FRANCHISING, LLC, a Florida limited liability company (herein with its successors and/or assigns, “Payee”) at 4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309, or at such other place as the Payee or other holder hereof may direct in writing, the aggregate principal sum of (\$ \_\_\_\_\_), together with interest from the date hereof on the unpaid principal amount at the rate(s) hereinafter stated, payable as follows:

- 1. Interest.** The unpaid principal amount of this Promissory Note (“Note”) from time to time outstanding shall bear interest from the date hereof at the rate of 12% per annum. If Maker fails to pay any installment or make any payment on this Note for ten days after the same shall become due, whether by acceleration or otherwise, Payee may, at its option, impose a late charge on the undersigned in an amount equal to 5% of such installment or payment. If any payment or installment is not made within 30 days after the same shall become due, Payee may, at its option, impose an additional late charge on the undersigned in an amount equal to 5% of such installment or payment. Such installment or payment shall be subject to an additional 5% late charge for each additional period of 30 days thereafter that such installment or payment remains past due. The late charge shall apply individually to all installments and payments past due with no daily adjustment and shall be used to defray the costs of Payee incident to collecting such late installment or payment. This provision shall not be deemed to excuse a late installment or payment or be deemed a waiver of any other rights Payee may have, including, but not limited to, the right to declare the entire unpaid balance due under this Note immediately due and payable. In no event shall the rate of interest payable hereunder at any time exceed the highest rate of interest allowed under applicable usury laws.
- 2. Principal and Interest Payments.** This Note shall be due and payable by electronic funds transfer in \_\_\_\_\_ ( ) consecutive monthly installments with the initial installment being due and payable on \_\_\_\_\_, 20\_\_, and the remaining installments being due and payable on the same day of each consecutive month thereafter. The final installment shall be due and payable on \_\_\_\_\_, 20\_\_ and shall consist of the remaining principal balance of this Note and all unpaid interest accrued thereon. In the event that any payment date shall fall due on a Saturday, Sunday, or U.S. banking holiday, payment shall be made on the next succeeding business day, and interest will continue to accrue on the unpaid principal amount during the interim. All payments of principal and interest are to be made in lawful money of the United States of America in immediately available funds.
- 3. Payment Application.** Payments shall be applied first to expenses, costs, and attorney’s fees which are payable under this Note, secondly to interest, and finally to the reduction of principal; provided, such payments may at the option of Payee or other holder hereof, be applied to the payment of delinquent taxes, installments of special assessments, insurance premiums and/or other legal charges.

4. **The Security.** This Note may be executed and delivered by Maker pursuant to, and is entitled to the benefits of, a Security Agreement dated on even date herewith, between Maker and Payee (the "Security Agreement"). Reference may be made to the Security Agreement for terms and provisions regarding collateral security for payment of this Note (the "Collateral") and for other pertinent purposes.
5. **Events of Default.** An "Event of Default" shall be deemed to have occurred in the event that: (a) any installment of principal or interest due hereunder is not paid after becoming due and payable; or (b) any default by Maker occurs in the performance of the covenants, obligations or other provisions under the Franchise Agreement between Maker and Payee (the "Franchise Agreement"), or any other agreement between Maker (or its affiliates) and Payee; or (c) any representation or warranty of the Maker set forth in the Franchise Agreement, or any other agreement between Maker and Payee proves to have been incorrect in any material respect; or (d) Maker becomes subject to any bankruptcy, insolvency or debtor relief proceedings; or (e) Maker fails to comply with or perform any provision of this Note not constituting a default under the previous items of this paragraph and such failure continues for 15 days after notice thereof to Maker; or (f) a default occurs causing the acceleration of any material obligation of Maker to any other creditors; or (g) any guarantors of the Franchise Agreement revokes or renounces his or her guaranty; or (h) the Franchise Agreement is terminated in any judicial proceeding.
6. **Default and Remedies.** Upon the occurrence of an Event of Default as defined herein or at any time thereafter, the entire principal and accrued interest of this Note shall become immediately due and payable, without further notice to Maker, at the option of Payee or other holder hereof. Payee or other holder hereof may also exercise any rights and remedies available to it as a secured party under the Security Agreement (if applicable), the Uniform Commercial Code or other applicable law. To the extent permitted by applicable law, all benefits, rights and remedies hereunder shall be deemed cumulative and not exclusive of any other benefit, right or remedy herein. The failure of Payee or other holder hereof to exercise any right or remedy hereunder shall not be deemed to be a release or waiver of any obligation or liability of the Maker.
7. **Obligations Absolute.** All obligations of Maker hereunder are absolute and unconditional, irrespective of any offset or counterclaim of Maker against Payee or other holder hereof. Maker hereby waives the right to claim or enforce any right of offset, counterclaim, recoupment or breach in any action brought to enforce the obligations of Maker under this Note.
8. **Waivers.** Maker and any co-makers, sureties, endorsers and guarantors of this Note hereby jointly and severally waive presentment for payment, notices of non-performance or nonpayment, protest, notice of protest, notice of dishonor, diligence in bringing suit hereon against any party hereto and notice of acceleration, and further consent to any extension of time for payment hereunder (whether one or more), any renewal hereof (whether one or more), any substitution or release of Collateral (if applicable), and any addition or release of any party liable for payment of this Note. Any such extension, renewal, substitution or release may be made without notice to any such party and without discharging such party's liability hereunder. Payee reserves the right, in its sole and exclusive discretion, to waive the requirement in Section 2 above that all payments hereunder be due by electronic funds transfer.

- 9. Collection Costs; Attorney's Fees.** Maker agrees to pay all expenses and costs of collection, including all reasonable attorney's fees and expenses, court costs, costs of sale and costs of maintenance and repair and similar costs incurred by Payee in connection with the enforcement of this Note, the collection of any amounts payable hereunder, whether by acceleration or otherwise, and/or the sale or other disposition of any Collateral.
- 10. Prepayment.** Maker may prepay this Note, in whole or in part, at any time without premium or penalty. Any partial payments shall be applied first to accrued interest and then to principal installments in reverse order of maturity.
- 11. Severability.** If any term or provision of this Note or application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and shall be valid and enforced to the fullest extent permitted by law.
- 12. Limitation on Interest.** All agreements between Maker and Payee, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand or acceleration of the maturity hereof or otherwise, shall the interest contracted for, charged, or received by Payee, or any subsequent holder hereof, exceed the maximum amount permissible under applicable law. If any interest in excess of the maximum amount of interest allowable by said applicable laws is inadvertently paid to Payee or the holder hereof, at any time, any such excess interest shall be refunded by the holder to the party or parties entitled to the same after receiving notice of payment of such excess interest. All interest paid or agreed to be paid to Payee shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period until payment in full of the principal (including the period of any renewal or extension hereof) so that the interest hereon for such full period shall not exceed the maximum amount permitted by applicable law. This paragraph shall control all agreements between Maker and Payee.
- 13. Notice.** All notices pursuant to this Agreement shall be in writing and delivered by certified or registered mail, by reputable commercial delivery service, or by telecopy (with a confirmation copy mailed, postage prepaid). Until changed by written notice to the other party, notices to each party must be addressed as follows:

Notices to Payee: LQV FRANCHISING, LLC  
4901 NW 17th Way, Suite 305  
Fort Lauderdale, FL 33309

With a copy to:

Notices to Maker:

- 14. Jurisdiction and Venue.** It is hereby agreed that any and all claims, disputes or controversies whatsoever arising from or in connection with this Note, shall be commenced, filed and litigated, if at all, in the judicial district in which Omaha,

Nebraska, is located, unless the conduct of such litigation is not within the subject matter jurisdiction of the court of such district. The parties waive all questions of personal jurisdiction, convenience of forum and venue for purposes of carrying out this provision.

**14. Jury Trial Waiver. MAKER AND PAYEE IRREVOCABLY WAIVE TRIAL BY JURY, REGARDLESS OF THE FORUM, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER ARISING FROM, WHETHER DIRECTLY OR INDIRECTLY, THIS NOTE.**

**15. Governing Law.** This Note and all disputes or controversies arising or related hereto shall be interpreted and construed under the laws of the State of Florida. In the event of any conflict of law question, the law of Florida shall prevail, without regard to the application of Florida conflict of law rules.

