

## FRANCHISE DISCLOSURE DOCUMENT

**Stroller Strides, LLC**  
**A Delaware Limited Liability Company**  
**1084 N. El Camino Real**  
**Suite B512**  
**Encinitas, CA 92024**  
**866-348-4666**  
**franchise@FIT4MOM.com**  
**www.FIT4MOM.com**



The franchisee will operate a FIT4MOM® business which offers pre- and postnatal in-person, group, instructor-led exercise classes to mothers at all stages of motherhood. We offer a FIT4MOM® franchise under 3 different models - a Classic Franchise model, an Extended Franchise model and a Regional Franchise model.

The total investment necessary to begin operation of a FIT4MOM® franchise is from \$8,245 to \$28,685. This includes \$7,495 to ~~\$14,788~~ \$13,395 that must be paid to us or an affiliate.

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.**

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

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

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

Issuance Date: April ~~38, 2023~~ 2024

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about 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 Exhibits <a href="#">I and J</a> and <del>K</del> .
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit <del>L</del> <a href="#">K</a> includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only FIT4MOM® business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a FIT4MOM® franchisee?</b>	Item 20 or Exhibits <a href="#">I and J</a> and <del>K</del> list current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. 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 California than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Turnover Rate.** During the last 3 years, a high percentage of franchised outlets (~~more than 14-17%~~) were terminated, not renewed, 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.

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

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

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division  
Attn: Franchise  
670 G. Mennen Williams Building  
525 West Ottawa, Lansing, Michigan 48933  
(517) 335-7567

Notwithstanding paragraph (f) above, we intend to enforce fully the provisions of the arbitration section of our Franchise Agreement. We believe that paragraph (f) is unconstitutional because it is preempted by United States Federal law and therefore cannot preclude us from enforcing our arbitration provision. If you acquire a franchise, you acknowledge that we will seek to enforce that section as written, and that the terms of the Franchise Agreement will govern our relationship with you, including the specific requirements of the arbitration section.

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## **Exhibits**

Exhibit A	List of State Authorities/Agents for Service of Process
Exhibit B	Franchise <del>Application</del> <a href="#">Agreement</a>
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Exhibit <del>D</del> <a href="#">C</a>	Territory Expansion Addendum
Exhibit <del>E</del> <a href="#">D</a>	Renewal Addendum
Exhibit <del>F</del> <a href="#">E</a>	Non-Disclosure, Non-Solicitation and Non-Competition Agreement
Exhibit <del>G</del> <a href="#">F</a>	Operating Manual Table of Contents
Exhibit <del>H</del> <a href="#">G</a>	State Specific Appendix
Exhibit <del>I</del> <a href="#">H</a>	General Release Form
Exhibit <del>J</del> <a href="#">I</a>	List of Current Franchisees
Exhibit <del>K</del> <a href="#">J</a>	List of Former Franchisees
Exhibit <del>L</del> <a href="#">K</a>	Financial Statements
State Effective Dates	
Exhibit <del>M</del> <a href="#">L</a>	Receipts

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

To simplify the language in this disclosure document, “we,” or “us” means Stroller Strides, LLC. “You” means the franchisee or the person or legal entity who is buying the franchise. If you are a legal entity, “you” also refers to any of your owners, partners or members. Stroller Strides, LLC is a Delaware limited liability company formed on October 7, 2002. Our principal business address is 1084 N. El Camino Real, Suite B512, Encinitas, California 92024.

We were formed in October 2002 and began our business operations and licensing the rights to the Stroller Strides® System in January 2003. We currently own and operate the same business in San Diego, California that our founder previously owned and operated from August 2001 to October 2002. We have not offered franchises in any other line of business and have no other business activities. We have no parent company or affiliates.

In 2005, we converted our licensing enterprise into a franchise, and former licensees were entitled to enter into franchise agreements for no additional charge. In 2005, all licensees either converted to franchises or left the system. The businesses operated by licensees were similar to a Stroller Strides® franchise.

In February 2013, we changed the name of the franchise offered from “Stroller Strides” to “FIT4MOM” to reflect our expanded class offerings, which include Stroller Strides® Classes and other offerings for mothers at all stages of motherhood, including nutritional coaching, meditation, and community-based support.

If we have an agent in your state for service of process, we disclose that agent in Exhibit A.

**Our Business and the Franchise Offered**

We developed a total fitness program for mothers at every stage of motherhood. We offer a franchise for the right to operate a FIT4MOM® franchise under a franchise agreement (the “Franchise Agreement”) within an identified geographical area using our trademarks, trade names, logos, exercise programs and techniques, advertising and marketing materials, training materials, and operating methods we have developed and own, and which we continue to refine, modify, and improve (the “FIT4MOM System” or the “System”).

The FIT4MOM® System includes the following fitness programs. While you need not offer all such programs (although you must offer at least 1 of them), you and your instructors for that program must be fully trained and qualified to conduct all fitness programs that you do choose to offer and conduct.

FIT4MOM offers fitness and wellness programs for women at every stage of motherhood. We seek to inspire “Strength in Motherhood” by providing a full range of fitness classes, educational programs, and community support. In our research-backed programs, women have the opportunity to join a community to get an appropriate workout that is flexible for motherhood. Each program is unique in format and design to meet the unique needs of each stage of motherhood.

### BODY BOOST®

Body Boost® is a 60-minute mom-only workout that combines cardio, strength, core training, and meditation.

### BODY IGNITE

Body Ignite is a mom-only strength workout that targets every muscle in the body.

### BODY WELL®

Body Well® is an 8-week-mom only program that includes weekly workouts, group accountability, nutritional guidance, and recipes.

### FIT4BABY®

FIT4BABY® is a 6-week prenatal program that includes weekly private group workouts, community support, and a weekly journal to document the pregnancy journey.

### RUN CLUB+

RUN CLUB+ is an 8-week guided training program for 5K, 10K, or half marathon distance runs with detailed training plans, coaching, and community support.

### STRIDES 360®

Strides 360 is a program that focuses on endurance.

### STROLLER BARRE®

Stroller Barre® is a 60-minute stroller workout that improves posture, stability, and mobility.

### STROLLER STRIDES®

Stroller Strides® is a 60-minute total-body workout with strength, cardio, and core training.

All Classes must be taught by certified FIT4MOM instructors we authorize who meet our qualifications (“Instructors”). You and your Instructors must successfully complete the online FIT4MOM Foundations Course and the relevant online Format Certifications prior to teaching. FIT4MOM Franchisees and Instructors must maintain their qualifications via a yearly FIT4MOM Membership Fee renewal.

### Competition and Industry Regulations

The market for your services consists of members of the general public who are at any stage of pregnancy or motherhood. In general, the fitness/weight loss market can be quite competitive. In some markets, these businesses are locally based, while other markets may include regional or national chains as competitors. Your competitors may include other fitness and/or weight loss businesses, health clubs and gyms, and/or other retail exercise products and services. At this time, we are aware of other companies offering similar exercise programs targeted at mothers with stroller age children.

The physical fitness industry is subject to certain regulations at the local, state, and federal levels. In addition to general business licenses, businesses offering physical fitness programs must

comply with various health, safety, labor, bonding, and licensing regulations, as well as all other applicable laws, including regulations relating to unfair competition and persons with disabilities.

You should seek counsel or contact the appropriate local, state, and/or federal agencies for detailed information about these laws and regulations. There are other laws of general applicability that could impact your operation.

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

President/Managing Member: Lisa Druxman

In 2001, Ms. Druxman developed and began operating the “Stroller Strides” program as a sole proprietorship in the San Diego, California area. In October 2002, Ms. Druxman formed Stroller Strides, which began operating in January 2003, and is based in San Diego County, California. Ms. Druxman is currently our majority member and President and is based in Encinitas, California.

## **ITEM 3** **LITIGATION**

In the Matter of Stroller Strides, LLC, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2005-0193. As a result of an investigation into the franchise related activities of Stroller Strides, LLC (“Stroller Strides”), the Maryland Securities Commissioner (“Commissioner”) concluded that grounds existed at that time to allege that Stroller Strides violated the registration, disclosure, and antifraud provisions of the Maryland Franchise Law involving the offer and sale of Stroller Strides® licenses, which the Commissioner alleged constituted franchises as defined under the Maryland Franchise Law. Stroller Strides represented that it entered into license agreements with four Maryland licensees during the time it was not registered to offer and sell franchises in Maryland. Stroller Strides also acknowledged that it sent promotional and marketing materials to the Maryland licensees, as well as other Maryland residents, which included sample budgets containing representations of potential gross revenue and income. On June 27, 2005, the Commissioner and Stroller Strides agreed to enter into a consent order whereby Stroller Strides, without admitting or denying any violations of the law, agreed to: immediately and permanently cease offering and selling franchises in violation of the Maryland Franchise Law; diligently pursue the completion of its application to register its franchise offering in Maryland; enroll an officer of Stroller Strides in an approved franchise law compliance training program; and offer to rescind the license agreements of all Maryland residents to whom it sold unregistered franchises. This matter concluded in 2005.

In the Matter of Stroller Strides, LLC, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2007-0388. As a result of an investigation into the franchise related activities of Stroller Strides, the Maryland Securities Commissioner (“Commissioner”) alleged that Stroller Strides violated the registration and disclosure provisions of the Maryland Franchise Law and a previous Consent Order of the Commissioner involving the offer and sale of Stroller Strides® franchises in Maryland. In October 2006, Stroller Strides submitted a franchise registration renewal application that did not comply with the requirements of the Maryland Franchise Law. On October 30, 2006, the Maryland Securities Division notified counsel for Stroller Strides that its application was deficient. While this franchise registration application was pending in Maryland, Stroller Strides represented that it continued to offer and sell franchises in

Maryland after its registration expired on October 31, 2006. On February 8, 2008, the Commissioner and Stroller Strides entered into a consent order whereby Stroller Strides, without admitting or denying any violations of law, agreed to: immediately and permanently cease from the offer and sale of franchises in violation of the Maryland Franchise Law; complete registrations of its franchise offering in Maryland; implement new compliance procedures; pay the Office of the Attorney General the sum of \$2,500 as a partial reimbursement of the costs of the investigation and resolution of this action; and offer rescission to the two franchisees who were sold franchises in Maryland while Stroller Strides was not registered with the State. One of the franchisees accepted the rescission offer. This matter concluded in 2008.

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

#### **ITEM 4 BANKRUPTCY**

No bankruptcy ~~information~~ is required to be disclosed in this Item.

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

##### Territory Hold Deposit

~~When you apply for a FIT4MOM® franchise and we determine that you meet certain criteria for new FIT4MOM® franchisees, you must pay us a \$250 deposit to hold the territory before we offer you a FIT4MOM® franchise (the "Deposit"). We charge the deposit once the Franchise Agreement is drafted and received and after the minimum waiting period under the disclosure laws has passed. If we decide not to offer you a FIT4MOM® franchise, we will refund the Deposit to you. If we offer you a FIT4MOM® franchise and you sign a Franchise Agreement, the Deposit will be applied towards your initial franchise fee. If we offer you a FIT4MOM® franchise and you elect not to sign a Franchise Agreement, we are not required to refund the Deposit.~~

##### Initial Franchise Fee

We offer three pricing plans based on the size of your territory: Classic, Extended and Regional. If you elect a Classic pricing plan, you must pay us an initial franchise fee of \$7,495. If you elect an Extended pricing plan, you must pay us an initial franchise fee of \$10,495. If you elect a Regional pricing plan, you must pay us an initial franchise fee of \$13,395. You will pay us the Deposit of the initial franchise fee after you apply for a franchise, as described above. If we offer you a Fit4Mom® franchise and you sign a Franchise Agreement, the Deposit will be applied towards your initial franchise fee and the balance of the initial franchise fee is payable in a lump sum due at the signing of the Franchise Agreement. The initial franchise fee is not refundable under any circumstances. The determination of which plan applies is based on the population in the territory purchased as follows:

- Classic:        pop. Up to 150,000
- Extended:     pop. 150,000 – 300,000
- Regional:     pop. 300,000 – 450,000

In determining the population in a particular geographic area, we rely on data provided by our preferred mapping vendor, which uses data derived from US Census data and other sources at the Census block group level, and aggregated within the zip code. In our sole discretion, we may grant you the right to expand your territory or purchase additional territories.

If you are an existing franchisee who is purchasing an additional franchise, we will offer you a 10% discount off the Initial Franchise Fee, provided that you are not in default under your Franchise Agreement and you otherwise meet our qualifications for new FIT4MOM® franchisees. If you previously sold your franchise, we will apply your transfer fee to the Initial Franchise Fee if you purchase a new franchise within 12 months after selling.

We also offer a 10% discount off of our initial franchise fee for active-duty service members, their spouses, and veterans. Verification will be required in the form of the potential franchisee's most recent Leave and Earnings Statement or current orders of the active-duty service member.

The initial franchise ~~fees~~fee we actually received during our ~~2022~~2023 fiscal year ~~ranged from~~was ~~\$6,495 to \$10,495~~\$7,495.

### Instructor Training

Before you begin operating your FIT4MOM business, we offer the following online training programs to you and your Instructors, which you must complete before teaching the particular format. All FIT4MOM Franchisees and current Instructors must successfully complete the Foundations Course prior to Format Certifications.

<i>Online Training Course</i>	<i>Pre-Requisites</i>	<i>Fee Per Attendee</i>	<i>External Credits</i>
Foundations Course*	None	\$99- <del>\$149</del> *	.8 ACE 8.0 AFAA .8 NASM
Stroller Strides Format Certification	Foundations Course	\$199- <del>\$249</del> or \$99- <del>\$149</del> if you are a member of the FIT4MOM Instructor Network ("FIN")	.4 ACE 4.0 AFAA .4 NASM
FIT4BABY Format Certification	Foundations Course	\$199- <del>\$249</del> or \$99- <del>\$149</del> with FIN	
Body Boost Format Certification	Foundations Course	\$199- <del>\$249</del> or \$99- <del>\$149</del> with FIN	
Body Well & Body Boost Format Certification	Foundations Course	\$299- <del>\$349</del> or \$199- <del>\$249</del> with FIN	.4 ACE 4.0 AFAA .4 NASM

<i>Online Training Course</i>	<i>Pre-Requisites</i>	<i>Fee Per Attendee</i>	<i>External Credits</i>
Stroller Barre Format Certification	Foundations Course	<del>\$199-\$249</del> <del>\$199</del> or \$99- <del>\$149</del> with FIN	
Strides 360 Format Certification	Foundations Course	\$199- <del>\$249</del> or \$99- <del>\$149</del> FIN	
Body Ignite Format Certification	Foundations Course	\$199- <del>\$249</del> or \$99- <del>\$149</del> with FIN	
Run Club+ Format Certification	Foundations Course	\$199- <del>\$249</del> or \$99- <del>\$149</del> with FIN	

<i>Memberships</i>	<i>Format Course</i>	<del>\$35-\$50</del> per format per year  <del>\$9.99-\$12.99</del> per month
Continuing Education Courses	Optional, but highly Recommended, additional training	\$19.99 - <del>\$99</del> <del>129</del>

The Foundations Course is considered fundamental to the operation of a FIT4MOM business and/or instructing any and all FIT4MOM Classes. This course must be completed before starting any Format Certification.

All fees for training are payable in lump sum, are not refundable, are due when registering for the training, and subject to change. For new franchisees (that is, a franchisee not purchasing an existing franchise as a resale or renewing an existing franchise), you receive as part of your initial franchise fee the online Foundations Course and one online Format Certification of your choice of any of our FIT4MOM® programs (up to a ~~\$398~~~~498~~ value). When purchasing an existing franchise, resale buyers may be offered bundle discounts when purchasing multiple certifications.

~~Item 6~~ begins on next page]

## **ITEM 6** **OTHER FEES**

Column 1	Column 2	Column 3	Column 4
Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Monthly Franchise Fee <sup>2</sup>	Classic = \$199 per month; Extended = \$299 per month; Regional = \$399 per month	Payable monthly on the same day of each month based on the date you sign the Franchise Agreement <sup>2</sup>	Monthly Franchise Fee is waived for the first 3 months. Monthly fees are billed automatically to your credit or debit card; we may increase this fee once per calendar year based on changes in the Consumer Price Index from the date you sign Franchise Agreement. (From time to time, we offer incentives, including reducing fees and/or certification costs for franchisees who expedite closing.)
Monthly Systems Access Fee <sup>7</sup>	Classic = \$120 per month; Extended = \$130 per month; Regional = \$140 per month	Payable monthly on the same day of each month based on the date you sign the Franchise Agreement	Payable 1 month from date of signature on the same day of the month as signature. Fees are subject to change if there is an increase in third-party fee charged to us. We collect this fee and pay it to the third-party vendor
Monthly Royalty Fee	4% of Gross Sales <sup>4</sup>	Payable on the 10th of each month based on Gross Sales for the previous month	Monthly Royalty Fee is waived for the first 3 months. Fees are billed automatically to your credit or debit card
Brand Fund Contribution	Up to 3% of your Business's monthly Gross Sales	Payable on the 10th of each month based on Gross Sales for the previous month	Item 11 discusses the Brand Fund and your other advertising obligations. We do not yet collect Brand Fund contributions but may do so on 30 days' prior written notice to you

Column 1	Column 2	Column 3	Column 4
Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Territory Expansion Fee	\$2,500 for additional territory within next plan size parameters; Monthly Franchise Fee would increase by \$100 per month, and Systems Access Fee will increase by \$10 per month	Must pay a \$250 non-refundable deposit when expansion is requested; balance due when you sign the addendum	\$250 non-refundable deposit is applied to the balance of the Territory Expansion Fee only if addendum is signed within 30 days
Territory Modification Fee <sup>8</sup>	\$350 per territory modification	Due when addendum is signed. You may hold the territory for 30 days with a deposit of \$250, which will be applied to the fee at the time of signing	You may substitute a territory that is contiguous to your existing territory and the same size as your existing territory. <a href="#">New franchisees (i.e., a franchisee not purchasing an existing franchise as a resale or renewing an existing franchise) may modify their territories one time at no cost within the first 60 days of ownership.</a>
Renewal Fee <sup>5</sup>	6% or 12% of then-current Initial Franchise Fee, depending on the length of your renewal term	At least 5 days before renewal of each term	You are required to sign the then-current form of Franchise Agreement when renewing

Column 1	Column 2	Column 3	Column 4
Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Transfer Fee <sup>6</sup>	30% of the then-current Initial Franchise Fee. If we refer a prospective buyer to you, 45% of then-current Initial Franchise Fee will apply. If adding or dropping an owner, 15% of the then-current Initial Franchise Fee will apply	Payable on the date of transfer	Payable when you transfer any interest in the franchisee entity, the Franchise Agreement; the non-refundable Deposit is applied to the balance of the Transfer Fee only if transfer is completed within 6 months
Contract Cancellation Fee	\$1,500	Payable upon signing of early termination agreement	You must pay us a cancellation fee if the Franchise Agreement is terminated before its scheduled expiration date, in addition to remaining Monthly Franchise Fees owed
Interest and late charges <sup>3</sup>	Interest calculated and accruing daily at the rate of 18% per year, or maximum amount permitted by law, whichever is less	As incurred	Daily interest begins to accrue for any payment(s) not received by us when due; a <del>\$35</del> 50 service charge will apply if your monthly fee debit is declined by your financial institution for any reason or you fail to make a payment to us when due
<a href="#">Service Charge on Credit Card Transactions</a>	<a href="#">3% of transaction amount</a>	<a href="#">As Incurred</a>	<a href="#">Transactions for payments charged through Pike13 by Credit Card will incur a service charge</a>
Attorneys' Fees and costs	Will vary with the circumstances	As incurred	Prevailing party in litigation or other proceeding under the Franchise Agreement is entitled to recover attorneys' fees and costs
Indemnification	Amounts we incur arising from claims involving your franchised business	As incurred	You must defend, indemnify, and hold us harmless

Column 1	Column 2	Column 3	Column 4
Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Audit	Cost of audit; the cost will vary but may range from \$2,500 to \$5,000	As incurred	You must reimburse us for the cost of the audit if an audit is necessary because you failed to provide us with required information or the audit reveals an understatement of 10% or more
Stroller Strides® Format Certification <sup>12</sup>	Currently, \$199- <u>\$249</u> per person or \$99- <u>\$149</u> with FIN	Due with online purchase	Required if offering this class in the operation of your franchise and you and your Instructors were not trained in this class before commencing franchise operations
Body Boost® Format Certification <sup>12</sup>	Currently, \$199- <u>\$249</u> per person or \$99- <u>\$149</u> with FIN	Due with online purchase	Required if offering this class in the operation of your franchise and you and your Instructors were not trained in this class before commencing franchise operations
Body Well® & Body Boost® Certification <sup>12</sup>	Currently, \$299- <u>\$349</u> per person or \$199- <u>\$249</u> with FIN	Due with online purchase	Required if offering this class in the operation of your franchise, and you and your Instructors were not trained in this class before commencing franchise operations
Stroller Barre® Format Certification <sup>12</sup>	Currently, \$199- <u>\$249</u> per person or \$99- <u>\$149</u> with FIN	Due with online purchase	Required if offering this class in the operation of your franchise and you and your Instructors were not trained in this class before commencing franchise operations
FITBABY® Format Certification <sup>12</sup>	Currently, \$199- <u>\$249</u> per person or \$99- <u>\$149</u> with FIN	Due with online purchase	Required if offering this class in the operation of your franchise and you and your Instructors were not trained in this class before commencing franchise operations

Column 1	Column 2	Column 3	Column 4
Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Strides 360® Format Certification <sup>12</sup>	Currently, \$199- <del>\$249</del> per person or \$99- <del>\$149</del> with FIN	Due with online purchase	Required if offering this class in the operation of your franchise and you and your Instructors were not trained in this class before commencing franchise operations
Body Ignite Format Certification <sup>12</sup>	Currently, \$199- <del>\$249</del> per person or \$99- <del>\$149</del> with FIN	Due with online purchase	Required if offering this class in the operation of your franchise and you and your Instructors were not trained in this class before commencing franchise operations
Run Club+ Format Certification <sup>12</sup>	Currently, \$199- <del>\$249</del> per person or \$99- <del>\$149</del> with FIN	Due with online purchase	Required if offering this class in the operation of your franchise and you and your Instructors were not trained in this class before commencing franchise operations
Class Format Implementation Course <sup>13</sup>	<del>\$6949-\$99</del>	Due with online purchase	Required if offering this class but not personally teaching the format
Continuing Education Courses	\$19.99 - <del>\$99129.99</del>	Due with online purchase	Optional, but highly recommended, additional training opportunity
Failure to Get Pre-Approval for Marketing	\$250 for first violation; \$500 for subsequent violation	Due immediately when you conduct unapproved marketing	We may charge you an administrative fee if you conduct unapproved marketing or advertising
Failure to Provide Proof of Insurance	\$500	Due immediately upon failure to provide proof of insurance	In addition to our right to terminate the Franchise Agreement, we may charge you an administrative fee of \$500 for failure to provide us with proof of insurance
Optional Personal Appearance Fee	\$2,000 per day plus travel costs	Before arrival at event	Lisa Druxman can be engaged to come to your location for a day

Column 1	Column 2	Column 3	Column 4
Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
FIT4MOM Program Membership Fee <sup>9</sup>	Classic: <del>\$35-</del> <a href="#">\$50</a> per year, per person, per certification; <del>\$75-</del> <a href="#">\$99</a> late fee if membership has lapsed 60 days or more  FIT4MOM Instructor Network (“FIN”): <del>\$9.99-</del> <a href="#">\$12.99</a> per month for all certifications; <del>\$75-</del> <a href="#">\$99</a> late fee if membership has lapsed more than 60 days	Renews automatically  Cancellation notice must be received 10 days before auto-renew date	Membership provides access to consistently updated course materials, support materials, and resources in our Education Portal.
Optional National Conference or Regional Summit <sup>10</sup>	Varies based on days attending and travel costs, currently ranges from \$169 to \$1,000 per person	Annually	
Unauthorized Class, <a href="#">Event, or Advertising</a>	\$500 per Class, <a href="#">Event, or Advertising</a>	Due immediately upon holding Class	In addition to our right to terminate the Franchise Agreement, we may charge you a \$500 administrative fee per class for Classes <del>held,</del> <a href="#">Events, or Advertising</a> outside the Territory or for Classes taught by Instructors who don’t meet our qualifications or are not considered current in the FIT4MOM System (See Item 11)

**NOTES**

(1) Except as otherwise described, all fees under Item 6 are imposed and collected by and payable to us, are uniformly imposed, and are non-refundable. All fees are charged to the credit card/debit card you provide or via electronic transfer of funds. If we are unable to process payment of any fee, we will make further attempts to charge the credit card/debit card, or withdraw

from your account via electronic transfer all fees you owe us until we collect the amount owed. Interest begins accruing immediately for any payments we do not receive when due.

(2) You have the ability to prepay a year's worth of Monthly Franchise Fees on or before each of your anniversary dates and receive a 10% discount for such prepayment. First year franchisees (not including transferees of existing Franchise Agreements) would only be required to prepay for nine months in order to receive this discount. We may increase the Monthly Franchise Fees during January of each year, but such increase will not exceed the Consumer Price Index published by the US Bureau of Labor Statistics for all items in the U.S. city average with a base year of 1982-1984=100.

(3) A ~~\$35~~\$50 service charge will apply if your financial institution for any reason declines your monthly fee debit, or you fail to make a payment to us when due. We reserve the right to collect fees via automatic funds transfer.

(4) "Gross Sales" means the aggregate amount of all sales of goods and services (including service charges in lieu of gratuity), whether for cash, by check, credit card or trade or otherwise, made or provided at or in connection with the franchised business. The term "Gross Sales" does not include any federal, state, municipal or other sales, value added or retailer's excise taxes that you pay or accrue. Gross Sales will not be adjusted for uncollected accounts.

(5) You must sign our then-current form of Franchise Agreement and a "Renewal Addendum." A copy of the current form of Renewal Addendum is attached as Exhibit ~~ED~~. For a one-year renewal term, you will pay a renewal fee equal to 6% of the amount of the Initial Franchise Fee then in effect for new franchisees at the time of renewal. For a standard renewal term (three years), you pay a renewal fee equal to 12% of the amount of the Initial Franchise Fee then in effect for new franchisees at the time of renewal. The renewal fee is due and payable 5 days before your current Franchise Agreement expires or you sign our then-current form of Franchise Agreement, whichever occurs first. If you elect to renew the franchise for only a one-year renewal term, your Monthly Franchise Fee will be increased by \$49 per month. You must pay all other fees described in the current Franchise Agreement upon renewal, including the Royalty Fee.

(6) If the franchise is transferred to a business entity you control, you will pay us a \$350 modification fee. ~~The transferee must sign our current Franchise Agreement and pay all other fees described in the current Franchise Agreement upon transfer, including the Royalty Fee.~~ New franchisees (i.e., a franchisee not purchasing an existing franchise as a resale or renewing an existing franchise) may transfer to a business entity at no cost, within the first 90 days of ownership.

(7) The Monthly Systems Access Fee covers the costs of accessing and using our Booking and Payment System, email marketing, and contact management.

(8) If you are not in default of your obligations and a territory is available which is contiguous to your existing territory, you may substitute an existing territory with a different contiguous territory of the same approximate size and demographic by paying the Territory Modification Fee.

(9) Instructors (including you) are assessed an annual Classic membership fee of \$35-~~\$50~~ per Format Certification on the annual anniversary of the date on which the qualification was purchased, or Instructors (including you) can choose to join the FIT4MOM Instructor Network ("FIN") for \$9.99-\$12.99 per month, which covers all of the FIT4MOM Format Memberships. Our

membership options provide access to any and all updates made to the Foundations Online Course, Format Certifications, educational resources via intranet channels, and use of FIT4MOM intellectual property in class delivery at designated Franchisee locations. If your Classic Membership or FIN Membership lapses for more than 60 days past its expiration date, a \$75 fee per person, per certification, will be assessed to reinstate your FIT4MOM Program Membership. Access to Format Certification materials will be suspended, and you may not continue teaching or offering FIT4MOM Classes if your FIT4MOM Program Membership is not current.

(10) The optional national conference and regional summit is a two to four day conference. The content is designed to support and enhance business knowledge and teaching. In past years, we offered a discount to certain new franchisees who signed a franchise agreement after our early bird registration rate had lapsed.

(11) If additional optional or mandatory programs are made available, you may be required to pay an additional fee for allowing you to offer the program(s) for sale to the public, which could also include additional training and equipment costs.

(12) When purchasing an existing franchise, resale buyers may be offered bundle discounts when purchasing multiple certifications.

(13) If you are a Franchisee who does not personally teach a format but offer it on your schedule, you must complete the Implementation Course in place of the Format Certification. You must still maintain your yearly FIT4MOM Program Membership to the format.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

Column 1 Type of Expenditure <sup>1</sup>	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Initial Fee <sup>2</sup>	\$7,495 to \$13,395	Credit card, cashier's check, or EFT	At signing of Franchise Agreement	Us
Real Estate and Improvements <sup>3</sup>	\$0	N/A	N/A	N/A
Office Equipment <sup>4</sup>	\$0 to \$2,000	As incurred	As incurred	Computer retailer/supplier selected by you
Exercise Equipment <sup>5</sup>	\$200 to \$400	As incurred	As incurred	Suppliers/Vendors
Insurance <sup>6</sup>	\$500 to \$1,500	As incurred	As incurred	Insurance company selected by you

Column 1 Type of Expenditure <sup>1</sup>	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Business Entity Formation <sup>7</sup>	\$0 to \$3,000	As incurred	As incurred	Secretary of State; state taxing agency; law firm/business formation company
Business License <sup>8</sup>	\$50 to \$100	As incurred	As incurred	City treasurer or similar agency
Supplies <sup>9</sup>	\$0 to \$1,000	As incurred	As incurred	Suppliers/vendors
Signs <sup>10</sup>	\$0 to \$250	As incurred	As incurred	Supplier
Advertising	\$0 to \$1,000	As incurred	As incurred	Suppliers/vendors/printers; ad agency
Training and Travel Expenses to Attend Training <sup>11</sup>	\$0 to \$2,000	Credit card, or cashier's check; other expenses, such as travel and food, as incurred	Training Fee due when registering for training course; travel expenses due as incurred	Us, airlines, hotels, and restaurants
Permit and License fees <sup>12</sup>	\$0 to \$800	As incurred	As incurred	Owner of venue
Additional Funds <sup>13</sup> (3 months of operations)	\$0 to \$3,240	As incurred	As incurred	Third parties
Total <sup>14</sup>	\$8,245 to \$28,685			

We do not offer direct or indirect financing for any part of the Estimated Initial Investment.

## NOTES

### (1) Initial Investment

All fees that are payable to us are non-refundable. The amount of the initial investment is only an estimate based on our business judgment and prior experience in the market. You should not assume revenues from your customers will necessarily cover your initial expenses. You should review these figures carefully with a qualified business or financial advisor, such as an accountant, before entering into any contract with us.

### (2) Initial Fee

The initial franchise fee for a FIT4MOM® franchise varies depending on the size of your territory. The initial franchise fee for a Classic Franchise is \$7,495, an Extended Franchise is \$10,495 and a Regional Franchise is \$13,395. If you purchase a Franchise, you must pay us the Deposit of

the initial franchise fee before you sign a Franchise Agreement, as described in Item 5. The Deposit will be applied towards the initial franchise fee.

(3) Real Estate and Improvements

It is not necessary to purchase or lease any real estate or retail space to operate your business. All Classes are conducted in areas accessible to the general public, such as parks or malls. Some parks and malls charge user fees and you should investigate your local market to see if these charges would be incurred, which we estimate ranging from \$0 to \$50 per Class. We do not require a minimum size for the space to be used to conduct Classes; you must use your own judgment to determine the size of the area needed to conduct Classes, based on your training and understanding of the FIT4MOM® System as well as the number of individuals expected to attend that particular Class. You may not operate a stand-alone FIT4MOM® studio without our prior approval.

(4) Office Equipment

As part of setting up the franchise business, you will need a computer with video capabilities, a microphone and speakers, a printer, and Internet access (high speed access is recommended). Recommended software includes an accounting program, spreadsheet program (e.g. Microsoft Excel), slideshow presentation program (e.g., PowerPoint), and/or a PDF file reader/editor (e.g., Adobe Acrobat). We also recommend the use of a smartphone to use our available mobile solutions to operate the franchise business.

(5) Exercise Equipment

Exercise equipment is necessary to begin conducting FIT4MOM programs; you or your members may need to purchase equipment to conduct Stroller Strides®, Body Boost®, Body Well®, FIT4BABY®, Body Ignite, Strides 360®, or Stroller Barre® Classes. Equipment must be purchased from a third-party source approved by us.

(6) Insurance

Amounts represent approximate *yearly* cost, usually payable in one lump sum. You must maintain a comprehensive general liability insurance policy with a company bearing an “A” rating and which provides no less than \$1,000,000 coverage per occurrence or \$3,000,000 in aggregate claims per year. You also must maintain property and professional liability insurance. The amount varies depending on the number of Instructors you employ. Additionally, if leasing space from a third party, you will need to confirm with that space if they require higher minimum insurance coverage.

(7) Business Entity Formation.

If you operate as a sole proprietorship or general partnership, you may not incur any fees associated with forming a business entity.

(8) Business License

Amounts represent approximate *yearly* cost, usually payable in one lump sum.

(9) Supplies

Supplies include letterhead, business cards, etc. You must use materials we have approved and that are purchased from our designated third-party vendor.

(10) Signs

Because it is not necessary to purchase or lease any real estate or retail space to operate your franchise, business signs do not need to be purchased. You may, but are not required to, purchase signage for your vehicle from our online supplier.

(11) Training

All franchisees must successfully complete the Foundations Online Course along with the specific course format you plan to teach personally (e.g. Stroller Strides, Body Well, FIT4BABY, Stroller Barre, Run Club+) in the operation of your franchised business. We will waive the fee for new franchisees (that is, a franchisee not purchasing an existing franchise as a resale or renewing an existing franchise) to take the online Foundations Course and one online course format of your choice of our FIT4MOM® programs (up to ~~\$398~~498 value). If you are a Franchisee who does not personally teach a format but offer it on your schedule, you must complete the Implementation Course in place of the Format Certification. You must still maintain your yearly FIT4MOM Program Membership to the format. In addition, each Instructor must successfully complete the Foundations Online Course and the applicable online training course format for any Class that the Instructor will be teaching. The range disclosed includes up to ~~\$1,493~~1,743 if you elect to take all remaining courses identified in Item 5.

(12) Permit Fees

Classes are typically conducted in parks, at malls, or at other facilities open to the public. Malls and parks may charge access or permit fees. These fees are often based on a percentage of sales, or flat fees. The fees associated with sales can run between 10%-30% of gross revenues, and this will be determined by your success in negotiating with the venue provider. If you are operating within the state of Maryland, Maryland currently requires you to register as a health club, which costs \$300/year. You also might have to pay ASCAP and/or BMI a licensing fee for playing music in your Classes (if you choose to do so).

(13) Additional Funds

Additional funds are estimated to cover cost overruns and other contingencies. You will need capital to support ongoing costs of your business, such as franchise fees, monthly System Access fees, taxes, Instructor wages, and other expenses. New businesses (franchised or not) often have larger expenses than revenues. The three-month period from beginning business covers the time by which most Franchisees are fully in operation but it does not mean that you will have reached any particular financial position by that time. The estimate of additional funds does not include an owner's salary or draw.

(14) Total

This amount estimates your initial start-up expenses and is calculated based on the first 3 months of operations. These figures are estimates, and we cannot guarantee you will not have additional

expenses starting the business. We have relied on our experience in running Classes in the San Diego, California, area and our franchisees' experience operating FIT4MOM® businesses. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

## **ITEM 8**

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

#### **Mandatory Products and Services**

You must use in the operation of your FIT4MOM® franchise only those goods and services specified by us, unless otherwise permitted by us in writing. These required purchases to be made by you represent approximately 41% to 95% of all costs and expenses involved in establishing and beginning operations of your franchise, depending on which pricing plan you purchase, whether you participate in our training program, and other variables. After making your initial investment and beginning business operations, except for the Booking and Payment System described below, no additional product purchases are required, other than replacement exercise equipment as needed. If in the future you need additional exercise equipment, you must purchase these items from us or from independent third-party sources as are reasonably approved or designated by us. These purchases must be according to our standards and specifications. We may modify these specifications and standards upon prior written notice to you. We will provide you with a list of our specifications and standards at your request. A current list of approved third-party suppliers, if any, is available from us or is in the Operations Manual, as supplemented by us periodically.

