

FRANCHISE DISCLOSURE DOCUMENT



Degree Wellness Franchise, LLC
a Delaware limited liability company
200 Riverside Ave.
Jacksonville, FL 32202
734-619-0919
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franchise@degreewellness.com
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Degree Wellness studios are business-to-consumer franchises with an easy operating system that provides innovative self-care solutions that leverage heat, cold, light and advanced nutrients to enhance physical and mental health, and offers related products and merchandise. We offer individual Studio franchises for the right to develop and operate a single Studio offering all of our franchised services and products in a designated area.

The total investment necessary to begin operation of a single, new Studio franchise ranges from ~~\$349,554 to \$687,816~~. This includes the initial franchise fee of ~~\$49,575,000~~ that must be paid to ~~the franchisor, us or our affiliates~~. The total investment necessary to begin operation of a multi-unit development agreement for two ~~to three~~ Studio franchises ranges from ~~\$379,391,554 to \$729,816~~. This includes the development fee of \$91,500 to that must be paid to the franchisor. The total investment necessary to begin operation of a multi-unit development agreement for three Studio franchises ranges from \$429,554 to 767,816. This includes the development fee of \$737,816. This includes the development fee of \$79,500 to \$99,500 that must be paid to the franchisor. \$129,500 that must be paid to the franchisor.

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 disclosure in different formats, contact Degree Wellness Franchise, LLC at 200 Riverside Ave., Jacksonville, FL 32202, 734-619-0919.

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

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



There may also be laws on franchising in your state. Ask your state agencies about them.
Issuance Date: May 24, 2024, as amended January 10, 2025

How to Use This Franchise Disclosure Document

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

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

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. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
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.
4. **Supplier Control:** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
5. _____

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.

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The franchisor is Degree Wellness Franchise, LLC. For ease of reference in this Disclosure Document, Degree Wellness Franchise, LLC will be referred to as “Degree Wellness,” “we,” or “us.” “You” means the franchisee, person, or legal business entity (including a corporation, partnership, limited liability company, or other legal entity (collectively, “legal entity”) and its owners, officers, and directors, that is buying the franchise.

We are a Delaware limited liability company organized on February 6, 2024. Our principal business address is 200 Riverside Ave., Jacksonville, FL 32202. We operate under our legal entity name, Degree Wellness Franchise, LLC, the name “Degree Wellness,” and no other name. See Exhibit A for our agents for service of process.

We offer and sell the Degree Wellness franchises described in this Disclosure Document, and have not conducted any other types of business. Except through our affiliate, we have not operated, nor do we currently operate, any businesses like the franchises described in this Disclosure Document, or in any other line of business. We have not offered, nor do we currently offer, franchises in any other line of business.

Our Predecessors, Parents and Affiliates

We have no parent. We have several affiliates.

Our affiliate Degree Wellness IP, LLC is a Delaware limited liability company formed on February 6, 2024 (“Degree IP”). Degree IP has licensed us the right to use certain trademarks and intellectual property. Degree IP shares our principal business address and does not offer franchises in any line of business.

Our affiliate Degree Wellness, LLC is a Delaware limited liability company formed on April 24, 2020 (“Degree LLC”). Degree LLC currently operates four Studios in Jacksonville Florida. Degree LLC does not offer franchises in any line of business. [Degree LLC assigned to Degree IP certain trademarks and intellectual property on April 24, 2024.](#)

Our affiliate DW Financial Services, LLC is a Delaware limited liability company formed on May 9, 2024 (“Degree Financial”). Degree Financial provides limited financial services to support the System. Degree Financial does not offer franchises in any line of business.

Our predecessor Degree Wellness, Inc. is a Florida corporation formed on March 18, 2018 (“Degree Inc.”). [WeDegree LLC](#) purchased substantially all of the assets of Degree Inc. on October 15, 2020. Degree Inc. does not offer franchises in any line of business.

The Business

Degree Wellness businesses (individually, a “Studio” or “Studio,” and collectively, “Studios” or “Studios”) provide innovative self-care solutions that leverage heat, cold, light and advanced nutrients to enhance physical and mental health, and offers related products and merchandise. As the premier wellness experience, our Studio’s service set includes: cryotherapy,

The Market and Competition

Your Studio will compete with other businesses in the health and wellness market. These competitors may include independent or franchised businesses offering some or all of the same services. The wellness sector is competitive in most markets. Despite this competition, we believe that Degree Wellness Studios will appeal to customers because of the brand, the unique combination of services offered, a reputation for authenticity and trustworthiness, the pricing model, and other distinctive characteristics. While you will provide your products and services to the general public, your target market will be female heads of household, who typically preside over both household budget and health and wellness decisions. We believe this is a large and important, yet underserved market. As a female-founded brand, Degree Wellness is uniquely positioned to serve this market. .Degree WellnessStudio

Industry-Specific Laws and Regulations

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your Degree Wellness franchise. For example, state licensing and certification requirements may apply to persons who perform services for you or at your Studio location, or to the legal structure of your business. These laws and regulations may also impose restrictions on referrals for designated health services to entities with which you have financial relationships. Also, you must comply with any and all federal, state and/or local privacy laws pertaining to your care recipients, including but not limited to HIPAA and the HI-TECH Act and related laws, rules and regulations. In all cases, you must also comply with laws that apply generally to all businesses. You should investigate these laws and consult with a legal advisor about whether these and/or other requirements apply to your franchise. Violations of these laws and regulations may result in substantial civil or criminal penalties for individuals or entities.

Item 2

BUSINESS EXPERIENCE

Amanda Watts: Board Member and President

Ms. Watts has served as a Board Member and President since our inception in February ~~2023~~2024 in Jacksonville, Florida. She has also served as President of our affiliate Degree LLC since August 2022. Prior to this she served as CEO of Rito, LLC from July 2020 to August 2022. Prior to this she served as CEO of Sheau, LLC from October 2018 to December 2020.

John Rotche: Board Member

Mr. Rotche has served as a member of our Board, since our inception (Ann Arbor, Michigan). He also serves as Chief Executive Officer of Franworth and has done so since January of 2015.

The following individuals work with Franworth, a company that we have engaged to provide franchise development and franchisee administration and support services (and may have managerial responsibility with regards to certain aspects of our franchise system), and who is also an affiliate of one of our members:

<u>Type of Fee (1)</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Annual Conference Expenses	Amounts charged by third parties.	As incurred	For fees imposed by third parties for your attendance at the annual conference, such as food and beverage charges (see Item 11).
Interest	Lesser of 15% per annum, and the highest commercial contract interest rate permitted by law	From the date payments are due, and continues until outstanding balance and accrued interest are paid in full	Charged on any late payments of Continuing Franchise Fees, Fund Contributions, amounts due for product purchases, or any other amounts due us or our affiliates.
Audit Expenses	Cost of audit and inspection (currently \$1,200), plus any reasonable accounting and legal expenses	On demand	Payable if Continuing Franchise Fee or Fund contribution is understated by 2% or more, or you fail to submit required reports or financial statements.
Late Reporting Fee	\$100 per week	10th day of the month following any month for which any required report is not timely submitted.	Payable if any report or other information required to be submitted to us is received by us after the established deadline.
Returned Check Fee	\$100	As incurred	Due each time a check you write to us is dishonored.
Supplier and Product Evaluation Fee	Cost of inspection and test of product sample (currently \$500-\$700)	On demand	Payable if we inspect or test product samples from any proposed supplier nominated by you (see Item 8).
Insurance <u>Reimbursement</u>	Amount of unpaid premiums and related costs	On demand	Payable if you fail to maintain required insurance coverage and we obtain coverage for you.

<u>Type of Fee (1)</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Injunction or Order of Specific Performance	All amounts incurred by us in obtaining an injunction or specific performance, including without limitation reasonable attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses and any damages we incur as a result of your breach.	As incurred	Payable if we obtain an injunction or order of specific performance against you to (1) enforce the provisions of the Franchise Agreement relating to your use of the Marks and non-disclosure, non-solicitation, non-disparagement, and non-competition obligations set forth in Section 9 of the Franchise Agreement; (2) prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, ordinance, or regulation; constitutes a danger to the public; or may impair the goodwill associated with the Marks or Degree Wellness franchises; or (3) prevent any other irreparable harm to our interests.
Indemnification	All amounts (including attorneys' fees) incurred by us or otherwise required to be paid	As incurred	Payable to indemnify us, our affiliates, and our and their respective owners, officers, directors, employees, agents, successors, and assigns against all claims, liabilities, costs, and expenses, whether asserted by third parties or us, related to your acts, omissions, ownership and operation of your franchise.
Alterations Fee	All amounts incurred by us	As incurred	Payable if we rectify any alterations improvements made to the Studio without our prior approval.