**16. Amount Owng.** The records of Payee or other holder of this Note shall be prima facie evidence of the amount owing on this Note.

**17. Release.** In consideration of the credit given to the Maker as evidenced by this Note, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the undersigned, for himself and his agents, employees, representatives, associates, heirs, successors and assigns (collectively the "Franchisee Entities"), does hereby fully and finally release and forever discharge the Payee ("LQV Franchising"), and its officers, shareholders, directors, agents, employees, representatives, associates, successors and assigns (collectively, the "LQV Entities") of and from any and all actions and causes of action, suits, claims, demands, damages, judgments, accounts, agreements, covenants, debts, levies and executions, including without limitation attorneys' fees, whatsoever, whether known or unknown, liquidated or unliquidated, fixed, contingent, direct or indirect, whether at law or in equity, which the Franchisee Entities, or any one or more of them, have had, now have or may in the future have against the LQV Entities, or any one or more of them, arising out of, in connection with or relating in any way to that certain franchise agreement between the undersigned and LQV Franchising, LLC, dated \_\_\_\_\_, 20\_\_ (the "Franchise Agreement") or any other agreement between the undersigned and LQV Franchising, including but not limited to, any actions for fraud or misrepresentation, violation of any franchise laws, violation of any state or federal antitrust or securities laws, or violation of any common law, from the beginning time to the date of this Note; provided, however, specifically excluded from the release provisions of this Note shall be all obligations of LQV Franchising under the Franchise Agreement first accruing on and after the date hereof.

IN WITNESS WHEREOF, Maker has made, executed, and delivered this Note effective as of the date first written above.

MAKER

---

By:

Name:

Title:

**SECURITY AGREEMENT**

**THIS AGREEMENT** is made and entered on 20 \_\_, by and between \_\_\_\_\_ (“Debtor”) of \_\_\_\_\_, and LQV FRANCHISING, LLC, a Florida limited liability company (herein with its successors and/or assigns, “Payee”) at 4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309 (“Secured Party”).

1. **Definitions.** As used in this Agreement, the following terms shall have the meanings indicated below:

- 1.1 “Code” shall mean the Uniform Commercial Code of the State of Florida, as the same may from time to time may be in effect.
- 1.2 “Collateral” shall mean the following, whether now owned or existing or hereafter acquired or arising: (a) all of Debtor’s accounts, contract rights and general intangibles, including, without limitation, all Franchise Rights; (b) all accounts, revenue and rights to payment arising from Debtor’s household maintenance and cleaning service business; (c) all of Debtor’s securities, certificates of deposit and deposit accounts; (d) all of Debtor’s goods, fixtures, furniture, vehicles, computer hardware and software, equipment, and inventory; (e) all of Debtor’s chattel paper, instruments, documents, and other property used or useful in the ownership, maintenance and operation of the business conducted by Debtor pursuant to any agreements between Debtor and Secured Party; and (f) to the extent not otherwise included, all proceeds of any of the foregoing.
- 1.3 “Franchise Rights” shall mean the following: (a) certain contractual rights granted the Secured Party pursuant to the following LQV Franchising LLC Franchise Agreements, including without limitation, any rights to be a franchisee and any value in being a franchisee under those agreements.

Franchisee \_\_\_\_\_ Date of Franchise Agreement \_\_\_\_\_

Name

Address

(b) any other LQV Franchising LLC Franchise Agreement(s) in addition to the agreements described above, and (c) any rights to receive certain monies not yet earned that Secured Party may have pursuant to the above agreements and any additional franchise agreements between Debtor and Secured Party.

- 1.4 “Obligations” shall mean any and all liabilities, obligations and indebtedness of Debtor to Secured Party arising under or evidenced by the Promissory Note dated \_\_\_\_\_, 20\_\_\_\_, in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_), the Franchise Agreement(s) described in Section 1.3 herein, or any other agreement between Debtor and Secured Party, and all other liabilities, obligations and indebtedness of Debtor to Secured Party of

every kind and description, now existing or hereafter incurred or arising, matured or unmatured, direct or indirect, absolute or contingent, due or to become due, and any renewals, consolidations and extensions, including any future advances from Secured Party to Debtor.

1.5 “Proceeds” shall mean, with respect to property included in the Collateral: (i) any stock rights, rights to subscribe, liquidating dividends, dividends, stock dividends, dividends paid in stock or cash, new securities, or any other property which Debtor may hereafter become entitled to receive on account of such property; (ii) any proceeds in the form of accounts, collections, contract rights, documents, instruments, chattel paper or general intangibles relating in whole or in part to such property; and (iii) any other property constituting proceeds within the meaning of the Code.

2. **Grant of Security Interest.** To secure the prompt payment and performance of the Obligations, the Debtor assigns for collateral purposes and grants to Secured Party a first and priority security interest in the Collateral.

3. **Representations and Warranties.** Debtor warrants and represents that there are no restrictions or prior rights granted in or to the Collateral and agrees not to grant any rights in the Collateral to any party during the term of this Agreement and that the security interest granted herein is and will remain a valid first, prior and perfected security interest.

4. **Covenants.**

4.1 Debtor agrees to execute and deliver such additional assignments, security agreements, financing statements and chattel mortgages as Secured Party shall reasonably request to render the collateral assignment and security interest granted hereby a valid, first prior and perfected collateral assignment and security interest in the Collateral.

4.2 Debtor shall, at its own cost and expense, maintain satisfactory and complete records of the Collateral and mark its books and records to reflect the collateral assignment and security interest granted hereby.

4.3 Debtor shall not mortgage, assign, pledge or otherwise encumber any of the Collateral without prior written consent of Secured Party, which shall not be unreasonably withheld.

4.4 Debtor agrees to indemnify and defend Secured Party against any claims of interest or assertions of priority against the Collateral.

5. **Default.** An “Event of Default” shall be deemed to have occurred in the event that: (a) any installment of principal or interest due hereunder is not paid after becoming due and payable; or (b) any default by Debtor occurs in the performance of the covenants, obligations or other provisions under the Franchise Agreements set forth in Section 1.3 herein (the “Franchise Agreement(s)”), or any other agreement between Debtor (or its affiliates) and Secured Party; or (c) any representation or warranty of the Debtor set forth in the Franchise Agreement(s), or any other agreement between Debtor and Secured Party proves to have been incorrect in any material respect; or (d) Debtor becomes subject to any bankruptcy, insolvency or debtor relief proceedings; or (e) Debtor fails to comply

with or perform any provision of this Note not constituting a default under the previous items of this paragraph and such failure continues for 15 days after notice thereof to Debtor; or (f) a default occurs causing the acceleration of any material obligation of Debtor to any other creditors; or (g) any guarantors of the Franchise Agreement(s) revokes or renounces his or her guaranty; or (h) the Franchise Agreement(s) is terminated by Debtor or by Secured Party or is declared terminated in any judicial proceeding

6. **Remedies Upon Default.** On an Event of Default, the Secured Party, at the Secured Party's option, may declare all obligations secured hereby immediately due and payable, and may proceed to enforce payment of the same, and exercise any and all of the rights and remedies provided by the Code, as well as all other rights and remedies possessed by Secured Party under law. The Secured Party may require the Debtor to assemble the Collateral and make the Collateral available to the Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties and agree to execute such documents as are necessary to transfer all interest in the Collateral to Secured Party. The expenses of retaking, holding, preparing for sale, selling and the like will include Secured Party's reasonable attorney's fees and legal expenses. If the amount of the Collateral is insufficient to cover any outstanding indebtedness of Debtor to Secured Party pursuant to this Agreement, plus any expenses associated with default thereon, then Debtor shall remain liable to the Secured Party for any deficiency, in accordance with applicable state law. Debtor agrees to pay all expenses and costs of collection, including all reasonable attorney's fees and expenses, court costs, costs of sale and costs of maintenance and repair and similar costs incurred by Secured Party in connection with the enforcement of the Note, the collection of any amounts payable hereunder, whether by acceleration or otherwise, and/or the sale or other disposition of the Collateral. If any notification of an intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonable and properly given if mailed by certified mail, return receipt requested, postage prepaid, or delivered by overnight courier, to the address of Maker stated in this Note, at least ten (10) days prior to such disposition.