You must license the Booking and Payment, email marketing, and contact management systems only from us or our designated suppliers. Our System Access fee covers access to and use of these items and services, as you will pay us the fee and then we will pay the third-party vendors (we do not upcharge or receive any portion of this fee). You may be required to enter into a user agreement with us or our designated suppliers. You also must use our designated merchant processing vendor.

Our officers do not own a material interest in any unaffiliated supplier.

At the present time, we have no purchasing or distribution cooperatives. You are not required to purchase, lease, or sublease any premises from us, and it is not necessary to lease any premises to operate your FIT4MOM® franchise.

You must offer and conduct only those exercise programs created or approved by us. Unless you have our prior written approval, you may not cease actively offering Classes for more than 8 weeks in any 12-month period. To actively offer Classes means a minimum 1 class format per week. Failure to actively offer Classes for more than 8 weeks in any 12-month period without prior written consent may result in termination. You may not offer exercise classes, or sell exercise equipment, nutritional supplements or any products or services that we have not approved. We have the right to add additional authorized exercise programs that you may or must offer to the public. To be permitted to offer any new exercise program developed by us, however, you must be in full compliance with the terms and conditions of the Franchise Agreement. In addition, we may require you to comply with certain additional training requirements before we will allow you to offer a new exercise program.

If additional optional or mandatory programs or Classes are made available, you may be required to pay an additional fee for allowing you to offer the Classes or program(s) for sale to the public, which could also include additional training and equipment costs.

All retail products bearing the FIT4MOM® name and/or trademark(s) must be purchased only from our designed supplier(s). You are not required, however, to purchase any FIT4MOM® retail products. All retail products are available to you for purchase and resell, through the franchisee portal on the FIT4MOM® website. Customers may also purchase retail products directly from our website. You cannot create, distribute, or produce your own retail items bearing the FIT4MOM® name or trademark. We and/or our affiliates may sell equipment, strollers, stroller-related accessories, or products bearing our trademark in your exclusive territory. If we enter into agreement with other retailers in your area, they may require exclusive dealership arrangements and in such case your privilege of selling a particular product in your Territory may be indefinitely suspended.

~~Currently, we have only one approved supplier for printing services and multiple approved suppliers of exercise equipment. Prior approval is required if using a non-approved supplier.~~

You may use your own printer for marketing materials. You must use our approved designs and templates. Fitness equipment must be purchased through our site or one of our approved vendors. Prior approval is required if using a non-approved supplier.

During ~~2022~~2023, our total revenues were \$~~2,585,774~~2,456,854, and the revenues from the sale of our services (including training fees) to franchisees totaled \$~~301,219~~379,980, which represents approximately ~~42~~15% of our total revenues.

You must maintain your own insurance coverage, including a policy or policies covering all FIT4MOM Business property, professional liability insurance, and comprehensive general liability insurance including products and completed operations liability of no less than \$1,000,000 coverage per occurrence or \$3,000,000 in aggregate claims per year. We may increase the minimum coverage requirement annually if necessary to reflect inflation or other changes in circumstances. You must name us as an additional insured. All policies must be issued by an insurance company bearing an "A" rating. If you fail to provide us with proof of insurance, in addition to our other remedies, we may fine you \$500.

### Other Products and Services

If you want to purchase equipment, inventory and products from non-approved sources, you must submit samples of the items you want to purchase from the non-approved suppliers to us for prior approval. We may, at our option, inspect the premises of the supplier, place of manufacture and/or distribution of the products, and may re-inspect it periodically.

We will consider the suppliers' financial stability and its ability to provide products and services that meet our quality standards and specifications, as well as its ability to timely supply the products and services. We will advise you in writing within 30 days after we receive your request, whether the proposed standards and supplier will be our approved supplier. We may revoke the approved status of a supplier at any time by notifying you in writing if it fails to meet our standards of service, financial status, and quality of products or operation. We may also restrict the number of approved suppliers for a product or services, if there are an adequate number of sources

already available as approved sources for the same type of products and services. At this time, we do not charge any fee for approval of an alternative supplier.

Certain approved suppliers make payments to us because of transactions with you. Such payments are generally calculated as a percentage rebate on sales, which can range from 1% to 10% or more. We reserve the right to receive payments from additional designated suppliers in the future. We currently negotiate purchase arrangements (including price terms) with suppliers for your benefit for equipment, retail products, and systems software and services. In doing so, we seek to promote the overall interests of the franchise system and our interests as the franchisor (and not for the benefit of a particular franchisee). We make no guaranty, warranty, or promise that we will obtain the best pricing or most advantageous terms on behalf of FIT4MOM Businesses. We do not provide material benefits such as renewal or granting additional franchises to you based on your use of designated or approved suppliers, or your purchase of particular products or services.

[\[Item 9 begins on next page\]](#)

**ITEM 9**  
**FRANCHISEE’S OBLIGATIONS**

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

<b>Obligation</b>	<b>Section in Franchise Agreement<sup>1</sup></b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	No obligation is imposed, except for territorial restrictions (Section 4.2)	No obligation is imposed, except for territorial restrictions. (Item 12)
b. Pre-opening purchases/leases	No obligation imposed.	No obligation imposed.
c. Site development and other pre-opening requirements	Sections 8.8, 8.13 and 8.15	Items 7, 11 and 15
d. Initial and ongoing training	Sections 6.6, 7.2 and 8.7	Items 7, 11 and 15
e. Opening	Section 8.8	Items 1, 11 and 7
f. Fees	Sections 5.2(g), 6, 8.7, 8.15, 9.2, 14.4, 15.5, and 15.17	Items 5-7
g. Compliance with standards and policies/Operations Manual	Sections 4.2, 8 and 9	Items 1, 7, 8, 11 and 13-16
h. Trademarks and proprietary information.	Sections 8.1-8.5 and 9	Items 13 and 14
i. Restrictions on products/services offered	Section 8.9	Items 8 and 16
j. Warranty and customer service requirements	Sections 8.10, 8.11 and 8.12	Items 15 and 16

Obligation	Section in Franchise Agreement <sup>1</sup>	Disclosure Document Item
k. Territorial development and sales quota	No obligation imposed.	No obligation imposed.
l. Ongoing product/service purchases	Section 8.9	Items 8 and 16
m. Maintenance, appearance, and remodeling requirements	Section 8.12	Item 11
n. Insurance	Section 8.15	Items 7 and 8
o. Advertising	Sections 6.5, 7.6 and 8.4	Items 7 and 11
p. Indemnification	Section 15.5	Item 17
q. Owner's participation/management/staffing	Section 8.12	Item 15
r. Records and reports	Section 8.14	Item 16
s. Inspections and audits	Sections 8.10 and 8.14	Item 16
t. Transfer	Section 11	Item 17
u. Renewal	Section 5.2	Item 17
v. Post-termination obligations	Section 13	Item 17
w. Non-competition covenants	Section 9	Items 14 and 17
x. Dispute resolution	Section 14	Item 17
y. Other – Personal Guaranty	Exhibit 3	Item 15

## **ITEM 10 FINANCING**

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

## **ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

### Pre-Opening Obligations

**Except as listed below, FIT4MOM® is not required to provide you with any assistance.**

Before you open your business, we will:

- 1) Designate your protected territory and provide you with an analysis to better understand the population and consumer market in your territory (Franchise Agreement, Section 4.2);
- 2) For new franchisees (that is, a franchisee not purchasing an existing franchise as a resale or renewing an existing franchise), we will waive the fee for you to take the Foundations Online Course and one online course format of your choice in any of our FIT4MOM® programs (up to ~~\$398~~498 value).

- 3) Provide you with current recommended or suggested pricing information for registration, membership, and Classes, including recommended price changes of current Classes and recommended prices for new Classes (Franchise Agreement, Section 7.1);
- 4) Provide you access to the online business and fitness training resource center (Franchise Agreement, Section 7.1);
- 5) Use our reasonable best efforts to ensure we have at all times a supply of equipment and retail products available for purchase by you (Franchise Agreement, Section 7.1);
- 6) Provide you with access to our online Operations Manual through the online business and fitness training resource center which contains mandatory and suggested specifications, standards and procedures. This manual is confidential and remains our property. We may modify or revise this manual periodically, but any modification(s) or revision(s) will not alter your rights and/or obligations under the Franchise Agreement. The table of contents is attached to this disclosure document as Exhibit [GF](#) and includes a total of 29 pages. (Franchise Agreement, Sections 7.1, 7.2, and 8.6);
- 7) Provide you with online access to our Franchise Onboarding Program described below (Franchise Agreement, Sections 6.18 and 7.1);
- 8) Provide you with our Instructor Training described below (Franchise Agreement, Sections 6.6 and 8.7).

We do not provide assistance in hiring or determining the essential terms and conditions of the franchisee's employment relationships.

#### Site Selection

You indicate to us the general geographic territory in which you wish to operate your FIT4MOM® business. If your desired territory is available for purchase, we then designate the specific geographic boundaries of the territory based on where you wish to operate your FIT4MOM® business, and the population in the geographic area, zip codes and land area. We do not, however, designate or approve the site(s) within your territory where you will conduct your Classes. Before signing any agreement with us, we encourage you to identify possible sites within your desired territory where Classes could be conducted. You may not purchase or lease retail space to be operated as a FIT4MOM® studio or similar concept, unless approved by us in writing. Most Classes are conducted in areas accessible to the general public, such as parks, community centers, or malls. You must obtain any required permit(s) or consent to use these spaces, if necessary. We do not require a minimum size for the space to be used to conduct Classes; you must use your own judgment to determine the size of the area needed to conduct Classes, based on your training and understanding of the FIT4MOM® System as well as the number of individuals expected to attend that particular Class.

#### Time to Open

We will either order or deliver all goods, supplies, and equipment necessary for you to begin substantial operations of your FIT4MOM® business within 20 days after execution of the Franchise Agreement (See Section 7.3 of the Franchise Agreement).

Franchisees typically begin offering Classes within 12 to 16 weeks after signing the Franchise Agreement. The factors that affect this time are the ability to locate an approved venue for Classes, training of Instructors, and satisfying the grand opening requirements as described in the Franchise Agreement. You may not begin offering Classes until you and your Instructors are trained in the class format(s) you intend to offer in the operation of your franchise, and provide us with proof of insurance. You need not offer all Class formats. You must begin offering classes within 6 months after signing the Franchise Agreement. If you do not meet this timeline, you must have a consultation with the Home Office.

### Obligations After Opening

During the operation of the franchised business, we will:

- 1) Provide access to the online business and fitness training resource center, as described below. The online business and fitness training resource center includes a unified messaging system, email address, access to our advertisements, fitness training courses, contact management system, and the ability to customize a page on our website and access to our Booking and Payment System (as described below) (Franchise Agreement, Section 7.1);
- 2) Use our reasonable best efforts to ensure we have at all times a supply of exercise equipment and retail items available for purchase by you (Franchise Agreement, Section 7.1);
- 3) Regular communication and training via intranet channels to franchisees, Instructors, and members (Franchise Agreement, Section 7.1);
- 4) Use our reasonable best efforts to respond by telephone or e-mail to any operating problem encountered by you within 3 business days after you notify us of the problem (Franchise Agreement, Section 6.7);
- 5) We will use our reasonable best efforts to develop new programs and Classes for you to learn and offer to your customers (Franchise Agreement, Section 7.1); and
- 6) We will expend a minimum of \$25,000 per year on national public relations, media exposure, and national advertising for the FIT4MOM® System through various methods, which may include print, television, the Internet, and direct mail (Franchise Agreement, Section 7.1).

Our post-opening obligations to you are identified in Sections 7.1, 7.3, 7.4, 7.5 and 7.6 of the Franchise Agreement. We must perform these services only if you are in good standing under the Franchise Agreement. We do not provide assistance in hiring or determining the essential terms and conditions of the franchisee's employment relationships. If additional optional or mandatory programs or Classes are made available, you may be required to pay an additional fee to us for allowing you to offer the program(s) for sale to the public, which could also include additional training and equipment costs.

### Advertising

You are not required to participate in local or regional advertising cooperatives. In addition, we currently do not maintain an advertising fund in which you must participate. However, we have the right to establish a fund ("Brand Fund" or "Fund") for advertising, marketing, research, public relations, and customer relationship management programs and materials, the purpose of which

is to enhance, promote, and protect the FIT4MOM Business brand and System (Franchise Agreement, Section 6.5). Upon 30 days' prior written notice from us, you agree to begin contributing to the Brand Fund each month the amounts we periodically specify, not to exceed 3% of your FIT4MOM Business's monthly Gross Sales. FIT4MOM Businesses that we or our affiliates own will contribute to the Brand Fund on the same percentage basis as franchisees. Because the Brand Fund does not yet exist, it has no operating history.

We will direct all programs the Brand Fund finances, with sole control over all creative and business aspects of the Fund's activities. The Brand Fund may pay for preparing, producing, and placing video, audio, and written materials, digital and electronic media, and social media; developing, maintaining, and administering one or more FIT4MOM Business websites; administering national, regional, and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; establishing regional and national promotions and partnerships and hiring spokespersons to promote the FIT4MOM Business brand; and supporting public relations, market research, and other advertising, promotion, marketing, and brand-related activities. The Brand Fund periodically may give you samples of advertising, marketing, and promotional formats and materials (collectively, "Marketing Materials") at no cost. We may sell you multiple copies of Marketing Materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Brand Fund separately from our other funds (although we need not keep Brand Fund contributions in a separate bank account) and not use the Brand Fund for any of our general operating expenses. However, the Brand Fund may reimburse us and our affiliates for the reasonable salaries and benefits of personnel who manage and administer, or otherwise provide assistance or services to, the Brand Fund; the Brand Fund's administrative costs; travel expenses of personnel while they are on Brand Fund business; meeting costs; overhead relating to Brand Fund business; and other expenses we and our affiliates incur administering or directing the Brand Fund and its programs, including conducting market research, preparing Marketing Materials, collecting and accounting for Brand Fund contributions, paying taxes due on Brand Fund contributions we receive, and any other costs or expenses we incur operating or as a consequence of the Fund. The Brand Fund is not a trust, and we do not owe you fiduciary obligations because we maintain, direct, or administer the Brand Fund or for any other reason. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We may use new Brand Fund contributions to pay Brand Fund deficits incurred during previous years. We will use all interest earned on Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and post the statement on our System intranet, or otherwise give you a copy of the statement, within 60 days after our fiscal year end. We may (but need not) have the Brand Fund audited annually, at the Brand Fund's expense, by a certified public accountant we designate. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified above.

The Brand Fund's principal purposes are to maximize recognition of the Marks, increase patronage of FIT4MOM Businesses, and enhance, promote, and protect the FIT4MOM Business brand and System. Although we will try to use the Brand Fund in the aggregate to develop and implement Marketing Materials and programs benefiting all FIT4MOM Businesses, we need not

ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund contributions by FIT4MOM Businesses operating in that geographic area or that any FIT4MOM Business benefits directly or in proportion to its Brand Fund contribution from the development of Marketing Materials or the implementation of programs. The Brand Fund will not be used principally to develop materials and programs to solicit franchisees. However, media, materials, and programs (including the System website) prepared using Brand Fund contributions may describe our franchise program, reference the availability of franchises and related information, and process franchise leads. We have the right, but no obligation, to use collection agents and institute legal proceedings at the Brand Fund's expense to collect unpaid Brand Fund contributions. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided above, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

We may at any time defer or reduce the Brand Fund contributions of any FIT4MOM Business franchisee and, upon 30 days' prior written notice to you, reduce or suspend Brand Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will either (i) spend the remaining Fund balance on permitted programs and expenditures or (ii) distribute all unspent funds to our then-existing franchisees, and to us and our affiliates, in proportion to their and our respective Brand Fund contributions during the preceding 12-month period.

There is no advertising council composed of franchisees that advises us on advertising policies. The Franchise Agreement does not give us the power to form, change or dissolve any advertising council.

You must conduct grand opening activities. We also will provide you with advertising templates and samples for use in your particular territory, subject to certain terms and conditions contained in the Franchise Agreement. You are not required to spend a minimum amount on grand opening advertising and you may not incur any expenses.

Any advertising materials that are created by you, or that materially modify the advertising templates and samples provided to you, must be submitted to us for written approval as provided in the Franchise Agreement. There is no time limit for us to approve or disapprove of your proposed marketing materials. We use an email marketing system for emails that are sent to your entire database. This system manages spam compliance and enables you to send professionally branded communication.

As part of our marketing and advertising program, we expend a minimum of \$25,000 per year on public relations, media exposure, and national advertising for the FIT4MOM® franchise through various methods, which may include print, television, the Internet, and direct mail. We may create the advertising internally or use an outside advertising agency. There is no requirement for us to spend this amount in your Territory.

### [Promotional Offers](#)

[We reserve the right to initiate and execute promotional offers and marketing campaigns at our discretion. These promotional offers and marketing campaigns may include, but are not limited to, discounts, special pricing, referral programs, loyalty programs, seasonal promotions, and other](#)

[sales incentives. We may implement these offers through various marketing channels, such as print media, digital platforms, social media, email marketing, or any other suitable means.](#)

You must honor all coupons and promotions offered through our marketing and advertising program, including free Classes for new customers.

You may not sponsor, promote, or advertise any nutritional, fitness or weight loss products in connection with your FIT4MOM® business.

### Computer Hardware and Software/Point of Sale System

As part of setting up your franchise, you will need a computer with video capabilities, a microphone and speakers. In addition, you will need a printer and Internet access (high speed recommended). You may use any personal computer that allows you to run the recommended software and connect to the Internet. Recommended software includes an accounting program, spreadsheet program (e.g. Microsoft Excel), slideshow presentation program (e.g., PowerPoint), and/or a PDF file reader/editor (e.g., Adobe Acrobat). We also recommend the use of a smartphone in the operation of your franchise. If you currently do not own an adequate computer system or smartphone, we estimate that you would spend approximately \$2,000 to acquire these items. You will use your computer to complete the Franchise Onboarding Program and all of our online training courses, participate in ongoing training and communication with support staff, as well as for basic accounting practices, receiving and responding to email, and accessing the online Booking and Payment System and online business and fitness training resource center (Franchise Agreement, Sections 6.4 and 8.18). You may utilize mobile solutions to run many aspects of your business on a smartphone. Our systems run on both iOS and Android operating systems, and having a data plan is recommended. We estimate that the cost of a data plan will range from \$50-\$150 per month.

You must use our designated online Booking and Payment System and online business and fitness training resource center, including an email address, access to our marketing materials, training courses and customizable website. You will pay us a fee for access to the Booking and Payment System, which is included in the Systems Access Fee. If you are in default under the Franchise Agreement, we may limit or restrict your access to the Booking and Payment System or online business and fitness training resource center.

Upon our request, you must provide us with access to all of your computer data and information concerning your FIT4MOM® business. At any time, we may, without prior notice to you, access your Booking and Payment System and online business and fitness training resource center. There are no contractual limitations on our right to access information. We own and may access the data stored on your Booking and Payment System or online business and fitness training resource center at all times, including all customer data.

We periodically may update, upgrade, or replace our training software, Booking and Payment System, or online business and fitness training resource center, but we do not have a contractual obligation under the Franchise Agreement to provide maintenance, repairs, upgrades, or updates on any software or hardware we provide to you and you must pay for and use any updates, upgrades, or replacement of our training software. An upgrade of the software could require you to upgrade your hardware, at your sole expense. We cannot estimate the cost of maintaining, updating or upgrading your computer system or its components because it will depend on your repair history, local costs of computer maintenance services in your area and technological

advances which we cannot predict at this time. There are no contractual limitations on the frequency and cost of your obligation to maintain, upgrade and update the computer system or its components.

We do not warrant or make any representations regarding any third-party software or hardware you use or obtain. Any warranty you may have on software or hardware will be limited to that provided by the applicable manufacturer, vendor, or licensor.

Your use of any electronic media, including the Internet, in relation to your FIT4MOM® franchise must comply with all terms and conditions contained in the Franchise Agreement, including those provisions governing advertising, confidentiality, and trademark usage. In addition, you must comply with any Internet usage or social media policy we provide.

Training

All FIT4MOM® franchisees must successfully complete to our satisfaction the online Foundations Course and successfully complete to our satisfaction the Format Certification for the relevant Classes being taught by the franchisee.

If you are a Franchisee who does not personally teach a format but offer it on your schedule, you must complete the Implementation Course in place of the Format Certification. You must still maintain your yearly FIT4MOM Program Membership to the format.

Before offering any FIT4MOM program, Instructors must first successfully complete to our satisfaction the online Foundations Course and successfully complete to our satisfaction the Format Certification for each program they plan to teach. Your Instructor(s) must be qualified to offer and teach the course format they are hired to teach. Qualification requires successfully completing to our satisfaction the Foundations Course (online) and the Format Certification relevant to the program they teach, as well as remaining current with the FIT4MOM Program Membership for each program.

Franchise Onboarding Program

You must successfully complete to our satisfaction our online Franchise Onboarding Program (Franchise Agreement, Section 6.18) before you begin offering Classes. We may terminate the Franchise Agreement if you fail to do so. The online Franchise Onboarding Program consists of the following:

**NEW SALE FRANCHISE ONBOARDING PROGRAM**

Chapter	Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of “On-The-Job” Training	Column 4 Location
Meet FIT4MOM	Welcome to FIT4MOM The FIT4MOM Culture The FIT4MOM Foundation FIT4MOM Operating Manual FIT4MOM Program Overview	1 Hour	0	Online

Chapter	Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of "On-The-Job" Training	Column 4 Location
	FIT4MOM Systems Overview FIT4MOM Communications & Events Meet the Team			
Business Creation	<del>Year 1</del> <a href="#">Grand Opening</a> Programming Plan The Business Set-Up Checklist Market Research Location Scouting Good Neighbor Guidelines VOD   FIT4MOM On Demand Establishing Pricing Secure Your Location	4 Hours	0	Online
Programming Overview	Fitness Education The FIT4MOM Education Pathway The Promises of Our Classes	1 Hour	0	Online
Systems Training	CORE Google Workspace Pike13 Spacecraft Emma Marketing Resources Retail Partners	2 Hours	0	Online
Team Building	Diversity & Inclusion Hiring Instructors/ Managing Your Team Course	1 Hour	0	Online
Launching Your GO!: Ready	Setting Your Schedule Confirm Your Merchant Account Creating Your GO! Order Your Merchandise	1 Hour	0	Online
Selling at FIT4MOM	Selling at FIT4MOM Stages of Change Goal Setting for Leads CRM GO! Nurture Series Reaching Out to Leads Need-Based Selling Earn Her Business Loving Sales Common Objections & Hesitations Overcoming Objections Continue Communications	4 Hours	0	Online
Launching Your GO!: Set	Set Your Marketing Set Your Print Materials	2 Hours	0	Online

Chapter	Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of “On- The-Job” Training	Column 4 Location
	Set Your Advertising Set Community Partners Set Your Class Set Your Playgroup Set Your GO! Set Your Follow-ups			
Customer Service	Overview FIT4MOM Expectations Setting Goals When Issues Arise	1 Hour	0	Online
Launching Your GO!: Go	Before Your GO! GO! Time	1 Hour	0	Online
Next Steps	Congratulations Operating Your Year Our Village FIT4MOM Communications & Events Additional Teams Year 2 Programming Thank You	1 Hour	0	Online

The above subjects are presented through our online business and fitness training resource center. Each subject is taught via video, audio recordings, supporting documentation and examples.

### INSTRUCTOR TRAINING COURSES

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of “On-The- Job” Training	Column 3 Location
Foundations Course	8 hours	0	Online
Stroller Strides® Format Certification	4 hours	0	Online
Body Boost® Format Certification	4 hours	0	Online
Body Well® & Body Boost® Format Certification	8 hours	0	Online

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of “On-The- Job” Training	Column 3 Location
Stroller Barre® Format Certification	3 hours	0	Online
FIT4BABY® Format Certification	3 hours	0	Online
Strides 360® Format Certification	3 hours	0	Online
Body Ignite Format Certification	3 hours	0	Online
Run Club+ Format Certification	3 hours	0	Online

The fees for these courses are listed in Item 6.

### FOUNDATIONS COURSE

The FIT4MOM Foundations Course is the basis for all FIT4MOM Format Certifications. The course will provide you and your Instructors with a solid understanding and practical knowledge to train the female client, both physically and mentally. You and your Instructors will also gain deep understanding of pre and postnatal fitness, alongside the FIT4MOM Ripple Effect, and what it takes to be a great FIT4MOM Instructor. This course is a mandatory prerequisite for all FIT4MOM Format Certifications.

This course consists of approximately 8 hrs. of online training.

### STROLLER STRIDES® FORMAT CERTIFICATION

The Stroller Strides Format Certification Course prepares Instructors to create and deliver safe and effective Stroller Strides Classes. In this course, the Stroller Strides Ripple Effect is covered in more detail, as it relates to personal presence in the class atmosphere each and every time. The Stroller Strides class construct is also covered, which is designed for the Instructor delivery of every section of the workout. Safety in the class environment is examined, in order to provide for focused client participation, FUN4BABY, and more. This certificate gives you and your Instructors access to the entire FIT4MOM exercise library and class plans.

This course consists of approximately 4 hrs. of online training.

## STROLLER STRIDES® IMPLEMENTATION COURSE

The Stroller Strides Implementation Course prepares Franchisees to launch and actively support a Stroller Strides class within a franchise schedule. This course will help you fully understand the program's promises, ideal customer, and safe delivery. It will also help you hire, train, and evaluate your team members as you grow.

This course consists of approximately 2 hrs. of online training.

## BODY BOOST® FORMAT CERTIFICATION

The Body Boost Format Certification Course prepares Instructors to create and deliver safe and effective Body Boost classes. In this course, the Body Boost Ripple Effect is covered in detail, so that it may be conveyed to each client in every class. The three Body Boost class constructs are reviewed, as well as strategies to leading a high-intensity interval class for all moms. This certificate gives you and your Instructors access to the Body Boost exercise library, sample class plans and meditation options.

This course consists of approximately 4 hrs. of online training.

## BODY BOOST® IMPLEMENTATION COURSE

The Body Boost Implementation Course prepares Franchisees to launch and actively support a Body Boost class within a franchise schedule. This course will help you fully understand the program's promises, ideal customer, and safe delivery. It will also help you hire, train, and evaluate your team members as you grow.

This course consists of approximately 2 hrs. of online training.

## BODY WELL® & BODY BOOST® FORMAT CERTIFICATION

The Body Boost & Body Well Format Certification Course prepares Instructors to lead an 8-week small-group coaching program & deliver Body Boost classes. This training course provides access to all of the Body Well coaching materials such as information on Orientation, client guides, daily group posts, and client journal. Additionally, the three Body Boost class constructs are reviewed, as well as strategies to leading a high-intensity interval class. This certificate gives you and your Instructors access to the Body Boost exercise library, sample class plans, and meditation options.

This course consists of approximately 8 hrs. of online training.

## BODY WELL® IMPLEMENTATION COURSE

The Body Well Implementation Course prepares Franchisees to launch and actively support a Body Well program within a franchise. This course will help you fully understand the program's

promises, ideal customer, and safe delivery. It will also help you hire, train, and evaluate your team members as you grow.

This course consists of approximately 2 hrs. of online training.

### STROLLER BARRE® FORMAT CERTIFICATION

The Stroller Barre Format Certification prepares Instructors to create and deliver safe and effective Stroller Barre Classes. Stroller Barre combines Barre-inspired movements with the Stroller Strides format. The Stroller Barre certification provides everything needed to create and lead skilled Stroller Barre Classes. In this course, the Stroller Barre Ripple Effect is reviewed as it relates to bringing it to each Class. The Stroller Barre class construct is taught, which prepares the Instructor on how to design and deliver every section of the workout. Safety in the class environment is examined, in order to provide for focused client participation, FUN4BABY, and more. This certificate gives you and your Instructors access to the entire FIT4MOM exercise library and class plans.

This course consists of approximately 3 hrs. of online training.

### STROLLER BARRE® IMPLEMENTATION COURSE

The Stroller Barre Implementation Course prepares Franchisees to launch and actively support a Stroller Barre class within a franchise schedule. This course will help you fully understand the program's promises, ideal customer, and safe delivery. It will also help you hire, train, and evaluate your team members as you grow.

This course consists of approximately ~~2~~<sup>3</sup> hrs. of online training.

### FIT4BABY® FORMAT CERTIFICATION

The FIT4BABY Format Certification prepares Instructors to create and deliver safe and effective FIT4BABY Classes. In this course, the FIT4BABY Ripple Effect is learned so that it may be brought to every class. The FIT4BABY class construct is reviewed to help with the design and delivery of every section of the workout. Safety in the class environment is examined, in order to provide for focused client participation and more. This certificate gives you and your Instructors access to the entire FIT4MOM exercise library and class plans.

This course consists of approximately 3 hrs. of online training.

### FIT4BABY® IMPLEMENTATION COURSE

The FIT4BABY Implementation Course prepares Franchisees to launch and actively support a FIT4BABY program within a franchise. This course will help you fully understand the program's promises, ideal customer, and safe delivery. It will also help you hire, train, and evaluate your team members as you grow.

This course consists of approximately 2 hrs. of online training.

### STRIDES 360® FORMAT CERTIFICATION COURSE

The Strides 360 Format Certification prepares Instructors to create and deliver safe and effective Strides 360 Classes. In this course, the Strides 360 Ripple Effect is learned so that it may be brought to every class. The Strides 360 class construct is reviewed to help with the design and delivery of every section of the workout. Safety in the class environment is examined in order to provide for focused client participation and more. This certificate gives you and your Instructors access to the entire FIT4MOM exercise library and class plans.

This course consists of approximately 3 hrs. of online training.

### STRIDES 360® IMPLEMENTATION COURSE

The Strides 360 Implementation Course prepares Franchisees to launch and actively support a Strides 360 class within a franchise schedule. This course will help you fully understand the program's promises, ideal customer, and safe delivery. It will also help you hire, train, and evaluate your team members as you grow.

This Course consists of approximately 2 hrs. of online training.

### BODY IGNITE FORMAT CERTIFICATION COURSE

The Body Ignite Format Certification prepares Instructors to create and deliver safe and effective Body Ignite Classes. In this course, the Body Ignite Ripple Effect is learned so that it may be brought to every class. The Body Ignite class construct is reviewed to help with the design and delivery of every section of the workout. This certificate gives you and your Instructors access to ongoing class design support through regular class plan releases.

This course consists of approximately 3 hrs. of online training.

### BODY IGNITE IMPLEMENTATION COURSE

The Body Ignite Implementation Course prepares Franchisees to launch and actively support a Body Ignite class within a franchise schedule. This course will help you fully understand the program's promises, ideal customer, and safe delivery. It will also help you hire, train, and evaluate your team members as you grow.

This course consists of approximately 2 hrs. of online training.

### RUN CLUB+ FORMAT CERTIFICATION COURSE

The RUN CLUB+ Format Certification will provide all of the resources necessary to provide an 8-week guided, hybrid training program. You and your Instructors will receive resources for and

guidance on initiating and carrying out this 8-week program: from an initial kickoff to meet and motivate clients and establish training goals, to email templates for providing weekly, detailed directives. You and your Instructors will learn how to work with clients in person and virtually, providing coaching and accountability as you and your Instructors help them reach their goals.

This course consists of approximately 3 hrs. of online training.

### RUN CLUB+ IMPLEMENTATION COURSE

The RUN CLUB+ Implementation Course prepares Franchisees to launch and actively support a RUN CLUB+ program within a franchise. This course will help you fully understand the program's promises, ideal customer, and safe delivery. It will also help you hire, train, and evaluate your team members as you grow.

This course consists of approximately 2 hrs. of online training.

### Continuing Education & Ongoing Skills Enhancement

Continuing Education and Ongoing Skills Enhancement opportunities are provided regularly via intranet channels to continually improve and enhance your business. In very rare instances, we may periodically require that you, all General Managers, and all Instructors attend or complete additional or refresher-training programs to correct, improve, or enhance the operations of your FIT4MOM® franchise. As of the date of this disclosure document, we have not determined the frequency, duration, location or content of these training programs; however, these programs are typically conducted at our annual national conference or periodic regional summit.

Our national conference may include programs on teaching FIT4MOM® Classes, business development, and Instructor certification. Currently the national conference registration cost is \$700 - \$1,200. All Instructors attending additional or refresher training programs must pay for their own expenses, including travel and accommodations. We also provide optional and encouraged opportunities for formal continuing education via our online business and fitness training resource center in subjects specifically related to the FIT4MOM fitness business.

Jessica H. Maurer has been associated with us since April 2020. She is currently the Director of Operations & Product at FIT4MOM, where she provides extensive education and resources for all 7 FIT4MOM branded formats to the franchisees and instructors nationwide. In addition to providing monthly sample classes and an extensive exercise library for each program, she curates and creates new learning experiences for the entire FIT4MOM nation, such as digital format certifications, educational courses on leadership and entrepreneurship, and consumer-focused brand awareness content. She has over 20 years of experience in the fitness industry, working with leading fitness companies and personalities worldwide.

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

You are granted the right to conduct FIT4MOM® Classes within a specific geographic location described in the Franchise Agreement. We will determine the approved territory granted to you based on population in the territory. Population is acquired from Mapline Inc., which utilizes the

Census Bureau. If you select a Classic pricing plan, your territory will have a minimum population of 50,000. If you select an Extended pricing plan, your territory will have a minimum population of 150,000. If you select a Regional pricing plan, your territory will have a minimum population of 300,000. It is not necessary to purchase or lease office or retail space to operate your business, and we do not allow our franchisees to operate FIT4MOM® studios or similar brick-and-mortar stores without prior approval. As a result, we do not need to approve a location for your business or any relocation of your business. All Classes are conducted in areas accessible to the general public, such as parks or malls. You must obtain any required permit(s), insurance or consent to use these spaces. We do not require a minimum size for the space to be used to conduct Classes; you must use your own judgment to determine the size of the area needed to conduct Classes, based on your training and understanding of the FIT4MOM® System as well as the number of individuals expected to attend that particular Class.

You will receive an exclusive territory in that we and/or our affiliates will not directly establish or grant franchises to others to establish a FIT4MOM® business that offers Classes in your approved territory so long as you comply with the Franchise Agreement. We and/or our affiliates have the right to market and sell all retail products bearing the FIT4MOM® logo or trademark or other trademarks in your territory.

You do not have an option or right of first refusal under your Franchise Agreement to acquire additional franchises in contiguous areas near you. If territory is available and you meet our qualifications, you may expand your Franchise provided you pay us the Territory Expansion Fee and certain increased monthly fees. In return, we will increase your territory by providing you with a minimum population of the next plan size model.

You may conduct Classes at any venue(s) within your territory, provided you obtain the necessary approval, insurance and/or permit to conduct Classes at the particular venue you select. You may not, however, conduct Classes anywhere outside your territory without our prior written consent, although any person may attend Classes within your territory regardless of where they live. You may advertise and solicit business outside your territory only if you comply with our standards and the form of advertising is not a direct mail piece, flyer or any other direct marketing device, specifically targeted for another franchisee's territory. If advertising on Social Media, you must adhere to the Good Neighbor Guidelines found in the Operations Manual.

There is no minimum sales quota, but you must have at least \$10,000 in Gross Sales during the previous 12-month period in order to be eligible for renewal. Continuation of your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration or other contingency. You must, however, be actively offering Classes in your territory. If you fail to actively offer Classes for more than 8 weeks in any 12-month period, we reserve the right to terminate the Franchise Agreement.

While neither we nor any affiliate currently offers, grants or supports franchises under the Marks or other trademarks in lines of business that are the same as or similar to the franchise you will operate, we reserve the right to do so.

We, our affiliates, and our licensees and designees may distribute our products and services, or other products or services, whether now existing or developed in the future, in your territory without compensation to you, in the manner and through channels of distribution we determine, including unaffiliated retail stores, electronic distribution through the Internet and/or other online networks, catalogs, direct mail, and other communication methods, using the Marks or other

trademarks, but not through FIT4MOM Classes in your territory. The Franchise Agreement grants you no rights to distribute such products and services through alternative channels of distribution or to share in any of the proceeds received through such channels. Customers also may purchase retail products directly from our website. We are not required to compensate you for sales of products or services by us in your territory. In addition, you must abide by our “good neighbor policy” that outlines principles for cooperation among franchisees in addressing customer/membership sharing opportunities and transfer requests.

In 2021, FIT4MOM started offering FIT4MOM On Demand. This is a library of online fitness classes. Franchisees have the opportunity to become affiliates and offer the On Demand virtual platform to their current paid clients with no additional fees charged to the franchisees. Franchisees receive a 30% commission on all monthly and annual On Demand subscriptions purchased with their unique affiliate links. We have granted franchisees the temporary right to offer their own virtual classes as a response to the COVID19 pandemic. We may modify or revoke this privilege at any time and for any reason, effective upon 45 days’ prior written notice to franchisees.