Item 7

**ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT**

Single Studio

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Franchise License Fee	\$49,500 to \$49,500	Lump Sum	At signing of Franchise Agreement	Us
Initial Training Fee	\$8,000 to \$8,000	Lump Sum	At signing of Franchise Agreement	Us
Training Program Expenses	\$1,500 to \$5,000	As agreed	As incurred	Third-party providers, including airline, lodging and meals.
Studio Layout, Architect, Engineer, Drawings, and Permits	\$8,200 to \$20,000	As agreed	As incurred	Approved Supplier and Third Party Providers
R/E & Construction Mgt Fee	\$15,000 to \$20,000	Lump Sum	As incurred	Third Party Provider
Lease - Security Deposit (3 months)	\$19,564 to \$26,728	As agreed	When securing the premises	Third Party Provider
Initial Equipment Package	\$13,512 to \$167,861	As agreed, invoiced or arranged	As incurred	Approved Supplier
Leasehold Improvements	\$143,322 to \$262,669	As arranged	As invoiced	Third Party Provider
Furniture, Fixtures, and Equipment (FFE)	\$28,976 to \$32,978	As agreed	As invoiced	Approved Supplier
Point of Sale System, Hardware, Software and Installation	\$3,850 to \$4,250	As agreed	As incurred	Approved Supplier
Initial Inventory & Supplies	\$10,487 to \$12,658	As agreed, invoiced or arranged	As incurred	Approved Supplier
Professional Fees & Licenses	\$2,586 to \$6,000	As agreed	As incurred	Approved Supplier
Presale Marketing	\$12,000 to \$15,000	As agreed	Before opening	Third Party Provider
Insurance	\$1,146 to \$2,172	As agreed	As invoiced	Third Party Provider
Exterior Signage	\$8,000 to \$15,000	As agreed	As incurred	Approved Supplier
Additional Funds	\$23,910 to \$40,000	As agreed, invoiced or arranged	Varies, but expected within first 3 months of operations	Business personnel; Landlord; Approved Suppliers; Third-Party Supplier(s) and/or Providers; Utility Providers; Us; Etc.
Total Estimated Initial Investment	\$349,554 to \$687,816			

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Franchise License Fee	\$49,500 to \$49,500	Lump Sum	At signing of Franchise Agreement	Us
Initial Training Fee	\$8,000 to \$8,000	Lump Sum	At signing of Franchise Agreement	Us
Training Program Expenses	\$1,500 to \$5,000	As agreed	As incurred	Third-party providers, including airline, lodging and meals.
Studio Layout, Architect, Engineer, Drawings, and Permits	\$8,200 to \$20,000	As agreed	As incurred	Approved Supplier and Third Party Providers
R/E & Construction Mgt Fee	\$15,000 to \$20,000	Lump Sum	As incurred	Third Party Provider
Lease - Security Deposit (3 months)	\$19,564 to \$26,728	As agreed	When securing the premises	Third Party Provider
Initial Equipment Package	\$13,512 to \$167,861	As agreed, invoiced or arranged	As incurred	Approved Supplier
Leasehold Improvements	\$143,322 to \$262,669	As arranged	As invoiced	Third Party Provider
Furniture, Fixtures, and Equipment (FFE)	\$28,976 to \$32,978	As agreed	As invoiced	Approved Supplier
Point of Sale System, Hardware, Software and Installation	\$3,850 to \$4,250	As agreed	As incurred	Approved Supplier
Initial Inventory & Supplies	\$10,487 to \$12,658	As agreed, invoiced or arranged	As incurred	Approved Supplier
Professional Fees & Licenses	\$2,586 to \$6,000	As agreed	As incurred	Approved Supplier
Presale Marketing	\$12,000 to \$15,000	As agreed	Before opening	Third Party Provider
Insurance	\$1,146 to \$2,172	As agreed	As invoiced	Third Party Provider
Exterior Signage	\$8,000 to \$15,000	As agreed	As incurred	Approved Supplier
Additional Funds	\$23,910 to \$40,000	As agreed, invoiced or arranged	Varies, but expected within first 3 months of operations	Business personnel; Landlord; Approved Suppliers; Third-Party Supplier(s) and/or Providers; Utility Providers; Us; Etc.
Total Estimated Initial Investment	\$349,554 to \$687,816			

Multi-Unit Development

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee	\$ 799 1,500 (2 Studios) \$ 99 129,500 (3 Studios)	Lump sum	Upon execution of Development Agreement	Us
Initial Investment to Open Initial/Single Studio	\$300,054 - \$638,316 \$300,054 - \$638,316	Totals from Single Unit Chart of this Item 7 less the Initial Franchise Fee.		
Grand Total (21)	\$379,554 - \$717,816 \$391,554 - \$729,816 (2 Studios) \$399,554 - \$737,816 \$429,554 - \$767,816 (3 Studios)	This is the total estimated initial investment to enter into a Development Agreement for the right to own a total of two to three, as well as the estimated initial costs to open and begin operating your initial Studio for the first three months (as described more fully in the "Single Unit Franchise" chart above).		

Explanatory Notes:

General. The preceding chart and accompanying notes describe the estimated total initial investment expenses to obtain and commence business for a single Degree Wellness Studio franchise. These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating a single Degree Wellness Studio. Unless negotiated with a third-party, non-affiliated vendor, all payments disclosed in this Item are non-refundable.

Our estimates are based on our experience with our Studio franchises and our current requirements for Studios. The factors underlying our estimates may vary depending on a number of variables, and the actual investment you make in developing and opening your Degree Wellness Studio franchise may be greater or less than the estimates given depending upon the location of your franchise, and current relevant market conditions.

Your estimated initial investment for each additional Studio you purchase may be lower if we charge a reduced Initial Franchise Fee. See Item 5 for additional information. See Item 10 for additional information regarding any financing options. All expenses payable to us and third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. *Initial Franchise Fee; Initial Training Fee.* The Initial Franchise Fee and Initial Training Fee that are payable in a lump sum upon execution of your Franchise Agreement is disclosed more fully in Item 5, and is deemed fully earned and non-refundable upon payment.
2. *Training Program Expenses.* These are the costs that we estimate for you and up to one (1) additional person to attend the portion of our Initial Training Program that takes place at a corporate training location (currently Michigan). In addition to the Initial Training Fee, you are responsible for the costs associated with attending training. These costs include transportation, meals, and lodging. Your total cost will vary based on who you choose to attend, how far they have to travel, and the type of accommodations you choose. These costs are typically non-refundable, but you should ask about refund policies before you patronize any vendor.

9. *Point of Sale System, Hardware, Software and Installation.* You are required to use point of sale hardware and accounting software approved by us, including, without limitation, iPads. Monitors, touchscreens, multi-function printer, cash drawers, screens, credit card swiper, tv's, headphones, isp finder service, and assorted cables and mounting hardware. As of the Issue Date, we require that you purchase and/or lease all Computer System hardware and software from one (1) or more of our third-party Approved Suppliers, including those that provide gift card, customer loyalty program and/or online ordering services (as we specifically permit or designate in writing) in connection with your customer base and/or Approved Products.
10. *Initial Inventory & Supplies.* The inventory estimate is for an initial supply of consumables which are required to offer the Services. As inventory is used, more inventory will need to be acquired. This estimate includes and accounts for a reasonable amount of inventory that will be utilized in connection with the on-site training we provide to you and your initial Studio personnel prior to the opening of the Franchised Business.
11. *Professional Fees and Licenses.* This estimated range is designed to cover the fees you will pay to an attorney and/or accountant in connection with (a) the formation of any Franchisee (or Developer) entity, and (b) otherwise in connection with pre-opening activities and obligations of the Franchisee under the Franchise Agreement.
12. *Presale Marketing Spend.* You are required to spend a minimum amount between \$12,000 and \$15,000 on presale marketing efforts to obtain members for your Studio, as detailed more fully in Item 11 of this Disclosure Document.
13. *Insurance.* You must obtain and maintain, at your own expense, the insurance coverage that we periodically require (including but not limited to comprehensive commercial general liability and motor vehicle insurance, worker's compensation and employer's liability insurance, professional liability (malpractice) insurance and any other insurance required by applicable law, rule, regulation, ordinance or licensing requirement), and satisfy other insurance-related obligations. See Item 8 for additional information about our insurance requirements.
14. *Exterior Signage.* This includes one exterior storefront sign. 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.
15. *Additional Funds.* These amounts are the ~~minimum recommended levels~~additional funds to cover operating expenses including your employees' salaries and local marketing for three months. These estimates also do not take into account finance payments, charges, interest, and related costs you may incur if any portion of the initial investment is financed by a third party. These amounts are the minimum recommended levels to cover operating expenses, including your employees' salaries for three months. The amounts listed for this category are based on historical data from our affiliate locations.
16. *Total Estimated Initial Investment.* The estimate of costs assumes you will lease the location for your Studio. The cost for purchasing the real estate is not included in these cost estimates. This range and Chart above does not include any estimates for (a) any owner or

officer compensation, or (b) debt service. Variances may result from local economic conditions, availability of materials and labor, and other conditions beyond our control. You must also pay the royalty and other related fees described in this Disclosure Document. ~~Your actual costs will depend on factors like your management skills, experience and business acumen.~~ You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. You should review these figures carefully with your business advisor.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Lease and Purchase Specifications and Requirements

You must lease or purchase your Studio location, leasehold improvements, computer and office equipment (including cash registers and computer hardware and software), equipment, fixtures, furnishings and decor, signage, insurance, inventory, clothing, branding, advertising and marketing materials and services, grand opening kit, training, supplies, programs and other items and services under our specifications as set forth in our Operations Manual for Studios – see Items 7 and 11. These specifications include standards for appearance, delivery, performance, quality control, and/or design.

You must lease or purchase your leasehold improvements, equipment, computer and billing system, equipment, inventory, marketing materials, supplies, services, products, and other items only from suppliers or designees approved by us. Our Operations Manual lists our approved suppliers. There may be items for which we or our affiliates are approved suppliers (see below).

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. You must purchase (1) comprehensive commercial general liability and motor vehicle liability insurance containing minimum liability coverage of not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate, (2) worker's compensation and employer's liability insurance as required by law, with limits equal to or in excess of those required by law, (3) professional liability (malpractice) insurance, for each doctor practicing in your Franchise business, having limits of not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate and (4) any other insurance required by applicable law, rule, regulation, ordinance or licensing requirements. Deductibles must be in reasonable amounts and are subject to review and written approval by us. Your commercial general liability insurance policy must be an "occurrence" policy. If any policy is written on a "Claims Made" basis, you must purchase and maintain unlimited tail coverage that shall remain in effect following the termination or expiration of the Franchise Agreement and/or such policy. All commercial general liability insurance and professional liability (malpractice) insurance policies you purchase must name us (and, if we so request, our members, directors, employees, agents, and affiliates) as additional insureds. If you fail to obtain or maintain the insurance we specify, we may (but need not) obtain the insurance for you and the Studio on your behalf (see Item 6). You should consult with your own insurance agents, brokers, and attorneys to determine what types of coverages and what level of insurance protection you may need or desire, in addition to the coverages and minimum limits specified by us. The cost of your premiums will depend on the insurance carrier's charges, terms of payment, and your insurance and payment histories.

concentrate purchases with one or more suppliers to obtain lower prices or the best advertising support or services for any group of Studios franchised or operated by us. Our approval of a supplier may be conditioned on requirements relating to the frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), and other similar criteria, and may be temporary, pending our continued evaluation of the supplier.