## 7. **General Provisions.**

7.1 Notice. All notices pursuant to this Agreement shall be in writing and delivered by certified or registered mail, by reputable commercial delivery service, or by telecopy (with confirmation copy mailed, postage prepaid). Until changed by written notice of the other party, notices to each party shall be addressed as follows:

Notices to Secure Party:      LQV Franchising, LLC  
4901 NW 17th Way, Suite 305  
Fort Lauderdale, FL 33309

Notices to Debtor:

7.2 Entire Agreement. This Agreement and the documents referred to herein constitute the entire Agreement between the Secured Party and Debtor concerning the subject matter hereof and supersede all prior agreements,

negotiations, representations, and correspondence concerning the same subject matter.

- 7.3 Jurisdiction and Venue. It is hereby agreed that any and all claims, disputes or controversies whatsoever arising from or in connection with this Agreement shall be commenced, filed and litigated in the judicial district in which Broward County, Florida, is located, unless the conduct of such litigation is not within the subject matter jurisdiction of the court of such district. The parties waive all questions of personal jurisdiction, convenience of forum and venue for purposes of carrying out this provision.
- 7.4 Jury Trial Waiver. **DEBTOR AND SECURED PARTY IRREVOCABLY WAIVE TRIAL BY JURY, REGARDLESS OF THE FORUM, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER IN CONNECTION WITH THIS AGREEMENT.**
- 7.5 Governing Law. In order to effect uniform interpretation of this Agreement, this Agreement and all disputes or controversies arising or related hereto shall be interpreted and construed under the laws of the State of Florida. In the event of any conflict of law question, the law of Florida shall prevail, without regard to the application of Florida conflict of law rules.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the date and year first written above.

SECURED PARTY  
LQV FRANCHISING, LLC

By:  
Name:  
Title:

“DEBTOR”

By:  
Name:  
Title:

**EXHIBIT “E” TO THE LQV FRANCHISING, LLC DISCLOSURE DOCUMENT**

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**EXHIBIT "F" TO THE LQV FRANCHISING LLC DISCLOSURE DOCUMENT**  
**FINANCIAL STATEMENTS**



Divine  
Blalock  
Martin  
Sellari

LLC  
Est. in 1932

**LQV FRANCHISING, LLC**  
**FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2024 AND 2023 AND**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2024, 2023 AND 2022**  
  
**With Auditor's Report Thereon**

# LQV FRANCHISING, LLC

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JACQUELINE CARTIER, EA  
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Divine  
Blalock  
Martin  
Sellari  
LLC  
Est. in 1932

**Certified Public Accountants and Consultants**

580 Village Boulevard, Suite 110

West Palm Beach, FL 33409

Phone: (561) 686-1110 Fax: (561) 686-1330

info@dbmscpa.com

MEMBERS

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

WILBUR F. DIVINE, III, CPA (1896-1964)  
WILBUR F. DIVINE, IV, CPA (1925-1989)  
JAMES A. BLALOCK, CPA (1914-1996)  
G. MICHAEL MARTIN, CPA (1945-2014)

\*REGULATED BY THE STATE OF FL

\*\*REGULATED BY THE STATE OF FL

AND THE STATE OF NY

\*\*\*\*REGULATED BY THE STATE OF FL

AND THE STATE OF NJ

\*\*\*\*REGULATED BY THE STATE OF NY

## INDEPENDENT AUDITOR'S REPORT

To the Member's  
LQV Franchising, LLC  
Fort Lauderdale, FL

### Opinion

We have audited the accompanying financial statements of LQV Franchising, LLC (a Florida Limited Liability Company) which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in member's equity (deficit), and cash flows for the years ended December 31, 2024, 2023 and 2022, 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 LQV Franchising, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years ended December 31, 2024, 2023 and 2022, 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 LQV Franchising, 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.

### Prior Period Financial Statements

The financial statements of the Company as of December 31, 2023 were audited by other auditors whose report dated April 18, 2024 expressed an unmodified opinion on those standards.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 LQV Franchising, 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, including omissions, 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 LQV Franchising, 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 LQV Franchising, 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.

***Divine, Blalock, Martin & Sellari, LLC***

**West Palm Beach, Florida**

**April 30, 2025**

**LQV FRANCHISING, LLC**  
**BALANCE SHEETS**  
**AS OF DECEMBER 31, 2024 AND 2023**

ASSETS	2024	2023
<b>Current Assets</b>		
Cash and cash equivalents	\$ 384,679	\$ 556,367
Accounts receivable	101,379	60,014
Prepaid expenses	24,015	8,570
Deferred franchise expenses	160,078	81,277
<b>Total Current Assets</b>	670,151	706,228
Property and equipment, net	17,333	17,516
Intangible assets, net	27,675	-
Deposits	1,738	1,738
<b>Total Assets</b>	\$ 716,897	\$ 725,482
<b>LIABILITIES AND MEMBER'S EQUITY (DEFICIT)</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 32,755	\$ 14,222
Credit card payable	12,594	3,468
Deferred franchise revenue - current portion	162,890	97,757
Due to related party	3,000	108,305
<b>Total Current Liabilities</b>	211,239	223,752
<b>Long-Term Liabilities</b>		
Deferred franchise revenue, net of current portion	522,244	475,597
<b>Total Liabilities</b>	733,483	699,349
<b>Member's Equity (Deficit)</b>		
Member's equity (deficit)	(16,586)	26,133
<b>Total Member's Equity (Deficit)</b>	(16,586)	26,133
<b>Total Liabilities and Member's Equity (Deficit)</b>	\$ 716,897	\$ 725,482

The accompanying notes are an integral part of these financial statements.

**LQV FRANCHISING, LLC**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>			
Franchise license fees	\$ 189,970	\$ 160,690	\$ 450,377
Marketing fund fee	188,800	138,000	80,000
Royalty fees	520,266	415,644	177,286
<b>Total Revenues</b>	<u>899,036</u>	<u>714,334</u>	<u>707,663</u>
<b>Operating Expenses</b>			
Broker Expenses	75,000	70,000	58,750
General and administrative expenses	156,833	72,481	101,906
Location Preparation Fee	8,475	41,329	20,097
Marketing and Advertising	249,925	138,648	181,761
Professional & consulting fees	70,247	40,459	176,862
Salaries and Wages	364,205	276,129	85,917
<b>Total Operating Expenses</b>	<u>924,685</u>	<u>639,046</u>	<u>625,293</u>
<b>(Loss) Income from operations</b>	<u>\$ (25,649)</u>	<u>\$ 75,288</u>	<u>\$ 82,370</u>
<b>Other Income (Expenses)</b>			
Legal settlement (see note 7)	-	-	131,606
Interest expenses	(1,207)	-	-
<b>Total Other (Expense) Income</b>	<u>(1,207)</u>	<u>-</u>	<u>131,606</u>
<b>Net (Loss) Income</b>	<u>\$ (26,856)</u>	<u>\$ 75,288</u>	<u>\$ 213,976</u>

The accompanying notes are an integral part of these financial statements.

**LQV FRANCHISING, LLC**  
**STATEMENTS OF CHANGES IN MEMBER'S EQUITY (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

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	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Balance at January 1</b>	\$ 26,133	\$ (4,528)	\$ (168,268)
Member's draw	(15,863)	(44,627)	(50,236)
Net (loss) income	(26,856)	75,288	213,976
<b>Balance at December 31</b>	<b>\$ (16,586)</b>	<b>\$ 26,133</b>	<b>\$ (4,528)</b>

The accompanying notes are an integral part of these financial statements.