In addition, we and our affiliates may, as part of our strategic plan, acquire companies that operate businesses under the acquired name and/or service mark. In some instances, the acquired companies will be in the same or similar business as FIT4MOM® businesses. The acquired companies may have existing businesses operating in your Territory. In those circumstances where the territory of an acquired business overlaps your Territory, we may, with the written agreement of both parties, alter the Territory. If mutual agreement as to the territory definition cannot be made, then we, our affiliate and/or licensee may continue to operate the acquired business by the name and/or service marks under which it was identified before its acquisition.

**ITEM 13  
TRADEMARKS**

We grant you the right to use certain trademarks, service marks, trade names, logos, and other commercial symbols (collectively, the “Marks”) in operating your FIT4MOM® franchise. The principal FIT4MOM® commercial symbol, which we will license to you, appears on the cover of this disclosure document. We have registered the following trademarks with the United States Patent and Trademark Office and, where applicable, have filed all required renewals and affidavits:

Principal Trademark	U.S. Registration Number	Registration Date	Principal/Supplemental Register
	6737923	May 24, 2022	Principal
FIT4MOM	3745676	February 9, 2010	Principal
STROLLER STRIDES	3082852	April 18, 2006 <i>(Renewal: August 20, 2015)</i>	Principal

Principal Trademark	U.S. Registration Number	Registration Date	Principal/Supplemental Register
FIT4BABY	4687902	February 17, 2015	Principal
STRIDES 360	5765726	May 28, 2019	Principal
Strength in Motherhood	5452608	April 24, 2018	Principal
Stroller Barre	4243850	November 13, 2012	Supplemental
Body Boost	6366118	May 25, 2021	Principal
Body Well	6366120	May 25, 2021	Principal
Moms With A Mission	4360832	July 2, 2013	Principal

There are currently no effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceeding, or any pending material litigation involving the Marks. There are no currently effective agreements which would significantly limit our rights to use or license the use of the Marks listed above in any manner material to the FIT4MOM® franchise. We do not know of any superior rights or infringing uses that could materially affect your use of the Marks in any state.

You must follow our rules when you use these Marks. You must use the Marks to identify your FIT4MOM® franchise. You must also identify yourself as the independent owner of your FIT4MOM® franchise, and obtain the fictitious or assumed name registration as applicable law may require or as we may require distinguishing yourself from us. You cannot use the Marks as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs or symbols, except as we may authorize in writing. You cannot use the Marks to sell any unauthorized product or service or in a manner not authorized in writing by us. Your use of the Marks and any related goodwill exclusively benefits us.

You must not advertise, or use in advertising or any other form of promotion, our Marks without the appropriate trademark registration designation “®.”

You may not make any representation that any of the Marks is invalid, is not owned by us, infringes the rights of any person, or is otherwise open to any form of attack. You may not contest or assist any other person in contesting the validity or ownership of the Marks or take any action adverse to our claimed rights in and to the Marks.

You must notify us immediately in writing when you learn about an infringement of, or challenge to, your use of our Marks. We are not required to protect your use of the Marks or defend you against a claim against your use of the Marks, although we do have the right, if we choose, to defend the claim. We will not be obligated to pay for expenses you incur respecting any claim against your use of our Marks. We have the sole discretion to take the action, if any, we deem appropriate and the right to exclusively control any litigation, trademark office proceeding or other

administrative proceeding arising out of any infringement, challenge or claim or otherwise concerning any Mark, including the right to designate legal counsel. You must sign all instruments and documents, provide assistance and take any action that we deem necessary to protect and maintain our interests in any litigation, trademark office proceeding or other administrative proceeding or to otherwise protect and maintain our interest in the Marks.

We have the right to modify or discontinue use of any Mark or the specifications for use of any Mark or to require you to begin using new or substitute marks. You must promptly comply with any of these changes at your expense. The Franchise Agreement does not provide you any rights if you must modify or discontinue use of a Mark as a result of a proceeding or settlement. If your use of any or all of the Marks is discontinued, we will have the option of terminating the Franchise Agreement. The above listed Marks are not necessarily all of the marks that we own or would permit you to use.

#### **ITEM 14**

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

We have no rights in any patent or any pending patent applications that are material to the operation of your franchise. We have registered no copyright with the United States Copyright Office. However, we claim common law copyright protection of the Operations Manual, training materials, and all print, audiovisual, computer data, and other materials developed and distributed for use by your FIT4MOM® franchise (collectively, the “Protected Materials”). Your right to use the Protected Materials is not materially limited by any other agreement or known infringing use. We are not obligated to indemnify you if you are made a party to any proceeding because of the common law copyrights.

There are no agreements currently in effect, which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. As of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights, which would materially affect your use of them in any state.

You must notify us immediately in writing when you learn about an infringement of, or challenge to, your use of our copyrights. We are not required to protect your use of the copyrights or defend you against a claim against your use of the copyrights, although we do have the right, if we choose, to defend the claim. Our decision to defend a claim may be contingent upon you modifying or discontinuing the use of subject matter covered by the copyright. We will not be obligated to pay for expenses you incur respecting any claim against your use of our copyrights. We have the sole discretion to take the action, if any, we deem appropriate and the right to exclusively control any litigation arising out of any infringement, challenge or claim or otherwise concerning any copyright, including the right to designate legal counsel. You must sign all instruments and documents, provide assistance and take any action that we deem necessary to protect and maintain our interests in any litigation or to otherwise protect and maintain our interest in the copyrights.

We possess and will continue to develop and acquire confidential information relating to the FIT4MOM® franchise and our System, including information contained in the Protected Materials. Except for those matters that are generally known in the trade, the System and Protected Materials constitute confidential information and trade secrets, which we reveal to you solely to

enable you to establish and operate your FIT4MOM® franchise. This confidential information and trade secrets include the Protected Materials and all procedures, standards, specifications, information, ideas, marketing plans, techniques, computer software, technology, customer and supplier lists, and service methods and skills relating to the development and operation of the FIT4MOM® franchise and implementation of the System (collectively, “Confidential Information”).

You must maintain the absolute confidentiality of this Confidential Information both during and after the term of the Franchise Agreement. You may not reveal any of the Confidential Information to any other person or entity, except to your General Manager, employees and Instructors if they need to know the information in connection with their duties. You must not use the Confidential Information in any other business. The use or duplication of the Confidential Information in any other business will constitute an unfair method of competition with us and/or our other franchisees.

You must also use reasonable procedures to prevent the unauthorized use or disclosure of the Confidential Information to the extent allowed by applicable law. These recommended procedures include requiring General Managers, Instructors and employees to sign a non-disclosure, non-solicitation and non-compete agreement, in a form we designate, before they may access or use the Confidential Information.

You must promptly inform us in writing when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action but will respond as we think appropriate.

Under the Franchise Agreement, you will not acquire any interest in the Confidential Information other than the right to use that Confidential Information to operate your FIT4MOM® franchise during the term of the Franchise Agreement.

You may not disclose Confidential Information to any person or entity other than permitted parties. Permitted parties are your officers, directors, employees who have previously signed the non-disclosure, non-solicitation and non-compete agreement referenced above, your attorneys, agents, consultants, advisors or other independent contractors who need access to this Confidential Information for purposes of your evaluation process, but only if you advise those parties of your obligations.

#### **ITEM 15**

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

If you are an entity, your principal owners must personally guarantee your obligations under your FIT4MOM® franchise. In addition, you must at all times faithfully, honestly, and diligently perform your obligations under the Franchise Agreement. You are not required to personally conduct, attend or supervise Classes, or otherwise participate in the management of your FIT4MOM® franchise, although we highly recommend it. You must appoint a general manager (which may be you, if you are an individual) who must have successfully completed the initial training we require, and who must devote the necessary time and effort to actively manage and operate the FIT4MOM® franchise (the “General Manager”). During the term of the Franchise Agreement, the General Manager may not directly or indirectly engage in any business offering exercise classes to new moms and their babies, either as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor or consultant. The General Manager is not required to own an equity interest in the franchised business.

You must ensure your FIT4MOM® Classes are conducted properly and consistent with our standards and methods as provided in the training format certifications and Operations Manual. All Instructors must be fully-trained in our methods and processes for the particular Classes they will teach. In addition, we reserve the right to send a representative or designee to conduct periodic quality assessments of your FIT4MOM® business by attending one or more of your Classes. Your failure to correct any deficiencies in the operation of your FIT4MOM® business may result in termination of the Franchise Agreement with us. Our quality assessment procedure is described in Section 8.10 of the Franchise Agreement.

We strongly recommend that the General Manager, all Instructors, all officers, all directors, and all managers sign a non-disclosure, non-solicitation and non-compete agreement with you. See Exhibit [FE](#) for a sample non-disclosure, non-solicitation and non-competition agreement. Ultimately, it is your decision whether to require this and which type of form to use. We do not require the spouse of the franchisee or its owner to sign any guarantee unless that spouse also holds an ownership interest in the franchisee entity.

## **ITEM 16**

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

Your FIT4MOM® franchise may offer and sell only those goods and services we specify from time to time. You may recommend new products for us to sell on our website, though we have sole discretion in deciding whether a specific product will be offered for sale on our website. You may offer and conduct only those exercise classes that we approve. We may add or remove authorized or required exercise programs and other products and services that you may or must offer to the public. There are no limits on our right to do so during the franchise term. You must be in compliance with the provisions of the Franchise Agreement in order to offer any new exercise program we develop. In addition, we may require you to comply with certain additional training requirements before we will allow you to offer a new exercise program.

If additional optional or mandatory programs are made available to franchisees, we may require you to pay us an additional fee and incur additional training and equipment costs in permitting you to offer the program(s) for sale to the public.

You must comply with the standards and procedures specified in our Operations Manual and training materials. You must comply with the Operations Manual, training materials, and other supplemental bulletins and notices in conducting your business.

If you operate a FIT4MOM® franchise, you may not offer exercise classes, or sell exercise equipment, nutritional supplements, strollers, or stroller-related accessories, or any of our other designated items for resale, except as we may permit in writing.

You may not conduct Classes anywhere outside your territory, although any person may attend Classes within your territory regardless of where they live. With prior written consent, you may conduct a one-time demo day, as long as the territory is not owned. You may advertise and solicit business outside your territory only if you comply with our standards and the marketing material is not a direct mail piece, flyer or any other direct marketing device specifically targeted for another franchisee's territory. If you are in default of the Franchise Agreement we may suspend your access to the online business and fitness training resource center or Booking and Payment System which contains, among other things, your customer list.

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

**THE FRANCHISE RELATIONSHIP**

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary(1)
a. Length of the franchise term	Section 5.1	Initial term is 3 years, unless terminated earlier by us.
b. Renewal or extension of the term	Section 5.2	If in full compliance with the Franchise Agreement, you may renew for successive 1-year or 3-year terms, <del>up to a total of 9 years. Following the 9-year period, we</del> . <u>We</u> and you may, but are not obligated to, enter into a subsequent renewal period under our then-current renewal conditions.
c. Requirements for franchisee to renew or extend	Section 5.2	You are in good standing under the Franchise Agreement and have not been in default more than 2 times in the last 12 months, have at least \$10,000 in Gross Sales in the previous 12-month period, notify us at least 90 days before the term expires, sign a new Franchise Agreement that may have materially different terms and conditions from your original contract (including increased fees and a modified territory definition), modernize your business, sign a general release and pay a fee.
d. Termination by franchisee	Section 12.3	Subject to state law, you may terminate the Franchise Agreement if we violate our material obligations to you and fail to cure a violation within 60 days after receipt of written notice.
e. Termination by franchisor without cause	Section 12.1	We will not terminate you without cause.
f. Termination by us with "cause";	Sections 12.1 and 12.2	We can terminate the Franchise Agreement if you are in material breach of the Franchise Agreement or other agreement between you and us.
g. "Cause" defined - curable defaults	Sections 12.1, 12.2, and 12.4	You have 30 days to cure failure to complete training, failure to comply with System standards, and a violation of any material provision of the Agreement. You have 10 days to cure a failure to pay amounts due us. In addition, we may deny or restrict your access to our Business Center and the Booking and Payment System if you are in default. In addition, you will not be eligible for any additional programs or modifications, including your ability to adjust your territory.

Provision	Section in Franchise Agreement	Summary(1)
h. "Cause" defined - non-curable defaults	Sections 12.1 and 12.2	Failure on 2 or more occasions in any 12 months to comply with any provision, default which is not curable, material misrepresentation or omission, conviction of or proof that you have committed a felony or other crime which harms the Store's reputation, insolvency, an assignment of assets to creditors, abandonment, defaults which injures the goodwill associated with the trademarks, use of unapproved website or other unauthorized conduct on the internet, or unauthorized assignment of agreement or interest.
i. Franchisee's obligations on termination/non-renewal;	Section 13.1	Obligations include payment of all amounts due to us; return of proprietary materials, including Operations Manual, Instructor manual, and computer software; return all customer data; at our option, assign all contracts with third parties that relate to the FIT4MOM® business; ceasing all Classes; ceasing all use of the trademarks and other proprietary or confidential information or materials; and continuing compliance with the terms of non-compete.
j. Assignment of contract by franchisor	Section 11.1	Franchise Agreement is fully assignable by us if the transferee expressly agrees to perform our obligations under the Franchise Agreement.
k. "Transfer" by franchisee – defined	Section 11.2	Includes any transfer of a franchise interest, including sale, assignment, pledge, gift, conveyance, or other encumbrance of an interest in you, the franchised business, or the Franchise Agreement.
l. Franchisor approval of transfer by Franchisee	Section 11.2	Our prior written approval must be obtained, which will not be unreasonably withheld.
m. Conditions for franchisor approval of transfer	Section 11.2	Transferee signs our then-current form of Franchise Agreement, transferee qualifies and meets our then-current qualification standards and obtains appropriate training; you must be in good standing under the Franchise Agreement and pay all unpaid fees, you must sign a release in our favor, and you must pay us a non-refundable transfer fee; and you will remain liable for all obligations to us incurred by you before the transfer and sign all required instruments to evidence this liability (see also 'r' below).
n. Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary(1)</b>
p. Death or Disability of Franchisee	Section 11.3	Franchise must be assigned by your estate to approved buyer within 6 months; if transfer not completed within 6 months, we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Sections 9.2 and 9.3	Subject to state law, no involvement with competing business anywhere in U.S. during term(s) of the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Sections 9.2 and 9.3	Subject to state law, no competing business for 24 months within your previous territory or within another FIT4MOM® territory, or within 10 miles of your previous territory or another FIT4MOM® territory.
s. Modification of the agreement	Section 15.16	No modification of Franchise Agreement unless in writing and signed by both parties; however, Operations Manual subject to change without approval by you.
t. Integration/merger clause	Section 15.8	Only the terms of the Franchise Agreement and other related agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 14.1-14.2	All disputes will first be subject to mediation, then arbitration in San Diego County, California (subject to state law).
v. Choice of forum	Section 15.11	All litigation must be conducted in San Diego County, California. (Subject to certain state law restrictions.)
w. Choice of law	Section 15.12	Law of the state where your franchise is located applies. (Subject to certain state law restrictions.)

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

We do not use any public figure to promote our franchise.

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

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of any 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 under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance or 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 our President, Lisa Druxman c/o Stroller Strides, LLC, 1084 N. El Camino Real, Suite B512, Encinitas, CA 92024, 866-348-4666, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

Table No. 1

**System Wide Outlet Summary**  
**For years ~~2020~~2021 to ~~2022~~2023**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
<del>Franchised</del>	<del>2020</del>	<del>293</del>	<del>259</del>	<del>-34</del>
<u>Franchised</u>	2021	259	237	-22
	2022	237	220	-17
<del>Company-Owned</del>	<del>2020</del> <u>2023</u>	<del>1</del> <u>220</u>	<del>1</del> <u>220</u>	0
<u>Company-Owned</u>	2021	1	1	0
	2022	1	1	0
<del>Total Outlets</del>	<del>2020</del> <u>2023</u>	<del>294</del> <u>1</u>	<del>260</del> <u>1</u>	<del>-34</del> <u>0</u>
<u>Total Outlets</u>	2021	260	238	-22
	2022	238	221	-17
	<u>2023</u>	<u>221</u>	<u>221</u>	<u>0</u>

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For years ~~2020~~2021 to ~~2022~~2023**

Column 1	Column 2	Column 3
State	Year	Number of Transfers
<del>Alabama</del>	<del>2020</del>	<del>0</del>
<a href="#">Alabama</a>	2021	0
	2022	1
<del>Arizona</del>	<del>2020</del> <u>2023</u>	<del>4</del> <u>0</u>
<a href="#">Arizona</a>	2021	2
	2022	0
<del>Arkansas</del>	<del>2020</del> <u>2023</u>	<del>0</del> <u>1</u>
<a href="#">Arkansas</a>	2021	1
	2022	0
<del>California</del>	<del>2020</del> <u>2023</u>	<del>14</del> <u>0</u>
<a href="#">California</a>	2021	6
	2022	4
<del>Colorado</del>	<del>2020</del> <u>2023</u>	<del>2</del> <u>11</u>
<a href="#">Colorado</a>	2021	2
	2022	4
<del>Connecticut</del>	<del>2020</del> <u>2023</u>	<del>0</del> <u>2</u>
<a href="#">Connecticut</a>	2021	1
	2022	0
<del>Florida</del>	<del>2020</del> <u>2023</u>	<del>4</del> <u>0</u>
<a href="#">Florida</a>	2021	1
	2022	1
<del>Georgia</del>	<del>2020</del> <u>2023</u>	<del>2</del> <u>0</u>

Column 1	Column 2	Column 3
State	Year	Number of Transfers
<a href="#">Georgia</a>	2021	0
	2022	0
<del>Hawaii</del>	<del>2020</del> <a href="#">2023</a>	<del>2</del> <a href="#">1</a>
<a href="#">Hawaii</a>	2021	3
	2022	0
<del>Idaho</del>	<del>2020</del> <a href="#">2023</a>	<del>4</del> <a href="#">2</a>
<a href="#">Idaho</a>	2021	0
	2022	1
<del>Illinois</del>	<del>2020</del> <a href="#">2023</a>	<del>3</del> <a href="#">1</a>
<a href="#">Illinois</a>	2021	6
	2022	2
<del>Iowa</del>	<del>2020</del> <a href="#">2023</a>	1
<a href="#">Kentucky</a>	2021	0
	2022	<del>0</del> <a href="#">2</a>
<del>Kentucky</del>	<del>2020</del> <a href="#">2023</a>	<del>0</del> <a href="#">1</a>
<a href="#">Maryland</a>	2021	0
	2022	<del>2</del> <a href="#">1</a>
<del>Maryland</del>	<del>2020</del> <a href="#">2023</a>	<del>0</del> <a href="#">1</a>
<a href="#">Massachusetts</a>	2021	0
	2022	<del>4</del> <a href="#">0</a>
<del>Michigan</del>	<del>2020</del> <a href="#">2023</a>	1
<a href="#">Michigan</a>	2021	1
	2022	0
<del>Minnesota</del>	<del>2020</del> <a href="#">2023</a>	0
<a href="#">Minnesota</a>	2021	1
	2022	0
<del>Montana</del>	<del>2020</del> <a href="#">2023</a>	0
<a href="#">Montana</a>	2021	0
	2022	1
<del>Nebraska</del>	<del>2020</del> <a href="#">2023</a>	<del>0</del> <a href="#">1</a>
<a href="#">Nebraska</a>	2021	0
	2022	1
<del>New Jersey</del>	<del>2020</del> <a href="#">2023</a>	0
<a href="#">Nevada</a>	2021	<del>4</del> <a href="#">0</a>
	2022	<del>4</del> <a href="#">0</a>
<del>New York</del>	<del>2020</del> <a href="#">2023</a>	<del>0</del> <a href="#">1</a>

Column 1	Column 2	Column 3
State	Year	Number of Transfers
<a href="#">New Jersey</a>	2021	1
	<a href="#">2022</a>	<a href="#">1</a>
	<a href="#">2023</a>	<a href="#">1</a>
<a href="#">New York</a>	<a href="#">2021</a>	<a href="#">1</a>
	2022	0
<del>North Carolina</del>	<del>2020</del> <a href="#">2023</a>	1
<a href="#">North Carolina</a>	2021	3
	2022	3
<del>Ohio</del>	<del>2020</del> <a href="#">2023</a>	2
<a href="#">Ohio</a>	2021	2
	2022	1
<del>Oregon</del>	<del>2020</del> <a href="#">2023</a>	1
<a href="#">Oregon</a>	2021	1
	2022	3
<del>Pennsylvania</del>	<del>2020</del> <a href="#">2023</a>	1
<a href="#">Pennsylvania</a>	2021	1
	2022	1
<del>South Carolina</del>	<del>2020</del> <a href="#">2023</a>	<del>4</del> <a href="#">2</a>
<a href="#">South Carolina</a>	2021	2
	2022	1
<del>Tennessee</del>	<del>2020</del> <a href="#">2023</a>	1
<a href="#">Tennessee</a>	2021	2
	2022	1
<del>Texas</del>	<del>2020</del> <a href="#">2023</a>	<del>6</del> <a href="#">1</a>
<a href="#">Texas</a>	2021	3
	2022	6
<del>Utah</del>	<del>2020</del> <a href="#">2023</a>	<del>4</del> <a href="#">0</a>
<a href="#">Utah</a>	2021	0
	2022	1
<del>Virginia</del>	<del>2020</del> <a href="#">2023</a>	<del>0</del> <a href="#">1</a>
<a href="#">Virginia</a>	2021	1
	2022	4
<del>Washington</del>	<del>2020</del> <a href="#">2023</a>	<del>2</del> <a href="#">0</a>

Column 1	Column 2	Column 3
State	Year	Number of Transfers
<a href="#">Washington</a>	2021	1
	2022	0
<del>Washington</del>	<del>2020</del> <a href="#">2023</a>	<del>4</del> <a href="#">3</a>
<del>DC</del> <a href="#">Total</a>	2021	<del>0</del> <a href="#">42</a>
	2022	<del>0</del> <a href="#">40</a>
<del>Total</del>	<del>2020</del> <a href="#">2023</a>	<del>42</del> <a href="#">38</a>
	<del>2021</del>	<del>42</del>
	<del>2022</del>	<del>40</del>

Table No. 3

**Status of Franchised Outlets  
For years ~~2020~~[2021](#) to ~~2022~~[2023](#)**

Col.1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col.
State	Year	Outlets at Start of Year	Outlets Opened	<del>Terminations</del> <a href="#">Terminations</a>	Non-Renewals	<del>Re-acquired by Franchisor</del> <a href="#">Reacquired by Franchisor</a>	<del>Ceased Operations</del> <a href="#">Operations</a> – Other Reasons	Outlets At End of The Year
<del>Alabama</del>	<del>2020</del>	<del>4</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>3</del>
<a href="#">Alabama</a>	2021	3	0	0	0	0	0	3
	2022	3	0	1	0	0	0	2
<del>Arizona</del>	<del>2020</del> <a href="#">2023</a>	<del>8</del> <a href="#">2</a>	0	<del>1</del> <a href="#">0</a>	0	0	0	<del>7</del> <a href="#">2</a>
<a href="#">Arizona</a>	2021	7	0	1	0	0	0	6
	2022	6	1	0	1	0	0	6
<del>Arkansas</del>	<del>2020</del> <a href="#">2023</a>	<del>2</del> <a href="#">6</a>	<del>0</del> <a href="#">1</a>	<del>1</del> <a href="#">0</a>	<del>0</del> <a href="#">2</a>	0	0	<del>1</del> <a href="#">5</a>
<a href="#">Arkansas</a>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
<del>California</del>	<del>2020</del> <a href="#">2023</a>	<del>5</del> <a href="#">4</a>	<del>2</del> <a href="#">0</a>	<del>4</del> <a href="#">0</a>	<del>1</del> <a href="#">0</a>	0	0	<del>5</del> <a href="#">4</a>
<a href="#">California</a>	2021	51	3	4	0	0	0	50

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col.
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets At End of The Year
	2022	50	1	1	2	0	0	48
Colorado	<del>2020</del> <u>2023</u>	<del>84</del> <u>848</u>	<del>0</del> <u>04</u>	0	<del>0</del> <u>01</u>	0	0	<del>8</del> <u>851</u>
<u>Colorado</u>	2021	8	1	0	1	0	0	8
	2022	8	0	0	0	0	0	8
Connecticut	<del>2020</del> <u>2023</u>	<del>4</del> <u>48</u>	0	<del>1</del> <u>10</u>	0	0	0	<del>3</del> <u>38</u>
<u>Connecticut</u>	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Florida	<del>2020</del> <u>2023</u>	<del>16</del> <u>163</u>	0	<del>5</del> <u>50</u>	0	0	<del>1</del> <u>10</u>	<del>10</del> <u>103</u>
<u>Florida</u>	2021	10	1	1	1	0	0	9
	2022	9	2	0	0	0	0	11
Georgia	<del>2020</del> <u>2023</u>	<del>8</del> <u>811</u>	2	<del>3</del> <u>31</u>	<del>4</del> <u>10</u>	0	<del>0</del> <u>01</u>	<del>6</del> <u>611</u>
<u>Georgia</u>	2021	6	0	1	0	0	0	5
	2022	5	0	2	1	0	0	2
Hawaii	<del>2020</del> <u>2023</u>	<del>6</del> <u>62</u>	0	0	<del>1</del> <u>10</u>	0	0	<del>5</del> <u>52</u>
<u>Hawaii</u>	2021	5	0	1	0	0	0	4
	2022	4	0	0	0	0	0	4
Idaho	<del>2020</del> <u>2023</u>	<del>2</del> <u>24</u>	0	0	0	0	0	<del>2</del> <u>24</u>
<u>Idaho</u>	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Illinois	<del>2020</del> <u>2023</u>	<del>19</del> <u>192</u>	<del>1</del> <u>10</u>	<del>3</del> <u>30</u>	<del>0</del> <u>01</u>	0	<del>1</del> <u>10</u>	<del>16</del> <u>161</u>
<u>Illinois</u>	2021	16	0	0	0	0	0	16
	2022	16	1	1	2	0	1	13
Indiana	<del>2020</del> <u>2023</u>	<del>3</del> <u>313</u>	0	<del>1</del> <u>10</u>	<del>0</del> <u>01</u>	0	0	<del>2</del> <u>212</u>
<u>Indiana</u>	2021	2	0	0	1	0	0	1
	2022	1	0	0	0	0	0	1

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col.
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets At End of The Year
Iowa	2020	1	0	0	0	0	0	1
Iowa	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Kansas	2020	4	0	0	0	0	0	4
Kansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kentucky	2020	2	4	0	0	0	0	3
Kentucky	2021	3	0	1	0	0	0	2
	2022	2	0	0	0	0	0	2
Louisiana	2020	4	4	0	0	0	0	2
Louisiana	2021	2	0	0	1	0	0	1
	2022	1	0	0	0	0	0	1
Maryland	2020	8	0	0	0	0	2	6
Maryland	2021	6	0	1	0	0	0	5
	2022	5	0	0	0	0	0	5
Massachusetts	2020	2	4	0	0	0	0	3
Massachusetts	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Michigan	2020	8	0	2	1	0	0	5
Michigan	2021	5	0	2	0	0	0	3
	2022	3	1	1	0	0	0	3
Minnesota	2020	2	0	0	0	0	0	2
Minnesota	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col.
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets At End of The Year
Missouri	2020	2	0	1	0	0	0	1
Missouri	2021	1	0	0	1	0	0	0
	2022	0	1	0	0	0	0	1
Montana	2020	1	4	0	0	0	0	2
Montana	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Nebraska	2020	4	0	0	0	0	0	4
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Nevada	2020	1	0	0	0	0	0	1
Nevada	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Jersey	2020	5	0	0	0	0	4	4
New Jersey	2021	4	0	0	0	0	1	3
	2022	3	0	0	1	0	0	2
New Mexico	2020	0	0	0	0	0	0	0
New Mexico	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New York	2020	8	4	0	0	0	0	9
New York	2021	9	0	0	0	0	1	8
	2022	8	1	1	2	0	0	6
North Carolina	2020	14	0	2	0	0	0	12
North Carolina	2021	12	0	1	2	0	0	9
	2022	9	0	1	0	0	0	8

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col.
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets At End of The Year
Ohio	2020	98	40	40	40	0	0	8
Ohio	2021	8	0	0	0	0	0	8
	2022	8	1	0	0	0	1	8
Oklahoma	2020	48	0	0	0	0	0	48
Oklahoma	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Oregon	2020	51	0	0	0	0	0	51
Oregon	2021	5	0	1	0	0	0	4
	2022	4	1	1	0	0	0	4
Pennsylvania	2020	134	0	20	40	0	0	104
Pennsylvania	2021	10	0	1	1	0	0	8
	2022	8	1	0	2	0	0	7
South Carolina	2020	47	0	0	0	0	0	46
South Carolina	2021	4	2	0	0	0	0	6
	2022	6	1	1	1	0	0	5
Tennessee	2020	25	1	0	0	0	0	35
Tennessee	2021	3	2	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Texas	2020	375	40	41	0	0	0	344
Texas	2021	34	4	3	2	0	1	32
	2022	32	2	2	2	0	1	29
Utah	2020	429	0	0	0	0	0	428
Utah	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col.
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets At End of The Year
Virginia	2020	42	0	4	0	0	0	42
Virginia	2021	11	1	1	0	0	1	10
Virginia	2022	10	1	0	1	0	0	10
Washington	2020	47	0	3	2	0	0	42
Washington	2021	12	0	2	1	0	0	9
Washington	2022	9	0	0	3	0	0	6
Wash., D.C.	2020	4	0	0	0	0	0	4
Wash. DC	2021	1	0	0	0	0	0	1
Wash. DC	2022	1	0	0	0	0	0	1
West Virginia	2020	1	0	0	0	0	0	1
West Virginia	2021	1	0	0	1	0	0	0
West Virginia	2022	0	0	0	0	0	0	0
Wisconsin	2020	2	0	0	4	0	0	4
Wisconsin	2021	1	0	0	1	0	0	0
Wisconsin	2022	0	0	0	0	0	0	0
Totals	2020	293	15	35	9	0	5	259
Totals	2021	259	16	21	13	0	4	237
Totals	2022	237	16	12	18	0	3	220
Totals	2023	220	19	8	9	0	2	220

[Table No. 4 begins on next page]

Table No. 4

**Status of Company-Owned Outlets  
For years ~~2020~~2021 to ~~2022~~2023**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of The Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
California	<del>2020</del> 2021	1	0	0	0	0	1
	<del>2021</del> 2022	1	0	0	0	0	1
	<del>2022</del> 2023	1	0	0	0	0	1
Totals	<del>2020</del> 2021	1	0	0	0	0	1
	<del>2021</del> 2022	1	0	0	0	0	1
	<del>2022</del> 2023	1	0	0	0	0	1

Table No. 5

**Projected Openings As Of December 31, ~~2022~~2023**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
California	<del>0</del> 2	<del>4</del> 6	0
Florida	2	4	0

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
<del>Maryland</del> <a href="#">Minnesota</a>	1	<del>0</del> <a href="#">1</a>	0
<del>New Jersey</del>	<del>2</del>	<del>0</del>	<del>0</del>
New <del>York</del> <a href="#">Jersey</a>	<del>0</del> <a href="#">1</a>	1	0
<del>Ohio</del> <a href="#">South Carolina</a>	<del>0</del> <a href="#">1</a>	1	0
<del>Pennsylvania</del>	<del>0</del>	<del>0</del>	<del>0</del>
Tennessee	1	<del>0</del> <a href="#">1</a>	0
Texas	2	<del>0</del> <a href="#">5</a>	0
Totals	8	<del>7</del> <a href="#">15</a>	0

## NOTES

(1) Our company-operated locations in the San Diego area constitute 1 single business.

Attached as Exhibit ~~J~~[I](#) to this disclosure document are the names, addresses, and telephone numbers of our current franchisees as of December 31, ~~2022~~[2023](#).

Attached as Exhibit ~~K~~[J](#) to this disclosure document are the names and last known addresses and telephone numbers of every franchisee (or if unknown, the last known home telephone number) who either had an outlet terminated, cancelled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business as a FIT4MOM® outlet in our fiscal year ending December 31, ~~2022~~[2023](#), or who have not communicated with us within 10 weeks of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the past three fiscal years no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system.

No trademark-specific franchisee associations are required to be disclosed in this disclosure document.

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

Exhibit ~~L~~K attached to this disclosure document contains our audited financial statements for the fiscal years ending December 31, ~~2022~~2023, December 31, ~~2021~~2022, and December 31, ~~2020~~2021, our unaudited balance sheet as of January 31, ~~2023~~2024, and our unaudited profit and loss statement for the month ended January ~~2023~~2024.

**ITEM 22**  
**CONTRACTS**

Copies of all proposed agreements regarding the franchise offering are attached as Exhibits, and are considered a part of this disclosure document:

Exhibit B	Franchise <del>Application</del> <u>Agreement</u>
<del>Exhibit C</del>	<del>Franchise Agreement</del>
Exhibit <del>D</del> <u>C</u>	Territory Expansion Addendum
Exhibit <del>E</del> <u>D</u>	Renewal Addendum
Exhibit <del>F</del> <u>E</u>	Non-Disclosure, Non-Solicitation and Non-Competition Agreement
Exhibit <del>H</del> <u>G</u>	State Specific Appendix
Exhibit <del>I</del> <u>H</u>	General Release Form

**ITEM 23**  
**RECEIPTS**

Attached as Exhibit ~~M~~L at the end of this disclosure document is a Receipt prepared in duplicate. Please sign both copies. Keep one copy for your records and return the other copy to Stroller Strides, LLC, 1084 N. El Camino Real, Suite B512, Encinitas, CA 92024.

**EXHIBIT A  
TO FDD**

**LIST OF STATE AUTHORITIES/AGENTS FOR SERVICE OF PROCESS**

## **STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

### **CALIFORNIA**

Website: [www.dfpi.ca.gov](http://www.dfpi.ca.gov)

Email: [ask.DFPI@dfpi.ca.gov](mailto:ask.DFPI@dfpi.ca.gov)

Commissioner of Department of Financial  
Protection & Innovation  
Department of Financial Protection &  
Innovation  
Toll Free: 1 (866) 275-2677

#### ***Los Angeles***

320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, California 90013-2344  
(213) 576-7500

#### ***Sacramento***

2101 Arena Boulevard  
Sacramento, California 95834  
(866) 275-2677

#### ***San Diego***

1455 Frazee Road, Suite 315  
San Diego, California 92108  
(619) 525-4233

#### ***San Francisco***

One Sansome Street, Suite 600  
San Francisco, California 94104-4428  
(415) 972-8559

### **HAWAII**

(for service of process)

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

(for other matters)

Commissioner of Securities  
Department of Commerce  
and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 205  
Honolulu, Hawaii 96813  
(808) 586-2722

### **ILLINOIS**

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

**INDIANA**

(for service of process)

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

(state agency)

Indiana Secretary of State  
Securities Division  
Room E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

**MARYLAND**

(for service of process)

Maryland Securities Commissioner  
at the Office of Attorney General-  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

(state agency)

Office of the Attorney General-  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

**MICHIGAN**

Michigan Attorney General's Office  
Consumer Protection Division  
Attn: Franchise Section  
G. Mennen Williams Building, 1st Floor  
525 West Ottawa Street  
Lansing, Michigan 48933  
(517) 335-7567

**MINNESOTA**

Commissioner of Commerce  
Department of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1500

**NEW YORK**

(for service of process)

Attention: New York Secretary of State  
New York Department of State  
One Commerce Plaza,  
99 Washington Avenue, 6<sup>th</sup> Floor  
Albany, New York 12231-0001  
(518) 473-2492

(Administrator)

NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, New York 10005  
(212) 416-8236

**NORTH DAKOTA**

(for service of process)

Securities Commissioner  
North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol, 14<sup>th</sup> Floor, Dept. 414  
Bismarck, North Dakota 58505-0510  
(701) 328-4712

(state agency)

North Dakota Securities Department  
600 East Boulevard Avenue, Suite 414  
Bismarck, North Dakota 58505  
(701) 328-2910

**OREGON**

Oregon Division of Financial Regulation  
350 Winter Street NE, Suite 410  
Salem, Oregon 97301  
(503) 378-4140

**RHODE ISLAND**

Securities Division  
Department of Business Regulations  
1511 Pontiac Avenue  
John O. Pastore Complex-Building 69-1  
Cranston, Rhode Island 02920  
(401) 462-9500

**SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

**VIRGINIA**

(for service of process)

Clerk, State Corporation Commission  
1300 East Main Street  
First Floor  
Richmond, Virginia 23219  
(804) 371-9733

(for other matters)

State Corporation Commission  
Division of Securities and Retail Franchising  
Tyler Building, 9th Floor  
1300 East Main Street  
Richmond, Virginia 23219  
(804) 371-9051

**WASHINGTON**

(for service of process)

Director Department of Financial Institutions  
Securities Division  
150 Israel Road SW  
Tumwater, Washington 98501  
(360) 902-8760

(for other matters)

Department of Financial Institutions  
Securities Division  
P. O. Box 41200  
Olympia, Washington 98504-1200  
(360) 902-8760

**WISCONSIN**

(for service of process)

Administrator, Division of Securities  
Department of Financial Institutions  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-2139

(state administrator)

Division of Securities  
Department of Financial Institutions  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-9555

EXHIBIT B  
TO FDD

FRANCHISE ~~APPLICATION~~ AGREEMENT



**STROLLER STRIDES, LLC  
FRANCHISE AGREEMENT**

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**STROLLER STRIDES, LLC  
FRANCHISE AGREEMENT**

**SUMMARY OF TERMS**

Effective Date of this Agreement: \_\_\_\_\_, 20\_\_\_\_.