You are required to use our designated supplier for site selection assistance and construction project management. You must acquire a site for your Studio that meets our site selection criteria and that we approve. If you occupy the Studio according to a commercial lease, the lease must contain terms that we specify.

If you would like to purchase or lease any items from any unapproved supplier, then you must submit to us a written request for approval of the proposed supplier or the proposed supplier may submit its own request. We may inspect the proposed supplier's facilities, and require that product samples from the proposed supplier be delivered for testing either directly to us or any independent certified laboratory that we designate. We also may require you (or the proposed supplier requesting the evaluation) to pay us an evaluation fee (not to exceed the reasonable cost of the inspection and the actual cost of the test (see Item 6) to make the evaluation. We will approve or disapprove your proposed supplier within 60 days of receiving all of the information that we require for the evaluation. We reserve the right to periodically re-inspect the facilities and products or services of any approved supplier, and revoke our approval if the supplier does not continue to meet any of our criteria.

Degree Wellness and Our Affiliates as Approved Suppliers

If you, or one of your owners, cannot legally provide services to your Franchised Business then you must contract with our designated supplier to provide medical director services.

We may designate us and/or our affiliates as an approved supplier, or the only approved supplier, from which you may or must lease or purchase certain products or services in developing and operating your Degree Wellness franchise. We and our affiliates may derive revenue from these sales and may sell these items at prices exceeding our or their costs in order to make a profit on the sale.

We reserve the right to designate us and/or our affiliates as approved suppliers, or the exclusive supplier(s), from whom you may purchase or lease certain other categories of products, services, and equipment.

We are currently not an approved supplier for any other product, service, or equipment.

Except for DW Financial Services, LLC, no franchisor officer owns any interest in any supplier.

Our Involvement with Suppliers

We and our affiliates and designees reserve the right to receive revenue or other material consideration from suppliers in consideration for other goods or services that we require or advise you to obtain from approved suppliers.

We negotiate price terms and other purchase arrangements with suppliers for you for some items that we require or suggest you to lease or purchase in developing and operating your Degree Wellness franchise, including clothing, marketing materials, services, and equipment. There currently are no purchasing and distribution cooperatives.

Effects of Compliance and Noncompliance

~~— You must comply with our requirements to purchase or lease real estate, goods, and services according to our specifications and/or from approved suppliers to be eligible to renew your franchise. Failure to comply with these requirements will render you ineligible for renewal, and may be a default allowing us to terminate your franchise and/or withhold performance (including but not limited to removing your access to our website or any intranet, removing any information about your franchise on our website, removing you from any lists for which inquiries for services are made, any lists of approved franchises for which any of our approved supplies provide discounts or any lists that you are approved to participate in national or other alliance programs). —~~ We do not provide any other benefits to you because of your use of designated or approved services and products, or suppliers.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 3.1 of FA; Attachment A of the Development Agreement	Items 7, 8, and 11
b. Pre-opening purchases/leases	Sections 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6 of FA	Items 7, 8, and 11
c. Site development and other pre-opening requirements	Sections 3.2, 3.3, 3.4 and 3.6 of FA; Section 1 and Attachment A of the Development Agreement	Items 7, 8, and 11
d. Initial and ongoing training	Sections 3.6, 4, 5.1 and 10.7 of FA	Items 5, 6, 7, 11 and 14
e. Opening	Sections 3.3 and 3.6 of FA, Exhibit 1 of FA; Attachment A of the Development Agreement	Items 7 and 11
f. Fees	Sections 2.4, 3.4, 4.2, 5.1, 5.2, 6, 10.1, 10.3, 10.8, 11.1, 11.2, 12, 13.2, 14.5, and 15 of FA, Exhibits 4 of FA; Section 2 of the Development Agreement	Items 5, 6, 7, 8, 11, 13 and 14
g. Compliance with standards and policies/Operating Manual	Sections 2.4, 3.2, 3.3, 3.4, 3.5, 3.6, 5.2, 5.3, 6.4, 7.1, 10, 11.4, 13.1 and 19 of FA	Items 8, 11, and 12

Item 10

FINANCING

~~Other than as disclosed~~The financing described in this Item, we 10 is only provided by DW Financial. We do not offer any other direct or indirect financing.

General Equipment Financing

~~We have~~Degree Financial has no obligation to provide you any financing, but ~~we~~it may agree to finance a portion of the required equipment for qualified prospective franchisees under specified terms and conditions. ~~Our~~Its decision to finance any equipment will be based, in part, on your credit-worthiness, the collateralization of the equipment and other collateral you have available to secure the financing and our then-current financing policies.

~~We limit~~Degree Financial limits the amount that ~~we~~it will finance. ~~Our~~Its standard financing is up to \$151,000 if you meet certain requirements. We may elect not to approve a transfer, including a transfer to a corporation or other entity wholly owned by you, if you do not pay any loans payable to us and ~~our Affiliates~~or Degree Financial in full.

You must qualify to purchase a franchise, meet our credit standards and be otherwise eligible for financing to qualify. ~~We~~Degree Financial currently ~~charge~~charges a variable interest rate of Prime + 7%. If ~~we~~it agree to finance a portion of the required equipment, you must sign a promissory note when you sign your franchise agreement and pay the balance in monthly installments. ~~We do~~Degree Financial does not require any money down.

You must make note payments ~~to our affiliate~~ by automatic bank draft. Some banks and other financial institutions may charge a fee for electronic transfers. Monthly payments will begin approximately 1 month after you complete Training. The length of the repayment term may be negotiable up to a maximum of 5 years.

~~We require~~Degree Financial requires a security interest in the Studio franchise. You must sign a security agreement granting ~~our affiliate~~it a security interest in all your assets, including after acquired property and ~~we~~it will file a UCC financing statement with the appropriate governmental authority. ~~We have~~It has the right to require additional forms of security.

You may prepay the note at any time without penalty. If you default, ~~we~~Degree Financial may declare the entire remaining amount due. If you do not pay our ~~affiliate~~them the entire balance, and any accrued, unpaid interest, you may be responsible for the court costs and attorneys' fees ~~we, or our affiliates incur~~Degree Financial incurs in collecting the debt from you. We may terminate your franchise agreement if you do not pay ~~our affiliate~~Degree Financial.

You must waive your rights to certain notices of a collection action in our promissory note, security agreement and guaranty but there are no waivers of defense in the promissory note, security agreement or guaranty. If you are a legal entity, your shareholders, members, partners and/or owners must personally guarantee the debt and agree to pay the entire debt and all collection costs. ~~Our Affiliate~~Degree Financial has the right to require a spouse's personal guaranty.

~~The financing described in this Item 10 is provided by us, DW Financial Services, LLC.~~

~~Our affiliate~~Our Degree Financial may sell, assign or discount any promissory note or other obligation arising out of the franchise agreement to a third party. If it sells or assigns your promissory note, it will not affect our obligation to provide the services to you that are described

in the franchise agreement but the third party may be immune under the law to any defenses to payment you may have against our affiliate.

We may periodically agree with third-party lenders to make financing available to our qualified franchisees and we may, in our sole discretion, refer you to a third-party lender for financing. We have no control over whether financing will be offered to you by any third-party lender. The lender is not obligated to provide financing to you or to any other franchisee that the lender finds does not meet its credit requirements and loan criteria. If we refer you to a third-party lender for financing, we may agree to take a short-term promissory note (in a form we provide to you) until your financing is arranged. You must use the proceeds from the lender to pay any promissory note to us.

We do not currently derive income from referrals or placement of financing with any third-party lender. However, we may require payment from you or other persons for the placement of financing in the future. If we charge for placing financing in the future, we expect to use the payments to offset our expenses in doing so.

We do not guarantee your obligations to third parties.

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 Obligations:

Before you open your Degree Wellness Studio for business, we or our designee will:

1. Designate your Protected Territory (Franchise Agreement – Section 2.3). See Item 12 for additional information about your Protected Territory. You may only operate a Studio physically located in your Protected Territory.

2. Review and approve or disapprove your proposed Studio site (Franchise Agreement – Section 3.1). You must seek and select a mutually agreeable site within your Site Selection Area within 120 days after signing the Franchise Agreement. We will inform you of our approval or disapproval of your proposed site within 15 days of your proposal of the Studio site. The site must meet our criteria for demographics; traffic patterns; parking; ingress and egress; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. We require your Studio to be a minimum of 1,700 square feet in size. Studios are typically located in high-traffic strip malls. For each proposed site, you must submit to us, in the form we specify, a description of the site and any other information or materials that we may require. We will not unreasonably withhold approval of a site that meets our standards for general location and neighborhood, traffic patterns, parking size, layout, lease terms, and other physical characteristics for Degree Wellness Studios. If you fail to identify a mutually agreeable site by the established deadline, then we may terminate your Franchise Agreement. ~~Our approval of a proposed site is not, and should not be deemed, a judgment by us concerning the likelihood of success of a Studio at the location, or the relative desirability of the site in comparison to other sites within the Protected Territory.~~

any portion of the Operations Manual periodically to reflect changes in System Standards. You must keep your copy of the Operations Manual current, and in a secure location at your Studio. You agree that you will monitor and access the Website, intranet, or extranet for any updates to the Operations Manual. If you and we have a dispute over the contents of the Operations Manual, then our master copy of the Operations Manual will control. The Operations Manual, as well as any password or other digital identification necessary to access the Operations Manual on a Website, intranet, or extranet, is confidential, and you may not copy, duplicate, record or otherwise reproduce any part of it. If your copy of the Operations Manual is lost, destroyed, or significantly damaged, then you must obtain a replacement copy at our then applicable charge (see Item 6). You may view our Operations Manual at our corporate headquarters before purchasing your Studio, but must first sign a nondisclosure agreement promising not to reveal any of the information contained in the Manual without our permission. See Item 14 for additional information about our Operations Manual.