**LQV FRANCHISING, LLC**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2021**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>			
Net income	\$ (26,856)	\$ 75,288	\$ 213,976
<i>Adjustments to reconcile net income to net cash used by operating activities:</i>			
Depreciation and amortization	5,584	2,763	1,338.00
Adjustment to prior period (note 9)	-	-	(146,071)
<i>Decrease (Increase) in operating assets:</i>			
Accounts receivable	(41,365)	(21,319)	15,201
Prepaid expenses	(15,445)	(7,705)	(865)
Deposits	-	-	(1,738)
Prepaid franchise expenses	(78,801)	37,504	26,689
<i>Increase (Decrease) in operating liabilities:</i>			
Accounts payable	18,533	(4,654)	15,102
Credit cards payable	9,126	-	-
Deferred franchise revenue	111,780	(95,522)	142,251
<b>Net Cash (Used in) Provided by Operating Activ</b>	<u>(17,444)</u>	<u>(13,645)</u>	<u>265,883</u>
<b>Cash Flows From Investing Activities</b>			
Fixed assets purchased	(3,226)	-	-
Intangible assets purchased	(29,850)	-	(18,472)
<b>Net Cash Used in Investing Activities:</b>	<u>(33,076)</u>	<u>-</u>	<u>(18,472)</u>
<b>Cash Flows From Financing Activities</b>			
Member's draw	(15,863)	(44,627)	(50,236)
(Repayment) Proceeds from related party, net	(105,305)	92,197	(89,704)
<b>Net Cash (Used in) Provided by Financing Activi</b>	<u>(121,168)</u>	<u>47,570</u>	<u>(139,940)</u>
<b>Net (Decrease) Increase in Cash and Cash Equiv</b>	(171,688)	33,925	107,471
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>556,367</u>	<u>522,442</u>	<u>414,971</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 384,679</u>	<u>\$ 556,367</u>	<u>\$ 522,442</u>

The accompanying notes are an integral part of these financial statements.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023 AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

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**NOTE 1 – BUSINESS ACTIVITY**

LQV Franchising, LLC (“The Company”) was formed in the state of Florida on February 17, 2017; the Company is in the business of offering and selling franchises that grant the right to develop and operate a Liquivida Lounge at an approved dedicated space within the premises of their medical office or med spa facility or as an in-line retail unit in a shopping center, a mixed used development, or in a free-standing location. Unless otherwise indicated, the terms “we,” “us,” “our,” and “Company” refer to LQV Franchising, LLC.

***Integrated Unit:*** A franchised Liquivida Lounge that is integrated within a medical practice or med spa is a premier nutrient and vitamin IV infusion center that offers a comfortable, clean and modern environment for individuals to relax, socialize, or even conduct business while receiving nutrient IV therapy treatments administered by a well-trained and educated medical staff. Typically, an integrated unit will occupy one or two suitably sized rooms within the medical practice dedicated to the operation of a Liquivida Lounge. An Integrated Unit will occupy approximately 250 to 500 square feet and will seat approximately two to five clients at a time for IV drips and other services.

***Storefront Unit:*** A franchised Liquivida Lounge that is located as an in-line store in a shopping mall or mall-type setting, a shopping center, or a retail unit within a mixed-use development require a site of between 800 and 1,200 square feet. At a minimum, the location will seat approximately five to eight clients at a time for IV vitamin therapy drips and the other offerings to be included in the Storefront Unit, such as hormone replacement therapy, medical weight loss, medical aesthetics and skin care, and regenerative medicine and nutrition supplementation, and other med spa services. The company has developed a separate design package for each of the Units with modern, sleek, and luxurious themes, which conforms to our mandatory interior décor specifications.

***Parent and Affiliates***

***LQV Management LLC*** (parent), a Florida Limited Liability Company was formed on August 15, 2014 and substantially owns LQV Franchising, LLC. LQV Management, LLC is also the required supplier of the IV Nutrient Kits.

***LQV Lauderdale Beach LLC***, a Florida Limited Liability Company, was formed on October 23, 2014 and has operated a business similar to the business being offered since July 2015.

***LQV West Palm Beach, LLC***, a Florida Limited Liability Company was formed on January 22, 2019 and has operated a business similar to the business being offered since 2019.

***Liquivida LLC***, a Florida Limited Liability Company, was formed on February 4, 2014 for the purposes of owning and licensing the Marks.

***LQV Health, LLC***, a Florida Limited Liability Company was formed on March 23, 2020 to manage a telemedicine center providing medical, health and wellness services and modalities.

***LQV Coral Springs LLC***, a Florida Limited Liability Company, was formed on August 16, 2022 and has operated a business similar to the business being offered by LQV Franchising LLC since December 2022.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023 AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

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**NOTE 1 – BUSINESS ACTIVITY, CONTINUED**

***Parent and Affiliates, continued***

***LQV Pines, LLC***, a Florida Limited Liability Company was formed on July 26, 2022 and has operated a business similar to the business being offered by LQV Franchising LLC since August 2022.

In addition to the foregoing, LQV Management is a joint venture partner with various entities that operate three Liquivida Lounges locations in Florida, one in Connecticut, one in New Jersey, and one in Arizona. Three of the Liquivida Lounge locations are situated and integrated in existing medical offices, med spas, or in health and wellness facilities. The other three locations are stand-alone facilities. Liquivida entered into license agreements with these entities and LQV Management provides certain management services. All these affiliated entities operate a Liquivida business similar to the business being offered.

The above parent and affiliates do not sell franchises in any other line of business and are not otherwise engaged in any other business activity.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

***Cash and Cash Equivalents***

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

***Concentrations of Credit Risk***

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

***Accounts Receivable and Allowance for Credit Losses***

Accounts receivable are non-interest-bearing obligations due under normal trade terms carried out at the amount management expects to collect. Account balances are delinquent if payments have not been received by the Company for 90 days. Included in accounts receivable are initial franchise fees, monthly royalties and related fees due from franchisees. At December 31, 2024 and 2023, the amount due was \$101,379 and \$60,014, respectively.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023 AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

***Accounts Receivable and Allowance for Credit Losses, (continued)***

Management evaluates the collectability of receivables at each reporting date, considering factors such as historical collection patterns, the aging of accounts, and known economic or operational risks. For the years ended December 31, 2024 and 2023, no allowance for credit losses was recorded.

***Property and Equipment***

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 40 years.

***Long-Lived Assets***

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed.

***Compensated Absences***

The company does not have a policy on compensated absences at this time.

***Advertising Costs***

Advertising costs are expensed when incurred. Advertising expense amounted to \$249,925, \$138,648 and \$181,761 for the years ended December 31, 2024, 2023 and 2022, respectively.

***Income Taxes***

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the period ended December 31, 2024.

The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023 AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

***Income Taxes, (continued)***

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*. ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2024.

***Use of Estimates in the Preparation of Financial Statements***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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. Significant estimates made by the Company’s management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

***Revenue Recognition***

The Company’s revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to performance obligations
- Recognize revenue when (or as) each performance obligation is satisfied

In 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient*. This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation if the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalties at 6% of gross sales and brand development fund contributions of \$1,500 per month. These are billed on a monthly basis when they are earned and deemed collectible.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023 AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

***Revenue Recognition, (continued)***

The following services are provided by the Company prior to the opening of a franchised location:

- Provide initial training program, opening assistance and guidance which includes ordering of initial inventory, equipment, signage, and other required inventory as deemed necessary.
- Designate your territory, assist, and approve site selection as deem advisable including site selection guidelines and furnish prototypical plans and specifications.
- Provide information regarding approved, required, and preferred products, suppliers, and the services.
- Copy of proprietary operations manual (and other materials).

***Fair Value of Financial Assets and Liabilities***

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

*Level 1 - Quoted prices in active markets for identical assets or liabilities.*

*Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.*

*Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.*

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

***Reclassifications***

Certain prior year amounts have been reclassified to conform to current year's presentation. The reclassifications had no effect on previously reported results of operations.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023 AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Recently Issued and Adopted Accounting Pronouncements**

In June 2016, the FASS issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASS ASC 326 were trade accounts receivable. The Company adopted the standard effective December 15, 2022. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

The Company's management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of December 31, 2024 and 2023.

**NOTE 3 – DEFERRED FRANCHISE EXPENSES**

Deferred expenses represent expenses paid to assist franchisee's in getting their business open. This includes broker fees, advertising fees, and misc. costs. These costs are recognized when Franchisees open their doors. The amounts deferred amounted to \$160,078 and \$81,277 as of ended December 31, 2024 and 2023, respectively.

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31,

	<b>2024</b>	<b>2023</b>
Furniture and Equipment	\$ 24,843	\$ 21,617
Less: accumulated depreciation	7,510	4,101
Property and equipment, net	<u>\$ 17,333</u>	<u>\$ 17,516</u>

Total depreciation expenses for the years ended December 31, 2024, 2023 and 2022 amounted to \$3,409, \$2,763 and \$1,338, respectively.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023 AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

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**NOTE 5 – INTANGIBLE ASSETS**

Intangible assets subject to amortization include area service agreements, trademark, and internally developed website and point of sale systems. Assets are being amortized using the straight-line method over their estimated useful lives.