Franchisor: Stroller Strides, LLC, a Delaware limited liability company  
(referred to as “we,” “us,” or “our”)

Franchisee: \_\_\_\_\_  
(referred to as “you” or “your”)

Franchisee Notice Address  
\_\_\_\_\_

Pricing Plan: \_\_\_ Classic  
(Mark One) \_\_\_ Extended  
\_\_\_ Regional

Initial Franchise Fee: \$ \_\_\_\_\_  
Monthly Franchise Fee: \$ \_\_\_\_\_  
Monthly Systems  
Access Fee: \$ \_\_\_\_\_

In consideration of the mutual promises, covenants, and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**1. PARTIES**

**1.1** This Agreement is entered into on the Effective Date, by and between us, with our principal place of business at 1084 N. El Camino Real, Suite B512, Encinitas, CA 92024, and you, as described in the Summary of Terms.

**2. BACKGROUND**

**2.1** We have developed, and plan to continue to develop, specialty exercise classes for mothers at all stages of motherhood, including pre and postnatal exercise classes.

**2.2** We are the owner of certain intellectual property rights, including the trade name and related mark, “FIT4MOM,” “Stroller Strides,” “FIT4BABY,” “Body Well,” “Body Boost,” and “Stroller Barre.” We have devised, and continue to develop, business methods, programs, technical knowledge, and marketing concepts including processes, trade secrets, commercial ideas, advertising materials, marketing strategies, information on sources of supply, administrative procedures, business forms, distinctive commercial symbols, trade dress, and instructor training techniques that, taken together, comprise a proprietary system for the operation of a FIT4MOM® Business.

**2.3** We own, operate, and selectively award franchises for others to own and operate a FIT4MOM Business, using the System and the Marks (as defined below), and your application has been approved by us in reliance on all of the representations made in your application.

**2.4** You understand and acknowledge the importance of our high and uniform standards of operations and service and the necessity of developing and operating a FIT4MOM Business in strict conformity with this Agreement, the System, and the Manual(s) (as defined below).

**2.5** We would like to grant to you and you would like to accept from us a franchise to own and operate a single FIT4MOM Business, using the Marks and the System, upon the terms and conditions below.

### **3. DEFINITIONS**

**3.1** For purposes of this Agreement, the following words and phrases have specific meanings as defined in this Section 3. Other terms used in this Agreement are defined and construed based on their ordinary meaning and in the context in which they occur.

**“Agreement”** – This Franchise Agreement.

**“Booking and Payment System”** – Designated online platform hosted by our approved Vendor which you must use to manage your Class schedules and allow your customers to register for Classes. We may access your Booking and Payment System without prior notice to you.

**“Classes”** – The specialty in-person, group, instructor-led exercise programs offered through a FIT4MOM Business, including the Stroller Strides® and Stroller Barre® postnatal exercise classes, the FIT4BABY® pre-natal exercise classes, the Body Boost® and Body Well® mom-only fitness classes, Strides 360®, Body Ignite, and Run Club+.

**“Confidential Information”** means our confidential and proprietary information, including the ideas, know-how, techniques, methods, trade secrets, information, formats, marketing and promotional techniques and procedures, plans and specifications, relating to the System, software, passwords, strategies, site evaluations, financial information, Improvements (as defined in Section 9.4), Customer Data, information concerning vendors, suppliers and other franchisees, contracts relating to Classes and other services, and other data disclosed to you under this Agreement and/or in relation to a FIT4MOM Business, including your Franchised Business.

**“Customer Data”** means lists of all former, current or prospective customers, referral sources, vendors, suppliers, lessors and service providers, as well as all other data,

information and materials we or you collect or receive from, or which relate to, these individuals.

**“Designated Credit Card”** – A credit card which must be maintained by you, where you grant us the right to charge the account for amounts owed to us in accordance with Exhibit “2” to this Agreement.

**“Designated Equipment”** – Equipment that meets our requirements and is obtained from us, or from Vendors approved by us, and used by you in the operation of your Franchised Business, including, but not limited to, exercise tubing and other equipment used as part of the System.

**“FIT4MOM Business”** – A business offering the Classes for mothers at all stages of motherhood under the Marks and pursuant to the System and any other products and services we require or authorize from time to time.

**“Franchise”** – The interdependent network composed of us, all FIT4MOM or Stroller Strides franchises, all FIT4MOM or Stroller Strides franchisees, and any other persons or business entities we have authorized to use the Marks, the System, or both.

**“Franchised Business”** – A FIT4MOM Business we have authorized you to conduct in the Territory under the terms and conditions of this Agreement and the Manual(s).

**“Good Standing”** – During the term(s) of this Agreement, you not being in default or threat of default under this Agreement, the financial obligations and/or any other agreement or legal obligation to us, and operating your Franchised Business in full compliance with this Agreement, the Manual(s), and the System.

**“Gross Sales”** means the aggregate amount of all sales of goods and services (including service charges in lieu of gratuity), whether for cash, by check, credit card or trade or otherwise, made or provided at or in connection with the Franchised Business. The term “Gross Sales” does not include any federal, state, municipal or other sales, value added or retailer’s excise taxes that you pay or accrue. Gross Sales will not be adjusted for uncollected accounts.

**“Initial Term”** – The term beginning on the date of this Agreement and continuing for a period of three years, unless this Agreement is terminated at an earlier date pursuant to this Agreement.

**“Marks”** – The trademarks, service marks, trade names, trade dress, logos, slogans, and other commercial symbols, including without limitation the marks “FIT4MOM,” “Stroller Strides,” “FIT4BABY,” “Body Well,” “Body Boost,” “Strides 360,” and “Stroller Barre” which are now and/or in the future owned by, or licensed to, us and which we designate to be used to identify the System, Classes, Products, Designated Equipment, and/or other products or services offered by a FIT4MOM Business.

**“Manual(s)”** – One or more handbooks, manuals, bulletins and/or volumes, other written materials, and video, audio and/or software media (including materials distributed electronically or otherwise), regardless of title, containing, among other things, mandatory and suggested specifications, forms, standards, policies and procedures to be used by you in connection with your development, operation and marketing of your Franchised

Business and your performance under this Agreement, The term “Manual(s)” also includes all future changes and supplements.

**“Online Business and Fitness Training Resource Center”** – Designated online business management system hosted by us or our approved vendor that you must use in operating your Franchised Business. We may access your Business Center without prior notice to you.

**“Pricing Plan”** – The pricing category applicable to your Territory – Classic, Extended, or Regional – which determines the amount of certain fees for your FIT4MOM Business as designated in the Summary of Terms.

**“Principal Owner”** – Any person or entity who directly or indirectly owns a 10% or greater interest in you. If any corporation or other entity other than a partnership is a Principal Owner, a “Principal Owner” also will mean a shareholder or owner of a 10% or greater interest in such corporation or other entity. If a partnership is a Principal Owner, a “Principal Owner” also will mean each general partner of such partnership and, if such general partner is an entity, each owner of a 10% or greater interest in such general partner. If you are one or more individuals, each individual will be deemed a Principal Owner of you.

**“Products” or “Retail Products”** – Retail items bearing our Marks that have been designated by us or developed in accordance with our specifications, and/or that have been packaged or labeled with our Marks, including, but not limited to, clothing, fitness equipment, strollers, and stroller accessories.

**“System”** – The distinctive format and method of doing business now or in the future developed, improved, used and/or modified by us in the exercise of our reasonable business judgment for the operation of a business offering specialty exercise classes for mothers at all stages of motherhood, including pre and postnatal exercise classes and includes: (a) specific methods, procedures, guidelines, and/or programs developed by us and used for conducting the Classes; (b) operating, marketing, training and other systems, procedures and standards; and (c) the standards of quality and service used in the operation of a FIT4MOM Business.

**“Territory”** – The geographic area in which you have the right to operate your Franchised Business, subject to the terms and conditions of this Agreement.

**“Termination”** – Expiration of this Agreement, non-renewal of this Agreement, or termination, under the circumstances described in Section 12 of this Agreement, of the then-current term of this Agreement prior to its normal expiration date.

**“Transfer”** – Any sale, assignment, conveyance, gift, or other change in ownership of all or any part of the rights and obligations of this Agreement, of your Franchised Business, and/or of any other assets pertaining to your operation of your Franchised Business, including contracts relating to Classes or other services offered through your Franchised Business.

**“Vendor”** – Manufacturers, distributors, suppliers, and all others approved by us to provide you Designated Equipment, supplies, and/or Products for use in your Franchised Business.

#### 4. GRANT OF FRANCHISE

4.1 **Granting Clause.** We grant to you and you accept from us a franchise to operate a single FIT4MOM Business within the Territory under the Marks and the System in accordance with the terms and conditions of this Agreement. You agree that you will at all times faithfully, honestly and diligently perform your obligations under this Agreement, and that you will continuously exert your best efforts to promote, enhance and maximize your Franchised Business and the goodwill of the Marks. You understand and agree that critical to the System and this Agreement, as well as your possible success, is full adherence by you to each element of the System. Accordingly, you will continuously comply with the following (and all other) elements of the System:

- (a) You will use and offer for sale only Products and Classes we approve in writing or as described in the Manuals;
- (b) You will only deal with Vendors we approve;
- (c) You will use only Designated Equipment in conducting Classes;
- (d) You will strictly adhere to our then-current required standards of quality and service;
- (e) You will maintain a close and personal working relationship with your Franchised Business; and
- (f) You agree to be personally accountable for the performance of your obligations under this and all other agreements pertaining to your Franchised Business.

4.2 **Territory.** Your franchise is a territory-specific franchise only, with you having no other rights except for any rights expressly granted to you under this Agreement.

(a) Protected Territory. The Territory is described in Exhibit "1" to this Agreement and not elsewhere, and we agree that, as long as you are not in default under this Agreement, neither we nor any person or firm authorized or licensed by us will establish a FIT4MOM Business that offers Classes in the Territory. You agree that you will not establish a similar or competing business within or outside this Territory without our express prior written permission. Your failure to timely renew this Agreement will result in the loss of your Territory.

(b) Our Activities in the Territory. You acknowledge and agree that we, our affiliates, and our licensees or designees may distribute our Products and services, or other products and services, whether now existing or developed in the future, in your Territory in such manner as we determine using the FIT4MOM Marks or other trademarks or service marks and/or through such channels of distribution we determine, other than through FIT4MOM Classes in your Territory. Other channels of distribution may include specialty stores, variety stores, distribution centers, electronic distribution via computer networks (including the Internet and/or other on-line networks), catalogs, direct mail, and other communication methods now or hereafter devised. You understand that this Agreement grants you no rights (i) to distribute such Products or services, or other products and services, through such alternative channels of distribution, or (ii) to share in any of the proceeds received by any such party. In addition, we or our affiliates may, as part of our strategic plan, acquire companies that operate the same businesses as a FIT4MOM Business but under another name and/or service mark and the acquired companies may have existing

businesses operating in your Territory. In those circumstances where the territory of an acquired business overlaps your Territory, we may, with the written agreement of both parties, alter the Territory. If mutual agreement as to the territory definition cannot be made, then we, our affiliate, franchisee or designee may continue to operate the acquired business by the name and/or service marks under which it was identified prior to its acquisition. We reserve the right to offer, grant and support franchises in similar and other lines of business. We make no representation or warranty to you that there will be any right to participate in such franchises.

(c) Activities of Other Franchisees in the Territory. Notwithstanding the protective nature of your Territory, other FIT4MOM franchisees may have advertising efforts, such as radio, newspaper, magazine, television, large public events (such as Baby Fairs – for example) and Internet ads that are broadcast in your Territory and you agree that those advertisements benefit the System as a whole, and will not object to such advertisements so long as they are not direct mail pieces, flyer postings or handouts delivered within your Territory.

**4.3 Forms of Agreement.** You acknowledge that, over time, we have entered, and will continue to enter, into agreements with other franchisees or licensees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that we and other franchisees or licensees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

## **5. TERM AND RENEWAL**

**5.1 Initial Term.** The Initial Term of this Agreement and the franchise granted under this Agreement begins on the date of this Agreement and will continue for a period of three years, unless this Agreement is terminated at an earlier date pursuant to Section 12 of this Agreement.

**5.2 Renewal.** You may at the end of the term of the Franchise Agreement renew the franchise relationship with us for successive one or three year terms, up to a total of nine years, provided that:

(a) You are in Good Standing under the Franchise Agreement and have not been in default of the Franchise Agreement more than two times in the immediately preceding twelve month period;

(b) During the previous twelve month period, you have had at least \$10,000 in Gross Sales.

(c) You notified us of your desire to renew in writing at least 60 days prior to the expiration of the term of the Franchise Agreement (inclusive of any state specific notice periods);

(d) You execute our then-current franchise agreement, which may be different from the terms and conditions set forth herein, including, but not limited to, increased Monthly Fees, the imposition of additional fees, and a modified Territory definition based on demographic changes in the Territory since the Effective Date. In addition, if you elect to enter into our then-current franchise agreement for only a one-year renewal term, the Monthly Fees will be \$49 more than the then-current Monthly Fees;

(e) You provide for any modernization or upgrade of the Franchised Business, printed materials, equipment, computer hardware and software, and you and/or your instructors are in compliance with our then-current training requirements;

(f) Subject to applicable state law, you execute a general release in a form we provide releasing us and our affiliates of any and all claims, of whatever nature; and

(g) For a one-year renewal term, you pay a renewal fee equal to 6% of the amount of the Initial Franchise Fee then in effect for new franchisees at the time of renewal. For a three year renewal term, you pay a renewal fee equal to 12% of the amount of the Initial Franchise Fee then in effect for new franchisees at the time of renewal. The renewal fee is due at least 5 days before you sign our then-current franchise agreement or this Agreement expires, whichever comes first.

Following the expiration of the renewal terms, the parties may, but are not obligated to, renew the franchise relationship under our then-current renewal conditions.

**5.3 Effect of Non-Renewal.** If you fail to comply with any of the foregoing requirements, or otherwise indicate your desire not to renew the Franchise Agreement, then we may commence offering franchises in the Territory, or open a company operated FIT4MOM Business in your Territory. In either case the new business may be opened for business within the final 30 days of the term of this Agreement and you will have no claim to exclusivity in the Territory during this time.

## 6. FEES

**6.1 Initial Franchise Fee.** When you sign this Agreement, you will pay us in cash or by credit card, cashier's check, or electronic transfer of funds the Initial Franchise Fee specified in the Summary of Terms less any deposit you paid us. The Initial Franchise Fee is fully earned by us on signing of this Agreement and is entirely non-refundable.

**6.2 Monthly Franchise Fee.** Subject to provisions (a) through (c) below, on the monthly anniversary of the date you signed this Agreement, you will pay us a non-refundable Monthly Franchise Fee specified in the Summary of Terms.

(a) No Monthly Franchise Fee will be due for the first three months after you enter into this Agreement if you are a new FIT4MOM franchisee (not purchasing an existing franchise as a resale or renewing an existing franchise). Your first Monthly Franchise Fee will be due on the third monthly anniversary of the day you signed this Agreement.

(b) The Monthly Franchise Fee is subject to increase each year based on changes in the Index (defined below). An increase may occur only once during any calendar year (though it need not occur at the same time each calendar year) and may not exceed the corresponding cumulative increase in the Index since the Effective Date or, as the case may be, the date on which the last Monthly Fee increase became effective. "Index" refers to the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982 – 1984 = 100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, or in a successor index. For the avoidance of doubt, if any payment or amount due under this Agreement encompasses any third-party charges we collect from you on a pass-through basis (i.e., for ultimate payment to the third party), we have the right to increase the payment or amount to reflect increases in the third party's charges to us.

(c) You will receive a 10% discount if you prepay the annual total of your upcoming Monthly Franchise Fees on or before your Franchise Agreement anniversary date. Prepaid Monthly Franchise Fees are not refundable, provided that upon Transfer (as described in Section 11.2), we will issue a credit to the Transferee for any prepaid amounts of the Monthly Franchise

Fee for future months.

**6.3 Monthly Royalty Fee.** You will pay us a non-refundable Monthly Royalty Fee on the tenth day of each month equal to 4% of Gross Sales during the preceding calendar month. No Monthly Royalty Fee will be due for the first three months after you enter into this Agreement if you are a new FIT4MOM franchisee (not purchasing an existing franchise as a resale or renewing an existing franchise). For example, if you sign this Agreement on June 1st, no Monthly Royalty Fee would be due for Gross Sales in June, July, or August and your first Monthly Royalty Fee would be due on October 10th based on the Gross Sales in September.

**6.4 Monthly Systems Access Fee.** You must pay us or our designated supplier a monthly fee for access to our Booking and Payment System and other technology. We may require you to sign a license agreement with us or our approved Vendor for use of the Booking and Payment System and other technology. You must pay us the Monthly Systems Access Fee specified in the Summary of Terms. We or our designated vendor may increase this monthly access fee upon written notice to you. Your first Monthly Systems Access Fee payment will be due on the first month anniversary of the day you signed this Agreement. Subsequent Monthly Systems Access Fee payments are due on the same date as the Monthly Franchise Fee.

**6.5 Brand Fund.** (a) We have the right to establish a fund (“Brand Fund” or “Fund”) for advertising, marketing, research, public relations, and customer relationship management programs and materials, the purpose of which is to enhance, promote, and protect the FIT4MOM Business brand and System. Upon thirty (30) days’ prior written notice from us, you agree to begin contributing to the Brand Fund the amounts we periodically specify, not to exceed three percent (3%) of your FIT4MOM Business’s monthly Gross Sales. Your Brand Fund contribution is due and payable at the same time and in the same manner as the Monthly Royalty Fee or in such other manner we periodically specify. FIT4MOM Businesses that we or our affiliates own will contribute to the Brand Fund on the same percentage basis as franchisees.

(b) We will direct all programs the Brand Fund finances, with sole control over all creative and business aspects of the Fund’s activities. The Brand Fund may pay for preparing, producing, and placing video, audio, and written materials, digital and electronic media, and social media; developing, maintaining, and administering one or more FIT4MOM Business websites; administering national, regional, and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; establishing regional and national promotions and partnerships and hiring spokespersons to promote the FIT4MOM Business brand; and supporting public relations, market research, and other advertising, promotion, marketing, and brand-related activities. The Brand Fund periodically may give you samples of advertising, marketing, and promotional formats and materials (collectively, “Marketing Materials”) at no cost. We may sell you multiple copies of Marketing Materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

(c) We will account for the Brand Fund separately from our other funds (although we need not keep Brand Fund contributions in a separate bank account) and not use the Brand Fund for any of our general operating expenses. However, the Brand Fund may reimburse us and our affiliates for the reasonable salaries and benefits of personnel who manage and administer, or otherwise provide assistance or services to, the Brand Fund; the Brand Fund’s administrative costs; travel expenses of personnel while they are on Brand Fund business; meeting costs; overhead relating to Brand Fund business; and other expenses we and our affiliates incur

administering or directing the Brand Fund and its programs, including conducting market research, preparing Marketing Materials, collecting and accounting for Brand Fund contributions, paying taxes due on Brand Fund contributions we receive, and any other costs or expenses we incur operating or as a consequence of the Fund. The Brand Fund is not a trust, and we do not owe you fiduciary obligations because we maintain, direct, or administer the Brand Fund or for any other reason. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We may use new Brand Fund contributions to pay Brand Fund deficits incurred during previous years. We will use all interest earned on Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and post the statement on our System intranet, or otherwise give you a copy of the statement, within sixty (60) days after our fiscal year end. We may (but need not) have the Brand Fund audited annually, at the Brand Fund's expense, by a certified public accountant we designate. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section.

(d) The Brand Fund's principal purposes are to maximize recognition of the Marks, increase patronage of FIT4MOM Businesses, and enhance, promote, and protect the FIT4MOM Business brand and System. Although we will try to use the Brand Fund in the aggregate to develop and implement Marketing Materials and programs benefiting all FIT4MOM Businesses, we need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund contributions by FIT4MOM Businesses operating in that geographic area or that any FIT4MOM Business benefits directly or in proportion to its Brand Fund contribution from the development of Marketing Materials or the implementation of programs. The Brand Fund will not be used principally to develop materials and programs to solicit franchisees. However, media, materials, and programs (including the System website) prepared using Brand Fund contributions may describe our franchise program, reference the availability of franchises and related information, and process franchise leads. We have the right, but no obligation, to use collection agents and institute legal proceedings at the Brand Fund's expense to collect unpaid Brand Fund contributions. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

(e) We may at any time defer or reduce the Brand Fund contributions of any FIT4MOM Business franchisee and, upon thirty (30) days' prior written notice to you, reduce or suspend Brand Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will either (i) spend the remaining Fund balance on permitted programs and expenditures or (ii) distribute all unspent funds to our then-existing franchisees, and to us and our affiliates, in proportion to their and our respective Brand Fund contributions during the preceding twelve (12) month period.

**6.6 Training Fees and Costs.** We offer online certifications for our Foundations Course, Stroller Strides, Body Boost, Body Well, Stroller Barre, FIT4BABY, Run Club+, Body Ignite, Strides 360, and continuing educational courses to franchisees and their instructors (as described in Section 8.7 of this Agreement). You must pay our then-current fee plus all expenses to attend. The current fee for the Foundations Course (required prior to taking any other Format Certification) is \$99-~~\$149~~. The Body Well & Body Boost Format Certification is presently \$299-~~\$349~~ per person, or \$199-~~\$249~~ with FIN (defined in Section 6.16 below). The current fee for each of Stroller Strides Format Certification, Body Boost Format Certification, Stroller Barre Format Certification, FIT4BABY Format Certification, Run Club+ Format Certification, Body Ignite Format

Certification, and Strides 360 Format Certification is \$199-~~\$249~~ per person or \$99-~~\$149~~ with FIN. We reserve the right to modify the fees for these courses. For new franchisees (not purchasing an existing franchise as a resale or renewing an existing franchise), you will receive as part of your initial franchise fee the online Foundations Course, and one online Format Certification of your choice for any of our FIT4MOM® Programs (up to a ~~\$398~~498 value).

**6.7 Consulting Fees; Expenses.** As described in Section 7 of this Agreement, we will, at no additional charge to you, use our best efforts to respond to any request by you for assistance within three business days. You will promptly reimburse us for all incidental expenses incurred by us in rendering consulting services, including, but not limited to, courier charges.

**6.8 Retail Products.** You may, but are under no obligation to, purchase Retail Products from us or our designated suppliers for re-sale to your own customers. You may not offer any retail items for sale other than our Retail Products, or other products approved by us in writing. Further restrictions on offering our Retail Products for sale and on using our Marks are contained in Section 8 of this Agreement. We reserve the right, at our sole discretion, to increase our prices to you without notice. You may set your own prices for the sale or retail products even though we may suggest prices.

**6.9 Transfer Fee.** As a condition of Transfer of this franchise, you must pay to us, prior to transfer, a non-refundable Transfer Fee equal to: (a) 30% of the amount of the Initial Franchise Fee then in effect for new franchisees at the time of transfer if you identify the transferee; (b) 45% of the amount of the Initial Franchise Fee then in effect for new franchisees at the time of transfer if we refer the transferee to you; or (c) 15% of the amount of the Initial Franchise Fee then in effect for new franchisees at the time of transfer if you are adding or removing a Principal Owner. If you are transferring this franchise to a wholly-owned business entity you control, we will charge you a Modification Fee of \$350.

**6.10 Interest.** Any payment not received by us when due will bear interest daily at the rate of 18% per annum or at the highest rate allowed by applicable law on the date when payment is due, whichever is less. If you fail to pay any amounts (including any electronic draft returns, returns for insufficient funds or otherwise), or fail to deliver any report when due, that failure can constitute grounds for Termination of this Agreement.

**6.11 Application of Payments.** Notwithstanding any designation by you, we can apply any payments received from you to any past due or other indebtedness of yours for Monthly Franchise Fees, other fees, purchases, interest, or otherwise as we choose in the exercise of our reasonable business judgment. We can set off, from any amounts that may be owed to you, any amount that you owe to us. We have the right to accept payment from any other person or entity as payment by you. Our acceptance of that payment will not result in that other person or entity being substituted into this or any other agreement on your behalf.

**6.12 Audit.** We will have the right during normal working hours to audit your books and records, including your tax returns, with respect to the Franchised Business. We may, at all reasonable times and without prior notice to you, examine, audit, or request copies of the Franchised Business records, including the books, records and state and/or federal income tax records and returns of any owner. You will fully cooperate with our representative and independent accountants hired to conduct any examination or audit. If any examination or audit discloses an understatement of Gross Sales, you will pay to us, within 15 days after receipt of the examination or audit report, the Monthly Royalty Fees due on the amount of the understatement, plus interest (at the rate provided in Section 6.11 above) from the date originally due until the date

of payment. You must reimburse us for the cost of the audit or examination, including the charges of any independent accountants and the travel expenses, room and board and compensation of our employees, if: (1) an examination or audit is necessary because you failed to timely provide required information; or (2) any examination or audit results in a determination that Gross Sales for any month are understated by greater than 10%. The foregoing remedies are in addition to all other of our remedies and rights under applicable law.

6.13 **Personal Appearance Fee.** If you desire to have Lisa Druxman attend a grand opening, or other franchise event, on your behalf, you will pay her the personal appearance fee, plus travel, food and lodging costs associated with the trip.

6.14 **Territory Modification Fee.** If you are in good standing, you may substitute one part of the Territory for another if the new addition is contiguous to the existing Territory, the territory is the same size, and you pay our then-current Territory Modification Fee. As of the Effective Date, the Territory Modification Fee is \$350. You may hold the territory for up to 30 days with a \$250 deposit, which we will apply to the fee at the time of signing. [For new franchisees \(not renewing an existing franchise\), you may modify your territory one time for no fee within 60 days of ownership.](#)

6.15 **Late Fee.** Your failure to make a timely payment of any amount owed to us will cause you to incur a late fee of ~~\$35~~50.

6.16 **FIT4MOM Program Membership.** A Program Membership fee is associated with each Certification. The Program Membership fee provides access to consistently updated course materials, support materials, and resources in our Education Portal. You and your instructors must maintain your qualifications each year by paying, for each certification, a ~~\$35~~\$50 program membership fee per person, or enrolling in the FIT4MOM Instructor Network ("FIN") for ~~\$9.99~~\$12.99 per month, as described in the Manual. These fees are set to auto-renew on the anniversary of original purchase. Cancellation notice must be received 10 days before auto-renew date. If any of your FIT4MOM Program Membership fees lapses for more than 60 days past its expiration date, a \$75 fee per- membership fee will be assessed to reinstate your lapsed FIT4MOM Program Membership. Access to Form Certification materials for any lapsed Program Membership will be suspended, and you may not continue teaching or offering the associated FIT4MOM Class if the associated FIT4MOM Program Membership and certification fees are not current.

6.17 **Conferences.** If you are a franchisee in good standing, you may attend any National Conferences, regional summits, or Virtual Conferences we host, for a fee which varies each time. You also will be responsible for your travel and lodging costs.

6.18 **Franchise Onboarding Program.** Our Franchise Onboarding Program is an online course exploring marketing approaches and business strategies for FIT4MOM Businesses. The Business Onboarding Program is mandatory and you must successfully complete the Franchise Onboarding Program before you begin offering Classes. You must complete this program and begin offering classes within six (6) months of this Agreement's Effective Date. The Franchise Onboarding Program is included with your Initial Franchise Fee.

6.19 **Additional Training Courses.** We periodically offer additional training courses to enhance existing training or to allow you to offer additional Classes. You will pay us our then-current fee for such training courses.

6.20 **Activities Outside Territory.** If you offer Classes, [conduct events, or advertise](#) outside your Territory, we may charge you an administrative fee of \$500 for each violation to cover some of our costs in addressing the breach, in addition to our right to terminate the Franchise Agreement under Section 12.

6.21 **Unauthorized Instructor.** If Classes are taught by instructors who do not meet our qualifications or for whom we do not have the required information on file, we may charge you an administrative fee of \$500 for each violation to cover some of our costs in addressing the breach, in addition to our right to terminate the Franchise Agreement under Section 12.

6.22 **Method of Payment.** All fees you pay us under this Agreement must be paid using your Designated Credit Card or another method of payment we designate, including electronic funds transfer. You must sign our credit card authorization form or our electronic funds transfer/ACH authorization form attached as Exhibit "2". We are entitled to automatically charge your Designated Credit Card, or withdraw from your account via electronic transfer, in accordance with the Automatic Payment Form. [All credit card transactions are subject to a 3% service fee.](#) If we do not receive payment when due, we are entitled to continue to attempt to charge your Designated Credit Card or any other credit card on file with us, or withdraw from your account via electronic transfer, until payment is made. If we offer a payment plan for any of our training courses, national conferences, or summits, a one-time set up fee may be assessed.

## 7. SERVICES PROVIDED TO YOU

7.1 **Services Provided to You.** We, or our designated representatives agree to deliver the following supplies and equipment to you, and perform the following services for you, provided that you are in Good Standing under this Agreement, any other agreement(s) with us, and the required specifications contained in the Manual(s):

(a) We will provide you with an analysis of your Territory to better understand the population and consumer market in your Territory;

(b) We will provide you with advertising templates and samples for use within your Territory, subject to the terms and conditions of this Agreement;

(c) We will provide you with current suggested pricing information for registration, membership, and Classes;

(d) We will provide you with access to the Online Business and Fitness Training Resource Center, if you are not in default under this Agreement;

(e) We will use our reasonable best efforts to ensure we have at all times a supply of Designated Equipment and Retail Products available for purchase by you;

(f) We will provide communication and training via intranet channels;

(g) We will use our reasonable best efforts to develop new Classes and programs for you to learn and offer to your customers;

(h) We will expend a minimum of \$25,000 per year on national public relations, media exposure, and national advertising for FIT4MOM Businesses through various methods, which may include print, television, the Internet, and direct mail;

(i) For new franchisees (not renewing an existing franchise), we will provide you with our Franchise Onboarding Training Program; and

(j) For new franchisees (not purchasing an existing franchise as a resale or renewing an existing franchise), we will waive the fee for you to take the online Foundations Course and one online Format Certification of your choice for any of our FIT4MOM® programs (up to \$~~398~~498 value).

**7.2 Training materials.** Training materials for operating your Franchised Business consist of the Manual(s) and online course materials provided in the Online Business and Fitness Training Resource Center.

**7.3 Guidance and Assistance.** From time to time, we, or our designated Franchisee Regional Managers, performing under our guidelines and supervision, may furnish guidance to you with respect to:

(a) specifications, standards and operating procedures utilized by FIT4MOM Businesses, including any modifications;

(b) purchasing Designated Equipment, supplies, and operating materials;

(c) developing and implementing local advertising and promotional programs;

(d) implementing new Classes; and

(e) administrative, bookkeeping, accounting, and general operating and management procedures. This guidance can, in the exercise of our reasonable business judgment, be furnished in the Manual(s), bulletins, written reports and recommendations, other written materials, refresher training programs and/or telephonic consultations. You will follow and comply with any mandatory guidance.

**7.4 Consultation.** We generally will use our best efforts to make our personnel available to you for periodic consultation throughout the term of the franchise for no additional charge, except reimbursement of direct costs or in the event you request an on-site consultation. We will further use our best efforts to respond by telephone or e-mail to any operating problem you encounter within three business days after you notify us of the problem.

**7.5 Third Party Customer Support.** We may negotiate services on your behalf with third party providers. We make no representations and offer no warranties as to the availability or quality of any customer support offered by any third party relating to the operation of your Franchised Business.

**7.6 Advertising and Promotional Efforts.** Your advertising and promotional efforts will only utilize marketing, advertising and public relations programs, formats, media and materials consented to by us. In the event that you become aware of a media opportunity and other promotional opportunity which extends past the scope of your Territory you will refer that contact to us in order that we may coordinate the opportunity for the benefit of the System. You may not partner as a brand representative, ambassador, or affiliate for any business located in another franchisee's territory. All of your business must be located only within your Territory, without exception, unless we otherwise consent in advance in writing.

We reserve the right to initiate and execute promotional offers and marketing campaigns at our discretion. These promotional offers and marketing campaigns may include, but are not limited to, discounts, special pricing, referral programs, loyalty programs, seasonal promotions, and other sales incentives. We may implement these offers through various marketing channels, such as print media, digital platforms, social media, email marketing, or any other suitable means.

## 8. YOUR OBLIGATIONS

8.1 **Use of the Marks.** Your right to use the Marks is derived solely from this Agreement and is limited to the operation of a single FIT4MOM Business in compliance with this Agreement and all applicable standards, specifications and procedures prescribed by us. You must use the Marks only as expressly authorized by us. You will not oppose, or engage in any acts or omissions inconsistent with, our rights in and to the Marks. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights in and to the Marks. This Agreement, and your operation of your Franchised Business, does not confer any goodwill or other interests in the Marks on you (other than the right to operate your Franchised Business in compliance with this Agreement), all goodwill (whether relating to the Marks or otherwise) and such interests belonging exclusively to us. All Marks will remain our property and you will have no rights in or to them, but we may require you to use them as we direct. Your rights to the Marks are non-exclusive, are only as set forth in this Agreement, and we retain the sole right to grant other franchises or licenses to use the Marks (in addition to those already granted) and to establish and/or become involved with other, similar and/or related businesses and to grant them rights with respect to the Marks without providing you with any rights.

8.2 **Limitations on Use of the Marks.** Unless we direct or consent (in writing) otherwise, you must use the Marks as the sole identification in connection with your Franchised Business, provided that you must identify yourself as the independent owner of your Franchised Business as prescribed by us. You will not use any Mark as part of any corporate or trade name or as your primary business name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form. (For example, you may not use “FIT4MOM of Alabama, Inc.” or “Smith’s FIT4MOM.”) You will not use any of the Marks in connection with the performance or sale of any unauthorized services or products or in any territory or in any other manner not expressly authorized in writing by us.

You must display the Marks prominently in connection with advertising and marketing materials and you must not use any of the Marks so as to negatively affect the goodwill associated with the Marks. You must not provide any Products or Classes through your Franchised Business or otherwise under any identification or trade name, other than the Marks. You must give such trademark and other notices (including notices of independent ownership) as we direct and must, at your own expense, obtain fictitious or assumed name registrations as may be required under law. You must sign such documents and act as required by us from time to time to protect our interests in the Marks and you must not take any action, or omit to take an action, so as to jeopardize our interests in, or the validity or enforceability of, the Marks.

8.3 **Discontinuance of Use or Changes in the Marks.** If we modify or discontinue the use of any of the Marks or use one or more additional or substitute trademarks or service marks, you will promptly comply (at your sole expense) with our directions to modify or otherwise discontinue the use of such Marks. We will not have any liability or obligation (whether of defense, indemnity, expense reimbursement or otherwise) to you, and you agree to make no claim, for or in connection with, any modification, discontinuance or otherwise, and/or any dispute regarding the Marks and/or your and/or our rights in or to them.

**8.4 Advertising Materials.** Subject to the exceptions below, you agree to submit to us (via certified mail or electronic mail) for our review and consent copies of all advertising materials that you propose to use (other than our previously approved templates), prior to any broadcast and/or publication of the proposed advertising materials. We will then have ten days from the date of receipt of the proposed advertising materials to review them. We may withhold or condition our consent as we see fit in the exercise of our reasonable business judgment. If written approval is not received by you within the ten days from the date of receipt by us of such materials, we will be deemed not to have given the required written consent. In addition, we reserve the right to later retract any consent by written notice to you.