8. Provide you with specifications for the computer and billing system for your Studio (Franchise Agreement – Section 3.4). You must install your computer and billing system in accordance with our specifications. See below for additional information about these specifications.

9. Provide you with our initial training program and online learning credentials for Studio franchises at ~~no additional charge to you, however~~ the costs disclosed in Item 5. In addition, you must pay the food, lodging and travel expenses for all attendees ~~when applicable~~. See below for additional information concerning our initial training program for Studio franchises. (Franchise Agreement – Section 4.2).

10. Review and approve or disapprove any advertising that you propose to use for your Studio (Franchise Agreement – Section 11.2). ~~Our actual or deemed approval will not mean that we have analyzed or approved any advertising materials with respect to any state, local or administrative law, rule or regulation that may be applicable to a franchise's practice of health related services in its State of licensure.~~ Advertising on the internet or having your own website online is restricted by your Franchise Agreement.

11. We will establish, maintain, and administer the Fund. As available, we will provide you with digital copies of our marketing materials via our intranet. (Franchise Agreement – Section 11.1). The Fund will be used to support and pay for marketing programs we deem necessary, desirable, or appropriate to promote the services and products offered by your and other Studios. Also, we may, at our discretion, charge you for hard or digital copies of marketing materials.

12. Review and approve your management agreement with a licensed physician or PC if you are a Studio Management Business, but you are responsible for determining whether such agreement is in compliance with all applicable laws, rules and regulations of the State in which the Studio is located. (Franchise Agreement – Section 1.2).

Post-Opening Obligations:

After your Studio opens for business, and so long as you are not in default under the Franchise Agreement, we or our designee will:

1. Provide you with guidance and assistance in the following areas: (a) the services & products authorized for sale by the Studio, and specifications, standards, and operating and

management procedures used by your Studio; (b) purchasing approved equipment, furniture, furnishings, signs, products, operating materials, services, marketing materials, and supplies; (c) development and implementation of local advertising and promotional programs; (d) establishing and using administrative, bookkeeping, accounting, inventory control and general operating and management procedures; (e) establishing and conducting employee training programs at the Studio; (f) changes in any of the above that occur from time to time; and (g) specify approved brands, types and/or models of equipment, furniture, fixtures, and signs (Franchise Agreement – Section 5.1).

2. Continue lending to you a copy of our [165 page](#) Operating Manual (Franchise Agreement – Sections 5.1-5.2). We may modify the Operations Manual periodically to reflect changes in System Standards.

3. Issue and modify the System Standards for Studio franchises (including any optional programs used by your Studio) (Franchise Agreement – Section 5.3).

4. Allow you to use our Marks and confidential information in operating your Studio (Franchise Agreement – Sections 7 and 9). You must use the Marks and confidential information only as authorized in the Franchise Agreement and Operations Manual.

5. Indemnify you against damages for which you are held liable in any proceeding arising out of your use of our Marks in compliance with the Franchise Agreement and reimburse you for costs you incur in defending against any such claim (Franchise Agreement – Section 7.5).

6. Review and approve suppliers and distributors you would like to use (Franchise Agreement – Section 10.3).

7. Provide any product or perform any service for which we or our affiliate are an approved supplier (Franchise Agreement - Section 10.3).

8. As we deem appropriate, provide you and your staff with additional, on-going, and supplemental training programs (Franchise Agreement – Section 4.2). We, or our designee, may hold mandatory and optional training programs for you and your staff regarding new equipment, techniques, services or products, and other appropriate subjects. We may decide to hold these training programs at our own initiative, or in response to your request for additional or special training. We will determine the location, frequency, and instructors of these training programs. You must also pay for all travel, lodging, meal, and personal expenses related to your attendance and the attendance of your personnel. You are required to attend our annual conference, the location of which will be determined by us. Additionally, if you utilize a third-party professional corporation to service your Studio's patients, each provider of the servicing professional corporation must also attend our annual convention. Your attendance at the annual conference is mandatory. You will be solely responsible for the wages and travel, lodging, and living expenses for each attendee of yours who attends the annual conference.

9. Review and approve or disapprove your advertising, marketing, and promotional materials, vendors and activities (Franchise Agreement – Section 11.2). ~~Our actual or deemed approval will not mean that we have analyzed or approved any advertising materials with respect to any state, local or administrative law, rule or regulation that may be applicable to a franchise's practice of health related services in its State of licensure.~~ Advertising on the internet or having your own website online is restricted by your Franchise Agreement.

research, development, creative and marketing activities, including, without limitation, (a) costs for preparing and conducting television, radio, magazine, billboard, newspaper, internet and other media programs and activities, (b) costs associated with conducting marketing research, (c) costs associated with website development, maintenance, hosting and marketing, including without limitation, search engine optimization and social media, (d) administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising, (e) employing advertising, program and marketing agencies, and vendors providing marketing services, (f) development, implementation and maintenance of online asset management tools, (g) marketing and advertising training programs and materials, and (h) costs for providing promotional brochures and advertising templates and materials to Degree Wellness Studio franchises. Advertising materials developed or produced by the Fund may include video, audio, and written advertising materials, which will be prepared by our in-house marketing department. The Fund will furnish you with approved advertising materials at its direct cost of producing those advertising materials. Amounts contributed to the Fund may be used to place advertising in television, radio, newspaper, or other media as solely determined by us. We will not use Fund contributions for advertising that is principally a solicitation for the sale of franchises.

The Fund will be accounted for separately from our other funds and will not be used to pay any of our general operating expenses, except for salaries, administrative costs, and overhead that we incur in activities reasonably related to the administration of the Fund and its marketing programs, including preparing advertising and marketing materials, and collecting and accounting for contributions to the Fund. We may spend in any fiscal year an amount greater or less than the aggregate contributions to the Fund in that year, and the Fund may borrow from us or other lenders to cover the Fund's deficits or invest any surplus for future use by the Fund. We will prepare an annual unaudited statement of monies collected and costs incurred by the Fund and will provide it to you upon written request. A franchisee may request an annual report of general category spending of the Fund. This report may be requested in writing and will be provided in the manner we determine no more than one time per year and only after March 1 for the prior year. There is no history of a prior fiscal year to disclose in this disclosure document.

We may cause the Fund to be incorporated or operated through an entity separate from us when we deem appropriate, and the entity will have the same rights and duties as we do under your Franchise Agreement. The Fund will be intended to enhance recognition of the Marks and the goodwill and patronage of Studio franchises. Although we will endeavor to use the Fund to develop advertising and marketing materials and programs and place advertising that will benefit all contributing franchises, we have no obligation in developing, implementing, or administering advertising or promotional programs ensure that the Fund's expenditures in or affecting any geographic area are proportionate or equivalent to the contributions made by any franchise in that geographic area, or that any franchise will benefit from the development of advertising and marketing materials or the placement of advertising by the Fund directly or in proportion to the franchise's contribution to the Fund. We assume no direct or indirect liability or obligation to you or any other Degree Wellness franchisee in connection with the establishment or operation of the Fund, or the collection, administration, or disbursement of monies paid into the Fund. We will not be a fiduciary to you with respect to the management of the Fund.

We may suspend contributions to, and the operations of, the Fund for any period we deem appropriate, and may terminate the Fund upon 30 days' written notice to you. All unspent monies held by the Fund on the date of termination will be distributed to us, our affiliates, and you and

our other franchisees in proportion to each party's respective contributions to the Fund during the preceding 12-month period. We may reinstate the Fund if terminated upon the same terms and conditions set forth in the Franchise Agreement upon 30 days' advance written notice to you.

In the future, we may also establish a program to provide additional marketing services to Studio franchises involving the placement of individuals on a local basis to perform marketing activities, subject to applicable law. If you choose to use this marketing program, you must agree to pay the fee determined by us. Your franchise will only be permitted to use this program if you pay this fee.

Computer System and Billing System

You must purchase and use the computer hardware and software and billing system (collectively, "Computer System") that we periodically designate to operate your Degree Wellness franchise. You must obtain the Computer System, software licenses, maintenance and support services, and other related services from the suppliers we specify (which may be limited to us and/or our affiliates). The Computer System will store and generate customer management and accounting, billing, and credit card information. The estimated initial cost of purchasing your Computer System will range from ~~\$3,850~~\$3,850 to ~~\$4,250~~\$4,250. We may periodically modify the specifications for, and components of, the Computer System. These modifications and/or other technological developments or events may require you to purchase, lease, and/or obtain by license new or modified computer hardware and/or software and obtain service and support for the Computer System. The Franchise Agreement does not limit the frequency or cost of these changes, improvements, upgrades, or updates. We have no obligation to reimburse you for any Computer System costs. Within 60 days after you receive notice from us, you must obtain the components of the Computer System that we designate and ensure that your Computer System, as modified, is functioning properly.

We may charge you a reasonable fee for (i) installing, providing, supporting, modifying, and enhancing any proprietary software or hardware that we develop and license to you; and (ii) other Computer System-related maintenance and support services that we or our affiliates provide to you. If we or our affiliates license any proprietary software to you or otherwise allow you to use similar technology that we develop or maintain, then you must sign any software license agreement or similar instrument that we or our affiliates may require. There is currently no optional or required maintenance fees other than Computer System-related fees identified in Item 6.

You will have sole responsibility for: (1) the acquisition, operation, maintenance, repairing and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained and upgraded. Unless otherwise provided, we and our affiliates will have no responsibilities for these items.

We will have independent, unlimited access to the information the Computer System generates, stores and tracks, including any information pertaining to your gross revenues and all other information stored by the Computer System. There are no limitations on our ability to access the information and data.

ADVANCED RESULTS.			
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We do not have a federal registration for all of our principal trademarks. Therefore, some of our trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. The following registrations are currently pending:

MARK	STATUS	REGISTER	SERIAL NUMBER	FILING DATE
ENERGY FOR LIFE	Application Filed	Principal	98566117	May 2423 , 2024
RELAX INTO BETTER HEALTH	Application Filed	Principal	98566671	May 2423 , 2024

We have filed all affidavits required by the PTO in connection with these marks. Franchisor intends to work with licensor to renew the registration at the times required by law.