Intangible assets consist of the following at December 31,

	<b>2024</b>	<b>2023</b>
Intangible assets	\$ 29,850	\$ -
Less: accumulated depreciation	2,175	-
Property and equipment, net	<u>\$ 27,675</u>	<u>\$ -</u>

Total amortization expenses for the years ended December 31, 2024, 2023 and 2022 amounted to \$2,175, \$0 and \$0, respectively.

**NOTE 6 – DEFERRED FRANCHISE REVENUE**

Deferred revenue represents an allocated amount of the initial franchise fee for the license portion, which is amortized over the term of the agreement, and the unearned portion of the initial franchise fee for the contractual obligations of the Company that have not yet been performed. Deferred revenue amounted to \$685,134 and \$573,354 for the years ended December 31, 2024 and 2023, respectively.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

- LQV Management, LLC is the parent company of LQV Franchising, LLC and at times pays for expenses on behalf of LQV Franchising, LLC. LQV Management, LLC also provides the staff for LQV Franchising, LLC. Both get reimbursed throughout the year. The amount due to LQV Management, LLC at December 31, 2024 and 2023 were \$0 and \$93,899, respectively.
- A member of LQV Management, LLC is also a member of Liquivida, LLC. LQV Franchising, LLC has an exclusive right with Liquivida, LLC to license the use of the trademarks to others and pays a monthly licensing fee to Liquivida, LLC. The amount due to Liquivida, LLC at December 31, 2024 and 2023 were \$3,000 and \$12,972, respectively.
- LQV Management, LLC has other subsidiaries (LQV Lauderdale Beach, LLC and LQV Pines, LLC) which are both operating Wellness Centers and are reimbursed for staffing to train onboarding franchisees.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023 AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

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**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

The company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the company.

**NOTE 9 – SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through April 30, 2024, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

**LQV FRANCHISING, LLC**

**Financial Statements**  
**For the Years Ended December 31, 2023 and 2022**

**LQV FRANCHISING, LLC**  
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## INDEPENDENT AUDITOR'S REPORT

To the Member of

**LQV Franchising, LLC**

### Opinion

We have audited the accompanying financial statements of **LQV Franchising, LLC** (“the Company”), which comprise the balance sheets as of December 31, 2023, and the related statements of income, member’s equity, and cash flows for the year then ended, 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 the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Company 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.

### Prior Period Financial Statements

The financial statements of the Company as of December 31, 2022 were audited by other auditors whose report dated April 19, 2023 expressed an unmodified opinion on those standards.

### 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 the Company’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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

#### ASSURANCE DIMENSIONS CERTIFIED PUBLIC ACCOUNTANTS & ASSOCIATES

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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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

*Assurance Dimensions*

Margate, Florida  
April 18, 2024

**ASSURANCE DIMENSIONS CERTIFIED PUBLIC ACCOUNTANTS & ASSOCIATES**

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**LQV FRANCHISING, LLC**  
**BALANCE SHEETS**  
**AS OF DECEMBER 31, 2023 AND 2022**

ASSETS		
	2023	2022
<b>Current Assets</b>		
Cash	\$ 556,367	\$ 522,442
Accounts receivable	60,014	38,695
Prepaid expenses	8,570	865
Deferred franchise expenses	81,277	118,781
<b>Total Current Assets</b>	706,228	680,783
Property and equipment, net	17,516	20,279
Deposits	1,738	1,738
<b>Total Assets</b>	\$ 725,482	\$ 702,800
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)		
<b>Current Liabilities</b>		
Accounts payable	\$ 17,690	\$ 22,344
Deferred franchise revenue	97,757	118,781
Due to related parties	108,305	16,108
<b>Total Current Liabilities</b>	223,752	157,233
<b>Long-Term Liabilities</b>		
Deferred franchise revenue, net of current portion	475,597	550,095
<b>Total Liabilities</b>	699,349	707,328
<b>Member's Equity (Deficit)</b>		
Member's equity (deficit)	26,133	(4,528)
<b>Total Member's Equity (Deficit)</b>	26,133	(4,528)
<b>Total Liabilities and Member's Equity (Deficit)</b>	\$ 725,482	\$ 702,800

The accompanying notes are an integral part of these financial statements.

**LQV FRANCHISING, LLC**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
Franchise license fees	\$ 160,690	\$ 450,377
Marketing fund fee	138,000	80,000
Royalty fees	<u>415,644</u>	<u>177,286</u>
<b>Total Revenues</b>	<u>\$ 714,334</u>	<u>\$ 707,663</u>
<b>Operating Expenses</b>		
Salaries and wages	276,129	85,917
Marketing and advertising	138,648	181,761
Broker expenses	70,000	58,750
Location preparation fee	41,329	20,097
Professional & consulting fees	39,272	176,862
Travel	27,510	26,879
Licensing fee	11,985	28,848
Miscellaneous	10,451	6,321
Training	9,782	15,088
Computer and internet	4,847	1,411
Depreciation	2,763	1,338
Business license	2,289	139
Office expenses	1,814	883
Meals and entertainment	1,187	401
Bank fees	561	305
Shipping charges	479	418
Commission	<u>-</u>	<u>19,875</u>
<b>Total Operating Expenses</b>	<u>639,046</u>	<u>625,293</u>
<b>Income from operations</b>	<u>75,288</u>	<u>82,370</u>
<b>Other Income</b>		
Legal settlement (see note 7)	<u>-</u>	<u>131,606</u>
<b>Total Other Income</b>	<u>-</u>	<u>131,606</u>
<b>Net Income</b>	<u>\$ 75,288</u>	<u>\$ 213,976</u>

The accompanying notes are an integral part of these financial statements.

**LQV FRANCHISING, LLC**  
**STATEMENTS OF CHANGES IN MEMBER'S EQUITY (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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	<u>2023</u>	<u>2022</u>
<b>Balance at January 1</b>	\$ (4,528)	\$ (168,268)
Member's draw	(44,627)	(50,236)
Net income	<u>75,288</u>	<u>213,976</u>
<b>Balance at December 31</b>	<u><u>\$ 26,133</u></u>	<u><u>\$ (4,528)</u></u>

The accompanying notes are an integral part of these financial statements.

**LQV FRANCHISING, LLC**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 75,288	\$ 213,976
<i>Adjustments to reconcile net income to net cash used by operating activities:</i>		
Depreciation	2,763	1,338
Adjustment to prior period (note 9)	-	(146,071)
<i>Decrease (Increase) in operating assets:</i>		
Accounts receivable	(21,319)	15,201
Prepaid expenses	(7,705)	(865)
Deposits	-	(1,738)
Prepaid franchise expenses	37,504	26,689
<i>Increase (Decrease) in operating liabilities:</i>		
Accounts payable	(4,654)	15,102
Deferred franchise revenue	(95,522)	142,251
Due to related parties	92,197	(89,704)
<b>Net Cash Provided by Operating Activities</b>	<u>78,552</u>	<u>176,179</u>
<b>Cash Flows From Investing Activities</b>		
Property and equipment purchased	<u>-</u>	<u>(18,472)</u>
<b>Net Cash Used in Investing Activities:</b>	<u>-</u>	<u>(18,472)</u>
<b>Cash Flows From Financing Activities</b>		
Member's draw	(44,627)	(50,236)
<b>Net Cash Used in Financing Activities</b>	<u>(44,627)</u>	<u>(50,236)</u>
<b>Net Increase in Cash</b>	33,925	107,471
<b>Cash at Beginning of Year</b>	<u>522,442</u>	<u>414,971</u>
<b>Cash at End of Year</b>	<u>\$ 556,367</u>	<u>\$ 522,442</u>

The accompanying notes are an integral part of these financial statements.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**NOTE 1 – BUSINESS ACTIVITY**

LQV Franchising, LLC (“The Company”) was formed in the state of Florida on February 17, 2017; the Company is in the business of offering and selling franchises that grant the right to develop and operate a Liquivida Lounge at an approved dedicated space within the premises of their medical office or med spa facility or as an in-line retail unit in a shopping center, a mixed used development, or in a free-standing location. Unless otherwise indicated, the terms “we,” “us,” “our,” and “Company” refer to LQV Franchising, LLC.