You may not use any advertising or promotional materials or programs that we have disapproved, in our sole and independent discretion or that do not include the copyright, trademark and other notices required by us.

We may require that a brief statement regarding the purchase of a FIT4MOM Business be included in all advertising used by you and that a brochure regarding purchase of a FIT4MOM Business be made available from you to the public on request.

All media exposure and joint promotions that extend beyond the scope of your Territory must be referred to us in order that we may pursue the opportunity for the benefit of the System.

You must participate in any website or other form of electronic communication we maintain. You may market, advertise and promote your Franchised Business on the Internet, including using social and professional networking sites to promote your Franchised Business, provided that such marketing, advertising and promotion complies with our written guidelines, including our Internet usage policy or social media policy. Except as we may authorize in writing under such guidelines, you will not: (1) link or frame our website; (2) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication) in connection with the Franchised Business; (3) create or register any Internet domain name in any connection with your Franchised Business; and (4) use any e-mail address which we have not authorized for use in operating the Franchised Business. You will not register, as Internet domain names, any of the Marks or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar.

In addition to our right to terminate this Agreement under Section 12, if you use any unapproved marketing, advertising or public relations programs, formats, media or materials, or you otherwise fail to comply with your obligations under this Section 8.4, we may charge you \$250 for the first violation and \$500 for any subsequent violation as an administrative fee for some of our costs in addressing such violations.

**8.5 Notification of Infringements and Claims Against the Marks.** You must immediately notify us of any apparent or actual infringement of, or challenge to, your use of any Mark, or any claim by any person or entity of any rights in any Mark, and you must not communicate with anyone other than us and our counsel in connection with any such matter. We will have sole discretion to take such action as we deem appropriate in connection with such (or any related) matters, and the right to control exclusively any settlement, litigation or Patent and Trademark Office or other proceeding arising out of or related to any such matters or otherwise relating to any Mark. You will execute any and all instruments and documents, render such assistance, and do such acts and things as may, in our opinion, be advisable to protect and

maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks.

**8.6 Manual(s).** During the term of your Franchised Business franchise, we will allow you electronic access to the Operations Manual(s), containing mandatory and suggested specifications, standards and operating procedures we prescribe for a FIT4MOM Business, instructions for use of the Marks and/or the System, and/or information relative to your obligations under this Agreement. We will also provide you electronic access to the instructor manual and training materials described in Section 7 of this Agreement. Any required specifications, standards and operating procedures exist to protect our interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you.

We can, in the exercise of our reasonable business judgment, modify any aspect of the Manual(s), instructor manual, and/or training materials, as well as specifications, standards, policies and procedures of FIT4MOM Businesses to, among other things, specify different or additional Designated Equipment to be used by you and/or your instructors when conducting Classes, and/or to specify changes or additions to the Classes or programs offered to the public.

You will promptly and continuously comply, at your sole expense, with all provisions of, and modifications to, the Manual(s). Any such modifications will take precedence over all prior communications and in the event of a dispute, the master Manual(s) maintained on our Intranet Site will control. The provisions of the Manual(s) as modified from time to time by us and communicated to you constitute provisions of this Agreement and are binding upon you. The Manual(s) contains proprietary and/or confidential information of ours and you agree to keep the Manual(s) and information contained therein confidential at all times during and after the term of this Agreement.

#### **8.7 Training and Instructor Qualifications.**

(a) Before you begin operating your FIT4MOM Business, all individuals intending to teach Classes must successfully complete the Foundations Course, as well as format certification for the program(s) you intend to offer in the operation of your franchise. If Stroller Strides is the first class offering you plan to launch in your business, you and your instructors hired to teach your Stroller Strides classes must first complete the Foundations Course and then complete the Stroller Strides Format Certification. If at a later point you or your instructor(s) wish to add Body Well or Body Boost to your class offerings, you and your instructor(s) must complete the Body Well or Body Boost Format Certification. You are not required to offer all programs, but those programs that you do offer in connection with the operation of your franchise must be taught by a certified instructor. In addition, you as the Franchisee must also be certified, regardless of whether your instructor plans to teach that format. If a Class is taught by you or an instructor who does not meet the qualifications described in this Section 8.7(a), in addition to our right to terminate this Agreement under Section 12, we have the right to charge you a \$500 administrative fee for each Class taught by you or that instructor to cover a portion of our administrative costs in addressing such violation.

(b) If we determine, whether as a result of observations or otherwise, in the exercise of our reasonable business judgment, that it is appropriate, we can require that you and/or any of your instructors, at your sole cost, repeat and successfully complete online training.

(c) As new Classes are developed by us, and/or as we deem it otherwise necessary, you and/or your instructors may be required by us from time to time to complete additional and/or refresher training programs. We may also offer continuing training programs on matters related to the operation or promotion of a FIT4MOM Business on an optional or mandatory basis, as we consider appropriate.

**8.8 Opening.** You may not conduct Classes until you and/or your instructors have successfully completed all instructor training requirements described in Section 8.7(a) above. In addition, you may not conduct Classes until you provide us with the insurance certifications described in Section 8.15 below. You must begin offering classes within six (6) months after this Agreement's Effective Date.

**8.9 Products and Services to be Offered.** You must offer to the public the desired Classes you and/or your instructors have been trained by us to teach. All Retail Products that you offer for sale must be purchased from our approved Vendor or us. All Designated Equipment used during the Classes must be purchased from us, unless you have been authorized by us to obtain equipment from an approved Vendor and so long as the Vendor meets the standards established by us and the equipment meets the specifications set out in the current version of the Manual(s). Within 30 days after our receipt of the product specifications, samples, and/or other information about the Vendor, we will communicate to you either our approval or our reasons for withholding our approval. Silence may not be construed as consent. As a condition of approving a Vendor or product, we will require you to reimburse us for any expenses reasonably incurred by us in inspecting the Vendor's premises, checking the Vendor's credentials, and/or testing the product. As a condition of approving a Vendor of any product that bears the Marks, we may require that the Vendor sign a license or other appropriate agreement. We may withdraw our approval of a Vendor or product at any time if either or both no longer meet our standards or specifications. We expressly disclaim any warranties or representations as to the condition of the products sold by any Vendor, including, without limitation, expressed or implied warranties as to merchantability or fitness for any intended purpose. You agree to look solely to the Vendor for the remedy for any defect in the products.

**8.10 Quality Assessments.** You must ensure your FIT4MOM Classes are being conducted properly and in accordance with our required standards as provided in the online training and Manual(s). In addition, we reserve the right to conduct our own periodic quality assessments of your Franchised Business by attending one or more of your Classes to evaluate your compliance with the System and the Agreement. Quality assessments may be made with or without prior notice. The frequency and intervals in which we make quality assessments is left to our sole discretion. You must promptly correct any deficiencies in your operation of which you are advised by us. If you do not take immediate, effective steps to bring your operation up to our required standards, your failure to do so will constitute a material breach of this Agreement. Failing two consecutive quality assessments is grounds for Termination of this Agreement by us. (See Section 12.3 of this Agreement.)

**8.11 Notification of Complaints Against You.** You will notify us in writing within five days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which relates to, or which may affect the operation or financial condition of, you and/or your Franchised Business.

**8.12 Performance, Management, and Personnel.** You are not required to personally conduct, attend, or supervise Classes, or otherwise participate in the management of your

Franchised Business, however we strongly recommend that you do so; absentee ownership is not recommended by us and exposes you to a greater risk of failure than if you are personally involved in the day-to-day management of your Franchised Business. Regardless, you must appoint a general manager (which may be you, if you are an individual) who has successfully completed all training requirements identified in this Agreement, and who must devote the necessary time and effort to the active management and operation of the Franchised Business. During the term of this Agreement, the general manager(s) may not directly or indirectly engage in any other business offering exercise classes to new moms and their babies, either as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant. The general manager is not required to own an equity interest in the Franchised Business, however the general manager must have a separate FIT4MOM email address.

You are responsible for hiring all managers, instructors, and employees of your Franchised Business, if any, and will be solely responsible for their supervision and possible termination, the terms of their employment including compensation, scheduling and benefits, and for the proper training of such managers, instructors, and/or employees of yours in the operation of your Franchised Business.

**8.13 Compliance with Laws and Ethical Business Practices.** You must secure and maintain, in your name, all required licenses, permits and certificates relating to the operation of your Franchised Business. You must operate your Franchised Business in full compliance with all applicable laws, ordinances and regulations, including labor and employment laws. You must comply with all laws and regulations relating to privacy and data security, and must comply with any privacy policies we establish. We make no representations or assurances as to what, if any, licenses, permits, authorizations or otherwise may be required in connection with your establishment or operation of your Franchised Business, and it is your sole responsibility to determine what licenses, permits, authorizations or otherwise are required and to obtain them, all at your sole cost. You will, in all dealings with your customers, Vendors, and/or public officials, adhere to high standards of honesty, integrity, fair dealing and ethical conduct, in each case above and beyond merely legal requirements. You will refrain from any business or advertising practice, which may be injurious to our business and/or the goodwill associated with the Marks and other FIT4MOM Businesses.

**8.14 Accounting and Reports.** You will establish and maintain at your own expense a bookkeeping, accounting, record-keeping and records retention system conforming to requirements prescribed by us in the Manual(s). Upon our request you must submit to us accurate financial reports and copies of all federal and state income tax returns relating to your Franchised Business. Each report and financial statement submitted by you to us must be verified as correct and signed by you personally if a sole proprietorship, by a general partner if a partnership, or by an executive officer or other authorized agent of yours if a corporation or a limited liability company. You will furnish to us, upon our request, complete copies of all records of or relating to your Franchised Business. In addition to any other legal obligation(s) which may exist, you will maintain and keep all records of or relating to your Franchised Business for at least two years after the Termination of this Agreement.

**8.15 Insurance.** You must purchase and maintain insurance policies covering all FIT4MOM Business property and professional liability insurance in the minimum amounts we specify in the Manuals. In addition, you must maintain a policy or policies of comprehensive general liability, including products and completed operations liability of at least \$1,000,000 per occurrence, or Three Million Dollars \$3,000,000 in aggregate claims per year. We may increase the minimum coverage requirement annually if necessary to reflect inflation or other changes in

circumstances. In addition, if applicable, you must maintain policies of workers' compensation insurance, disability insurance, and any other types of insurance required by applicable law. Each insurance policy that is required under this Agreement must contain a provision that the policy cannot be canceled without ten days' written notice to us. It must be issued by a properly licensed insurance company of recognized responsibility and in good standing in the state where you intend to operate your Franchised Business, and with no less than an "A" rating, designate us and our officers, directors, affiliates and employees as an additional insured party, and be satisfactory to us in form, substance, and coverage. You must deliver to us proof of insurance in the form we require within ten days after the policy is issued or renewed. In addition to our right to terminate this Agreement under Section 12, we may charge you an administrative fee of \$500 if you fail to provide us with proof of insurance to cover some of our costs associated with our attempts to obtain such proof of insurance. Failure to maintain appropriate insurance is an act of default of this Agreement. Your obligation to obtain and maintain these insurance policies in the amounts specified shall not be limited in any way by reason of any insurance that we may maintain, nor does your procurement of required insurance relieve you of liability under the indemnity obligations described in Section 15.5. Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations.

**8.16 Uniform Appearance.** You will require instructors to wear FIT4MOM logo apparel and other standardized insignia during Classes and comply with programs of standardization promulgated by us from time to time to promote the acceptance and goodwill of the System and the Marks.

**8.17 Sponsorship Activities.** You may not sponsor, promote or advertise nutritional, fitness or weight loss products in connection with the Franchised Business. You must participate in any sponsorship, promotional or advertising opportunities we require. Under those programs, we may require you to use certain products or equipment, use designated logos or trademarks, or offer periodic promotional Classes at designated locations.

**8.18 Online Business and Fitness Training Resource Center and Booking and Payment System.** You must use in your Franchised Business the on-line platforms and software, including all existing or future communication or data storage systems, components thereof and associated services, which we have developed or selected for the System. Currently, you must use the Online Business and Fitness Training Resource Center and Booking and Payment System in the operation of your Franchised Business. We have the right, without notice to you, to access your Online Business and Fitness Training Resource Center or Booking and Payment System account (or any future on-line platforms and software) and access the contents of that account, including Customer Data kept on the account. You must use and, at our option, pay for all future updates, supplements and modifications to any on-line platforms or software.

**8.19 Customer Data.** At our request, you must provide us with up-to-date Customer Data in the format we determine. We have the right to contact your former and current students to ascertain their level of satisfaction. We also have the right to contact your former, current or prospective customers, referral sources, vendors, suppliers, lessors and service providers. A FIT4MOM customer is a customer of the brand. We own the Customer Data you and we collect and will grant you a license to use the Customer Data during the term of this Agreement. You may not use Customer Data for any purpose other than in the normal conduct of the Franchised Business, and may not sell, loan or give Customer Data, including former, current or prospective customer lists, to anyone without our prior written permission. Further, we have the right to periodically establish other policies respecting your use of the Customer Data during the term of this Agreement. Upon termination or expiration of this Agreement, you must promptly deliver to

us all Customer Data in your possession in whatever format held (including any hard or electronic copies), including lists (with addresses and telephone numbers) of all former, current or prospective customers, referral sources, vendors, suppliers, lessors and service providers, without retaining any copies of that Customer Data.

**8.20 Class Locations.** You may offer Classes from any location that meets our standards and specifications; provided that you may not operate a FIT4MOM® studio or similar brick-and-mortar location that is identified as a FIT4MOM® business without our prior written approval. We may, but have no obligation to, allow you to offer virtual classes temporarily in response to the COVID-19 pandemic or similar event. Any such virtual classes must be operated under the guidelines provided by FIT4MOM®. We may revoke our permission for you to offer virtual classes at any time and for any reason, and you must cease offering those virtual classes within ninety (90) days after we provide you written notice.

## **9. CONFIDENTIALITY AND COMPETITION**

**9.1 Confidentiality.** You acknowledge and agree that the Confidential Information is disclosed to you in confidence and you will maintain the confidentiality of all such material. During the term(s) of this Agreement and thereafter, you may not disclose any such information to any third party, except to your instructors and/or managers to the extent necessary for them to render their services to the Franchised Business, or as authorized in writing by us. You will not, during the term of this Agreement or at any time thereafter, copy, communicate or disclose any Confidential Information to any unauthorized person.

**9.2 Non-competition.** You acknowledge and agree that we would be unable to adequately protect the Franchise and our trade secrets and Confidential Information against unauthorized use or disclosure and would be unable adequately to encourage a free exchange of ideas and information within the Franchise if franchisees were permitted to hold interests in, or perform services for, competitive businesses.

Accordingly, you covenant and agree that during the term of this Agreement and for a period of twenty-four months following its expiration or earlier termination or the date on which all persons restricted by this Section 9.2 begin to comply with this Section, whichever is later, you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, or other entity, own, maintain, operate, engage in, advise, help, become an employee of or affiliated with, make loans to, or have any interest in, either directly or indirectly, any business which is in the field of or similar to pre and postnatal exercise classes to include, but not limited to, stroller-based fitness programs relating to health and fitness for parents with children aged newborn to approximately four (4) years and/or which competes with the Franchise. During the term(s) of this Agreement, there is no geographical limitation on this restriction. Following the expiration or earlier termination of this Agreement, the non-compete restriction will apply to anywhere within or within a 10 miles radius of: (a) your former Territory; or (b) the territory of any other FIT4MOM® or Stroller Strides® business (including any territory owned and operated by us or our affiliated companies). The use or duplication of FIT4MOM Intellectual Property or Confidential Information in any other business, specifically targeted to moms, will constitute an unfair method of competition with us and/or our other franchisees.

If any part of these restrictions is found to be unreasonable in time or distance, we may reduce such restrictions by notice in writing to you or by appropriate court order or arbitrator's ruling to that deemed reasonable.

9.3 **Separate Non-disclosure Agreements.** We strongly recommend that each general manager, instructor, and/or employee sign a non-disclosure and non-compete agreement to the extent allowed by applicable law.

9.4 **Improvements.** You must fully and promptly disclose to us, all ideas, concepts, methods, techniques, improvements, additions and Customer Data relating to the development and/or operation of a Franchised Business or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of the Franchised Business, or any advertising or promotion ideas related to the Franchised Business (collectively the "Improvements") conceived or developed by you and/or your employees during the term of this Agreement. You agree that we have the perpetual right to use and authorize others to use the Improvements without any obligation to you for royalties or other fees.

## 10. YOUR ORGANIZATION

10.1 **Representations if Business Entity.** If you are a corporation, a limited liability company or a partnership, you make the following representations and warranties:

(a) Unless otherwise approved by us in writing, your bylaws, operating agreement, or written partnership agreement will at all times provide that your activities are limited exclusively to the development and operation of a FIT4MOM Business.

(b) If you are a corporation, you will maintain stop-transfer instructions against the transfer on your records of any voting securities. If you are a corporation, a limited liability company or a partnership, each stock or membership certificate will provide that any assignment or transfer of ownership interests is subject to the restrictions imposed by this Agreement.

(c) Regardless of the type of business entity under which you operate your Franchised Business, you must provide to us, within 30 days after execution of this Agreement, the name, address, and telephone number of the general manager of your Franchised Business, as well as identify any fictitious business name under which you are operating your Franchised Business, if any.

10.2 **Duty to Notify Us of Certain Events.** You must notify us in writing of the occurrence of any of the following events within five days after such event occurs (or within five days after you discover said event has occurred):

(a) any pending administrative, criminal, or material civil action against you and/or any Principal Officers;

(b) any insolvency, adjudication as a bankrupt, and/or any petition in bankruptcy, receivership, reorganization, or similar proceeding filed by or against you and/or any of your Principal Officers;

(c) you and/or any of your Principal Officers are convicted of, or plead no contest to, a felony charge, an indictable offense, a crime involving moral turpitude, and/or any other crime or offense that is reasonably likely to adversely affect us, the System and/or the Franchise; and

(d) any judgments, orders, writs, injunctions, awards, and/or decrees of any court, agency, or other governmental instrumentality against you and/or any of your Principal Officers which relates to, or is reasonably likely to adversely effect, us, the System and/or the Franchise, or which may affect the operation or financial condition of your Franchised Business.

## 11. TRANSFERABILITY OF INTEREST

11.1 **Transfer by Us.** You expressly recognize that we, without your consent, may sell our assets, the Marks or the System, in whole or in part, to a third party; or merge, acquire other corporations or entities, or be acquired by another corporation or other entity; and/or, undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring. We have the absolute, unrestricted right, exercisable at any time, to transfer and assign all or any part of our rights and obligations under this Agreement to any person or legal entity without your consent, so long as the transferee or assignee expressly assumes and agrees to perform our obligations under this Agreement. We also have the right, from time to time, to delegate the performance of any portion or all of our obligations and duties under this Agreement to designees, whether affiliates, agents or independent contractors with whom we have contracted to provide this service.

### 11.2 Transfer by You.

(a) You understand and acknowledge that the rights and duties described in this Agreement are personal to you and that we have entered into this Agreement in reliance on your integrity, business skill, financial capacity, personal character, and experience. Accordingly, neither you nor any Principal Owner will sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in you, this Agreement, or any other assets pertaining to your operations under this Agreement (collectively, "Transfer") without our prior written consent. Except as otherwise provided in this Agreement, any purported Transfer, by operation of law or otherwise, not having our prior written consent will be null and void and will constitute a material breach of this Agreement, for which we may terminate this Agreement without providing you an opportunity to cure the breach;

(b) You will advise us in writing of any proposed Transfer within five days after receiving or making any such offer. You must also submit (or cause the proposed transferee (the "Transferee") to submit) a franchise application for the Transferee, and submit a copy of all contracts and all other agreements or proposals, and all other information requested by us, relating to the proposed Transfer;

(c) We may either consent to the Transfer or tell you our reason(s) for refusing to consent. Silence may not be construed as consent. If we do not consent to the proposed Transfer, your obligations under this Agreement will continue until the expiration or termination of this Agreement. If we consent to the Transfer, then you may Transfer the interest described in the notice only to the named Transferee and only on the terms and conditions stated in the notice. Consent by us to a particular Transfer will not constitute consent to any other or subsequent Transfer. Our consent to any Transfer will not constitute a waiver of any claims we may have against the transferring party, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the Transferee;

(d) The approval of a proposed Transfer will not be unreasonably withheld so long as the Transferee qualifies and you or the Transferee satisfy each of those reasonable conditions we may impose, including the following:

- (1) The Transferee executes our then-current form of franchise agreement, which agreement may differ substantially than yours, including changes to the financial aspects of the contract;

- (2) The Transferee demonstrates to our satisfaction that it meets our managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude, ability and appropriate amount of time in which to conduct the Franchised Business licensed herein; has adequate financial resources and capital to operate the Franchised Business; and does not indirectly or directly operate or have any interest in a competing business;
- (3) All of your accrued monetary obligations to us (whether arising under this Agreement or otherwise) and all other outstanding obligations related to your Franchised Business (including, but not limited to, bills from Vendors, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied or, in our reasonable judgment, adequately provided for. We reserve the right to require that a reasonable sum of money be placed in escrow to ensure that all of these obligations are satisfied;
- (4) You are in Good Standing under the terms and conditions of this Agreement, and are not in default beyond the applicable cure period with any Vendor or creditor to your Franchised Business;
- (5) You will pay us the non-refundable Transfer Fee as described in Section 6.9 of this Agreement;
- (6) You immediately send us, if applicable, any copies of the Manual(s), the instructor manual and other information containing Confidential Information, including all training materials and computer software we have provided. If you fail to transfer these materials to us, you must reimburse us for the costs we incur in our efforts to recover such materials and information, the minimum amount of which will be \$200;
- (7) You remain liable for all obligations to us incurred before the date of the Transfer and execute any and all instruments reasonably requested by us to evidence that liability; and
- (8) You and each Principal Owner sign a general release in favor of us, unless prohibited by applicable state law.

We may expand upon, and provide more details related to, the conditions for transfer and our consent as described in this Section 11.2(d), and may do so in the Manual or otherwise in writing.

(e) Our decision with respect to a proposed Transfer will not create any liability on our part to the Transferee, if we approve the Transfer and the Transferee experiences financial difficulties, or to the transferor or the Transferee, if we disapprove the Transfer pursuant to this Section 11 or for other legitimate business reasons. We have the right, in the exercise of our reasonable business judgment and without any liability to the transferor or the Transferee, to communicate and counsel with the transferor and the Transferee regarding any aspect of the proposed Transfer.

**11.3 Death or Permanent Disability.** On your death or permanent disability or, if you are a corporation, limited liability company or partnership, on the death or permanent disability of the owner of a controlling interest in you, the executor, administrator, conservator, guardian or other personal representative of such person may Transfer his or her interest in this Agreement and the Franchised Business, or such interest in you, to a third party, subject to our written

approval, and subject to all of the provisions of this Section 11. Such disposition of this Agreement and the Franchised Business, or such interest in you (including, without limitation, Transfer by bequest or inheritance), will be completed within a reasonable time, not to exceed six months from the date of death or permanent disability and will be subject to all the terms and conditions applicable to Transfers contained in this Section 11. Failure to so Transfer the interest in this Agreement and/or the Franchised Business, or such interest in you, within such period of time will constitute a breach of this Agreement. A person will be deemed to have a “permanent disability” if his or her personal, active participation in management of the Franchised Business is for any reason curtailed for a continuous period of six months.

**11.4 Changes of Ownership Not Considered to be “Transfers.”** As used in this Agreement, the term “Transfer,” for purposes of determining if a Transfer Fee is required, does not mean an assignment to any business entity if the beneficial ownership of the business entity immediately following the assignment is the same and in the same proportions as the beneficial ownership immediately prior to the assignment. However, no such assignment will relieve the original party of any of its obligations under this Agreement. Information on the identity of the shareholders, officers, and directors of the corporation (or members, member-managers, officers, and directors if a limited liability company), the percentage of ownership, and the address where corporate records are maintained must be submitted to us within ten days after such assignment. You must also submit to us, within ten days after the assignment, a written affidavit acknowledging and declaring that the beneficial ownership of the business entity immediately following the assignment is the same and in the same proportions as the beneficial ownership immediately prior to the assignment.

## **12. TERMINATION**

**12.1 Termination of Franchise Agreement - Grounds.** You will be in default, and we may, at our option, terminate this Agreement, as provided herein, if: (a) you (or the managing Principal Owner) fail to satisfactorily complete the initial training program or fail to open and commence operations of the Franchised Business at such time as provided in this Agreement; (b) you violate any material provision or obligation of this Agreement; (c) you or any of your managers, directors, officers or any Principal Owner makes a material misrepresentation or omission in the application for the Franchise; (d) you or any of your managers, directors, officers or any Principal Owner is convicted of, or pleads guilty to or no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe will injure the System, the Franchise, the Marks or the goodwill associated therewith, or if we have proof that you have committed such a felony, crime or offense; (e) you fail to conform to the material requirements of the System or the material standards of uniformity and quality for the products and services as described in the Manual or as we have established in connection with the System, including, but not limited to, if you, your owners, and/or your instructors fail to maintain the required qualifications to conduct Classes; (f) you fail to timely pay the Monthly Franchise Fee, Monthly Royalty Fee, any other fee, or any other obligations or liabilities due and owing to us or our affiliates, other FIT4MOM franchisees or suppliers we approve as a source for required items, or fail to timely pay any advertising cooperative obligations; (g) you are insolvent within the meaning of any applicable state or federal law; (h) you make an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (i) you voluntarily or otherwise “abandon” (as defined below) the Franchised Business; (j) you are involved in any act or conduct which materially impairs or otherwise is prejudicial to the goodwill associated with the name “FIT4MOM” or any of the Marks or the System; (k) you or a Principal Owner makes an unauthorized assignment or transfer of this Agreement, the Franchised Business or an ownership interest in you; or (l) you develop or use an unapproved website in connection with the Franchised Business or otherwise conduct any unauthorized activity on the Internet. The term “abandon”

means your failure to actively offer Classes for more than 8 weeks in any 12-month period without our prior written consent. To actively offer Classes means you are conducting a minimum of 1 Class per week.

**12.2 Procedure.** Except as described below, you will have 30 days, or such longer period as applicable law may require, after your receipt from us of a written Notice of Termination within which to remedy any default hereunder, and to provide evidence thereof to us. If you fail to correct the alleged default within that time, this Agreement will terminate without further notice to you effective immediately when the 30-day period, or such longer period as applicable law may require, expires. You will have ten days after your receipt from us of a written Notice of Termination, or such longer period as applicable law may require, to remedy any default in Section 12.1(f) above and to provide evidence thereof to us. If you fail to correct the alleged default within that time, this Agreement will terminate without further notice to you, effective immediately when the ten-day period expires, or such longer period as applicable law may require. We may terminate this Agreement immediately upon delivery of written notice to you, with no opportunity to cure, if the termination results from any of the following: (a) you fail to comply with one or more material requirements of this Agreement on 2 separate occasions within any twelve month period; (b) the nature of your breach makes it not curable; (c) you willfully and repeatedly deceive customers relative to the source, nature or quality of goods sold; (d) any default under Section 12.1(c), (d), (g), (h), (i), (j), (k) or (l) above; or (e) you willfully and materially falsify any report, statement, or other written data furnished to us either during the franchise application process or after you are awarded a franchise.

**12.3 Franchisee's Termination Rights.** You may terminate this Agreement if we violate any of our material obligations to you and fail to cure such violation within 60 days after our receipt of written notice from you; provided, however, that you are in substantial compliance with the Agreement at the time of giving such notice of termination. Your written notice will identify the violation and demand that it be cured.

**12.4 Our Right to Discontinue Products/Services to You After Issuance of Notice of Default.** If we issue a notice of default, we will have the right, in addition to our other rights and remedies, to discontinue selling or providing to you any Retail Products or information or training regarding new Classes we have developed, or suspend your ability to log onto the Online Business and Fitness Training Resource Center or use the Booking and Payment System until you have cured all defaults. In addition, if you are not in compliance with the terms of this Agreement, even if we have not yet issued a notice of default, you will not be eligible for any additional programs or modifications, including your ability to transfer this Agreement, modify your owners or adjust your Territory as described in Sections 6.10 and 6.15 of this Agreement.

**12.5 Applicable Law.** If the provisions of this Section 12 are inconsistent with applicable law, the applicable law will apply.

### **13. OBLIGATIONS ON TERMINATION OR EXPIRATION**

**13.1 Your Obligations to Us on Termination or Expiration.** Upon termination or expiration of this Agreement:

(a) You will retain no equity or other continuing interest in the Franchise, any goodwill associated with it or the Marks, or any right to compensation, return of amounts paid or otherwise;

(b) You must immediately pay us all sums due and owed us under this Agreement and/or any other agreement between you and us, including any unpaid Monthly Franchise Fee(s),

and, if this Agreement is terminated before its original expiration date, an early cancellation fee of \$1,500;

(c) Within ten days following termination or expiration of this Agreement, you will return to us all materials and information containing Confidential Information, including any training materials or any printed copies of the Manual (if applicable). If you fail to return such materials and information within ten days, you must reimburse us for the costs we incur in our efforts to recover such materials and information, the minimum amount of which will be \$200;

(d) Subject to applicable law, you will promptly deliver to us, or, at our option, destroy all Customer Data, including without limitation lists (with addresses and telephone numbers) of all former, current or prospective customers, referral sources, vendors, suppliers, lessors and service providers of the Franchised Business;

(e) We have the option to assume, or assign to a third party, any contract you have entered into with a third party that relates to the services provided in connection with the Franchised Business, and you agree to cooperate in assigning such contracts to us or our assigns and will not do anything to restrict or impair the value of such contract;

(f) You and all persons subject to the provisions contained in Section 9 of this Agreement will continue to abide by those provisions and will not, directly or indirectly, take any action that violates those provisions;

(g) You immediately will discontinue all use of the Marks, any confusingly similar marks, and/or any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that you are operating a FIT4MOM Business, and will discontinue offering to the public any and all Classes and/or Products that use or bear the Marks, take such action(s) as may be necessary to cancel any filings or registrations for your Franchised Business that contain any of the Marks, and take all such action(s) as may be necessary to cease operating any social media sites and related platforms associated with the Franchised Business or using the Marks, including any Twitter account, Facebook page or Linked-In group;

(h) In addition to your obligations under Section 9 and other provisions of this Agreement, you will not, except with respect to a business franchised by us which is then open and operating pursuant to an effective franchise agreement: (1) operate or do business under any name or in any manner that might tend to give the public the impression that you are connected in any way with us or have any right to use the System or the Marks; (2) make use of any of Confidential Information; and/or (3) assist anyone not franchised or licensed by us to use the Marks and/or the System, and/or to organize, establish, and/or operate a FIT4MOM Business; and

(i) You will remain bound by, and obligated to comply with, all provisions that extend beyond the termination or expiration of this Agreement.

## 14. DISPUTE RESOLUTION

14.1 **Mediation.** Except as otherwise stated in this Section 14.1, the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between franchisors and franchisees,

agreed upon by the parties. If the parties do not agree upon a mediator or mediation services organization within 15 days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation, at our corporate headquarters in San Marcos, California. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within 90 days after conferring with the mediator, either party may submit such claim, controversy or dispute to arbitration under Section 14.2 below. Either party may bring an action under the applicable provisions of this Section 14 without first submitting the action to mediation under this Section 14.1: (i) for monies owed, (ii) for injunctive relief, or (iii) involving the possession or disposition of, or other relief relating to, real property.

**14.2 Arbitration.** Except to the extent we elect to enforce the provisions of this Agreement by injunction as provided in Section 14.3 below, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud in the arbitrability of any matter) that have not been settled by or are not otherwise subject to mediation as described in Section 14.1 above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in San Diego, California. The arbitrator(s) will have a minimum of five years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. The proceedings will be conducted under the Commercial Arbitration Rules of the American Arbitration Association, or the rules of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Federal Arbitration Act. The decision of the arbitrator(s) will be final and binding on all parties; provided, however, the arbitrator(s) may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance set by us. This Section 14 will survive termination or nonrenewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During any arbitration proceeding, we and you will fully perform our respective obligations under this Agreement.

**14.3 Injunctive Relief.** Notwithstanding Sections 14.1 and 14.2 above, you recognize that a single franchisee's failure to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all other FIT4MOM Businesses. Therefore, if you breach or threaten to breach any of the terms of this Agreement, we will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the arbitrators.

**14.4 Attorneys' Fees.** The non-prevailing party will pay all costs, expenses and interest, including reasonable attorneys' fees, the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

## **15. GENERAL MATTERS**

**15.1 Waiver of Obligations.** Our waiver of any breach by you, or our delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or

subsequent breach or be deemed an estoppel to enforce our rights respecting that or any other breach.

**15.2 Consents.** Whenever this Agreement requires our prior approval or consent, you will make a timely written request to us, and any approval or consent received, in order to be effective and binding upon us, must be obtained in writing and be signed by one of our authorized officers. We make no warranties or guarantees upon which you may rely by providing any waiver, approval, consent or suggestion to you in connection with this Agreement, and we assume no liability or obligation to you in that regard, or by reason of any neglect, delay, or denial of any request therefore. We will not, by virtue of any approvals, advice or services provided to you, assume responsibility or liability to you or to any third parties to which we would not otherwise be subject.

**15.3 Relationship Of The Parties.** We and you are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venture or employee of the other. Neither party will independently obligate the other to any third parties or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. You must conspicuously identify yourself at the premises of the Franchised Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Franchised Business under a franchise agreement from us, and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as we require.

**15.4 Taxes.** We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied on you, your Franchised Business or your property, or on us, in connection with the sales made and/or business conducted by you (except for any taxes we are required by law to collect from you with respect to purchases from us.) Payment of all taxes will be your sole responsibility.

**15.5 Indemnification.** You will be the only one responsible for any damage, loss or other claims arising out of, or related in any way to, any of your acts, errors or omissions, whether related to you, your employees, agents or representatives, your operations or ownership of your Franchised Business or otherwise. You will indemnify and hold harmless us from all fines, suits, proceedings, claims, demands, actions, losses, damages, costs, fees (including attorneys' fees and related expenses) and/or any other expense, obligation and/or liability of any kind or nature (including, but not limited to, claims of negligence), however arising, growing out of or otherwise connected with and/or related to any act, error and/or omission of yours (including your ownership and/or operation of your Franchised Business, any act or omission of your instructors, managers, employees and/or other authorized agents, and/or any Transfer of any interest in this Agreement, your Franchised Business, you or otherwise.) We will have the right to select the attorney and/or law firm, control all litigation, and defend and/or settle any claim, against and/or including us or affecting our interests, in such manner as we deem appropriate in our reasonable discretion, in each case without affecting our rights under such indemnity.

**15.6 Disclaimer of Warranties.** With respect to any Products or Designated Equipment provided and/or approved by us, other than specific written warranties expressly provided by us in connection with such items, SUCH ITEMS ARE PROVIDED OR RECOMMENDED WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED, NOR DO THERE EXIST ANY EXPRESS OR IMPLIED WARRANTIES ON THE

PART OF US AS TO THE DESIGN, CONDITION, CAPACITY, PERFORMANCE OR ANY OTHER ASPECT OF SUCH ITEMS OR THEIR MATERIAL OR WORKMANSHIP.

#### 15.7 **Survival, Construction, and Severability.**

(a) Each provision of Section 13 will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of we) for any reason, will survive and will govern any claim for rescission or otherwise. Your non-disclosure, non-competition and non-solicitation obligations as set forth in Section 9 of this Agreement, and elsewhere also will survive the expiration and/or termination of this Agreement according to their terms, and your indemnity obligation as set forth in this Agreement or elsewhere also will forever survive the expiration and/or termination of this Agreement. To the maximum extent permitted by law, you waive the effect of any statute of limitations, which would, by lapse of time, limit your duties to observe such obligations and/or so defend and/or indemnify.

(b) Each provision of this Agreement will be construed as independent of, and severable from, every other provision, and if any provision of this Agreement is deemed to be invalid or unenforceable for any reason and to any extent, the remainder of this Agreement will not be affected thereby, but rather will be enforced to the greatest extent permitted by law. In the event of any inconsistencies and/or conflicts between this Agreement and any other agreement and/or document, the agreement and/or document, which gives us the greatest rights and/or benefits, will control.

(c) The rights and obligations of this Agreement run directly between you and us, are not intended to create any third-party beneficiary or similar rights or obligations and we do not have any duty to take any legal or other actions against, or with respect to, any other FIT4MOM franchisees in connection with any alleged violation of their obligations.