We do not know of other superior prior rights or infringing uses that could materially affect your use of the Marks in any state. However, it is possible that the Marks have been used by others; and we cannot represent with certainty that we have exclusive or superior rights to the Marks in all geographic areas.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court. Other than stated above, there are no pending infringement, opposition, or cancellation proceedings or material federal or state litigation involving the use and ownership of any of our trademarks. Other than stated above, no agreement significantly limits our right to use or license the Marks in a manner material to your Studio franchise.

Your right to use the Marks is derived solely from your Franchise Agreement, and is limited to your conduct of business in compliance with the Franchise Agreement and all applicable specifications, standards, and operating procedures we prescribe during the term of your franchise, including, without limitation, timely payment of the Initial Franchise Fee, Continuing Franchise Fees, Fund contributions, and all other sums due to us. Any unauthorized use of the Marks by you will constitute an infringement of our rights in and to the Marks. Your use of the Marks and any goodwill established by them will be for our exclusive benefit, and your Franchise Agreement does not confer any goodwill or other interests in the Marks upon you. All provisions of your Franchise Agreement applicable to the Marks will apply to any additional proprietary trade and service marks and commercial symbols authorized for use by, and licensed to you under, your Franchise Agreement. You may not at any time during or after the term of your franchise contest, or assist any other person in contesting, the validity or ownership of any of the Marks.

You must use the Marks as the sole identification of your franchise, but must also identify yourself as the independent owner of the franchise in the manner we prescribe. You may not use any Mark as part of any corporate or trade name, or with any prefix, suffix, or other modifying

agree to your employment of a general manager, then the general manager will supervise the day-to-day operation of your franchise. ~~You must not hire any general manager without our prior written approval of his or her qualifications.~~ Each general manager and successor general manager must attend and complete our initial training program for your franchise prior to commencing the role of General Manager (see Item 11). We do not require that the general manager have an equity interest in your franchise, but he or she cannot have any interest in or business relationship with any business competitor of your franchise, and must sign a written agreement to maintain confidential the proprietary information described in Item 14 and conform with the covenants not to compete described in Items 17(q) and 17(r), as well as non-disparagement and non-solicitation covenants described in Items 17 (x) and 17(y). Some state laws and regulations affecting the healthcare profession may require a licensed professional to own or supervise your franchise or that you enter into a management agreement with a licensed professional. You are responsible for complying with these state laws and regulations.

Obligations of Owners

You (if an individual) or each of your owners (if you are a legal entity) must sign an Assumption and Guarantee of Obligations (attached to the Franchise Agreement as Exhibit 3), agreeing to be bound by and guaranteeing your obligations as the "franchisee" under your Franchise Agreement. If you and/or your owners transfer your Franchise Agreement or any related interest, then you and/or the owners making the assignment must agree to be bound by the terms of the Agreement, and guarantee the obligations of the "franchisee" under the Agreement. As a condition of our consent to allow you to transfer your franchise to a third party, we may require you to guarantee the performance of a third party. You and your owners must at all times faithfully, honestly and diligently perform your and their obligations under the Franchise Agreement. You and they must promote and enhance your franchise. Neither you nor your owners can engage in any other business or activity that may conflict with your or their obligations under your Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those services and products we have approved for your type of franchise. You must also offer all goods and services that we designate for your type of franchise. You may not offer or sell any goods, services, equipment, or products that we prohibit without our written consent. We may add new or additional products and services that you must offer at your franchise. There are no restrictions in the Franchise Agreement on our right to do this. All advertising, signs, promotional materials, decorations and other related items we designate must have the Marks in the form we specify. The products and services approved or required by us shall not be deemed to affect or otherwise influence your judgment as to particular services and products that will be offered to individual patients. ~~All medical related decisions, acts or omissions made by, or in connection with any person in any way associated with you or your franchise will be the decisions of the individual professionals involved and will not be affected by or attributed to us.~~

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.

Written substantiation of the data used in preparing the following financial performance representation will be made available to you upon reasonable request.

This Item disclosed the historical performance of each affiliate-owned location that was open for the entire 2023 calendar year (the “Measurement Period”).

Some affiliate locations sold these amounts. Your individual results may vary. There is no assurance that you will sell as much.

Tables 1 and 2 shows the percentage breakdown of clients as between members and non-members as well as the average spend per month by client type. For the purposes of this disclosure Client Type means either a Member who pays a monthly recurring fee, or a Non-Member who pays for services on an a la carte basis. No locations that operated during the entire measurement period were excluded from this table.

Table 1: Breakdown of Revenue by Client Type

Client Type	<u>Studio 1</u>	<u>Studio 2</u>	<u>Average</u>
Members	81%	75%	78%
Non-Members	19%	25%	22%
Total <u>Revenue</u>	100%	100%	100%

Table 2: Average Spend per Month by Client Type

	<u>Studio 1</u>	<u>Studio 2</u>	<u>Average</u>
<i>Members, average</i>			
Number per month	271	250	260
Spend per month	\$157	\$129	\$144
<i>Non-Members, average</i>			
Number per month	128	128	128
Spend per month	\$79	\$84	\$82

Table 3 contains information regarding membership sales for the most recently opened affiliate studio as of the date of this disclosure document: (“Studio 3”). The affiliate studio opened March

31, 2024. For purposes of this table, a “Pre-Sale” means a membership that was sold prior to the studio opening.

Table 3: Total Memberships Pre-Sales and Total Memberships for Studio 3 One Month after Opening

	<u>Pre-Sales as of</u> <u>3/31/24</u>	<u>Memberships as of 4/30/24</u>
Total	144	189

Table 4 below shows the profit and loss information for affiliate locations operating for the “Measurement Period”. No locations that operated during the entire measurement period were excluded from this table.

Table 4: Profit and Loss Information of Affiliate Studios

-	Studio 1	% of Rev.	Studio 2	% of Rev.	Average	% of Rev.
Gross Revenue	<u>\$616,910</u>	100.0%	<u>\$513,610</u>	100.0%	<u>\$565,260</u>	100.0%
Cost of Goods Sold	<u>\$57,840</u>	9.4%	<u>\$40,860</u>	8.0%	<u>\$49,350</u>	8.7%
Gross Profit	<u>\$559,070</u>	90.6%	<u>\$472,750</u>	92.0%	<u>\$515,910</u>	91.3%
-	-	-	-	-	-	-
<i>Expenses</i>	-	-	-	-	-	-
Advertising & Marketing	<u>\$26,850</u>	4.4%	<u>\$47,040</u>	9.2%	<u>\$36,945</u>	6.5%
Insurance	<u>\$6,560</u>	1.1%	<u>\$4,040</u>	0.8%	<u>\$5,300</u>	0.9%
Office Expenses	<u>\$12,390</u>	2.0%	<u>\$11,860</u>	2.3%	<u>\$12,125</u>	2.1%
Payroll Expenses	<u>\$144,395</u>	23.4%	<u>\$105,798</u>	20.6%	<u>\$125,097</u>	22.1%
Rent & Lease	<u>\$51,960</u>	8.4%	<u>\$100,440</u>	19.6%	<u>\$76,200</u>	13.5%
Repairs & Maintenance	<u>\$5,130</u>	0.8%	<u>\$1,070</u>	0.2%	<u>\$3,100</u>	0.5%
Taxes	<u>\$4,670</u>	0.8%	<u>\$2,840</u>	0.6%	<u>\$3,755</u>	0.7%
Utilities	<u>\$17,330</u>	2.8%	<u>\$2,750</u>	0.5%	<u>\$10,040</u>	1.8%
Total Expenses	<u>\$269,285</u>	43.7%	<u>\$275,888</u>	53.7%	<u>\$272,562</u>	48.2%
Net Operating Income	<u>\$289,785</u>	47.0%	<u>\$196,862</u>	38.3%	<u>\$243,349</u>	43.0%
-	-	-	-	-	-	-
<i>Estimated Fees</i>	-	-	-	-	-	-
Royalties	<u>\$43,184</u>	7.0%	<u>\$35,953</u>	7.0%	<u>\$39,569</u>	7.0%
Brand Fund	<u>\$6,169</u>	1.0%	<u>\$5,136</u>	1.0%	<u>\$5,653</u>	1.0%
Total Estimated Fees	<u>\$49,353</u>	8.0%	<u>\$41,089</u>	8.0%	<u>\$45,221</u>	8.0%
-	-	-	-	-	-	-
Net Income Adjusted, OO	<u>\$240,432</u>	39.0%	<u>\$155,773</u>	30.3%	<u>\$198,128</u>	35.0%
General Manager Payroll —Expenses	<u>\$46,175</u>	7.5%	<u>\$39,834</u>	7.8%	<u>\$43,005</u>	7.6%
Net Income Adjusted, Investor	<u>\$194,257</u>	31.5%	<u>\$115,939</u>	22.6%	<u>\$155,123</u>	27.4%