***Integrated Unit:*** A franchised Liquivida Lounge that is integrated within a medical practice or med spa is a premier nutrient and vitamin IV infusion center that offers a comfortable, clean and modern environment for individuals to relax, socialize, or even conduct business while receiving nutrient IV therapy treatments administered by a well-trained and educated medical staff. Typically, an integrated unit will occupy one or two suitably sized rooms within the medical practice dedicated to the operation of a Liquivida Lounge. An Integrated Unit will occupy approximately 250 to 500 square feet and will seat approximately two to five clients at a time for IV drips and other services.

***Storefront Unit:*** A franchised Liquivida Lounge that is located as an in-line store in a shopping mall or mall-type setting, a shopping center, or a retail unit within a mixed-use development require a site of between 800 and 1,200 square feet. At a minimum, the location will seat approximately five to eight clients at a time for IV vitamin therapy drips and the other offerings to be included in the Storefront Unit, such as hormone replacement therapy, medical weight loss, medical aesthetics and skin care, and regenerative medicine and nutrition supplementation, and other med spa services. The Company has developed a separate design package for each of the Units with modern, sleek, and luxurious themes, which conforms to our mandatory interior décor specifications.

***Parent and Affiliates***

***LQV Management LLC*** (parent), a Florida Limited Liability Company was formed on August 15, 2014 and substantially owns LQV Franchising, LLC. LQV Management, LLC is also the required supplier of the IV Nutrient Kits.

***LQV Lauderdale Beach LLC***, a Florida Limited Liability Company, was formed on October 23, 2014 and has operated a business similar to the business being offered since July 2015.

***LQV West Palm Beach, LLC***, a Florida Limited Liability Company was formed on January 22, 2019 and has operated a business similar to the business being offered since 2019.

***Liquivita LLC***, a Florida Limited Liability Company, was formed on February 4, 2014 for the purposes of owning and licensing the Marks.

***LQV Health, LLC***, a Florida Limited Liability Company was formed on March 23, 2020 to manage a telemedicine center providing medical, health and wellness services and modalities.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**LQV Coral Springs LLC**, a Florida Limited Liability Company, was formed on August 16, 2022 and has operated a business similar to the business being offered by LQV Franchising LLC since December 2022.

**LQV Pines, LLC**, a Florida Limited Liability Company was formed on July 26, 2022 and has operated a business similar to the business being offered by LQV Franchising LLC since August 2022.

In addition to the foregoing, LQV Management is a joint venture partner with various entities that operate three Liquivida Lounges locations in Florida, one in Connecticut, one in New Jersey, and one in Arizona. Three of the Liquivida Lounge locations are situated and integrated in existing medical offices, med spas, or in health and wellness facilities. The other three locations are stand-alone facilities. Liquivida entered into license agreements with these entities and LQV Management provides certain management services. All these affiliated entities operate a Liquivida business similar to the business being offered.

The above parent and affiliates do not sell franchises in any other line of business and are not otherwise engaged in any other business activity.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

***Cash and Cash Equivalents***

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

***Accounts Receivable and Bad Debts***

Customer accounts receivable are stated at the amount management expects to collect on balances. The Company accounts for credit losses in accordance with ASC Topic 326, Financial Instruments – Credit Losses (“ASC Topic 326”). ASC 326 impacts the impairment model for certain financial assets measured at amortized cost by requiring a current expected credit loss (“CECL”) methodology to estimate expected credit losses over the entire life of the financial asset, recorded at inception or purchase. The Company has the ability to determine there are no expected credit losses in certain circumstances. The Company identified accounts receivable, prepaid expenses and other assets which are carried at amortized cost as in scope for consideration under ASC Topic 326. Management closely monitors outstanding accounts receivable balances. Accordingly, no allowance for doubtful accounts is required. Bad debts amounted to \$0 for the years ended December 31, 2023 and 2022.

***Property and Equipment***

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 10 years.

The Company continually monitors events and changes in circumstances that could indicate carrying amounts of long-lived assets may not be recoverable. When such events or changes in circumstances are present, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. The Company has not recorded any impairment charges for the years ended December 31, 2023 and 2022.

***Compensated Absences***

The company does not have a policy on compensated absences at this time.

***Advertising Costs***

Advertising costs are expensed when incurred. Advertising expense amounted to \$138,648 and \$181,761 for the years ended December 31, 2023 and 2022, respectively.

***Concentrations of Credit Risk***

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which at times, may exceed the Federal depository insurance coverage of \$250,000. As of December 31, 2023 and 2022, the Company had approximately \$297,000 and \$270,000, respectively, of cash in excess of the FDIC limit. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

***Income Taxes***

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the years ended December 31, 2023 and 2022.

The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*. ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2023.

***Use of Estimates in the Preparation of Financial Statements***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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. Significant estimates made by the Company’s management include, but are not limited to, the useful lives of property and equipment, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

***Revenue Recognition***

The Company’s revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to performance obligations
- Recognize revenue when (or as) each performance obligation is satisfied

Franchise revenue is being recognized as separate performance obligations for the pre-opening services, which are recognized upfront at the opening of the store, and continuing franchise services, which are amortized over the franchise term.

The Company recognizes franchise royalties at 6% of gross sales and brand development fund contributions of \$1,500 per month. These are billed on a monthly basis when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- Provide initial training program, opening assistance and guidance which includes ordering of initial inventory, equipment, signage, and other required inventory as deemed necessary.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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- Designate your territory, assist, and approve site selection as deem advisable including site selection guidelines and furnish prototypical plans and specifications.
- Provide information regarding approved, required, and preferred products, suppliers, and the services.
- Copy of proprietary operations manual (and other materials).

***Fair Value of Financial Assets and Liabilities***

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

*Level 1 - Quoted prices in active markets for identical assets or liabilities.*

*Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.*

*Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.*

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

***Recently Issued Accounting Pronouncements***

The Company's management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of December 31, 2023.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"), which introduces an impairment model based on expected, rather than incurred, losses. Additionally, it requires expanded disclosures regarding (a) credit risk inherent in a portfolio and how management monitors the portfolio's credit quality; (b) management's estimate of expected credit losses; and (c) changes in estimates of expected credit losses that have taken place during the period. The Company adopted this conforming guidance upon issuance and the adoption had no material impact on our financial statements and related disclosures.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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In February 2016, the FASB issued a new accounting standard on leases. The new standard, among other changes, will require lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases. The lease liability will be measured at the present value of the lease payments over the lease term. The right-of-use asset will be measured at the lease liability amount, adjusted for lease prepayments, lease incentives received and the lessee's initial direct costs (e.g., commissions). The new standard is effective for annual reporting periods beginning after December 15, 2021, including interim reporting periods within those annual reporting periods. The adoption will require a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest period presented. Effective January 1, 2022, the Company adopted the new lease standard. At December 31, 2023 and 2022 the Company had no lease agreements in place.

***Reclassifications***

Certain prior year amounts have been reclassified to conform to current year's presentation. The reclassifications had no effect on previously reported results of operations. The company reclassified related party transactions in the cash flow statement from financing activities to operating activities.

**NOTE 3 – DEFERRED FRANCHISE EXPENSES**

Deferred expenses represent expenses paid to assist franchisee's in getting their business open. This includes broker fees, advertising fees, and misc. costs. These costs are recognized when Franchisees open their doors. The amounts deferred amounted to \$81,277 and \$118,781 for the years ended December 31, 2023 and 2022, respectively.

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31, 2023 and 2022:

	2023	2022
Furniture and Equipment	\$ 21,617	\$ 21,617
Less: accumulated depreciation	4,101	1,338
Property and equipment, net	\$ 17,516	\$ 20,279

Total depreciation expense for the years ended December 31, 2023 and 2022 amounted to \$2,763 and \$1,338, respectively.

**NOTE 5 – DEFERRED FRANCHISE REVENUE**

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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Deferred revenue represents initial franchise sales for which substantially all the services to be provided by the Company have not yet been performed. Deferred revenue amounted to \$573,354 and \$668,876 for the years ended December 31, 2023 and 2022, respectively.