**15.8 Entire Agreement.** This Agreement, the documents referred to herein, and the exhibits attached hereto, if any, constitute the entire, full and complete agreement between you and us concerning the subject matter hereof and supersedes all prior agreements and representations. No amendment, change, or variance from this Agreement will be binding on either party unless mutually agreed to by the parties in writing. Nothing in this Agreement is intended to disclaim the representations made in the franchise disclosure document we provided to you.

**15.9 Remedies.** All rights and remedies of each party will be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or otherwise.

**15.10 Interpretation of Rights and Obligations.** The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

(a) Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administer, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

(b) Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise “reasonable business judgment” in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of “reasonable business judgment,” even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither you nor any third party (including a trier of fact), will substitute its judgment for our reasonable business judgment.

15.11 **Venue.** Any claims, controversies or disputes arising out of or related to this Agreement that are not subject to arbitration as provided above, will be brought in the Federal District Court for the Southern District of California or in San Diego County District Court in San Diego, California. You and we irrevocably consent to the jurisdiction of such courts. The provisions of this Section 15.11 will survive the termination of this Agreement.

15.12 **Governing Law.** Subject to our rights under federal trademark laws and the parties’ rights under the Federal Arbitration Act, this Agreement will be governed by and construed under the laws of the state in which the Franchised Business is located, without regard to any conflict of laws principles of such state. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through any state franchise or business opportunity laws, other than those of the state in which the Franchised Business is located.

15.13 **Notice of Potential Franchisor Profit.** We advise you that we and/or our affiliates periodically may make available to you goods, products and/or services for use in the Franchised Business on the sale of which we and/or our affiliates may make a profit. We further advise you that we and our affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to you or in consideration for services provided or rights licensed to such persons. You agree that we and our affiliates will be entitled to such profits and consideration.

15.14 **Notices and Payments.** All notices and reports permitted or required to be delivered by the provisions of this Agreement will be in writing. All notices or reports to you may be addressed to your Authorized Agent at the notice address set forth in the Summary of Terms found on page 1 of this Agreement.

All notices or reports to us must be addressed to us at Stroller Strides, LLC, 1084 N. El Camino Real, Suite B512, Encinitas, CA 92024 (or our then-current headquarters), to the attention of the President. Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first refusal) and may be: (a) delivered personally; (b) transmitted by facsimile or electronic mail with electronic confirmation of receipt; (c) mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or, (d) sent via commercial courier service. All payments required by this Agreement will be directed to us at our address as specified above. Any required payment or report not actually received by us during regular business hours on the date due will be deemed delinquent. Notice to the Authorized Agent will be deemed effective as to you and/or all persons with an ownership interest in you.

**15.15 Construction of Contract.** Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires. If there is any conflict between this Agreement and the Manual(s), whichever gives us the greatest rights and/or benefits will control.

**15.16 Amendments.** This Agreement may be amended or modified only by a document signed by all of the parties to this Agreement or by their authorized agents.

**15.17 Attorney Fees and Costs.** If either party is required to enforce this Agreement, or collect upon any judgment, decree, or order entered, in a judicial, arbitration, and/or other proceeding, including any appeal, the prevailing party will be entitled to recover costs and expenses, including, but not limited to, reasonable attorneys' fees.

**15.18 Guaranty.** All Principal Owners of a corporation, partnership or other entity, will sign the Guaranty and Assumption Agreement in the form attached to this Agreement as Exhibit 3 (the "Guaranty Agreement"). Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of you under the provisions of this Section 15 or otherwise will, as a condition of becoming a Principal Owner, sign the Guaranty Agreement. You will furnish to us at any time upon reasonable request a certified copy of the Articles of Incorporation or Articles of Organization and a list, in a form we reasonably require, of all shareholders or members of record and all persons having a beneficial interest in any corporation or other entity that is or becomes you.

## **16. ACKNOWLEDGEMENTS**

**The first three paragraphs that follow apply to all franchisees and franchises except not to any franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.**

**16.1 Independent Investigation.** You acknowledge that you have conducted an independent investigation of all aspects relating to the Franchised Business. You acknowledge that you have received, read and understand this Agreement, the attachments hereto and agreements relating thereto, and that we have accorded you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement.

**16.2 Compliance with Applicable Laws.** You acknowledge, by your signature hereto, that you received from us a Franchise Disclosure Document for the State in which the Franchised Business will be located, or your place of residence, as appropriate and/or applicable, at least 14 calendar days prior to the execution of this Agreement.

**16.3 Receipt of Agreement.** You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with an attorney or other professional advisor. You further represent that you understand the terms, conditions and obligations of this Agreement and agree to be bound thereby.

**16.4 Effectiveness of Agreement.** The delivery of an unexecuted copy of this Agreement and any accompanying franchise disclosure document to a potential franchisee will

not be deemed to be an offer to enter into a franchise agreement which potential franchisee may accept by the execution of such copy. No agreement is binding until we have delivered a fully executed copy of this Agreement to you and the initial franchise fee has been received by Stroller Strides.

16.5 **No Material Changes in Information Provided.** By signing this Agreement, you warrant and represent that there have been no material or adverse changes in the facts or representations made by you in the Franchise Application and/or in the Prospective Franchisee Territory Reservation Agreement.

**17. NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES**

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective the day and year first above written.

FRANCHISOR

FRANCHISEE

\_\_\_\_\_  
STROLLER STRIDES, LLC  
By: Lisa Druxman  
Its: President

\_\_\_\_\_  
[ ]  
By:  
Its:

\_\_\_\_\_  
Individually

\_\_\_\_\_  
Individually

**EXHIBIT 1 TO FRANCHISE AGREEMENT**  
**FRANCHISEE'S TERRITORY**

Your Territory, as defined by the attached Franchise Agreement, is ~~generally described to contain all or part of the following zip codes, as they existed on the effective date of the Franchise Agreement:~~

~~defined in the \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_~~

~~In addition to this general description, a map that has been attached to this Exhibit 1 to the Franchise Agreement, which shows the specific boundaries of the Territory and which has been initialed by you and us. Any discrepancy between the map and the zip codes described above will be resolved in favor of the map, which is the controlling description. You must notify us if the United States Postal Service changes the geographic area of any of the zip codes listed above.~~

Franchisor Initials \_\_\_\_\_

Franchisee Initials \_\_\_\_\_

**EXHIBIT 2 TO FRANCHISE AGREEMENT  
AUTOMATIC PAYMENT FORM**

**Stroller Strides, LLC Initial Franchise Fee Payment Form &  
Monthly Credit Card / Electronic Funds Transfer Billing Authorization**

<b>Terms and Conditions</b>	I have read and understand the following _____ Terms and Conditions. <span style="float:right">Initials</span>	
<ul style="list-style-type: none"> <li>● All charges for products or services delivered are non-refundable.</li> <li>● Charges will show up on your credit card statement as: <u>Stroller Strides, LLC.</u></li> <li>● By signing below, you hereby authorize Stroller Strides, LLC to bill your credit card, or withdraw from your account via electronic transfer/ACH, each month in the amount listed below plus a fee equal to 4% of the previous month's Gross Sales.</li> <li>● <u>All credit card transactions are subject to a 3% service fee.</u></li> <li>● Your card will be billed on or after the 10th of each month for the 4% royalty fee and on the same day each month starting three months from your signing of your franchise agreement for all other fees.</li> <li>● Late charges and interest: debit service charges interest accruing daily at the rate of 18% per year, or maximum amount permitted by law, whichever is less. As incurred. Daily interest begins to accrue for any payment(s) not received by us when due.</li> <li>● An additional \$<del>35</del><u>50</u> service charge will apply each time your fee payment is declined by your financial institution for any reason.</li> <li>● <b>10% Monthly Fee Pre-payment Discount: Prepayment of the annual total of your upcoming Monthly Franchise Fees, will earn you a 10% percent discount. (New franchisees in year 1 will pre-pay 9 months of fees).</b></li> </ul>		
<b>Initial Franchise Fee and Fee Information:</b>		
Name of Franchisee:	Amount:	\$
Social Security Number:		
Territory: <u>See Exhibit 1</u>		
Driver's License Number:	State of Driver's License:	
Billing start date: 3 months from date of signature	Billing day each month:	Same as day of month as signature
<input type="checkbox"/> <b>YES, I would like to pre-pay my Monthly Franchise Fees for the year as stated above so I may receive a 10% discount on the Monthly Franchise Fee portion of the fees</b>	Advance Pay Amount:	\$
<input type="checkbox"/> <b>YES, I would like to pre-pay my Monthly Service Access Fees for the year. (not discounted or included in 3 months free)</b>	Advance Pay Amount:	\$
Initial Franchise Fee: ☼ Credit Card	Amount:	\$
<b>Credit Card or Check Card Information</b>		
Name on Card: _____ Type of card: _____		
Billing Address: _____		
City: _____ State: _____ Zip: _____		
Card Number: _____ Exp. Date: _____ CW# _____		
(CVV is the 3-4 digit security code usually on the front of AMEX or back of your card)		
Authorization Date: _____ Authorized Signature: _____		

**Electronic Funds Transfer / ACH Authorization Form**

Name of Account Holder: \_\_\_\_\_

Type of account: checking or savings: \_\_\_\_\_

Account Holder Address: \_\_\_\_\_

Name of Financial Institution: \_\_\_\_\_

Address of Financial Institution-Branch, City, State, Zip: \_\_\_\_\_  
\_\_\_\_\_

Bank Routing Number: \_\_\_\_\_ Checking/Savings Account Number: \_\_\_\_\_

(These numbers are located on the bottom of your check)

⑆ 123456789 ⑆ 1234567890123 ⑆  
Routing Number Account Number

Authorization Date: \_\_\_\_\_ Authorized Signature: \_\_\_\_\_

**EXHIBIT 3 TO FRANCHISE AGREEMENT**  
**PERSONAL GUARANTY**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

In consideration of the execution of that certain Franchise Agreement of even date (the "Agreement") by Stroller Strides, LLC (the "Franchisor"), each of the undersigned (a "Guarantor") personally and unconditionally guarantees to Franchisor, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement that \_\_\_\_\_ (the "Franchisee") will timely pay and perform each and every undertaking, agreement and covenant stated in the Agreement; and agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any party respecting the indebtedness; (4) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability.

Each Guarantor consents and agrees that:

(1) Guarantor's liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, Franchisee and the other Guarantors of Franchisee;

(2) Guarantor will make any payment or perform any obligation required under the Franchise Agreement upon demand if Franchisee fails to do so;

(3) Guarantor's liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of Franchisee or any assignee or successor;

(4) Guarantor's liability will not be diminished, relieved or otherwise affected by any extension of time or credit which Franchisor may grant to Franchisee, including the acceptance of any partial payment or performance, or the compromise or release of any claims;

(5) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee or any other Guarantor; and

(6) Guarantor will pay all reasonable attorneys' fees and all costs and other expenses Franchisor incurs in enforcing this Guaranty against Guarantor or any negotiations relative to the obligations hereby guaranteed.

Each of the undersigned has signed this Guaranty as of the same day and year as the Agreement was executed.

GUARANTOR(S)

PERCENTAGE OWNERSHIP IN FRANCHISEE

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**EXHIBIT C  
TO FDD**

**FRANCHISE AGREEMENT**

**EXHIBIT D**  
**TO FDD**  
**TERRITORY EXPANSION ADDENDUM**



**FIT4MOM® FRANCHISE AGREEMENT  
TERRITORY EXPANSION ADDENDUM**

This Territory Expansion Addendum is made as of the \_\_\_\_\_, 20\_\_ (the “Effective Date”), between **Stroller Strides, LLC**, a Delaware limited liability company (“we” or “us”), and \_\_\_\_\_, a \_\_\_\_\_ (**limited liability corporation/corporation**) (“you”), and \_\_\_\_\_ and \_\_\_\_\_ (“Guarantors”).

**INTRODUCTION:**

We and you are parties to a franchise agreement dated \_\_\_\_\_, 20\_\_ (the “Effective Date”), and any amendments, or any other supplements related thereto (the “Franchise Agreement”). Under your Franchise Agreement, you elected to operate under a certain pricing plan and corresponding territory size. You now desire to increase the size of your territory. We have agreed to allow you to increase the size of your territory, pursuant to the terms in this Addendum.

In consideration of the foregoing, and for other good and valuable consideration, the parties agree as follows:

**1. Territory Upgrade.** The Summary of Terms page of the Franchise Agreement is amended to replace the existing pricing plan with the following pricing plan (check one):

\_\_\_\_\_ Extended

\_\_\_\_\_ Regional

**2. Protected Territory.** Exhibit 1 of the Franchise Agreement is deleted in its entirety and replaced with Exhibit 1 attached to this Addendum.

**3. Initial Franchise Fee.** In consideration for the increase in the size of your Territory, you will pay us \$2,500 as of the date of this Addendum.

**4. Monthly Franchise Fee.** The Summary of Terms page and Section 6.2 of the Franchise Agreement is amended to provide that you will pay us the following fees:

Monthly Franchise Fee: \$ \_\_\_\_\_

Systems Access Fee: \$ \_\_\_\_\_

You will pay us a prorated amount of the new fees for the first partial period of operation under the new pricing plan beginning on the Effective Date of this Addendum until the first monthly anniversary of the date you signed the Franchise Agreement following the Effective Date of this Addendum (“Transitional Period”). You will be credited for any monthly fees you already paid us for the Transitional Period. You will begin paying us the full monthly fees on the first monthly anniversary of the date you signed the Franchise Agreement following the Effective Date of this Addendum.

**5. Other Terms.** All other terms and conditions of the Franchise Agreement not modified in this Agreement will remain in full force and effect.

**6. Counterparts.** This Addendum may be signed in counterparts, and each counterpart when so signed and delivered will be deemed an original.

The parties have executed and delivered this Addendum as of the Effective Date.

“WE”

STROLLER STRIDES, LLC

By \_\_\_\_\_  
Its \_\_\_\_\_

“YOU”

If “you” are a corporation,

\_\_\_\_\_  
(Print Corporate Name)

By \_\_\_\_\_  
Its \_\_\_\_\_

If “you” are one or more individuals,

\_\_\_\_\_  
(Print Individual Name)

By \_\_\_\_\_

\_\_\_\_\_  
(Print Individual Name)

By \_\_\_\_\_

\_\_\_\_\_  
(Print Individual Name)

By \_\_\_\_\_

EXHIBIT **ED**  
TO FDD

RENEWAL ADDENDUM



## FIT4MOM® FRANCHISE AGREEMENT RENEWAL ADDENDUM

This Renewal Addendum is made as of \_\_\_\_\_, 20\_\_ (the "Effective Date"), between **Stroller Strides, LLC**, a Delaware limited liability company ("we" or "us"), and \_\_\_\_\_, a \_\_\_\_\_ (**limited liability corporation/corporation**) ("you"), and \_\_\_\_\_ and \_\_\_\_\_ ("Guarantors").

### INTRODUCTION:

- A. We and you are parties to a franchise agreement dated \_\_\_\_\_, 20\_\_, and any amendments, or any other supplements related thereto (the "Old Franchise Agreement"), and the Guarantors agreed to personally guarantee your obligations under the Old Franchise Agreement.
- B. You desire to exercise an option to renew the grant of the franchise in the Old Franchise Agreement, which requires you to sign our current form of franchise agreement (the "New Franchise Agreement") and sign a general release.
- C. You have executed the New Franchise Agreement effective as of \_\_\_\_\_, 20\_\_ (the "Effective Date").
- D. You and we acknowledge and agree that certain provisions of the New Franchise Agreement are not applicable to you due to your existing contractual relationship with us. We and you desire to enter into this Renewal Addendum to reflect our agreement regarding the inapplicability of such provisions and to attain the general release.

In consideration of the foregoing, and for other good and valuable consideration, the parties agree as follows:

1. **Termination of Old Franchise Agreement.** As of the Effective Date, the Old Franchise Agreement is terminated and is of no further force and effect, provided any provisions of the Old Franchise Agreement which, either explicitly or by their nature, survive termination will remain in full force and effect, including obligations relating to confidentiality and retention of records.

2. **Capitalized Terms.** Capitalized terms used but not defined herein will have the meanings given to such terms in the New Franchise Agreement.

3. **Renewal Options.** Section 5.2 of the New Franchise Agreement is amended to provide that you may renew the franchise relationship with us for \_\_\_\_\_ successive \_\_\_\_-year terms, provided that you meet the conditions described in Section 5.2.

4. **Initial Franchise Fee.** Section 6.1 of the New Franchise Agreement is deleted, and replaced with the following:

**6.1 Renewal Franchise Fee.** We acknowledge that you have paid us a Renewal Franchise Fee of \$\_\_\_\_\_. The Renewal Franchise Fee is fully earned by us when you sign this Agreement and is entirely non-refundable.

5. **Monthly Fees.**

A. Sections 6.2, 6.3, 6.5 and 6.6 of the New Franchise Agreement are amended to provide that you are not entitled to a waiver of any fees for any period of time because you are not a new FIT4MOM® franchisee.

B. If you have elected to renew the franchise for a one-year renewal term, Section 6.2 of the New Franchise Agreement is amended to increase the Monthly Franchise Fee by \$49 per month.

6. **Credits.** Sections 7.1(a), 7.1(b), 7.1(l) and 7.1(m) of the New Franchise Agreement are deleted in their entirety.

7. **Operating Manuals.** Pursuant to Section 8.6 of the New Franchise Agreement, you acknowledge that you have received access to the Manuals.

8. **Termination Relating to Initial Training Program.** Section 12.1(a) of the New Franchise Agreement is deleted.

9. **General Release.** You and the Guarantors and your and the Guarantors' respective heirs, successors, and assigns (collectively, the "Releasing Parties") release and forever discharge us, and our current and former successors, assigns, affiliates, directors, officers, shareholders, and employees, of and from any claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action of every nature, whether known or unknown, vested or contingent, which the Releasing Parties may now or in the future own or hold, arising before and including the Effective Date.

Each of the parties granting a release acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor."

Each of the parties granting a release recognizes that he, she, or it may have some claim, demand, or cause of action against the other parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this release. Each of the parties granting a release hereby waives and relinquishes every right or benefit which he, she, or it has

under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.

This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

10. **Other Terms.** All other terms and conditions of the New Franchise Agreement not modified herein remain in full force and effect.

11. **Counterparts.** This Renewal Addendum may be signed in counterparts, and each counterpart when so signed and delivered will be deemed an original.

The parties have executed and delivered this Renewal Addendum as of the Effective Date.

**“WE”**

**STROLLER STRIDES, LLC**

By \_\_\_\_\_  
Its \_\_\_\_\_

**“YOU”**

\_\_\_\_\_  
(Print Corporate Name)

By \_\_\_\_\_  
Its \_\_\_\_\_

**“GUARANTORS”**

\_\_\_\_\_  
(Print Individual Name)

By \_\_\_\_\_

\_\_\_\_\_  
(Print Individual Name)

By \_\_\_\_\_

EXHIBIT ~~F~~E  
TO FDD

NON-DISCLOSURE, NON-SOLICITATION AND NON-COMPETITION AGREEMENT

**[THIS IS A GENERAL FORM. WE HAVE NOT REVIEWED THE FORM TO ENSURE THAT IT COMPLIES WITH EACH JURISDICTION'S LAWS REGARDING NON-DISCLOSURE, NON-SOLICITATION, AND NON-COMPETE. IF YOU CHOOSE TO USE THIS SAMPLE FORM, YOU MUST HAVE IT REVIEWED BY YOUR LAWYER AND MODIFY THE AGREEMENT TO REFLECT YOUR INDIVIDUAL BUSINESS AND TO COMPLY WITH APPLICABLE LAW.]**

## **NON-DISCLOSURE, NON-SOLICITATION, AND NON-COMPETITION AGREEMENT**

Effective \_\_\_\_\_, 20\_\_\_\_, in consideration of an employment [or independent contractor relationship] with \_\_\_\_\_ ("Company"), the undersigned, \_\_\_\_\_ ("Instructor"), agrees to comply with the terms of this Non-Disclosure, Non-Solicitation and Non-Competition Agreement.

Company has engaged Instructor to teach FIT4MOM® classes or assist in Company's business (the "Business"). Instructor will receive access to "Confidential Information" (as defined below) and instruction from Company to teach FIT4MOM® classes or assist in Company's Business. Instructor agrees that the Confidential Information is a valuable, special and unique asset of Company and that such information would not be disclosed to Instructor unless Instructor agreed to the following provisions.

### AGREEMENTS

In consideration of the foregoing, the parties agree as follows:

1. Confidential Information. The term "Confidential Information" means Company's confidential and proprietary information, including all ideas, know-how, trade secrets, marketing and promotional techniques and procedures, plans and specifications, software, passwords, strategies, financial information, customer data, information concerning vendors, suppliers and franchisees, contracts relating to FIT4MOM® classes and other services, and other data disclosed to Instructor in connection with her/his relationship with Company or in connection with the Business. Confidential Information does not include information which Instructor can demonstrate, through written documentation, previously came to her/his attention or which, at the time of disclosure by Company to Instructor, had become a part of the public domain, through publication or communication by others.

2. Confidentiality. Instructor acknowledges that Company would be irreparably harmed if Confidential Information were disclosed to others or wrongfully used. Instructor therefore agrees that: (i) Instructor will treat as confidential all Confidential Information which has been made available to Instructor; and (ii) Instructor will not, directly or indirectly, use, disclose, publish or reproduce any of the Confidential Information, other than as Company specifically permits Instructor to do so in writing.

3. Return of Confidential Information. Upon completion of Instructor's involvement or employment with Company, Instructor will immediately deliver to Company any and all materials in Instructor's possession or control which contain Confidential Information.

4. Non-Solicitation of Franchisees, Vendors and Customers. Instructor understands that, during the course of providing services for Company, she/he will have access to contact information regarding, and may regularly communicate with, FIT4MOM® franchisees, vendors

and customers/members. Instructor agrees that, in addition to complying with Company's then-current social media policy for employees and independent contractors (if any), Instructor will not contact or otherwise communicate with FIT4MOM® franchisees, vendors or customers/members for any purpose, including solicitation of any personal goods or services, other than to carry out her/his duties on behalf of Company and as Company directs. Instructor's obligations under this Section are in addition to Instructor's obligations respecting "Confidential Information" and will be enforceable against Instructor during the term of Instructor's employment or existing relationship with Company and, to the extent enforceable under applicable law, for period of two (2) years following termination of Instructor's relationship with Company.

5. Covenant Not to Compete. Instructor agrees that, while she/he is employed or contracted by Company and for a period of two (2) years thereafter, she/he will not directly or indirectly for herself/himself, or through or on behalf of any person, firm, partnership, corporation, or other entity, own, maintain, operate, engage in, advise, help, become an employee of or affiliated with, make loans to, or have any interest in, either directly or indirectly, any business which is in the field of or similar to pre and postnatal exercise classes, to include, but not limited to, stroller-based fitness programs relating to health and fitness for parents with children aged newborn to approximately four (4) years and/or which competes with the Business. During the term of her/his employment [and independent contractor status], there is no geographical limitation on this restriction. Following the termination of Instructor's employment [or independent contractor] status with Company, the non-compete restriction will apply to anywhere within a 10 mile radius of the principal office of the Business and/or within a 10 mile radius of the principal office of any FIT4MOM® or Stroller Strides® franchisee. **[Note: This provision may not be enforceable in all states.]**

6. Injunctive Relief. The parties agree that Company will not have an adequate remedy at law if Instructor breaches or fails to perform any of the terms of this Agreement. Company will, therefore, have the right, in addition to any other remedy available, to obtain from any court of competent jurisdiction injunctive relief or a decree of specific performance plus reimbursement for costs, including reasonable attorney's fees, incurred in the securing of such relief. Without limiting the foregoing, Instructor agrees to indemnify Company and its officers, directors and affiliates from and against any loss, damage, liability or expense (including reasonable attorney's fees) arising out of or in connection with the breach or threatened breach of any provision of this Agreement by Instructor.

7. Governing Law. All actions or proceedings respecting this Agreement will be conducted in the Courts of the State of \_\_\_\_\_ and Instructor irrevocably and unconditionally submits to the jurisdiction (both subject matter and personal) of such courts. This Agreement will be solely governed by and interpreted under the laws of the State of \_\_\_\_\_.

8. Miscellaneous. The invalidity or unenforceability of any provision of this Agreement will not affect the invalidity or enforceability of any other provision of this Agreement. A waiver or consent given by Instructor or Company on any one occasion is effective only in that instance and will not be construed as a waiver of any right on any other occasion. This Agreement contains all of the understandings and agreements, both written and oral, of the parties respecting the subject matter of this Agreement. All provisions of this Agreement will be binding upon and benefit the parties, their respective representatives, heirs, successors and assigns, and will also be binding on each person, firm or other entity that is controlled by or otherwise affiliated with Instructor. **[Instructor and Company acknowledge and agree that Instructor is an independent contractor and**

not an employee of Company. **Use this statement if Instructor is not an employee. We strongly recommend that you work with an attorney or human resources professional to ensure that you have appropriately categorized your Instructors.]**

9. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which will represent one agreement.

10. Third-Party Beneficiary Rights. Instructor acknowledges that Company's Business is operated pursuant to a Franchise Agreement between Company and Stroller Strides, LLC, a Delaware limited liability company, which is the franchisor of the FIT4MOM® system and the owner of the Confidential Information and all other intellectual property associated with FIT4MOM® classes and other services provided by the Business. Instructor understands and agrees that Stroller Strides, LLC is a third-party beneficiary of Instructor's commitments and obligations under this Agreement with the independent right to enforce them against Instructor (as well as exercise the rights under Section 6) whether or not Company participates in that enforcement action. Stroller Strides, LLC has the right to enforce this Agreement against Instructor—solely and/or jointly with Company—because Instructor's violation of its commitments and obligations under this Agreement will cause irreparable harm to Stroller Strides, LLC as the owner of the FIT4MOM® system.

The parties have signed this Agreement as of \_\_\_\_\_, 20\_\_.

**INSTRUCTOR:**

**COMPANY:**

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

EXHIBIT **GE**  
TO FDD

OPERATING MANUAL TABLE OF CONTENTS

# **FIT4MOM® OPERATIONS MANUAL**

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**EXHIBIT HG  
TO FDD**

**STATE SPECIFIC APPENDIX**

**NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES**

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDITIONAL DISCLOSURES FOR THE  
FRANCHISE DISCLOSURE DOCUMENT OF  
STROLLER STRIDES, LLC**

The following are additional disclosures for the Franchise Disclosure Document of **STROLLER STRIDES, LLC** required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

**CALIFORNIA**

**[Registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.](#)**

1. Our Uniform Resource Locator (i.e., website address) is [www.FIT4MOM.com](http://www.FIT4MOM.com).

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

2. The following paragraph is added to the “Special Risks to Consider About This Franchise” page [of the Franchise Disclosure Document](#):

**Spousal Liability.** While your spouse need not sign a personal guarantee unless he or she is an owner of the legal entity that is the franchisee, the fact that California is a community-property state means that both your and your spouse’s marital and personal assets, including your house, could be lost if your franchise fails.

3. The following language is added to the “Remarks” column of the line-item titled “Interest” in Item 6 of the Franchise Disclosure Document:

The highest interest rate allowed under California law is 10% annually.

4. The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO THE EXECUTION OF ANY AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIMS IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A PROSPECTIVE WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A PROSPECTIVE WAIVER OF YOUR RIGHTS UNDER

THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning transfer, termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101, et seq.).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Neither Stroller Strides, LLC nor any person in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 78a, et seq., suspending or expelling such person from membership in that association or exchange.

Section 31125 of the California Corporations Code requires us to give you a disclosure document approved by the Commissioner of Financial Protection & Innovation before we may ask you to consider a material modification to your franchise.

The franchise agreement requires mediation, and binding arbitration. The mediation will occur at our corporate headquarters, in Encinitas, California, with the costs being borne equally by both parties. The arbitration will occur in San Diego, California, with the costs being borne by the prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

## HAWAII

**THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL**

**PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

1. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

**ILLINOIS**

1. The following ~~statements~~paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:

Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Franchise Agreement and Area Development 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.

Franchisees' rights upon termination and non-renewal 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, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

**MARYLAND**

1. The following paragraphs are added to the end of Item 17 of the ~~disclosure document~~Franchise Disclosure Document:

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101, et seq.).

A franchisor may not require a franchisee to sign anything that waives or releases the franchisor from liability for claims that may arise under the Maryland Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. §§14-201 to 14-233 (2010 Repl. Vol. and Supp. 2011); COMAR 02.02.08 16L(1)).

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or the Franchise Agreement, a period of limitations less than 3 years shall not apply to any claims arising under the Maryland Franchise Law.

Notwithstanding the requirement in the Franchise Disclosure Document and Franchise Agreement that the franchisee must litigate with the franchisor only in California, a franchisee still can file a civil lawsuit in Maryland alleging a violation of the Maryland Franchise Law.

The Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received the initial training that it is entitled to under the franchise agreement or disclosure document and, (b) Franchisor has provided its pre-opening obligations.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

2. The following paragraph is added to the end of Item 22 of the Franchise Disclosure Document:

The Franchise Agreement requires the franchisee to sign a general release as a condition of renewal, sale, or assignment of the franchise. This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law. The form of release that you must sign in those situations will be substantially similar to the form included as Exhibit I.

## **MINNESOTA**

1. The cover page of the Franchise Disclosure Document is revised to add the following risk factor:

PURSUANT TO MINN. STAT. §80C.21 AND MINN. RULE 2860.4400J, SECTIONS 1 AND 2 ABOVE SHALL NOT IN ANY WAY ABROGATE OR REDUCE YOUR RIGHTS AS PROVIDED UNDER MINNESOTA STATUTES 1984, CHAPTER 80C, INCLUDING THE RIGHT TO SUBMIT MATTERS TO THE JURISDICTION OF THE COURTS OF MINNESOTA.

2. The fourth paragraph under Item 13 of the Franchise Disclosure Document after the trademark chart is amended to read as follows:

You must notify Fit4Mom® immediately when you learn about an infringement of, or challenge to, your use of our Marks. Stroller Strides, LLC will protect your right to use the Marks under the Franchise Agreement, to the extent required by the Minnesota Franchise Act, and/or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks,

as long as your use of the Marks was in accordance with the terms of the Franchise Agreement.

3. The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document ~~is amended to add the following paragraphs at the end of the Item:~~

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

Nothing in this section shall abrogate or reduce any of your rights as provided for in the Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Any release as a condition of transfer will not apply to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Law.

Minn. Rule Part 2860.4400J. prohibits a franchisee from waiving its rights to a jury trial or waiving its rights to any procedure, forum, or remedies provided for by the laws of the State of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or the Franchise Agreement regarding the limitation of claims, the period of limitations in the Franchise Disclosure Document and Franchise Agreement will comply with Minn. Stat. §80C.17, Subd. 5., with respect to any claims arising under the Minnesota Franchise Law.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

## **NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF**

**LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following ~~is~~paragraphs are added ~~at~~to the end of Item 3 of the Franchise Disclosure Document:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following paragraph is added to the end of Item 4 of the Franchise Disclosure Document:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following [paragraph](#) is added to the end of Item 5 [of the Franchise Disclosure Document](#):

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following [language](#) is added to the end of the “Summary” sections of Item 17(c) [of the Franchise Disclosure Document](#), titled “Requirements for franchisee to renew or extend,” and Item 17(m), ~~entitled~~ [of the Franchise Disclosure Document, titled](#) “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d) [of the Franchise Disclosure Document](#), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

7. The following [language](#) is added to the end of the “Summary” section of Item 17(j) [of the Franchise Disclosure Document](#), titled “Assignment of contract by franchisor”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following [language](#) is added to the end of the “Summary” sections of Item 17(v) [of the Franchise Disclosure Document](#), titled “Choice of forum”, and Item 17(w) [of the Franchise Disclosure Document](#), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

## **NORTH DAKOTA**

1. The Securities Commissioner has held certain provisions in franchise agreements to be unfair, unjust or inequitable to North Dakota franchises (Section 51-19-09, N.D.C.C.). If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to the statute.

Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

Franchise agreements which specify that they are to be governed by the laws of a state other than North Dakota.

Requiring North Dakota franchises to consent to the waiver of a trial by jury.

Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

Franchise Agreements that require the franchisee to consent to a limitation of claims contrary to North Dakota law.

Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. (The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.)

[2. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:](#)

[No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.](#)

## **RHODE ISLAND**

1. The following paragraph is added to the end of Item 17 of the ~~disclosure document~~[Franchise Disclosure Document](#):

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

## **WASHINGTON**

1. Washington Law. The following ~~language is~~[paragraphs are](#) added to the end of Item 17 [of the Franchise Disclosure Document](#):

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually

for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

\*\*\*\*\*

### **ASSURANCE OF DISCONTINUANCE STATE OF WASHINGTON**

To resolve an investigation by the Washington Attorney General and without admitting any liability, we have entered into an Assurance of Discontinuance (“AOD”) with the State of Washington, where we have agreed to remove from our form franchise agreement a provision which restricts a franchisee from soliciting and/or hiring the employees of our other franchisees and/or our employees, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. We have agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to request that our Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify our franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against us.

**THE FOLLOWING PAGES ARE  
STATE-SPECIFIC RIDERS TO THE  
FRANCHISE AGREEMENT**

**HAWAII RIDER TO  
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Hawaii and is intended to comply with Hawaii statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Acknowledgments. The acknowledgements in Sections 16.1, 16.2, and 16.3 of the Franchise Agreement are hereby deleted.

<p><b><u>WE:</u></b></p> <p><b><u>STROLLER STRIDES, LLC</u></b></p> <p><u>By</u> _____ <u>Its</u> _____</p>	<p><b><u>YOU:</u></b></p> <p>_____</p> <p><u>By</u> _____</p> <p><u>By</u> _____</p>
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**ILLINOIS RIDER TO  
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Illinois and is intended to comply with Illinois statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

2. ~~4.~~ Termination. The following language is added to the end of Section 12 of the Franchise Agreement:

Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

3. ~~2.~~ Mediation/Arbitration. The following language is added to the end of Sections 14.1 and 14.2 of the Franchise Agreement:

Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Franchise Agreement.

4. ~~3.~~ Venue/Governing Law. The following language is added to the end of Sections 15.11 and 15.12 of 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.

5. ~~4.~~ Illinois Franchise Disclosure Act. The following language is added as a new Section 17 of the Franchise Agreement.

**17. Illinois Franchise Disclosure Act.** In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.

**WE:**

**STROLLER STRIDES, LLC**

By \_\_\_\_\_  
Its \_\_\_\_\_

**YOU:**

\_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

**MARYLAND RIDER TO  
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Release. Sections 5.2 and 11.2 of the Franchise Agreement are amended to provide that any release required as a condition of assignment or renewal will not apply to liability under the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law"). Specifically, Section 14-229(a)(3) of the Maryland Franchise Law, Business Regulation Article, Annotated Code of Maryland prohibits general releases by a franchisee in favor of the franchisor.

2. Venue. Section 15.11 of the Franchise Agreement is amended to provide that, under the Maryland Franchise Law, any litigation involving claims arising under the Maryland Franchise Law that are not subject to arbitration will be brought in Federal District Court in Maryland.

3. Acknowledgments. The acknowledgements in Sections 16.1, 16.2, and 16.3 of the Franchise Agreement are hereby deleted.

4. Statutes of Limitations. Any claims arising under the Maryland Franchise Law must be brought within 3 years after the grant of the franchise. Any limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Law.

5. Exhibit 2. Exhibit 2 to the Franchise Agreement is amended to provide that we will not initiate automatic payment until we have fulfilled our pre-opening obligations to you.

6. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:  
STROLLER STRIDES, LLC

YOU:  
\_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

**MINNESOTA RIDER TO  
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Minnesota and is intended to comply with Minnesota statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Licensed Marks – Indemnification. Section 8.1 of the Franchise Agreement is amended to include the following language:

Franchisor will indemnify a Minnesota Franchisee for damages for which such Franchisee is held liable in any proceeding arising out of the use of the “Fit4Mom” mark, provided that Franchisee has used the mark properly and has notified Franchisor of any claim against Franchisee within ten (10) days of Franchisee’s knowledge of such claim. Franchisor will have sole control of any litigation involving the Licensed Marks. Franchisor’s indemnification obligation will not apply to any Franchisee residing outside the state of Minnesota who purchases a franchise to be located outside of Minnesota.

2. Application of Minnesota Law. Sections 5 and 12 of the Franchise Agreement are amended by adding the following sentences at the end of each Section: “Minnesota law provides franchisees with certain termination and nonrenewal rights. Minnesota Statutes Section 80C.14, subs. 3, 4 and 5 require, except in certain specified cases, that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for nonrenewal of the Franchise Agreement.”