Explanatory Notes to Table 4

1. *Gross Sales* means all gross receipts, less tips and sales tax and represents the amount upon which will base your Royalty Fee, Local Advertising Requirement and Fund Contribution under your Franchise Agreement with us.
2. *COGS* means all variable cost inputs to facilitate customer sales, including ~~all food items, cups, lids, equipment-related consumables, medical supplies~~ and other ~~paper goods usage-based costs~~.
3. *Gross Profit* means Gross Sales less COGS.
4. *Advertising and Marketing* means the actual local marketing expenditures of the location. Your requirements will include \$12,000 of Presale Marketing and an annual Local Marketing Requirement of ~~\$24,500 per month (\$30,000 per year)~~.
5. *Insurance* means the actual amounts expended on insurance in the operation of the Studio.
6. *Office Expenses* means general cleaning supplies/services, office supplies, postage, and software.
- ~~7. *Other Business Expenses* means miscellaneous expenses that could not be categorized into another itemized category.~~
- ~~8.~~ *7. Payroll Expenses* means all hourly and salaried labor excluding general managers, including based wages, payroll taxes, and benefits. This definition excludes the cost of multi-unit managers.
- ~~9.~~ *8. Rent and Lease* means base rent and all related NNN (triple net) costs, including common area maintenance, insurance, and tax-related obligations under the Lease.
- ~~10.~~ *9. Repairs and Maintenance* means all standard maintenance items, ~~such as floor mat replacement services and including~~ HVAC maintenance, electrical maintenance, necessary repair items, and any equipment replacement repairs.
- ~~11.~~ *10. Taxes* means all taxes, including property taxes, incurred in the operation of the Studio.
- ~~12.~~ *11. Utilities* means the following utility expenses electric, water, power, internet and phone.
- ~~13.~~ *12. Net Income Adjusted, OO* means Gross Profit less all of the aforementioned expenses. This number excludes the costs associated with a general manager and intend to show the income of this studio the franchisee was an owner operator (“OO”). This data does not include or account for any other operating costs or expenses that are not specifically identified in this Explanatory Note.
- ~~14.~~ *13. Net Income Adjusted, Investor* means *Net Income Adjusted, OO* less the costs associated with a general manager and intend to show the income of this studio the franchisee was an investor. This data does not include or account for any other operating costs or expenses that are not specifically identified in this Explanatory Note.
- ~~15.~~
- ~~16.~~ *14. Estimated Royalties* (Calculated at 7% of *Gross Sales*) means the calculated estimated Royalty Fees a location would have been required to pay had it been a franchise

operating pursuant to this Franchise Disclosure Document. These affiliate owned ~~locations~~location will contributed to the Fund in the future.

17.15. *Estimated Brand Fund Contribution* (Calculated at 1% of Adjusted Gross Sales) means the calculated estimated Brand Fund expenditures a location would have been required to pay had it been a franchise operating pursuant to this Franchise Disclosure Document.

GENERAL NOTES TO ITEM 19

Characteristics of Affiliate Locations (disclosed consistent with 16 C.F.R. 436.5(s)(3)(ii)(F)).

Each of the Disclosed Affiliate Locations is located in Jacksonville, Florida or surrounding area, where our brand and concept have garnered goodwill and reputation over the years that these Affiliate Locations have been open and operating.

Most of the Disclosed Affiliate Locations, other than the Recent Location, were open for some time as of the commencement of the 2023 calendar year. As such, the profit and loss information disclosed for certain of the disclosed affiliate locations of this Item did not incur certain of the startup/initial costs that might be incurred when first opening a Studio given their more mature operations.

Except as specifically disclosed above in this Item, we do not make any 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 the franchisor’s management by contacting Amanda Watts c/o Degree Wellness Franchise, LLC, in writing, at 106 E. Liberty Street, Suite 310, Ann Arbor, Michigan 48104, or by phone at (734) 619-0919, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-wide Outlet Summary
For Years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company Owned	2021	2	2	0
	2022	2	2	0
	2023	2	2	0
Total Outlets	2021	0	0	0
	2022	0	0	0
	2023	2	2	0

Our Studio Franchisees

See Exhibit E for the name, address, and telephone number of each of our current and former Degree Wellness Studio franchisees.

The name, city, state and telephone number for each Studio Franchisee that was terminated, not renewed, canceled, voluntarily or involuntarily ceased to do business under the franchise agreement during the 2023 fiscal year, or who has not communicated to us within 10 weeks of the issuance date of this disclosure document, is set forth in Exhibit E. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

Table 2
Transfers of Outlet from Franchisees to New Owners (other than Franchisor)
For Years 2021 to 2023

State	Year	Number of Transfers
Total	2021	0
	2022	0
	2023	0

Table 3
Status of Franchised Outlets
For Years 2021 - 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
Total	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Table 4
Status of Company-Owned ~~Franchised~~ Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All States	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2

Total	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

Table 5
Projected Openings
as of December 31, 2023

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
MI	0	1	0
FL	0	1	2
Total	0	2	2

The list of the names and addresses of our current franchisees is located in Exhibit E. Any franchisee who has not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document is listed in Exhibit G. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None of our franchisee are subject to confidentiality provision that would limit their ability to speak with you. 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

Attached to this Franchise Disclosure Document as Exhibit G are:

Degree Wellness Franchise, LLC's audited and unaudited opening balance sheets as of March ~~15~~30, 2024.

Our fiscal year end is December 31. The Franchisor has not been in business for three years or more, and cannot include all financial statements required by the FTC Franchise Rule.

Item 22

CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

EXHIBIT A

**STATE ADMINISTRATORS/AGENTS
SERVICE OF PROCESS**

Following is information about state agencies and administrators whom you may wish to contact with questions about Degree Wellness Franchise, LLC, or this Disclosure Document, as well as our agents for service of process.

LIST OF STATE ADMINISTRATORS

<u>STATE</u>	<u>STATE ADMINISTRATOR</u>
<u>CALIFORNIA</u>	<u>Department of Financial Protection and Innovation</u> <u>320 West 4th Street, Suite 750</u> <u>Los Angeles, California 90013</u> <u>(213) 576-7505</u> <u>(866) 275-2677</u> <u>www.dfpi.ca.gov</u> <u>Ask.DFPI@dfpi.ca.gov</u>
<u>HAWAII</u>	<u>Commissioner of Securities of the State of Hawaii</u> <u>Department of Commerce and Consumer Affairs</u> <u>Business Registration Division</u> <u>Securities Compliance Branch</u> <u>335 Merchant Street, Room 203</u> <u>Honolulu, Hawaii 96813</u> <u>(808) 586-2722</u>
<u>ILLINOIS</u>	<u>Franchise Bureau</u> <u>Office of the Attorney General</u> <u>500 South Second Street</u> <u>Springfield, Illinois 62706</u> <u>(217) 782-4465</u>
<u>INDIANA</u>	<u>Securities Commissioner</u> <u>Indiana Securities Division</u> <u>302 West Washington St., Room E-111</u> <u>Indianapolis, Indiana 46204</u> <u>(317) 232-6681</u>
<u>MARYLAND</u>	<u>Office of the Attorney General</u> <u>Securities Division</u> <u>200 St. Paul Place</u> <u>Baltimore, Maryland 21202-2021</u> <u>(410) 576-6360</u>
<u>MICHIGAN</u>	<u>Department of Attorney General</u> <u>Consumer Protection Division</u> <u>Franchising Unit</u> <u>525 West Ottawa Street</u> <u>G. Mennen Williams Building, 1st Floor</u> <u>Lansing, Michigan 48913</u> <u>(517) 373-1837</u>
<u>MINNESOTA</u>	<u>Minnesota Department of Commerce</u>

<u>STATE</u>	<u>STATE ADMINISTRATOR</u>
	<u>85 Seventh Place East, Suite 280</u> <u>St. Paul, Minnesota 55101</u> <u>(651) 539-1600</u>
<u>NEW YORK</u>	<u>New York State Department of Law</u> <u>Investor Protection Bureau</u> <u>28 Liberty St. 21st Fl</u> <u>New York, New York 10005</u> <u>(212) 416-8222</u>
<u>NORTH DAKOTA</u>	<u>North Dakota Securities Department</u> <u>600 East Blvd. Avenue</u> <u>State Capitol, Fifth Floor Dept. 414</u> <u>Bismarck, North Dakota 5805</u> <u>(701) 328-4712</u>
<u>RHODE ISLAND</u>	<u>Securities Division</u> <u>Department of Business Regulation</u> <u>1511 Pontiac Avenue, Building 69-1</u> <u>Cranston, Rhode Island 02920</u> <u>(401) 462-9585</u>
<u>SOUTH DAKOTA</u>	<u>Division of Insurance</u> <u>Securities Regulation</u> <u>124 S. Euclid, 2nd Floor</u> <u>Pierre SD57501</u> <u>(605) 773-3563</u>
<u>TEXAS</u>	<u>Statutory Document Section</u> <u>Secretary of State</u> <u>P.O. Box 12887</u> <u>Austin, Texas 78711</u>
<u>VIRGINIA</u>	<u>State Corporation Commission</u> <u>Division of Securities and Retail Franchising</u> <u>1300 East Main Street. 9th Floor</u> <u>Richmond, Virginia 23219</u> <u>(804) 371-9051</u>
<u>WASHINGTON</u>	<u>Washington Dept. of Financial Institutions</u> <u>Securities Division</u> <u>150 Israel Rd SW</u> <u>Tumwater WA 98501</u> <u>(360) 902-8760</u>
<u>WISCONSIN</u>	<u>Securities and Franchise Registration</u> <u>Wisconsin Securities Commission</u> <u>345 West Washington Street, 4th Floor</u> <u>Madison, Wisconsin 53703</u> <u>(608) 266-3364</u>

Our agent for service of process in the State of Florida is:

Amanda Watts
200 Riverside Ave.
Jacksonville, FL 32202

STATE	AGENT FOR SERVICE OF PROCESS
RHODE ISLAND	Director of Business Regulation Division of Banking and Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
<u>TEXAS</u> <u>SOUTH</u> <u>DAKOTA</u>	Anna Phillips 7300 _____ Vanguard _____ Court Colleyville, Texas 76034 <u>Division of Insurance</u> <u>Securities Regulation</u> <u>124 S. Euclid, 2nd Floor</u> <u>Pierre SD57501</u> <u>(605) 773-3563</u>
VIRGINIA	Clerk, State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th <u>1st</u> Floor Richmond, Virginia 23219
WASHINGTON	Washington Dept. of Financial Institutions Securities Division 150 Israel Rd SW Tumwater WA 98501
WISCONSIN	Wisconsin Commissioner of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703

DEVELOPMENT AGREEMENT

This Development Agreement (“**Agreement**”) made effective as of _____ (“**Effective Date**”) by and between Degree Wellness Franchise, LLC, a Delaware limited liability company with a business address at 200 Riverside Ave., Jacksonville, FL 32202 (the “**Franchisor**”, “**we**”, or “**us**”); and _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the “**Developer**”, “**you**” or “**your**”).