**NOTE 6 – RELATED PARTY TRANSACTIONS**

- LQV Management, LLC is the parent company of LQV Franchising, LLC and at times pays for expenses on behalf of LQV Franchising, LLC. LQV Management, LLC also provides the staff for LQV Franchising, LLC. These expenses are reimbursed throughout the year and totaled \$462,570 in 2023. The amount due to LQV Management, LLC at December 31, 2023 and 2022 were \$93,899 and \$9,793, respectively.
- A member of LQV Management, LLC is also a member of Liquivita, LLC. LQV Franchising, LLC has an exclusive right with Liquivita, LLC to license the use of the trademarks to others and pays a monthly licensing fee to Liquivita, LLC, \$11,985 total expense in 2023. The amount due to Liquivita, LLC at December 31, 2023 and 2022 was \$9,972 and \$5,012, respectively. The Company also received an advance from Liquivita, LLC, balance due of \$3,000 at December 31, 2013. All amounts due Liquivita, LLC are included in due to related parties on the balance sheet.
- A member of LQV Management, LLC, is also a member of LQV West Palm Beach, LLC, LQV Lauderdale Beach, LLC & LQV Pines, LLC. The amount due to these related entities at December 31, 2023 and 2022 were \$1,434 and \$1,303, respectively.

**NOTE 7 – SETTLEMENT INCOME**

On August 17, 2022, LQV Franchising, LLC agreed to a one-time monetary settlement with a franchisee for the breach of contract. The amount received by LQV Franchising, LLC, net of attorney fees was \$131,606. This amount was recognized as other income on the statement of income for the year ended December 31, 2022.

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

The company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the company.

**LQV FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**Note 9 – Summary of Franchise Businesses**

The following is a summary of changes in the number of franchise businesses during the years ended December 31, 2023 and 2022:

<u>Affiliate-Operated Businesses:</u>	<u>2023</u>	<u>2022</u>
In Operation, Beginning of Year	3	2
New Affiliate-Operated Business	-	2
Ceased Operations	-	(1)
In Operation, End of Year	3	3
<u>Franchised Businesses:</u>	<u>2023</u>	<u>2022</u>
In Operation, Beginning of Year	7	4
New Franchises Opened	3	7
Ceased Operations	-	(2)
In Operation, End of Year	10	7
Total in Operation, End of Year	13	10

**NOTE 10 – SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through April 18, 2024, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

## EXHIBIT “G” TO THE LQV FRANCHISING, LLC DISCLOSURE DOCUMENT

### LIST OF CURRENT AND FORMER FRANCHISEES

The following is a list of the names of all current franchisees and the address and telephone number of each of their outlets as of December 31, 2024:

(a) **Operational Franchisees.** The following are the names, addresses and telephone numbers of all Liquivida Lounge or Liquivida Wellness Center franchisees as of December 31, 2024 who are operational:

#### **Florida:**

1. Business Collaborations, LLC, 848 Brickell Ave., Suite 617, Miami, FL 33131, (305) 504-8860
2. Dyad Health, Inc., 9655 Tamiami Trail N., Unit 102, Naples, FL 34108, (412) 398-5070
3. New Wave Wellness, LLC, 18999 Biscayne Blvd., Ste. 105, Aventura, FL 33180, (305)496-6656
4. New Wave Wellness, LLC, 701 East Broward Blvd., Suite D, Ft. Lauderdale, FL 33301, (305) 496-6656
5. SLD Wellness, LLC, 2400 PGA Blvd., 101, Palm Beach Gardens, FL 33410

#### **New Jersey:**

6. Meraki Wellness, 1500 Route 35, Suite 3, Middletown, NJ 07748 (201) 315-3751
7. Nutrient IV Therapy Management, Inc., 377 Route 17 South, Ridgewood, NJ 07430 (201) 496-6112
8. Shea Grace Wellness LLC, 43 Princeton Highstown Rd. #3, Princeton Junction, NJ 08550, (609) 477-9669
9. DCON Enterprises, LLC, 55 Willow Lane, Suite 103, Englishtown, NJ 07726

#### **Texas:**

10. Serene Wellness, LLC, 5311 N. Loop 1604 W. Acc. Road, San Antonio, TX 78249 (404) 275-5913
11. Distinguished NP, PLLC, 2111 Flora St., Suite 100, Dallas, TX 75201

#### **Arizona:**

12. AFFIFYYA, LLC, 1928 E. Highland, Ste. F-104, Phoenix, AZ 85016

(b) **Franchises Executed But Not Yet Operational.** The following are the names, location, and telephone numbers of all Liquivida Lounge or Liquivida Wellness Center franchisees as of December 31, 2024 who are not yet operational but have signed a Franchise Agreement:

<b>Florida:</b>		
Boynton Beach	305-496-6656	New Wave Wellness, LLC

Tampa	412-398-5070	Dyad Health, Inc.
West Boca Raton		MBOA Holdings 1, LLC
<b>New Jersey:</b>		
Cherryhill	609-477-9669	Shea Grace Wellness LLC
<b>Texas:</b>		
San Antonio	404-275-5913	Majestic Wellness, LLC
Bellaire		INH Holdings, LLC
Post Oak/River Aks.		INH Holdings LLC

(c) **Former Franchisees.** The following are the names, last known home addresses and home telephone numbers of all franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Liquivida Franchise Agreement during the most recently completed fiscal year (January 1, 2024 to December 31, 2024) or who have not communicated with us within 10 weeks of the date of issuance of this Disclosure Document:

LEJ Wellness, LLC, 1331 Ballentyne Place, Apopka, FL 32703, (407) 992-8878 - Terminated

McGrath Hudson, LLC, 18731 NW 11th Place, Miami, FL 33169, (305) 615-3227 - Transferred

LOS, LLC, 9228 Wiles Road, Coral Springs, FL 33067 (954)363-1020 - Reacquired

MBOA Holdings 2, LLC, 14001 NW 4<sup>th</sup> St., Suite D, Sunrise, FL 33324 (954)371-3560 - Reacquired

Elysian 21, LLC, 2400 PGA Blvd., Palm Beach Gardens, FL 33410, (561) 530-2092 – Transferred to SLD Wellness, LLC

Halycon 21, 55 Willow Lane, Suite 103, Englishton, NJ 07726 (201) 315-3751 – Transferred to DCON Enterprises, LLC

**EXHIBIT "H" TO THE LQV FRANCHISING, LLC DISCLOSURE DOCUMENT**

**FRANCHISEE DISCLOSURE QUESTIONNAIRE**

**This Franchisee Acknowledgement is not applicable to and shall not be used as to any franchise offer and/or sale involving any California resident and/or franchisee as the Franchisee Acknowledgement violates of California Corporations Code sections 31512 and 31512.1.**

**Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.**

**(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin. Do not sign this Questionnaire if you are a resident of one of these states, or the franchise is to be operated in one of these states.)**

As you know, LQV Franchising, LLC and you are preparing to enter into a Franchise Agreement for the operation of a franchised business. In this Franchisee Disclosure Questionnaire, LQV Franchising, LLC will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

- 1. Have you received and personally reviewed LQV Franchising, LLC's Franchise Agreement and each exhibit, addendum, and schedule attached to it?  
Yes \_\_\_\_\_ No \_\_\_\_\_
  
- 2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If "No," what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

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3. Have you received and personally reviewed our Disclosure Document we provided to you?

Yes \_\_\_\_\_ No \_\_\_\_\_

4. Do you understand all of the information contained in this Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

If "No," what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

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5. Have you discussed the benefits and risks of operating the franchised business with an attorney, accountant, or other professional advisor, and do you understand those risks?

Yes \_\_\_\_\_ No \_\_\_\_\_

6. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors?

Yes \_\_\_\_\_ No \_\_\_\_\_

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits, or operating costs of a Liquivida Lounge and/or Liquivida Wellness Center business that we or our franchisees operate?

Yes \_\_\_\_\_ No \_\_\_\_\_

8. Has any employee or other person speaking on our behalf made any statement or promise concerning a Liquivida Lounge and/or Liquivida Wellness Center business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a franchised business?