3. Venue. Section 15.11 of the Franchise Agreement is deleted.

4. Governing Law. Section 15.12 of the Franchise Agreement is amended by adding the following provision at the end of such Section: “Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, including the right to submit non-arbitrable matters to the jurisdiction of the courts in Minnesota. Minnesota statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota.”

5. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:  
STROLLER STRIDES, LLC

YOU:  
\_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

**NEW YORK RIDER TO  
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in New York and is intended to comply with New York statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Release. Sections 5.2 and 11.2 of the Franchise Agreement are amended to provide that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this provision that the applicable nonrenewal or termination provisions of the General Business Law be satisfied.

2. Governing Law. Section 15.12 of the Franchise Agreement is amended by adding the following sentence at the end of such Section: "The foregoing should not be considered a waiver of any right that either Franchisor or Franchisee may have under the General Business Law of the State of New York, Article 33."

3. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:  
STROLLER STRIDES, LLC

YOU:  
\_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

**NORTH DAKOTA RIDER TO  
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in North Dakota and is intended to comply with North Dakota statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Covenant Not to Compete. Section 9.2 of the Franchise Agreement is amended to provide that covenants not to compete upon termination or expiration of the Franchise Agreement may be unenforceable, except in certain circumstances provided by law.
2. Mediation. Section 14.1 of the Franchise Agreement is amended by replacing the phrase "Franchisor's corporate headquarters in Encinitas, California" with the phrase "a site mutually agreeable to the parties" in the third sentence of such Section.
3. Venue. Section 15.11 of the Franchise Agreement is deleted.
4. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:  
STROLLER STRIDES, LLC

YOU:  
\_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

**RHODE ISLAND RIDER TO  
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Rhode Island and is intended to comply with Rhode Island statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Governing Law. Section 15.12 of the Franchise Agreement is amended by the addition of the following sentence: "Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a 'provision in a franchise agreement restricting jurisdiction or venue to a forum outside the state or requiring the application of the laws of another state is void respecting a claim otherwise enforceable under this Act.'"

2. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:  
STROLLER STRIDES, LLC

YOU:  
\_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

## WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, AND RELATED AGREEMENTS

This Addendum relates to franchises sold in Washington and is intended to comply with Washington statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Washington Law. The following paragraphs are added to the end of the Franchise Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

WE:  
STROLLER STRIDES, LLC

YOU:  
\_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

EXHIBIT   
TO FDD

GENERAL RELEASE FORM

## RELEASE OF CLAIMS

**THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL BE USED  
WITH OR INCORPORATED INTO A SEPARATE AGREEMENT.  
THIS FORM IS SUBJECT TO CHANGE OVER.**

For and in consideration of the Agreements and covenants described below, Stroller Strides, LLC ("Stroller Strides") and \_\_\_\_\_ ("Franchisee") enter into this Release of Claims ("Agreement").

### RECITALS

A. Stroller Strides and Franchisee entered into a FIT4MOM® Franchise Agreement dated \_\_\_\_\_, \_\_\_\_.

B. [NOTE: Describe the circumstances relating to the release.]

### AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release.** Franchisee hereby releases Stroller Strides, its officers, directors, shareholders, and agents, and their respective successors, assigns, heirs, and personal representatives, from all debts, representations, agreements, liabilities, actions, and causes of action of every kind and nature arising out of or relating to the Franchise Agreement between Stroller Strides and Franchisee, the offer and sale of that franchise and the franchise relationship between the parties.

**Each party granting a release acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:**

**"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

**Each party granting a release and its authorized signatories hereto recognize that he, she, or it may have some claim, demand, or cause of action against Franchisor and the other Franchisor Released Parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this Addendum. Each party granting a release and its authorized signatories hereby waive and relinquish every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.**

5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of \_\_\_\_\_ without regard to conflicts of laws principles.

This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

**FRANCHISEE:**

**STROLLER STRIDES, LLC**

\_\_\_\_\_

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

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

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

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

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

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

EXHIBIT **J**  
TO FDD

LIST OF CURRENT FRANCHISEES

FIT4MOM Franchisees  
As of December 31, 2023

Name	Address	City	State	Zip	Phone
Kayley Ward	1512 Glenwood Rd	Birmingham	AL	35226	205-310-2064
Rebecca Guntharp	109 Highlandridge Drive	Madison	AL	35757	(571) 565-0706
Melissa Holland	10014 N Rodney Parham Road, Ste 103	Little Rock	AR	72227	(901) 409-6701
Dana Rowson	2153 N Cobblestone Circle	Flagstaff	AZ	86001	707-803-8788
Kelsey Girts & Rachele Johnson	1850 S. Rochester Drive	Gilbert	AZ	85295	716-408-7733
Shawna Weitekamp	1528 W. Blaylock Drive	Phoenix	AZ	85085	602-818-4903
Katherine Pellham	30052 N Desert Willow Blvd	San Tan Valley	AZ	85143	509-714-9477
Jillian Young	6713 E. Paradise Lane	Scottsdale	AZ	85254	(818) 651-2424
Carolyn Eckman	223 Mar Vista Drive Apt A	Aptos	CA	95003	(831) 287-6344
Jenica Willis	12208 Old Town Rd	Bakersfield	CA	93312	(661)330-0084
Heather & Mark Milward	205 S Redwood Ave Apt 26	Brea	CA	92821	(626) 378-6866
Natalie Fredianelli-Lerno	1153 Springhaven Court	Brentwood	CA	94513	562-858-9446
Erin Thiel	2836 Clemson Drive	Cameron Park	CA	95682	(530) 306- 0162
Samantha Welch	31420 Arena Dr.	Castaic	CA	91384	661-476-8709
Jenna Hooks	10341 Canoga Ave	Chatsworth	CA	91311	310-923-3191
Karen McMillin	6 Parkview Circle	Corte Madera	CA	94925	(415) 793-6195
Sarah Tracy	971 Lansing Ln	Costa Mesa	CA	92626	(714) 225-0527
Kari Kaucher	6494 Branch Ct,	Eastvale	CA	92880	(951) 522-7725
Chrystal Ziebart	6257 Nobury Ct.	Eastvale	CA	92880	805-680-8007
Taylor Anderson	2480 Hilton Head Place. APT 2144	El Cajon	CA	92019	(775) 385-3248
Johanna Bautista	2433 Mira Vista Dr	El Cerrito	CA	94530	707-315-0886
Mallory Lowery & Shelby Johnson	1246 Mackinnon ave	Encinitas	CA	92007	614-806-9723
Amilette Klein	1482 Corte Rapallo	Escondido	CA	92026	(760) 500-1325
Monique Schile	7029 Beth Street	Fontana	CA	92336	909-630-1045
Melissa Arcos	6322 Cerulean Ave	Garden Grove	CA	92845	562-896-1833
Sequoia Wright-Medina	423 1st St #B	Healdsburg	CA	95448	(707) 280-4412
Natalie Crosswell	19391 Woodlands Drive	Huntington Beach	CA	92648	(714) 883-3926
Alyssa Sangermano	17031 Stanley Lane Apt. C	Huntington Beach	CA	92647	714-386-8610
Amanda Hall	5734 Dugan Avenue	La Mesa	CA	91942	858-805-1470
Caralee & Graham MacRobie	28176 Bluebell Dr.	Laguna Niguel	CA	92677	626-485-0658
Moriah Blodgett	1565 El Dorado Drive	Livermore	CA	94550	(661) 904-4368
Shannon Shondeff	12141 Ballantine Drive	Los Alamitos	CA	90720	949-870-8128
Kellie Fell	8315 McConnell Ave	Los Angeles	CA	90045	(760) 954-2490
Abby Massucci	1556 N Curson Avenue	Los Angeles	CA	90046	917-545-3780
Ashley Heiselt	1401 Elm Ave	Manhattan Beach	CA	90266	(724)3011798
Karla Reyes Noguera	218 W. Roseburg Avenue,	Modesto	CA	95350	408-802-0706

Name	Address	City	State	Zip	Phone
Alison Gruber	510 Claremont Drive	Morgan Hill	CA	95037	(408) 460-4285
Ana Valverde	38101 El Dorado CT	Palmdale	CA	93551	(213) 819-2882
Beverly Doughty	1420 S Palos Verdes St	Palos Verdes	CA	90731	310-988-8966
Ana Marcin	126 Patria	Rancho Mission Viejo	CA	92694	(949) 870-0730
Amber Roberts	80 Lakeside Ave	Redlands	CA	92373	(909) 771-4331
Barbara Hamilton	4421 Meadow Circle	Rescue	CA	95672	(408) 887-1952
Shenoah McDonald	18360 Pinecone Lane	Riverside	CA	92504	(951) 808-7283
Ashley Wursten & Lyndee Sensenbach	4103 Autumn Crossing LN	Rocklin	CA	95677	916-540-6453
Michele Lewis & Vanessa Reid	319 Emerald Ave	San Carlos	CA	94070	(415) 533-1615
Tawnee Grammatico & CherylHamilton	4671 Bermuda Ave	San Diego	CA	92107	951-491-1842
Erika & Eric Blaska	1721 Rainbow Drive	Santa Ana	CA	92705	714-552-5144
Johanna Kracke	1646 Franklin St. Apt A	Santa Monica	CA	90404	443-340-5702
Candice Knips	1462 2nd St	Simi Valley	CA	93065	(818) 384-7023
Lusila Garibay & Lisa Lenz	10914 Shadowport Court	Stockton	CA	95219	509-393-9904
Carly Church	4701 Teesdale Ave	Studio City	CA	91604	310-228-8671
Rachel Kitt	647 Oneida Drive	Sunnyvale	CA	94087	650-906-7070
Melissa Merrill	32069 Corte Cardoza	Temecula	CA	92592	(951) 553-3992
Annie Davidson & Rachael Weitz	784 Puesta Del Sol	Thousand Oaks	CA	91360	(858) 204-1266
Nancy Hostick	960 Beth Page Court	Vacaville	CA	95687	(217) 741-1574
Sarah Sandoval	306 N. Saticoy	Ventura	CA	93004	559-786-1706
Haley Orr	3142 Suisun Bay Dr.	West Sacramento	CA	95691	619-618-5444
Trista DiMuria	9626 La Alba Drive	Whittier	CA	90603	(602) 502-2402
Allison Olson	18134 Gadwall St.	Woodland	CA	95695	(925) 285-6514
Christina Brothers	25186 E. Geddes Circle	Aurora	CO	80016	303-594-5531
Stephanie & Erik Holzhauer	220 S. Wilcox St. #627	Castle Rock	CO	80104	(619) 316-3227
Mary Hansen	104 Sitka Drive	Colorado Springs	CO	80911	(775) 293-1388
Hannah Lynch	5985 N. Hanover St.	Denver	CO	80238	734-776-2982
734-	1512 Westin Dr	Erie	CO	80516	(805) 234-2892
Hannah Nickle	7732 W Ottawa Pl	Littleton	CO	80128	(303) 305-8644
Carol Malone	137 S Tyler Ave	Louisville	CO	80027	706-766-4876
Annalisa Lopez& Rebecca Dennis	480 Saratoga Way	Windsor	CO	80550	(503) 679-9605
Amy Volz	268 Great Plain Road	Danberry	CT	06811	(425) 210-8589
Courtney Cataldo	415 Katona Drive	Fairfield	CT	06824	(914) 329-8705
Destini McAllister	56 Buckeye Rd	Groton	CT	06340	(904) 907-0428
Kelly Reid	3017 Stephenson Place NW	Washington	DC	20015	(717) 798-2677
Emma Grillot	19786 SOUTHAMPTON TER	Boca Raton	FL	33434	443-253-6495

Name	Address	City	State	Zip	Phone
Christina Picciotto	5743 Oak Bridge Court	Bradenton	FL	34211	(443) 632-7988
Amber Stephens	719 Southeast 9th Street	Ft Lauderdale	FL	33316	(661) 878-2327
Emily Gregory	244 New Haven Blvd	Jupiter	FL	33458	706-987-0283
Laci & Brandon Bellora	5727 Jasper Glen Drive	Lithia	FL	33547	813-486-1295
Stefanie Herlan	2000 SW Racquet Club Dr.	Palm City	FL	34990	(408) 482-5392
Amanda Seaton	521 Meravan Dr.	Palm Harbor	FL	34683	(727) 430-6086
Rebekah Coates	245 Villa Del Mar Way	Satellite Beach	FL	32937	321-591-7648
Regina Hord & Andrea Bowe	4702 W Wyoming Ave	Tampa	FL	33616	813-924-5101
Stacy Trautz	2108 Gwynhurst Blvd.	Wesley Chapel	FL	33543	(267) 994-9452
Kelly Starkey	115 Live Oak Road	Winter Garden	FL	34787	(314) 348-9656
Rebekah Murphy	235 Abington Drive	Atlanta	GA	30328	(678) 637-6143
Tori Zarnow	516 Granite Point	Martinez	GA	30907	706-951-4616
Lindsey Parlin	91-1133 Kanela Street	Ewa Beach	HI	96706	(719) 310-3703
Whitney McCallum	1021 KOLOA ST	Honolulu	HI	96816	(808) 341-6612
Lindsey Parlin #2	44-309 Mikiola	Kaneohe	HI	96744	(719) 310-3703
Shannon & Kevin Kuratko	140 Uwapo Rd, Unit 52-101	Kihei	HI	96753	708-363-8884
Gina Sorby	2940 Willow Drive	Bettendorf	IA	52722	563-514-8163
Rebecca Richeal	903 Carl Ct	Solona	IA	52333	(563) 343-1983
Angelique Krueger	1810 N Phillippi	Boise	ID	83716	208-258-0971
Michelle Burgy	2541 Needham Ct.	Aurora	IL	60503	(630) 973-0199
Kristen Knobloch & Nicole Fraser	1661 Penny Lane	Bartlett	IL	60103	(708) 308-0826
Lauren & Ron Pedecone	1267 Twilight Way	Bolingbrook	IL	60490	(708) 606-0613
Stephanie Burwell	1759 W Olive Ave	Chicago	IL	60660	(816) 522-6567
Elizabeth Pawelko	663 62nd Court	Downers Grove	IL	60516	708-805-6487
Aimee Bell	1743 Newbridge Circle	Elgin	IL	60123	630-890-5957
JoAna Matarrese-Zapata	975 Thorton Street	Lockport	IL	60441	630-432-4333
Meghan & Eric Stone	16343 Cagwin Dr	Lockport	IL	60441	(708) 997-6932
Kristin & Justin Hineman / Joel & Trixie Zielke	235 North Garfield Street	Lombard	IL	60148	(630) 947-5448
Alison & Benjamin Newman	413 North Marion St.	Oak Park	IL	60302	(310) 804-4349
Ilona Mulica	8124 Bayhill Ct	Orland Park	IL	60462	708-945-9286
Miranda Herron & Angela Becker	5009 Main St.	Skokie	IL	60077	(920) 428-0513
Debra Sexton	749 Howe Dr	Carmel	IN	46032	206-790-0563
Meredith Paranjothi	14664 S. Rene St.	Olathe	KS	66062	(913) 780-3042
Jessica Hardt	2803 Woods Club Rd	Louisville	KY	40241	502-714-8646
Kelly Plataniotis	2732 Chateau Court	Union	KY	41091	(513) 476-9351
Sarah LeBlance & Stacey Steele & Samantha Teer & Emie Bolton	425 Kenshire Court Suite 500	Shreveport	LA	71115	(630)310-6251

Name	Address	City	State	Zip	Phone
Lindsey McKee	791 Frank Smith Rd	Longmeadow	MA	01106	978-618-5984
Betsy Collamore	45 Hathorne Street	Salem	MA	01970	781-710-7857
Rachel Wagner	506 E Barney St	Baltimore	MD	21230	(410) 967-7866
Jessica Gilbertsen	6820 Carlynn Ct	Bethesda	MD	20817	(240) 305-4001
Erinn Bende	6312 Last Sunbeam Place	Columbia	MD	21044	(732) 801-1796
Kathryn Henry	9146 Bealls Farm Road	Frederick	MD	21704	(301) 325-7042
Tara Rosenberger	6 Inverin Circle	Lutherville	MD	21093	(410) 302-7002
Maureen Doran	1183 Tanager Drive	Millersville	MD	21108	410-562-3184
Aleacia Chinkhota	12707 Princeleigh St	Upper Marlboro	MD	20774	(301) 335-5159
Elizabeth Wilkinson	3058 Bridgefield Drive	Ann Arbor	MI	48101	616-430-5887
Sarah Greidanus	2034 Maumee Dr SE	Grand Rapids	MI	49506	(616)648- 9379
Veronica Sherwood	45800 W. Ann Arob Trail	Plymouth	MI	48170	203-841-9664
Kayleen Beccard	3219 Aquila Lane South	ST Louis Park	MN	55426	(612) 968-8494
Chrishina Crawford & Christianah Akinduro	3344 Walworth Way Drive	St. Louis	MO	63129	(314) 337-8773
Mary Pust	828 Governors Place	Billings	MT	59102	814-218-5742
Katherine Stolk	2407 Fenceline Dr,	Missoula	MT	59808	(406) 880-5621
Meghan Cruz	12610 Rusty Blackbird Way	Charlotte	NC	28278	(704) 301-1345
Anna Braksick	14010 Promenade Drive	Huntersville	NC	28078	(513) 255-454
Christine Magee	5095 Fiddlers Run Dr	Kernersville	NC	27284	(714) 926-3544
Catherine Clark	205 Cottage Way	Pittsboro	NC	27312	(703) 899-5919
Savanna Alvarado	142 Rushmore Court	Raeford	NC	28376	(608) 640-9454
Melissa Currin	312 Furches Street	Raleigh	NC	27607	(919) 395-6900
Nicole Norris	306B Village Drive	Sanford	NC	27330	(919) 946-8493
Jody Smith (Springer)	109 N 5th St	Wilmington Area	NC	28428	(910) 352-1765
Kiley Mischnick	11808 Jefferson Plaza	Omaha	NE	68137	(402) 681-4631
Jamie DeMartino	30 South Fifth Street	Park Ridge	NJ	07656	(201) 658-1382
Regina Medeiros-Haines	505 Bancroft Rd	Cherry Hill	NJ	08034	(609) 354-8540
Kristina Veit	352 Durham Avenue	Metuchen	NJ	08840	(856) 340-0992
Nicole Savino-Pedicini	24 Fulton Road	Somerset	NJ	08873	201-205-4365
Crissy Pafitis	149 Park Lane	Wayne	NJ	07470	(347) 671-4304
Victoria Cummins	4313 Soda Spring Drive	Las Cruces	NM	88011	(530) 913-0962
Kimberly Owensby & Karen Sauer	4735 Killington Street	Las Vegas	NV	89129	(702) 858-1341
Samantha Radford	960 Cambridge Way	Reno	NV	89511	(775) 224-4968
Amy Leon	67 Hoffman Lane	Blauvelt	NY	10913	551-427-8837
Shannon O'Shea	17 Dugan Ln	Hopewell Junction	NY	12533	845-505-2373
Mary Kahrs	240 Kohr Rd	Kings Park	NY	11754	516-241-4788

Name	Address	City	State	Zip	Phone
Bethany Bureau	643 Grimson Place	Queensbury	NY	12804	720-810-8391
Kristin Riolo	105 Locust Ridge	Westchester	NY	10518	914-977-3038
Dana Pavella	2120 White Birch Dr	Yorktown Heights	NY	10598	914-497-0957
Khaira Daugherty	1914 Portman Avenue	Cincinnati	OH	45237	513-546-2759
Kelly Kitsis	714 Starkweather Ave	Cleveland	OH	44113	(216) 233-5459
Mindy Hayward-Hauck	1447 Newell Ct	Columbus North	OH	43228	(614) 562-1612
Zerina Hutchinson	9964 Dwayne Court	Concord	OH	44060	(440) 725-1464
Leslie Russell	3854 Windkeep Way	Powell	OH	43065	(419)350-8721
Sarah Andrecheck	2920 Warrington Road	Shaker Heights	OH	44120	(630) 212-5658
Amy Hoover	2067 Summers Ave	Streetsboro	OH	44241	(330) 801-0154
Lisa Shoulders	6807 Shadow Dr	Westerville	OH	43081	(716) 467-4242
Andrea Cottle	12901 Cadence Way	Edmond	OK	73025	(405) 323-6396
Tiffany Blok	18874 NW Azure Drive	Banks	OR	97106	(503) 740-1575
Marissa Parker	14095 Beemer Way	Oregon City	OR	97045	(503) 707-9350
Sydney Zaylor	6418 SE 36th Ave	Portland	OR	97202	530-574-6146
Katie Harmier	5200 SW Dolph Court	Portland	OR	97219	(503) 803-8154
Valerie Frank	25 Newman Drive	Downington	PA	19335	571-612-0558
Kaitlyn Day	4 Apple Creek Lane	Myerstown	PA	17067	(717) 202-5128
Allison & Erica Bloom	216 Tower Lane	Penn Valley	PA	19072	215-200-9500
Erica Strnad	236 Cumberland Drive	Seven Fields	PA	16046	(412) 303-3674
Anna Evans	1536 Tanglewood Drive	West Chester	PA	19380	(214) 500-6682
Brittany Brown	1055 E Niels Lane	West Chester	PA	19382	302-753-5268
Alexandra Bard	131 Chime Bell Church Rd,	Aiken	SC	29803	(803) 226-2577
Jillian Wolf	1 Wilmington Island Court	Bluffton	SC	29910	(815) 342-9692
Delisa Even	207 Bolette Ln.	Columbia	SC	29229	256-320-9554
Stephanie Proulx	1053 Marcus Street,	Indian Land	SC	29707	(843)425-4820
Caitlin & Stevee Guevara/Martin	1181 Leesville St	North Charleston	SC	29405	(904) 631-7859
Rachel McClellan	43 Live Oak Rd Ringgold, GA	Chattanooga	TN	30736	(859) 221-0481
Kayla & Ashley Roof/Smith	745 Riverview Drive	Franklin	TN	37064	(502) 432-3888
Robyn Wendel	5806 Westover Dr	Knoxville	TN	37919	(432) 528-6891
Savannah Grow	1297 Yorkshire dr	Memphis	TN	38119	(901) 268-2512
Darla Davis	111 Quail Bluff Lane	Aledo	TX	76008	817-304-4784
Katherine Collins & Cassie Haynes	312 Santa Fe Trail	Argyle	TX	76226	(318) 751-5929
Juli Thatcher	14804 Haley Hollow	Austin	TX	78728	940-453-8343
Rebekah Durel	6202 Old Harbor Lane	Austin	TX	78739	504-495-2152
Rebekah Bynum	757 Rio Colorado	Boerne	TX	78006	(940) 391-9908
Amy Wooten	201 Ute Creek Ct	Burleson	TX	76028	(817)648-2132

Name	Address	City	State	Zip	Phone
Ashley Houck	6688 Wooded Drive	College Station	TX	77845	(936) 524-3263
Christina Jackson	8406 Alison Ave	College Station	TX	77845	281-250-8915
Manika Thilakan & Lauren Yates	15619 Ranchita Dr	Dallas	TX	75248	(972) 639-7463
Hannah Sage	17268 County Road 134	Flint	TX	75762	(903) 752-5654
Becca Graham & Sarah Morford	4733 Bonnell Ave	Fort Worth	TX	76107	979-422-2144
Karissa Barrangan & Virginia Coindreau	903 Jasmine Trail	Georgetown	TX	78626	(512) 923-4678
Farrah Agado	1208 Hillwood Way	Grapevine	TX	76051	(469) 220-4525
Sarah Jackson	15635 Lake Lodge Drive	Houston	TX	77062	(713) 417-7272
Kaitlyn Zolli	1001 Sundrops St	Leander	TX	78641	201-960-0898
Susan Davis	733 York Court	Lewisville	TX	75056	469-855-6033
Amy Lloyd	1604 Windcastle Dr	Mansfield	TX	76063	314-805-8079
Amanda Thompson	5012 N 9th St	McAllen	TX	78504	(956) 534-6633
Melody Marks	10112 Ransom Ridge Rd	McKinney	TX	75072	(682) 217-4882
Amy Ginapp	234 Ashlawn Drive	Midlothian	TX	76065	(214) 755-6998
Monica Reddout	604 Gloria Ave	New Braunfels	TX	78130	(281) 203-9344
Lisa DeArmond	106 Painted Post Lane	North San Antonio	TX	78231	(210) 247-8820
Elizabeth Kelley	13111 Centerbrook Ln	Pearland	TX	77584	218-467-7166
Summer Britt	127 Purgatory Pass	San Marcos	TX	78666	(512) 644-4198
Bethany Gregory	2709 Gallant Court	Southlake	TX	76092	(817) 683-6900
Dana Halliburton	905 Westend Drive	Temple	TX	76502	(254) 780-7820
Audrey Anderson & Joy Sandefur	7215 Palisades Dr	Texarkana	TX	75503	(903) 748-4740
Brianna Hunstiger	39 S Dulcet Hollow Circle	The Woodlands	TX	77382	254-405-2866
Michelle Allen & Jaina Thurston	821 South 525 East	River Heights	UT	84321	(702) 521-9815
Anna Douglas	5575 S Danube Circle	Taylorville	UT	84129	(801) 953-8308
Kelsey Sorenson	6321 Gildar St	Alexandria	VA	22310	(405) 201-6509
Hilary Blasco	12984 Kyle Moor Pl	Bristow	VA	20136	(561) 901-3686
Heather Dahlmeyer	145 Country Club Blvd	Chesapeake	VA	23322	(203) 648-6560
Sophie Van Hees	2309 Yvonne Way	Dunn Loring	VA	22027	(425) 979-6333
Mary Alison Neal	122 Taylors Hill Way	Fredericksburg	VA	22405	540-369-3572
Natalie Russell	9316 Janeway Dr	Mechanicsville	VA	23116	(804) 497-0168
Sarah & Clay Hanna	9607 Wells Pkwy	Norfolk	VA	23503	(757) 402-2729
Christina Gerberick	16886 Evening Star Drive	Round Hill	VA	20141	(571) 446-0040
Alexis Timbrook	378 Hallmark Drive Martinsburg, WV	Winchester	VA	25403	(304) 359-5592
Shannon Slayer	12796 Lotte Drive	Woodbridge	VA	22192	(757) 897-5724
Emily Villescascas	600 NW Locust Street, Apt. 105	Issaquah	WA	98027	(210) 279-1739

Name	Address	City	State	Zip	Phone
Caitlin Ibarra	4004 13th Ave. S	Seattle	WA	98108	(714) 381-7969
Lauren Campbell	8721 43rd Pl SW	Seattle	WA	98136	(512) 496-5164
Natalie Bindel	4450 NW Atwater Loop	Silverdale	WA	98383	303-990-2792
Jamie & Nicholas Ambrose	14632 138th Way NE	Woodinville	WA	98072	805-404-0835

**Franchise Agreements Signed but Stores Not Open as of December 31, 2023**

Name	Address	City	State	Zip	Phone
Jordan Leon	905 Caminito Madrigal	Carlsbad	CA	92011	(301) 908-2813
Shannon Getz	10371 Princess Marcie Drive	Santee	CA	92071	(619) 820-3336
Kathryn Dague & Lauren Frizzell	4844 Lavaque Rd	Duluth	MN	55881	(904) 422-6166
Kimberly Mac Millan	720 Vaughn Avenue	Toms River	NJ	8753	(848) 226-2392
Ashley Lloyd	8314 Glenford Rd	North Charleston	SC	29406	(843) 550-0692
Mistye Taylor	2020 Rock Springs Rd	Smyrna	TN	37167	(615) 479-4546
Emily Miller	631 Devonshire Drive	Prosper	TX	75078	(562) 900-4709
Felisha Hennessey	11 Camber Pine Place	Spring	TX	77382	(951) 207-7154

EXHIBIT ~~K~~J  
TO FDD

LIST OF FORMER FRANCHISEES

**FIT4MOM Former Franchisees  
As of December 31, 2023**

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

Name	Address	City	State	Zip	Phone
Sara Spector (NON RENEWAL)	1212 N Westwood	Mesa	AZ	85201	480-627-9123
Amy Hinderer Feltus (NON RENEWAL)	5838 E Calle Tuberia	Phoenix	AZ	85018	(480) 584-3089
Blanca Segura (RESALE)	29639 N Balmoral Pl	San Tan Valley	AZ	85143	(808) 683-2454
Lucy Islikaplan (RESALE)	22170 James Alan Cir Unit 1	Chatsworth	CA	91311	(818) 919-8600
Lynn Case (RESALE)	4212 Keystone Ave	Culver City	CA	90232	(818) 943-6754
Rachelle Ricketts (RESALE)	128 Provence Road	Danville	CA	94506	925-964-6525
Marie & Angela Walczak/Scheel (RESALE)	12642 Ridgeton Drive	Lakeside	CA	92040	(619) 885-8832
Shannon Shondeff #2 (RESALE)	12141 Ballantine Drive	Los Alamitos	CA	90720	949-870-8128
Bethany Atkins (NON RENEWAL)	5015 Clinton Street #308	Los Angeles	CA	90004	(646) 209-4803
Lauren Gillmore (RESALE)	3479 Joshua Tree Court	Perris	CA	92570	(951) 347-3363
Tara Takashima (RESALE)	2206 Karendale Circle	Riverside	CA	92506	(951) 892-3843
Jessica and Tyler Johns (RESALE)	2284 Ranch View Dr	Rocklin	CA	95765	(916) 303-0800
Brandi Tucker (RESALE)	2930 Geer Rd	Turlock	CA	95380	209-605-6823
Jessica Pace (RESALE)	451 Baker Ave	Ventura	CA	93004	805-218-9214
Angela Bridgford (RESALE)	18568 Lookout Drive	Yorba Linda	CA	92886	(714) 223-1589
Maria Albert-Garcia (RESALE)	1975 Lansing St	Aurora	CO	80010	(303) 681-8335
Nichole Burrows (RESALE)	8110 Plume Terrace	Colorado Springs	CO	80920	201-819-0058
Katheleen & Richard Ybarra & Shilling (MUTUAL TERM)	3242 Francoa Dr	Odessa	FL	33556	(562) 746-8963
Amanda & Scott Bowman (CEASED OPERATIONS FOR OTHER REASONS)	10550 Windsor Lake Ct	Tampa	FL	33626	(863) 221-2903
Amy Constantin (RESALE)	7440 Winthrop Road	Alpharetta	GA	30005	678-827-1927
Olivia Ren (RESALE)	14 Puu Ehu Pl	Kahului	HI	96732	808-280-8566
Katherine Lazenby (RESALE)	45-029 Waikalualoko Loop Apt C	Kaneohe	HI	96744	203-364-7357
Morgan Miller (RESALE)	6984 E Sky Bar St	Boise	ID	83716	(208) 891-6139
Nicole Irwin (NON RENEWAL)	202 N Bay St	Post Falls	ID	83854	360-979-7603
Cara & Paul Christofanelli (NON RENEWAL)	223 E. 13th Street Apt. 2209	Chicago	IL	60605	630-674-2256

Name	Address	City	State	Zip	Phone
Mandy Dunne (RESALE)	13043 S. Forestview Rd.	Palos Heights	IL	60463	708-549-6797
Corinn Wooster (RESALE)	10672 Turcotte Ct.	Union	KY	41091	(269) 271-7663
Jeanna Sousa (NON RENEWAL)	73 Wellesley Drive	Somerset	MA	02726	508-314-4217
Elis Mimmo (RESALE)	3 Beech Street	South Hamilton	MA	01982	(978) 330-5877
Heather Galladora (RESALE)	10961 Tavern Lane	Monrovia	MD	21770	(301) 414-0246
Megan Blum (MUTUAL TERM)	5139 W Arrowhead Rd	Hermantown	MN	55811	(218) 461-6502
Colleen Bonnicksen (RESALE)	6121 Coburg Ln	Missoula	MT	59803	(949) 933-4152
Erin Schackman (RESALE)	3221 Providence Hills Drive	Matthews	NC	28105	818-437-5946
Nekita Migliaccio (RESALE)	238 Canyon Drive	Raeford	NC	28376	(814) 403-1902
Brittany Ishman-Westergard (RESALE)	70 Christopher Mill Road	Medford	NJ	08055	(517) 648-5959
Anneloes & Rosalina Wynalda/Van Alphen (MUTUAL TERM)	260 Garfield Place	Brooklyn	NY	11215	(917) 213-3328
Jessica & Steve Peralta (RESALE)	19 Benevolo Drive	Henderson	NV	89011	(702) 595-7392
Marie Hughes (RESALE)	15 Scott Lane	Lagrangeville	NY	12540	(914) 456-3665
Colleen O'Connell (RESALE)	1089 Wittshire Lane	Cincinnati	OH	45255	(513)535-6392
Lyndsey Stephan (NON RENEWAL)	1495 River Edge Dr	Kent	OH	44240	330-671-4792
Taylor Johnston (RESALE)	25575 NW Linnea Drive	Hillsboro	OR	97124	(503) 740-1575
Kristen & Katherine Wilson/Dixon (RESALE)	1786 Wilmington W Chester Pike, Suite 200A	Glen Mills	PA	19342	(610) 324-3073
Ariana & Lauren Casanovas/Nardi (MUTUAL TERM)	270 Bella Lane	King of Prussia	PA	19406	(908) 581-4461
Lisa Moffa (RESALE)	522 Woodland Road	Pittsburgh	PA	15237	412-401-1927
Morgan Blair (RESALE)	1576 Brown Road	Chester	SC	29706	(864) 561-5709
Hannah Kelley (formerly Drake) (MUTUAL TERM)	5307 Broom Hall Lane	Summerville	SC	29486	(843) 641-9212
Nicole Duggin (MUTUAL TERM)	663 Wassil Drive	Gallatin	TN	37066	(440) 487-4630
Margo Bradley (RESALE)	700 Webster St Needham, MA	Memphis	TN	02492	(585) 957-0272
Mary Korobov (NON RENEWAL)	2109 Rose Hill Rd	Carrollton	TX	75007	(972)786-5276
Chelsea Scriborski (MUTUAL TERM)	2201 Ward St	Midland	TX	79705	(541) 953-3112
Kathryn Johnston (MUTUAL TERM)	1906 Falcon Dr.	Portland	TX	78374	(209) 712-6867
Meghan Koopman (RESALE)	705 E 450 N	Hyde Park	UT	84318	(404)644-5319
Madison Wilcox (CEASED OPERATIONS)	629 River Bend Court	Newport	VA	23602	(718) 490-0558

Name	Address	City	State	Zip	Phone
FOR OTHER REASONS)	Apt.207	News			
Jasmine Dailida (RESALE)	24714 SE Mirrormont Way	Issaquah	WA	98027	(916) 753-8808
Amy Conner (RESALE)	4910 Anderbar RD SE	Port Orchard	WA	98367	(360) 689-1695
Nicole Raegen (NON RENEWAL)	24221 SE 40th Pl	Sammaish	WA	98029	419-377-6765
Meghan Tavelli (RESALE)	9842 45th Ave SW	Seattle	WA	98136	(503)-320-1392

EXHIBIT **LK**  
TO FDD

FINANCIAL STATEMENTS

**Stroller Strides, LLC dba Fit4Mom**

**Financial Statements  
and Independent Auditor's Report**

**December 31, 2023 and 2022**

**Stroller Strides, LLC dba Fit4Mom**

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## Independent Auditor's Report

To the Members of  
Stroller Strides, LLC dba Fit4Mom

### Opinion

We have audited the accompanying financial statements of Stroller Strides, LLC dba Fit4Mom, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stroller Strides, LLC dba Fit4Mom as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stroller Strides, LLC dba Fit4Mom and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Stroller Strides, LLC dba Fit4Mom's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stroller Strides, LLC dba Fit4Mom's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stroller Strides, LLC dba Fit4Mom's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

JGI ASSOCIATES, LLP

San Diego, California  
March 15, 2024

**Stroller Strides, LLC dba Fit4Mom**

**Balance Sheets  
December 31, 2023 and 2022**

	<u>Assets</u>	
	<u>2023</u>	<u>2022</u>
Current assets		
Cash and cash equivalents (Note 2)	\$ 1,148,346	\$ 1,286,306
Accounts receivable, net	16,981	6,512
Inventory	-	79,632
Prepaid expenses	<u>53,588</u>	<u>48,570</u>
Total current assets	1,218,915	1,421,020
Equipment, net (Note 3)	<u>-</u>	<u>1,466</u>
Noncurrent assets		
Deferred tax asset (Note 11)	22,200	500
Long-term note receivable (Note 3)	18,825	-
Trademark (Note 1)	<u>10,000</u>	<u>10,000</u>
Total noncurrent assets	<u>51,025</u>	<u>10,500</u>
Total assets	<u>\$ 1,269,940</u>	<u>\$ 1,432,986</u>
	<u>Liabilities and members' equity</u>	
Current liabilities		
Accounts payable (Note 5)	\$ 31,009	\$ 43,822
Accrued expenses (Note 6)	126,958	158,979
Deferred revenue	15,291	96,394
Current portion of notes payable (Note 7)	<u>12,765</u>	<u>15,867</u>
Total current liabilities	186,023	315,062
Notes payable, net of current portion (Note 7)	<u>487,235</u>	<u>468,576</u>
Total liabilities	<u>673,258</u>	<u>783,638</u>
Members' equity	<u>596,682</u>	<u>649,348</u>
Total liabilities and members' equity	<u>\$ 1,269,940</u>	<u>\$ 1,432,986</u>

See Notes to Financial Statements.