BACKGROUND

~~A.1.~~ Through the expenditure of considerable time, effort and money, we and our affiliates have devised a system for the establishment and operation of a Degree Wellness business model that specializes innovative self-care solutions that leverage heat, cold, light and advanced nutrients to enhance physical and mental health, and offers related products and merchandise services together as a comprehensive solution for pain relief, restoration of function, wellness care and other related services and products (all of which we refer to in this Agreement as the “**System**”).

~~B.2.~~ The System includes procedures, specifications, techniques and procedures that we may designate for operating a franchised business. This business model includes a studio model offering all of our franchised services and products (individually, a “**Studio**” or “**Studio,**” and collectively, the “**Studios**” or “**Studios**”). Subject to an additional fee, we also offer additional programs, products and services as more fully described herein, which additional programs, products and services may change from time to time.

~~C.3.~~ The System and Studios are identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark “**Degree Wellness**”, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the “**Marks**”). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Marks, expertise, and System.

~~D.4.~~ Franchisor grants qualified third parties the right to develop a certain number of Studios within a defined site selection area (the “**Site Selection Area**”) in accordance with the terms of this Agreement to which Developer must be strictly adhere, with each Studio within the Site Selection Area being opened and operating utilizing the Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor’s then-current form of franchise agreement (each, a “**Franchise Agreement**”).

~~E.5.~~ Developer recognizes the benefits from receiving the right to operate a Studio utilizing the System and desires to: (i) become a multi-unit operator subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

~~F.6.~~ Developer has applied for the right to open and operate a certain number of Studios within the Site Selection Area as set forth in this Agreement (each, a “**Studio**”), and Franchisor has approved such application in reliance on Developer’s representations made therein.

~~G.7.~~ Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor’s operations manual and other System standards and specifications, are essential to the operation of all Studios and the System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Site Selection Area; Development Schedule and Obligations. Subject to the terms and

**ATTACHMENT A
TO DEVELOPMENT AGREEMENT
DATA SHEET**

1. Site Selection Area. The Site Selection Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas: _____

2. Development Schedule. The Development Schedule referred to in Section 5 of the Development Agreement is as follows:

Expiration of Development Period (each, a “Development Period”)	No. of New Studios Opened Within Development Period	Cumulative No. of Studios that Must Be Open and Operating
12 Months from Effective Date	1	1
Months 13 through 36 <u>24</u> of the Development Agreement	1	2
Months 37 <u>24</u> through 48 <u>36</u> of the Development Agreement	1	3

FRANCHISOR

DEVELOPER

DEGREE WELLNESS FRANCHISE, LLC

By: _____
NAME, TITLE

By: _____

Date: _____

Date: _____

ILLINOIS
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

Additional Disclosures Required in Illinois

Illinois law governs the Franchise Agreement. 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.

Your rights upon Termination and Non-Renewals of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, and 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.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Illinois prohibits the corporate practice of medicine. Unlicensed individuals and entities are prohibited from owning, operating and maintaining an establishment for the study, diagnosis and treatment of human ailments and injuries, whether physical or mental. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018).

If you are NOT licensed certified in Illinois to provide services of the nature described in this disclosure document, you must negotiate the terms of a management Agreement with license professionals who will provide the services that this franchised business offers. Retain an experienced attorney who will look out for your best interests in this business venture.

While you are granted an “exclusive” territory, the Franchisor is not obligated to ensure that no other franchisees conduct business within your “exclusive” territory.

INDIANA
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF INDIANA

Additional Disclosures Required in Indiana

With respect to the information disclosed in Item 8 of the Disclosure Document:

- a. Indiana Code (“IC”) Section 23-2-2.7-1(1) prohibits us from requiring you (if you are a resident of Indiana or a non-resident who will operate a franchise in Indiana) to purchase goods, supplies, inventories, or services exclusively from us or sources designated by us where such goods, supplies, inventories, or services of comparable quality are available from sources other than those

MARYLAND

Maryland requires that the following risk(s) be highlighted:

Transfer: As a condition of our consent to allow you to transfer your franchise to a third party, we may require you to guarantee the performance of that third party.

The Maryland Franchise Registration and Disclosure Law, COMAR 02.02.08.16L, provides that, as a condition of the sale of a franchise, We may not require you to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability under the Franchise Registration and Disclosure Law. Item 17 of the Franchise Disclosure Document is amended by adding: any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement and Franchise Disclosure Document shall be deemed amended so that no release, assignment, novation, waiver or estoppel is required if it would violate the Maryland Franchise Registration and Disclosure Law. Nothing in the franchise agreement, including any acknowledgments or representations, shall be deemed a release or waiver of any right or obligation under the Maryland Franchise Registration and Disclosure Law.

Item 5 of the Franchise Disclosure Document is supplemented by the following: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

Item 17 of the Franchise Disclosure Document and Article 17 of the Franchise Agreement are amended by adding: any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Article 17 of the Franchise Agreement is amended to provide as follows: Any lawsuit permitted under this Article shall be brought in the federal or state courts located in the State of Maryland. Item 17 is hereby amended by adding the identical language in the "summary" column of line v.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

With respect to the disclosures in Item 17 of the Disclosure Document

- (i) The Disclosure Document and Franchise Agreement provisions name Florida law as the governing law, and Florida as the choice of forum and jurisdiction and venue. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation arising from claims under Minnesota franchise laws (Minn. Stat. §§80C.01 through 80C.22) to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- (ii) With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. § 80C.14, subds. 3, 4, and 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 a franchise will not be unreasonably withheld whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees by us.
- (iii) Minn. Rule Part 2860.4400J prohibits you from waiving your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- (iv) The Disclosure Document and Franchise Agreement state that you must sign in favor of us, officers, directors, agents, and employees, and our affiliates and their officers, directors, agents, and employees, as a condition to renew or transfer your franchise, a release from liability of all claims that you may have against us, our officers, directors, agents, employees, or our affiliates or their officers, directors, agents, and employees, as a condition to renew or transfer your franchise, a release from liability of all claims that you may have against us and/or our officers, directors, agents, and employees under the Franchise Agreement or any other agreement. Minnesota Rule part 2860.4400D prohibits requiring a franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by the Minnesota Franchise Law, provided that this rule shall not bar the voluntary settlement of disputes. Accordingly, Item 17 of the Disclosure Document and Sections 2.4(c) and 14.5(f) of the Franchise Agreement are hereby revised to exclude any claims arising under the Minnesota Franchise law from any general release of liability that you or may be required to sign in favor of us, our directors, officers, agents, and employees, and our affiliates and their directors, officers, agents, and employees, as a condition to renew the Franchise Agreement, or transfer the Franchise Agreement.
- (v) Any limitation on claims period must comply with Minnesota Statute 80C.17 Subd. 5. As such, Section 17.10 of the Franchise Agreement are revised to change the limitation of claims period from two (2) years to three (3) years.

(vi) 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,

RHODE ISLAND

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF RHODE ISLAND

Additional Disclosures Required in Rhode Island

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision of a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.”

SOUTH DAKOTA

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF SOUTH DAKOTA

Additional Disclosures Required in South Dakota

1. With respect to the disclosures in Item 17 of the Disclosure Document, the following provisions apply for franchises in South Dakota:
 - a. You will receive 30 days’ written notice with an opportunity to cure a breach of the Franchise Agreement, failure to meet performance and quality standard, and failure to make royalty payments before termination.
 - b. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law.
 - c. Liquidated damage provisions may be unenforceable under South Dakota law. Liquidated damage provisions are void.
 - d. Pursuant to SDCL 37-5B-21, any condition, stipulation or provision purporting to waive compliance with, or relieving a person of a duty or liability under, any provision of Chapter 37-5B of South Dakota Codified Law or any rule or order thereunder is void.
2. Item 5 of the Franchise Disclosure Document is supplemented by the following: Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

WASHINGTON

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF WASHINGTON

Washington requires that the following risks be highlighted concerning this Franchise:

1. During the last 3 years, a large number of franchised outlets (138) were terminated, not renewed, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

ILLINOIS

ILLINOIS AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (“**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between Degree Wellness Franchise, LLC (“Franchisor”), a Delaware limited liability company, with its principal office at 200 Riverside Ave., Jacksonville, FL 32202 and _____ (“you” or “Franchisee”). Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

Illinois law governs the Franchise Agreement. 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.

Your rights upon Termination and Non-Renewals of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, and 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.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Illinois prohibits the corporate practice of medicine. Unlicensed individuals and entities are prohibited from owning, operating and maintaining an establishment for the study, diagnosis and treatment of human ailments and injuries, whether physical or mental. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018).

If you are NOT licensed certified in Illinois to provide services of the nature described in this disclosure document, you must negotiate the terms of a management Agreement with license professionals who will provide the services that this franchised business offers. Retain an experienced attorney who will look out for your best interests in this business venture.

While you are granted an “exclusive” territory, the Franchisor is not obligated to ensure that no other franchisees conduct business within your “exclusive” territory.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR:

Degree Wellness Franchise, LLC, a Delaware
limited liability company

By: _____

Title: _____

FRANCHISE OWNER:

By: _____

Title: _____

MARYLAND AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (“Amendment”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “Franchise Agreement”) dated _____, by and between Degree Wellness Franchise, LLC (“Franchisor”), a Delaware limited liability company, with its principal office at 200 Riverside Ave., Jacksonville, FL 32202 and _____ (“you” or “Franchisee”). Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

1. Any provision requiring you to sign a general release of any and all claims against us shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.
2. Any provision requiring you to bring an action against us in any state other than Maryland shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law. You may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Section 14-226 of the Maryland Franchise Registration and Disclosure Law, prohibits us from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions which requires a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law, in order to purchase a franchise are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
4. Notwithstanding anything to the contrary set forth in the Agreement, any general release the Franchisee is required to assent to is not intended to nor shall it act as a release, estoppel or waiver of any liability we may have incurred under the Maryland Franchise Registration and Disclosure Law.
5. The Franchise Agreement is amended by the addition of the following language to the original language that appears in the choice of law language therein:

“This section shall not in any way abrogate or reduce any of your rights as provided for in Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law, including the right to submit matters to the jurisdiction of the Courts of Maryland.”
6. Item 6 of the Franchise Agreement is supplemented by the following: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.
7. Notwithstanding anything to the contrary set forth in the Agreement, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
78. In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall prevail.