Yes \_\_\_\_\_ No \_\_\_\_\_

10. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance that we will furnish to you that is contrary to, or different from, the information contained in this Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

11. If you have answered "Yes" to any of questions 7 through 10, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of these questions, please leave the following lines blank.

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12. Do you understand that in all dealings with you, our officers, directors, employees, and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

Yes \_\_\_\_\_ No \_\_\_\_\_

You understand that your answers are important to us and that we will rely on them.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

\_\_\_\_\_  
Name of Franchisee/Applicant

\_\_\_\_\_  
Date

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Signature

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Name and Title of Person Signing

**EXHIBIT "I" TO THE LQV FRANCHISING, LLC DISCLOSURE DOCUMENT**  
**STATE ADDENDA TO THE DISCLOSURE DOCUMENT**

## **CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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 FRANCHISE DISCLOSURE DOCUMENT.

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither we nor any person or franchise broker in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60 day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

Item 19 of the Disclosure Document: The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expense you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

The franchise agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement requires binding arbitration. The arbitration will occur at Broward County, Florida, with the costs being borne according to the Rules for Commercial Arbitration of

the American Arbitration Association. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at [www.liquivida.com](http://www.liquivida.com)

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](http://www.dfpi.ca.gov).

**HAWAII ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF 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 A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Item 5 of the Disclosure Document is amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii  
Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, HI 96813

**ILLINOIS ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.w. is modified to provide that Illinois law applies.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.
4. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. Item 5 of the Disclosure Document shall be amended to state that the Initial Franchise Fees/Development Fees owed by franchisees/area developers shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisees/area developer and franchisee/area developer has commenced operations of its Franchised Business. The Illinois Attorney General's Office has imposed this deferral requirement due to Franchisor's financial condition.

**MARYLAND ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17.u. is modified to also provide, “A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.”

3. Item 17.v. is modified to also provide, “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

## **MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.
- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

**NEW YORK ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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 SOURCES OF INFORMATION. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW BUREAU OF INVESTOR PROTECTION INVESTOR PROTECTION BUREAU, 28 LIBERTY ST. 21<sup>ST</sup> FLOOR, NEW YORK, NY 10005.**

**THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national

securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum,”** and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

## **NORTH DAKOTA ADDENDUM TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

**Restrictive Covenants:** To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

**Applicable Laws:** North Dakota law will govern the franchise agreement.

**Waiver of Trial by Jury:** Any waiver of a trial by jury will not apply to North Dakota Franchises.

**Waiver of Exemplary & Punitive Damages:** Any waiver of punitive damages will not apply to North Dakota Franchisees.

**General Release:** Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota law.

**Enforcement of Agreement:** Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Item 5 of the Disclosure Document is amended to state that the Initial Franchise Fees/Development Fees shall be deferred until Franchisor has satisfied its pre-opening obligation to franchisees/area developer and franchisee/area developer has commenced operations of its Franchised Business.

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

- A. Any provision requiring a franchisee to sign a general release upon renewal of the Franchise Agreement has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
- B. Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
- C. Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
- D. Any provision in the Franchise Agreement or MUDA requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site

of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.

E. Any provision in the Franchise Agreement or MUDA which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

F. Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

G. Any provision in the Franchise Agreement or MUDA requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

H. Any provision in the Franchise Agreement or MUDA which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

**RHODE ISLAND ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

Rhode Island law applies.

**VIRGINIA ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Risk Factors: **Estimated Initial Investment**. The franchisee will be required to make an estimated initial investment ranging from \$93,200 to \$790,700. This amount exceeds the Franchisor's stockholder's equity as of December 31, 2021, which is \$(22,197).

2. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

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.

3. Item 5 of the Disclosure Document is amended to state: "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement.

**WISCONSIN ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

**With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.**

## EXHIBIT “J” TO THE DISCLOSURE DOCUMENT

### STATE EFFECTIVE DATES

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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 LQV FRANCHISING, LLC DISCLOSURE DOCUMENT

### 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 LQV Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If LQV Franchising, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A. Our Agents for Service of Process are listed in Exhibit A.

Date of Issuance: May 1, 2025

The following is the name, principal business address, and telephone number of the franchise seller offering the franchise:

Name	Principal Business Address	Telephone Number
Samael Tejada, Shayna Tejada, Jeff Cogswell, Emmanuel Trenche, Lisa Samela, and Blake Engle	4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309	(844) 548-2100

I have received a Disclosure Document dated \_\_\_\_\_ including the following exhibits on the date listed below:

- A. List of State Administrators and State Agents for Service of Process
- B. Franchise Agreement
  - Schedule 1-Franchise Fee, Accepted Location and Territory
  - Schedule 2-Nondisclosure and Non-Competition
  - Schedule 3-Unlimited Guaranty and Assumption of Obligations
  - Schedule 4-Franchisor Lease Rider

- Schedule 5-ACH Payment Agreement  
 Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating
- Principal
- Schedule 7-State Addenda to the Franchise Agreement  
 Schedule 8-General Release  
 Schedule 9-SBA Addendum  
 Schedule 10-Conditional Assignment of Telephone Number
- C. MULTI-UNIT DEVELOPMENT AGREEMENT  
 Attachment A-Certification by Developer  
 Attachment B-Guaranty  
 Attachment C-Transfer of a Franchise to a Corporation or Limited Liability Company  
 Attachment D-Minimum Performance Schedule  
 Attachment E-Development Area  
 Attachment F-State Addendum to Multi-Unit Development Agreement
- D. PROMISSORY NOTE AND SECURITY AGREEMENT  
 E. OPERATIONS MANUAL TABLE OF CONTENTS  
 F. FINANCIAL STATEMENTS  
 G. LIST OF CURRENT AND FORMER FRANCHISEES  
 H. FRANCHISEE DISCLOSURE QUESTIONNAIRE  
 I. STATE ADDENDA TO THE DISCLOSURE DOCUMENT  
 J. STATE EFFECTIVE DATES  
 K. RECEIPT

Please sign and print your name below, date, and return one copy of this receipt to LQV Franchising, LLC and keep the other for your records.

\_\_\_\_\_  
 Date of Receipt

\_\_\_\_\_  
 Print Name

\_\_\_\_\_  
 Signature  
 (individually or as an officer, member, or partner of)

\_\_\_\_\_  
 a [STATE of Incorporation]  
 [Corporation/LLC/Partnership]

## 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 LQV Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If LQV Franchising, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A. Our Agents for Service of Process are listed in Exhibit A.

Date of Issuance: May 1, 2025

The following is the name, principal business address, and telephone number of the franchise seller offering the franchise:

<b>Name</b>	<b>Principal Business Address</b>	<b>Telephone Number</b>
Samael Tejada, Shayna Tejada, Jeff Cogswell, Emmanuel Trenche, Lisa Samela, and Blake Engle	4901 NW 17th Way, Suite 305, Fort Lauderdale, FL 33309	(844) 548-2100

I have received a Disclosure Document dated \_\_\_\_\_ including the following exhibits on the date listed below:

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- Schedule 4-Franchisor Lease Rider
- Schedule 5-ACH Payment Agreement
- Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal
- Schedule 7-State Addenda to the Franchise Agreement
- Schedule 8-General Release
- Schedule 9-SBA Addendum
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- C. MULTI-UNIT DEVELOPMENT AGREEMENT
  - Attachment A-Certification by Developer
  - Attachment B-Guaranty
  - Attachment C-Transfer of a Franchise to a Corporation or Limited Liability Company
  - Attachment D-Minimum Performance Schedule
  - Attachment E-Development Area
  - Attachment F-State Addendum to Multi-Unit Development Agreement
- D. PROMISSORY NOTE AND SECURITY AGREEMENT
- E. OPERATIONS MANUAL TABLE OF CONTENTS
- F. FINANCIAL STATEMENTS
- G. LIST OF CURRENT AND FORMER FRANCHISEES
- H. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- I. STATE ADDENDA TO THE DISCLOSURE DOCUMENT
- J. STATE EFFECTIVE DATES
- K. RECEIPT

Please sign and print your name below, date, and return one copy of this receipt to LQV Franchising, LLC and keep the other for your records.

\_\_\_\_\_  
Date of Receipt

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature  
(individually or as an officer, member, or partner of)

\_\_\_\_\_  
a [STATE of Incorporation]  
[Corporation/LLC/Partnership]