MINNESOTA-MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (the “Addendum”) is made and entered into this _____ day of _____, 20__, by and between Degree Wellness Franchise, LLC, a Delaware limited liability company (“**Franchisor**”), and _____, a _____ corporation/limited liability company/partnership (circle one) (“**Franchise Owner**”) (collectively, Franchisor and Franchise Owner are referred to hereinafter as the “**Parties**”), and is attached to and made part of that certain Franchise Agreement dated _____, 20__, (the “**Agreement**”) between the Parties.

A. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation from claims arising under Minnesota franchise laws (Minn. Stat. §§80C.01 through 80C.22) to be conducted outside Minnesota, requiring a waiver of jury trial, and prohibits Franchisor from requiring the Franchise Owner to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Agreement or Franchise Disclosure Document can abrogate or reduce any of Franchise Owner’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchise Owner’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

B. With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. § 80C.14, subs. 3, 4, and 5, which require, except in certain specified cases, that (1) Franchise Owner be given ninety (90) days’ notice of termination (with sixty (60) days to cure) and one-hundred eighty (180) days’ notice for non-renewal of the Agreement and (2) consent to the transfer of a franchise by Franchise Owner will not be unreasonably withheld whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees by us.

C. Minnesota considers it unfair to not protect Franchise Owner’s right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). Franchisor will protect Franchise Owner’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols, and/or indemnify Franchise Owner from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the same.

D. Minnesota Rules 2860.4400(D) prohibits Franchisor from requiring Franchise Owner to assent to a general release. Articles 2.4(c) and 14.5(f) of the Agreement require Franchise Owner and its Principal Owners (as defined in Section 1 of the Franchise Agreement) to sign, in favor of Franchisor, its officers, directors, agents, and employees, and its affiliates and their officers, directors, agents, and employees, as a condition to renew or Transfer (as defined in Section 14.4 of the Agreement) the Agreement, a release from liability of all claims that Franchise Owner and its Principal Owners may have against Franchisor, its officers, directors, agents, and employees, and its affiliates and their officers, directors, agents, and employees. Specifically, Minn. Rule 2860.4400D prohibits a franchisor from requiring a prospective franchisee agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability imposed by Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22 (the “**Minnesota Franchise Law**”). Accordingly, (1) Article 2.4(c) of the Agreement is hereby amended to require Franchise Owner and its Principal Owners to sign as a condition to renew this Agreement, and (2) Article 14.5(f) of the Agreement is hereby amended to require Franchise Owner and its Principal Owners to sign, as a condition to Transfer the Agreement: a general release from liability for any and all claims that that Franchise Owner and its Principal Owners may have against Franchisor,

SOUTH DAKOTA AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (“Amendment”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “Franchise Agreement”) dated _____, by and between Degree Wellness Franchise, LLC (“Franchisor”), a Delaware limited liability company, with its principal office in Jacksonville, Florida, and _____ (“you” or “Developer”). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Item 6 of the Franchise Disclosure Document is supplemented by the following: Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

<u>FRANCHISOR</u>	<u>DEVELOPER</u>
<u>DEGREE WELLNESS FRANCHISE, LLC</u>	

By: _____	By: _____
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Name: _____	Name: _____
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Title: _____	Title: _____
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Date: _____	Date: _____
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CALIFORNIA AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (“**Amendment**”) dated _____ is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____ by and between Degree Wellness Franchise, LLC (“**Franchisor**”), a Delaware limited liability company, with its principal office in ~~Southlake, Texas~~ Jacksonville, Florida, and _____ (“**you**” or “**Developer**”). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Reserved

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

DEGREE WELLNESS FRANCHISE, LLC

DEVELOPER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ILLINOIS AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (“**Amendment**”) dated _____ is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____ by and between Degree Wellness Franchise, LLC (“**Franchisor**”), a Delaware limited liability company, with its principal office in ~~Southlake, Texas~~ Jacksonville, Florida, and _____ (“**you**” or “**Developer**”). ~~Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.~~

Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Illinois law governs the Franchise Agreement. 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.

Your rights upon Termination and Non-Renewals of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, and 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.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Illinois prohibits the corporate practice of medicine. Unlicensed individuals and entities are prohibited from owning, operating and maintaining an establishment for the study, diagnosis and treatment of human ailments and injuries, whether physical or mental. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018).

If you are NOT licensed certified in Illinois to provide services of the nature described in this disclosure document, you must negotiate the terms of a management Agreement with license professionals who will provide the services that this franchised business offers. Retain an experienced attorney who will look out for your best interests in this business venture.

While you are granted an “exclusive” territory, the Franchisor is not obligated to ensure that no other franchisees conduct business within your “exclusive” territory.

~~Reserved~~

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

MARYLAND AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (“**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____, by and between Degree Wellness Franchise, LLC (“**Franchisor**”), a Delaware limited liability company, with its principal office in ~~Southlake, Texas~~ Jacksonville, Florida, and _____ (“**you**” or “**Developer**”). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Reserved

Item 2 of the Development Agreement is supplemented by the following: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR
DEGREE WELLNESS FRANCHISE, LLC

DEVELOPER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

MINNESOTA AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (“**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____, by and between Degree Wellness Franchise, LLC (“**Franchisor**”), a Delaware limited liability company, with its principal office in ~~Southlake, Texas~~ Jacksonville, Florida, and _____ (“**you**” or “**Franchisee**”). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Reserved

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR
DEGREE WELLNESS FRANCHISE, LLC

DEVELOPER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

NEW YORK AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (“**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____, by and between Degree Wellness Franchise, LLC (“**Franchisor**”), a Delaware limited liability company, with its principal office in ~~Southlake, Texas~~ Jacksonville, Florida, and _____ (“**you**” or “**Developer**”). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Reserved

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR

DEVELOPER

DEGREE WELLNESS FRANCHISE, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

SOUTH DAKOTA AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (“**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____, by and between Degree Wellness Franchise, LLC (“**Franchisor**”), a Delaware limited liability company, with its principal office in Southlake, Texas, Jacksonville, Florida, and _____ (“**you**” or “**Developer**”). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Reserved

Item 2 of the Franchise Disclosure Document is supplemented by the following: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

~~**DEGREE WELLNESS FRANCHISE, LLC**~~ ~~**DEVELOPER**~~

~~By: _____ By: _____~~
~~Name: _____ Name: _____~~
~~Title: _____ Title: _____~~
~~Date: _____ Date: _____~~

~~WASHINGTON AMENDMENT TO DEVELOPMENT AGREEMENT~~

FRANCHISOR

DEVELOPER

DEGREE WELLNESS FRANCHISE, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

VIRGINIA AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (“**Amendment**”) dated _____ is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____ by and between Degree Wellness Franchise, LLC (“**Franchisor**”), a Delaware limited liability company, with its principal office in ~~Southlake, Texas~~ Jacksonville, Florida, and _____ (“**you**” or “**Developer**”). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Reserved

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$349,554 to \$687,816. This amount exceed the franchisor’s stockholders equity as of March 15, 2024, which is \$197,012.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

DEGREE WELLNESS FRANCHISE, LLC **DEVELOPER**

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

WASHINGTON AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (“Amendment”) dated _____ is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “Development Agreement”) dated _____ by and between Degree Wellness Franchise, LLC (“Franchisor”), a Delaware limited liability company, with its principal office in Jacksonville, Florida, and _____ (“you” or “Developer”). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Reserved

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

DEGREE WELLNESS FRANCHISE, LLC

DEVELOPER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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 Degree Wellness Franchise, LLC offers you a franchise, it must provide you 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. Rhode Island 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. Michigan requires that we give you this disclosure document 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 Degree Wellness Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed in Exhibit A of this disclosure document.

The name, principal business address and telephone number of each franchise seller offering the franchise is as follows:

Name	Principal Business Address	Telephone Number
Amanda Watts	200 Riverside Ave., Jacksonville, FL 32202	(904) 469-5977
Tom Ryan, Jr.	6934 Frances St., Ste 105 Omaha NE 68130	(531) 333-3278
Kimberly Moreno	6934 Frances St., Ste 105 Omaha NE 68130	(531) 333-3278

The issuance date of this disclosure document is: May 24, 2024, as amended January 10, 2025.

The franchisor is Degree Wellness Franchise, LLC, located at Studio. Its telephone number is (734) 619-0919.

Degree Wellness Franchise, LLC authorizes the agents listed in Exhibit A of this disclosure document to receive service of process for it.

I have received a disclosure document dated May 24, 2024, as amended January 10, 2025, that included the following Exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Development Agreement
Exhibit D	Operations Manual Table of Contents
Exhibit E	List of Degree Wellness Franchisees
Exhibit F	Sample Studio Management Agreement
Exhibit G	Financial Statements
Exhibit H	General Release Agreement
Exhibit I	Transfer Agreement
Exhibit J	Supplemental Agreements
Exhibit K	Multi-State Addenda and Agreement Riders

Date

Signature of Franchisee

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 Degree Wellness Franchise, LLC offers you a franchise, it must provide you 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. Rhode Island 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. Michigan requires that we give you this disclosure document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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The issuance date of this disclosure document is: May 24, 2024, as amended January 10, 2025.

The franchisor is Degree Wellness Franchise, LLC, located at 200 Riverside Ave., Jacksonville, FL 32202. Its telephone number is (734) 619-0919.

Degree Wellness Franchise, LLC authorizes the agents listed in Exhibit A of this disclosure document to receive service of process for it.

I have received a disclosure document dated May 24, 2024, as amended January 10, 2025, that included the following Exhibits:

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Exhibit H	General Release Agreement
Exhibit I	Transfer Agreement
Exhibit J	Supplemental Agreements
Exhibit K	Multi-State Addenda and Agreement Riders

Date

Signature of Franchisee