**Stroller Strides, LLC dba Fit4Mom**

**Statements of Operations  
Years Ended December 31, 2023 and 2022**

	2023	2022
<b>Revenues</b>		
Franchise revenue	\$ 1,503,788	\$ 1,600,383
Franchisee training and conference income	379,980	301,219
San Diego corporate fitness revenue	212,302	246,445
Merchandise licensing fee and apparel sales	247,976	331,117
Marketing revenue	82,316	50,808
Video on demand	30,492	55,802
	<b>2,456,854</b>	<b>2,585,774</b>
<b>Cost and expenses</b>		
Franchise/licensing operating cost	873,540	795,742
Selling, general and administrative expenses	1,654,418	1,726,446
Depreciation and amortization (Note 1)	1,466	4,184
	<b>2,529,424</b>	<b>2,526,372</b>
<b>Operating (loss) income</b>	<b>(72,570)</b>	<b>59,402</b>
<b>Other (income) expense</b>		
Interest expense	48,745	12,920
Other income (Note 1)	(32,477)	(351,373)
	<b>16,268</b>	<b>(338,453)</b>
<b>Net (loss) income before taxes</b>	<b>(88,838)</b>	<b>397,855</b>
<b>Provision for income taxes</b>	<b>(48,308)</b>	<b>116,268</b>
<b>Net (loss) income</b>	<b>\$ (40,530)</b>	<b>\$ 281,587</b>

See Notes to Financial Statements.

**Stroller Strides, LLC dba Fit4Mom**

**Statements of Members' Equity  
Years Ended December 31, 2023 and 2022**

	Class A Units		Class B Units		Additional Paid-In-Capital	Accumulated Equity	Total Members' Equity
	Units	Dollars	Units	Dollars			
Balance at December 31, 2021	100	\$ -	12.5	\$ -	400,000	\$ 3,039	\$ 403,039
Distributions	-	-	-	-	-	(35,278)	(35,278)
Net income	-	-	-	-	-	281,587	281,587
Balance at December 31, 2022	100	\$ -	12.5	\$ -	400,000	\$ 249,348	\$ 649,348
Distributions	-	-	-	-	-	(12,136)	(12,136)
Net loss	-	-	-	-	-	(40,530)	(40,530)
Balance at December 31, 2023	100	\$ -	12.5	\$ -	400,000	\$ 196,682	\$ 596,682

**Stroller Strides, LLC d/b/a Fit4Mom**

**Statements of Cash Flows  
December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Net (loss) income	\$ (40,530)	\$ 281,587
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities		
Depreciation	1,466	4,184
Increase (decrease) in		
Accounts receivable	(10,469)	5,389
Inventory	79,632	(25,062)
Prepaid expenses	(5,018)	(31,909)
Accounts payable	(12,813)	10,631
Accrued expenses	(32,021)	73,406
Deferred tax asset	(21,700)	(4,300)
Deferred revenue	(81,103)	79,248
Net cash used in operating activities	<u>(122,556)</u>	<u>393,174</u>
Cash flows from investing activities		
Issuance of long-term note receivable	<u>(18,825)</u>	<u>-</u>
Net cash used in investing activities	<u>(18,825)</u>	<u>-</u>
Cash flows from financing activities		
Distributions to members	(12,136)	(35,278)
Borrowings from notes payable	15,557	-
Payments on notes payable	<u>-</u>	<u>(9,592)</u>
Net cash used in financing activities	<u>3,421</u>	<u>(44,870)</u>
Net change in cash and cash equivalents	(137,960)	348,304
Cash and cash equivalents, beginning	<u>1,286,306</u>	<u>938,002</u>
Cash and cash equivalents, ending	<u>\$ 1,148,346</u>	<u>\$ 1,286,306</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 48,745</u>	<u>\$ 12,920</u>
Income taxes paid	<u>\$ 800</u>	<u>\$ 116,268</u>

See Notes to Financial Statements.

## **Stroller Strides, LLC d/b/a Fit4Mom**

### **Notes to Financial Statements December 31, 2023 and 2022**

#### **Note 1 - The Organization and summary of significant accounting policies**

##### **Organization and nature of operations**

Stroller Strides, LLC d/b/a Fit4Mom (the “Company”) was originally organized as a limited liability company in October 2002 in the State of Delaware. The Company franchises fitness class operations nationally and provides training to instructors nationwide. The Company also provides fitness classes and is headquartered in San Diego, California. In 2013, the Company rebranded and began doing business as Fit4Mom. In 2023, the Company ceased selling retail directly and reorganized to focus on its franchises.

##### **Basis of presentation**

The financial statements of the Company have been prepared in conformity with the generally accepted accounting principles in the United States of America (GAAP).

##### **Use of estimates**

The preparation of these financial statements in conformity with generally accepted accounting principles requires management to make the estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates.

##### **Cash and cash equivalents**

The Company considers cash on hand, deposits in banks and certificates of deposit with maturities of three months or less when purchased, as cash and cash equivalents for the purposes of the statement of cash flows.

##### **Revenue recognition**

The Company follows Accounting Standards (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606), (“ASC 606”). It indicates that revenue should reflect the consideration received for goods or services. It uses a five-step model to: (1) identify a contract; (2) identify the performance obligations; (3) determine the transaction price; (4) allocate the price to the obligations; and (5) recognize revenue when (or as) each obligation is satisfied.

The Company has several different revenue streams including retail sales, franchise revenue, sponsorship revenue and conference revenue.

In accordance with ASC 606, the Company recognizes revenue from retail sales (net of sales tax) upon delivery of merchandise. Deposit payments received from customers in advance of delivery of merchandise are recorded as a current liability in customer deposits. The Company recognizes revenue from contracts with customers at the time of delivery and acceptance by customers of merchandise purchased, net of sales taxes. During 2023 the Company ceased selling retail merchandise to customers directly and carrying an inventory balance. Sale of retail merchandise is transacted through a third party and revenue is realized upon shipment.

Franchise revenue may be prepaid or paid monthly. Revenue received on a month-to-month basis is recognized when it is earned. For franchise revenue that is prepaid, the Company recognizes franchise fees over the expected term of the franchisee relationship using the straight-line method. Under Topic 606, separate performance obligations must be identified; a performance obligation is a promise to a customer

## **Stroller Strides, LLC d/b/a Fit4Mom**

### **Notes to Financial Statements December 31, 2023 and 2022**

to transfer: 1) a good or service that is distinct or 2) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Company recognizes deferred franchise revenue as a series of distinct goods or services and is therefore in accordance with ASC 606 in recognizing revenue using the straight-line method.

The Company receives sponsorships from third parties. The sponsorships vary in amount, terms, and commencement dates. In accordance with ASC 606, the Company records these sponsorships in deferred revenue and recognizes earned revenue every month as performance obligations are satisfied. Similarly, conference revenues are recorded in deferred revenue until the annual conference is held (alternates from April to September year to year). In accordance with ASC 606, conference revenue is only recognized as revenue once the conference has occurred.

#### **Accounts receivable and allowance for doubtful accounts**

Management reviews allowance for doubtful accounts semi-annually. Accounts that are past due 90 days are included in the allowance and usually placed in collections. If there is no payment activity on accounts placed in collections after 180 days past due, they are written off to bad debt expense. Payment terms vary depending on type of customers. Most receivables are due within 30 days. The Company does not accrue interest on outstanding balances. At December 31, 2023 and 2022, the Company did not have an allowance for doubtful accounts.

#### **Equipment**

Equipment is carried at cost. The cost of equipment and vehicles in excess of \$1,000 are capitalized. Depreciation is computed on the straight-line method over five to ten years.

#### **Trademark**

Trademark is the value of the Company's trademark which is not amortizable.

#### **Advertising costs**

The Company expenses advertising costs as incurred except for advertising in periodicals. Advertising paid for future issues are included in prepaid expenses until the periodicals are published. Advertising expense was \$83,739 and \$86,534 for the years ended December 31, 2023 and 2022, respectively.

#### **Income taxes**

In July 2017, the Company elected under the Internal Revenue Code to be taxed as a C corporation. For the years ended December 31, 2023, and 2022 income taxes have been determined in accordance with requirements of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes.

Deferred income tax assets and liabilities result from operation loss carry forwards, tax credit carry forwards and temporary differences. Temporary differences are differences between the tax basis of assets and liabilities and their reported amounts in the financial statements that will result in taxable or deductible amounts in future years. Deductible temporary differences giving rise to deferred tax assets relate generally to timing differences caused by accrued vacation liabilities.

## Stroller Strides, LLC d/b/a Fit4Mom

### Notes to Financial Statements December 31, 2023 and 2022

#### Subsequent Events

The Organization has evaluated subsequent events through March 15, 2024, which is the date the financial statements were available to be issued and concluded no additional subsequent events have occurred that require recognition or disclosure.

#### Note 2 – Cash and cash equivalents

Cash and cash equivalents are summarized as follows:

	<u>2023</u>	<u>2022</u>
Petty cash	\$ 2,131	\$ 2,131
Cash in checking	143,488	320,223
Cash in savings	1,002,727	963,952
	<u>1,148,346</u>	<u>1,286,306</u>
Total	<u>\$ 1,148,346</u>	<u>\$ 1,286,306</u>

#### Note 3 – Related-party note receivable

On September 25, 2023, the Company issued a note receivable in the amount of \$18,825 to the Company's chief executive officer at an interest rate of 5% per annum. The promissory note is due in full, plus all accrued interest, upon the sale of the business.

#### Note 4 – Equipment

Equipment is summarized as follows:

	<u>2023</u>	<u>2022</u>
Computer hardware	\$ 46,388	\$ 46,388
Computer software and internet	26,596	26,596
Electronic equipment	13,437	13,437
Furniture and fixtures	60,498	60,498
Fitness equipment	1,684	1,684
	<u>148,603</u>	<u>148,603</u>
Less accumulated depreciation and amortization	<u>(148,603)</u>	<u>(147,137)</u>
Total	<u>\$ -</u>	<u>\$ 1,466</u>

Depreciation expense was \$1,466 and \$4,184 for the years ended December 31, 2023 and 2022, respectively. While the company has moved to fully remote operations, the equipment remains on the books fully depreciated as some employees are using them for their home offices and the remainder are stored in a storage facility.

**Stroller Strides, LLC d/b/a Fit4Mom**

**Notes to Financial Statements  
December 31, 2023 and 2022**

**Note 5 – Accounts payable**

Accounts payable are summarized as follows:

	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 6,647	\$ 30,251
Credit card debt	24,362	13,571
	<u>\$ 31,009</u>	<u>\$ 43,822</u>

Credit card balances bear interest of approximately 11%-25% and are guaranteed by the member of the Company.

**Note 6 – Accrued expenses**

Accrued expenses are summarized as follows:

	<u>2023</u>	<u>2022</u>
Income tax payable	\$ 72,200	\$ 110,722
Other payroll liabilities	54,758	48,257
	<u>\$ 126,958</u>	<u>\$ 158,979</u>

**Note 7 – Notes payable**

Notes payable is as follows:

	<u>2023</u>	<u>2022</u>
Economic Injury Disaster Loan, bank, interest rate at 3.75%. Principal and interest are payable in monthly installments of \$2,437 through April 2050, secured by virtually all of the Company's assets.	\$ 500,000	\$ 484,443
Notes payable as of December 31,	500,000	484,443
Less current portion	<u>(12,765)</u>	<u>(15,867)</u>
	<u>\$ 487,235</u>	<u>\$ 468,576</u>

Maturities of notes payable in each of the years subsequent to December 31, 2023 are as follows:

<u>Years ending December</u>	<u>Amount</u>
2024	\$ 12,765
2025	14,813
2026	15,264
2027	15,728
2027	16,207
Thereafter	425,223
	<u>\$ 500,000</u>

At December 31, 2023 and 2022, the Company was in compliance with the financial covenants for the notes payable agreements.

## Stroller Strides, LLC d/b/a Fit4Mom

### Notes to Financial Statements December 31, 2023 and 2022

#### Note 8 – Leasing activities

##### Operating Leases:

The Company rents workout rooms and office spaces in various locations on a day-to-day basis, requiring no leases.

As of the current year, the Company no longer has any leases, and the amount of rent expense is due to a monthly storage rental. Rent expense was \$11,790 and \$2,295 for the years ended December 31, 2023 and 2022, respectively.

#### Note 9 – Employment benefit plan

The Company has a 401(k) Pension Plan available to all employees. The Company has the discretion to match the contributions of employees. There were no employer contributions made during the years ended December 31, 2023 and 2022.

#### Note 10 – Franchise information

Included in franchise revenue are initial franchise fees in the amount of \$90,190 and \$118,920 for the years ended December 31, 2023 and 2022, respectively. In addition, franchise activity is summarized below.

	<u>2023</u>	<u>2022</u>
Beginning balance	229	248
New franchises sold	14	16
Less expired or not renewed franchises	<u>(15)</u>	<u>(35)</u>
Total franchises	<u><u>228</u></u>	<u><u>229</u></u>

#### Note 11 – Deferred income tax

The Company's deferred tax assets consisted of the following at December 31, 2023:

	<u>2023</u>	<u>2022</u>
Deferred tax assets (liabilities):		
Net operating loss carryforward	\$ 20,200	\$ -
Charitable contribution carryovers	2,000	-
Depreciation and amortization	<u>-</u>	<u>500</u>
Total deferred tax assets (liabilities)	22,200	500
Valuation allowance	<u>-</u>	<u>-</u>
Net deferred tax asset (liabilities)	<u><u>\$ 22,200</u></u>	<u><u>\$ 500</u></u>

Deferred income tax assets and liabilities are recorded for differences between the financial statement and tax basis of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company has evaluated the available evidence supporting the realization of its gross deferred tax assets, including the amount and timing of future taxable income, and has determined it is more likely than not that the assets will be realized in future tax years.

**Stroller Strides, LLC d/b/a Fit4Mom**

**Notes to Financial Statements  
December 31, 2023 and 2022**

The Company follows the provisions of FASB ASC Topic 740-10-25, which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns, FASB ASC Topic 740-10-25 also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, and accounting for interest and penalties associated with tax position. The Company does not have any accruals for uncertain tax positions as of December 31, 2023.

The deferral and state income tax returns of the Company are subject to examination by the IRS and state taxing authorities, generally for three years after they are filed. However, the Company is not currently under audit, and the Company has not been contacted by any of the taxing authorities.

Under the Tax Cuts and Jobs Act, the corporate income tax rate is a flat 21% rate.

**Note 12 – Concentration of credit risk**

As of December 31, 2023, the Company maintained cash balances through financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of December 31, 2023, the Company had \$773,540 in excess of federally insured limits.

**Stroller Strides, LLC dba Fit4Mom**

**Financial Statements  
and Independent Auditor's Report**

**December 31, 2022 and 2021**

**Stroller Strides, LLC dba Fit4Mom**

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## **Independent Auditor's Report**

To the Members of  
Stroller Strides, LLC dba Fit4Mom

### **Opinion**

We have audited the accompanying financial statements of Stroller Strides, LLC dba Fit4Mom, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stroller Strides, LLC dba Fit4Mom as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stroller Strides, LLC dba Fit4Mom and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Stroller Strides, LLC dba Fit4Mom's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stroller Strides, LLC dba Fit4Mom's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stroller Strides, LLC dba Fit4Mom's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

JGI ASSOCIATES, LLP

San Diego, California  
March 16, 2023

**Stroller Strides, LLC dba Fit4Mom**

**Balance Sheets  
December 31, 2022 and 2021**

	<u>Assets</u>	
	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents (Note 2)	\$ 1,286,306	\$ 938,002
Accounts receivable, net	6,512	11,901
Inventory	79,632	54,570
Prepaid expenses	48,570	16,661
	<hr/>	<hr/>
Total current assets	1,421,020	1,021,134
Equipment and vehicles, net (Note 3)	<hr/>	<hr/>
	1,466	5,650
Noncurrent assets		
Deferred tax asset, net	500	-
Trademark (Note 1)	10,000	10,000
	<hr/>	<hr/>
Total noncurrent assets	10,500	10,000
	<hr/>	<hr/>
Total assets	\$ 1,432,986	\$ 1,036,784
	<hr/>	<hr/>
	<u>Liabilities and members' equity</u>	
Current liabilities		
Accounts payable (Note 4)	\$ 43,822	\$ 33,191
Accrued expenses (Note 5)	158,979	85,573
Deferred revenue	96,394	17,146
Current portion of notes payable (Note 6)	15,867	15,867
	<hr/>	<hr/>
Total current liabilities	315,062	151,777
Deferred income tax liability, net	-	3,800
Notes payable, net of current portion (Note 6)	468,576	478,168
	<hr/>	<hr/>
Total liabilities	783,638	633,745
	<hr/>	<hr/>
Members' equity	649,348	403,039
	<hr/>	<hr/>
Total liabilities and members' equity	\$ 1,432,986	\$ 1,036,784
	<hr/>	<hr/>

See Notes to Financial Statements.

**Stroller Strides, LLC dba Fit4Mom**  
**Statements of Income**  
**Years Ended December 31, 2022 and 2021**

	2022	2021
Revenues		
Franchise revenue	\$ 1,600,383	\$ 1,604,466
Franchisee training and conference income	301,219	323,291
San Diego corporate fitness revenue	246,445	275,762
Merchandise licensing fee and apparel sales	331,117	315,272
Marketing revenue	50,808	74,683
Video on demand	55,802	84,342
Total revenue	2,585,774	2,677,816
Cost and expenses		
Franchise/licensing operating cost	795,742	793,112
Selling, general and administrative expenses	1,726,446	1,589,269
Depreciation and amortization (Note 1)	4,184	7,013
Total cost and expenses	2,526,372	2,389,394
Operating income	59,402	288,422
Other (income) expense		
Interest expense	12,920	11,280
Other income (Note 1)	(351,373)	(14,064)
Total other (income) expense	(338,453)	(2,784)
Net income before taxes	397,855	291,206
Income tax expense	116,268	34,407
Net income	\$ 281,587	\$ 256,799

See Notes to Financial Statements.

**Stroller Strides, LLC dba Fit4Mom**

**Statements of Members' Equity  
Years Ended December 31, 2022 and 2021**

	<u>Class A Units</u>		<u>Class B Units</u>		<u>Additional Paid-In-Capital</u>	<u>Accumulated Equity</u>	<u>Total Members' Equity</u>
	<u>Units</u>	<u>Dollars</u>	<u>Units</u>	<u>Dollars</u>			
<b>Balance at December 31, 2020</b>	100	\$ -	12.5	\$ -	\$ 400,000	\$ (232,130)	\$ 167,870
Distributions		-		-	-	(21,630)	(21,630)
Net income		-		-	-	256,799	256,799
<b>Balance at December 31, 2021</b>	100	\$ -	12.5	\$ -	\$ 400,000	\$ 3,039	\$ 403,039
Distributions		-		-	-	(35,278)	(35,278)
Net income		-		-	-	281,587	281,587
<b>Balance at December 31, 2022</b>	<u>100</u>	<u>\$ -</u>	<u>12.5</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 249,348</u>	<u>\$ 649,348</u>

See Notes to Financial Statements.

**Stroller Strides, LLC d/b/a Fit4Mom**

**Statements of Cash Flows  
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Net income	\$ 281,587	\$ 256,799
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation	4,184	7,013
Increase (decrease) in		
Accounts receivable	5,389	(3,408)
Inventory	(25,062)	1,594
Prepaid expenses	(31,909)	277
Deposit	-	5,905
Accounts payable	10,631	(19,099)
Accrued expenses	73,406	42,977
Deferred tax liability	(3,800)	3,800
Deferred revenue	79,248	(11)
Net cash used in operating activities	<u>393,674</u>	<u>295,847</u>
Cash flows from investing activities		
Purchases of equipment	<u>-</u>	<u>(2,562)</u>
Net cash used in investing activities	<u>-</u>	<u>(2,562)</u>
Cash flows from financing activities		
Distributions to members	(35,278)	(21,630)
Payments on notes payable	(9,592)	(183,141)
Net cash used in financing activities	<u>(44,870)</u>	<u>(204,771)</u>
Net change in cash and cash equivalents	348,804	88,514
Cash and cash equivalents, beginning	<u>938,002</u>	<u>849,488</u>
Cash and cash equivalents, ending	<u>\$ 1,286,806</u>	<u>\$ 938,002</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 12,920</u>	<u>\$ 11,280</u>

See Notes to Financial Statements.

## **Stroller Strides, LLC d/b/a Fit4Mom**

### **Notes to Financial Statements December 31, 2022 and 2021**

#### **Note 1 - The Organization and summary of significant accounting policies**

##### **Organization and nature of operations**

Stroller Strides, LLC d/b/a Fit4Mom (the “Company”) was originally organized as a limited liability company in October 2002 in the State of Delaware. The Company franchises fitness class operations nationally and provides training to instructors nationwide. The Company also provides fitness classes and is headquartered in San Diego, California. In 2013, the Company rebranded and began doing business as Fit4Mom.

##### **Basis of presentation**

The financial statements of the Company have been prepared in conformity with the generally accepted accounting principles in the United States of America (GAAP).

##### **Use of estimates**

The preparation of these financial statements in conformity with generally accepted accounting principles requires management to make the estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates.

##### **Cash and cash equivalents**

The Company considers cash on hand, deposits in banks and certificates of deposit with maturities of three months or less when purchased, as cash and cash equivalents for the purposes of the statement of cash flows.

##### **Revenue recognition**

The Company follows Accounting Standards (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606), (“ASC 606”). It indicates that revenue should reflect the consideration received for goods or services. It uses a five-step model to: (1) identify a contract; (2) identify the performance obligations; (3) determine the transaction price; (4) allocate the price to the obligations; and (5) recognize revenue when (or as) each obligation is satisfied.

The Company has several different revenue streams including retail sales, franchise revenue, sponsorship revenue and conference revenue.

In accordance with ASC 606, the Company recognizes revenue from retail sales (net of sales tax) upon delivery of merchandise. Deposit payments received from customers in advance of delivery of merchandise are recorded as a current liability in customer deposits. The Company recognizes revenue from contracts with customers at the time of delivery and acceptance by customers of merchandise purchased, net of sales taxes.

Franchise revenue may be prepaid or paid monthly. Revenue received on a month-to-month basis is recognized when it is earned. For franchise revenue that is prepaid, the Company recognizes franchise fees over the expected term of the franchisee relationship using the straight-line method. Under Topic 606, separate performance obligations must be identified; a performance obligation is a promise to a customer to transfer: 1) a good or service that is distinct or 2) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

## **Stroller Strides, LLC d/b/a Fit4Mom**

### **Notes to Financial Statements December 31, 2022 and 2021**

#### **Note 1 - The Organization and summary of significant accounting policies (continued)**

##### **Revenue recognition (continued)**

The Company recognizes deferred franchise revenue as a series of distinct goods or services and is therefore in accordance with ASC 606 in recognizing revenue using the straight-line method.

The Company receives sponsorships from third parties. The sponsorships vary in amount, terms, and commencement dates. In accordance with ASC 606, the Company records these sponsorships in deferred revenue and recognizes earned revenue every month as performance obligations are satisfied. Similarly, conference revenues are recorded in deferred revenue until the annual conference is held (alternates from April to September year to year). In accordance with ASC 606, conference revenue is only recognized as revenue once the conference has occurred.

##### **Accounts receivable and allowance for doubtful accounts**

Management reviews allowance for doubtful accounts semi-annually. Accounts that are past due 90 days are included in the allowance and usually placed in collections. If there is no payment activity on accounts placed in collections after 180 days past due, they are written off to bad debt expense. Payment terms vary depending on type of customers. Most receivables are due within 30 days. The Company does not accrue interest on outstanding balances. At December 31, 2022 and 2021, the Company did not have an allowance for doubtful accounts.

##### **Equipment and vehicles**

Equipment and vehicles are carried at cost. The cost of equipment and vehicles in excess of \$1,000 are capitalized. Depreciation is computed on the straight-line method over five to ten years.

##### **Trademark**

Trademark is the value of the Company's trademark which is not amortizable.

##### **Advertising costs**

The Company expenses advertising costs as incurred except for advertising in periodicals. Advertising paid for future issues are included in prepaid expenses until the periodicals are published. Advertising expense was \$86,534 and \$104,348 for the years ended December 31, 2022 and 2021, respectively.

##### **Income taxes**

In July 2017, the Company elected under the Internal Revenue Code to be taxed as a C corporation. For the years ended December 31, 2022, and 2021 income taxes have been determined in accordance with requirements of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes.

Deferred income tax assets and liabilities result from operation loss carry forwards, tax credit carry forwards and temporary differences. Temporary differences are differences between the tax basis of assets and liabilities and their reported amounts in the financial statements that will result in taxable or deductible amounts in future years. Deductible temporary differences giving rise to deferred tax assets relate generally to timing differences caused by accrued vacation liabilities.

**Stroller Strides, LLC d/b/a Fit4Mom**

**Notes to Financial Statements  
December 31, 2022 and 2021**

**Note 1 - The Organization and summary of significant accounting policies (continued)**

**Other Income**

On March 27, 2020, the “Coronavirus Aid, Relief and Economic Security (CARES) Act” was put into law. The CARES Act implemented the Employee Retention Credit (ERC) Program which offers a refundable tax credit against certain employment taxes. For the year ended December 31, 2022, the Company received \$349,778 of ERC that is recognized as other income on the statement of income.

**Subsequent Events**

The Organization has evaluated subsequent events through March 15, 2023, which is the date the financial statements were available to be issued and concluded no additional subsequent events have occurred that require recognition or disclosure.

**Note 2 – Cash and cash equivalents**

Cash and cash equivalents are summarized as follows:

	<u>2022</u>	<u>2021</u>
Petty cash	\$ 2,131	\$ 2,131
Cash in checking	320,223	321,408
Cash in savings	963,952	614,463
Total	<u>\$ 1,286,306</u>	<u>\$ 938,002</u>

**Note 3 – Equipment and vehicles**

Equipment and vehicles are summarized as follows:

	<u>2022</u>	<u>2021</u>
Equipment and vehicles, net		
Computer hardware	\$ 46,388	\$ 46,388
Computer software and internet	26,596	26,596
Electronic equipment	13,437	13,437
Furniture and fixtures	60,498	60,498
Automobiles	-	28,242
Fitness equipment	1,684	1,684
	148,603	176,845
Less accumulated depreciation and amortization	<u>(147,137)</u>	<u>(171,195)</u>
Total	<u>\$ 1,466</u>	<u>\$ 5,650</u>

Depreciation expense was \$4,184 and \$7,013 for the years ended December 31, 2022 and 2021, respectively.

**Stroller Strides, LLC d/b/a Fit4Mom**

**Notes to Financial Statements  
December 31, 2022 and 2021**

**Note 4 – Accounts payable**

Accounts payable are summarized as follows:

	<u>2022</u>		<u>2021</u>
Accounts payable	\$ 30,251	\$	31,378
Credit card debt	13,571		1,813
	<u>\$ 43,822</u>	\$	<u>33,191</u>

Credit card balances bear interest of approximately 11%-25% and are guaranteed by the member of the Company.

**Note 5 – Accrued expenses**

Accrued expenses are summarized as follows:

	<u>2022</u>		<u>2021</u>
Income tax payable	\$ 110,722	\$	32,109
Other payroll liabilities	48,257		53,464
	<u>\$ 158,979</u>	\$	<u>85,573</u>

**Note 6 – Notes payable**

Notes payable is as follows:

	<u>2022</u>		<u>2021</u>
Economic Injury Disaster Loan, bank, interest rate at 3.75%. Principal and interest are payable in monthly installments of \$2,437 through April 2050, secured by virtually all of the Company's assets.	\$ 484,443	\$	494,035
Notes payable as of December 31,	484,443		494,035
Less current portion	<u>(15,867)</u>		<u>(15,867)</u>
	<u>\$ 468,576</u>	\$	<u>478,168</u>

Maturities of notes payable in each of the years subsequent to December 31, 2022 are as follows:

<u>Years ending December</u>	<u>Amount</u>
2023	\$ 15,867
2024	15,112
2025	15,572
2026	16,046
2027	16,534
Thereafter	405,312
	<u>\$ 484,443</u>

**Stroller Strides, LLC d/b/a Fit4Mom**

**Notes to Financial Statements  
December 31, 2022 and 2021**

**Note 6 – Notes payable (continued)**

At December 31, 2022 and 2021, the Company was in compliance with the financial covenants for the notes payable agreements.

**Note 7 – Leasing activities**

Operating Leases:

The Company rents workout rooms and office spaces in various locations on a day-to-day basis, requiring no leases.

As of the current year, the Company no longer has any leases, and the amount of rent expense is due to a monthly storage rental. Rent expense was \$2,295 and \$19,932 for the years ended December 31, 2022 and 2021, respectively.

**Note 8 – Employment benefit plan**

The Company has a 401(k) Pension Plan available to all employees. The Company has the discretion to match the contributions of employees. There were no employer contributions made during the years ended December 31, 2022 and 2021.

**Note 9 – Franchise information**

Included in franchise revenue are initial franchise fees in the amount of \$118,920 and \$109,766 for the years ended December 31, 2022 and 2021, respectively. In addition, franchise activity is summarized below.

	<u>2022</u>	<u>2021</u>
Beginning balance	248	267
New franchises sold	16	17
Less expired or not renewed franchises	<u>(35)</u>	<u>(36)</u>
Total franchises	<u><u>229</u></u>	<u><u>248</u></u>

**Note 10 – Deferred income tax**

The Company's deferred tax assets consisted of the following at December 31, 2022:

	<u>2022</u>	<u>2021</u>
Deferred tax assets (liabilities):		
Net operating loss carryforward	\$ -	\$ -
Depreciation and amortization	500	(3,800)
Other, net	<u>-</u>	<u>-</u>
Total deferred tax assets (liabilities)	500	(3,800)
Valuation allowance	<u>-</u>	<u>-</u>
Net deferred tax asset (liabilities)	<u><u>\$ 500</u></u>	<u><u>\$ (3,800)</u></u>

**Stroller Strides, LLC d/b/a Fit4Mom**

**Notes to Financial Statements  
December 31, 2022 and 2021**

**Note 10 – Deferred income tax (continued)**

The provision for income taxes consisted of the following for the years ended December 31, 2022 and 2021:

	2022	2021
Current income tax provision		
Federal	\$ 88,381	\$ 21,130
State	32,187	9,477
Total current income tax provision	120,568	30,607
Deferred income tax provision		
Federal	(1,499)	2,703
State	(2,801)	1,097
Total deferred income tax provision	(4,300)	3,800
Total tax provision for income taxes	\$ 116,268	\$ 34,407

Deferred income tax assets and liabilities are recorded for differences between the financial statement and tax basis of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company has evaluated the available evidence supporting the realization of its gross deferred tax assets, including the amount and timing of future taxable income, and has determined it is more likely than not that the assets will be realized in future tax years.

For the year ended December 31, 2022, the income tax provision amounts to \$116,268. The actual tax provision differs from the expected tax expense (computed by applying the U.S. federal corporate tax rate of 21% and effective California tax rate of 7% to earnings before income taxes) as follows:

Expected statutory tax (21% + 7% = 28%)	\$ 105,314
Utilization of tax brackets	-
Other	10,954
Tax provision for income taxes	\$ 116,268

The Company follows the provisions of FASB ASC Topic 740-10-25, which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns, FASB ASC Topic 740-10-25 also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, and accounting for interest and penalties associated with tax position. The Company does not have any accruals for uncertain tax positions as of December 31, 2022.

The deferral and state income tax returns of the Company are subject to examination by the IRS and state taxing authorities, generally for three years after they are filed. However, the Company is not currently under audit does not have the Company been contacted by any of the taxing authorities.

Under the Tax Cuts and Jobs Act, the corporate income tax rate is a flat 21% rate.

**Stroller Strides, LLC d/b/a Fit4Mom**

**Notes to Financial Statements  
December 31, 2022 and 2021**

**Note 11 – Concentration of credit risk**

As of December 31, 2022, the Company maintained cash balances through financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of December 31, 2022, the Company had approximately \$773,540 in excess of federally insured limits.

**UNAUDITED FINANCIAL STATEMENTS**

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03/20/24

Accrual Basis

**FIT4MOM**  
**Balance Sheet**  
As of January 31, 2024

	<u>Jan 31, 24</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
10085 · Commerce Tax Savings	44,677.72
10000 · Chase - Checking	7,630.27
10010 · Commerce West Banking - Savings	29,489.39
10020 · Commerce West Banking - SD	19,799.72
10030 · Commerce West Checking - Corp	67,126.49
10040 · Commerce Retail Checking	7,687.37
10050 · Commerce Promo Checking	6,425.79
10060 · Paypal Bank - VOD	1,725.84
10070 · Paypal - Apparel	989.61
10080 · IRA Savings	883,563.91
10090 · Petty Cash	2,131.29
<b>Total Checking/Savings</b>	<u>1,071,247.40</u>
<b>Accounts Receivable</b>	
11000 · Accounts Receivable	16,872.00
<b>Total Accounts Receivable</b>	<u>16,872.00</u>
<b>Other Current Assets</b>	
14100 · Prepaid Expenses	
14300 · Other Prepays	56,263.65
<b>Total 14100 · Prepaid Expenses</b>	<u>56,263.65</u>
<b>Total Other Current Assets</b>	<u>56,263.65</u>
<b>Total Current Assets</b>	<u>1,144,383.05</u>
<b>Fixed Assets</b>	
15100 · Fitness Equipment	
15120 · Fitness Equipment Cost	1,684.20
<b>Total 15100 · Fitness Equipment</b>	<u>1,684.20</u>
15200 · Electronic Equipment	
15220 · Electronic Equipment Cost	13,437.31
<b>Total 15200 · Electronic Equipment</b>	<u>13,437.31</u>
15300 · Computer Software	
15320 · Computer Software Cost	26,596.08
<b>Total 15300 · Computer Software</b>	<u>26,596.08</u>
15400 · Computer Hardware	
15420 · Computer Hardware Cost	45,131.96

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

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03/20/24

Accrual Basis

**FIT4MOM**  
**Balance Sheet**  
As of January 31, 2024

	Jan 31, 24
15400 · Computer Hardware - Other	1,255.82
Total 15400 · Computer Hardware	46,387.78
15500 · Furniture & Fixtures	
15520 · F&F Cost	60,497.88
Total 15500 · Furniture & Fixtures	60,497.88
16000 · Accumulated Depreciation	
16100 · Accum Deprec - Fitness Equip	-1,684.04
16200 · Accum Dep. - Electronic Equip.	-13,437.36
16300 · Accum Dep. - Computer Software	-26,596.89
16400 · Accum Dep. - Computer Hardware	-46,387.96
16500 · Accum Dep. - F&F	-60,497.00
Total 16000 · Accumulated Depreciation	-148,603.25
Total Fixed Assets	0.00
Other Assets	
18200 · Trademark	10,000.00
18300 · L-T Loan to Lisa	36,825.11
18400 · Loan Fees	1,606.03
Total Other Assets	48,431.14
<b>TOTAL ASSETS</b>	<b>1,192,814.19</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	3,623.85
Total Accounts Payable	3,623.85
Credit Cards	
21700 · AMEX Blue - 41002	38,325.27
Total Credit Cards	38,325.27
Other Current Liabilities	
29300 · Deferred Tax Asset/(Liability)	-22,200.00
27500 · SBA EIDL Loan	487,235.00
28000 · SBA Loan ST	
27501 · SBA EIDL Loan - ST	12,765.00
Total 28000 · SBA Loan ST	12,765.00
22000 · Accrued Expenses	-6,414.95

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8:55 AM

03/20/24

Accrual Basis

**FIT4MOM**  
**Balance Sheet**  
As of January 31, 2024

	<u>Jan 31, 24</u>
23000 · Payroll Liabilities	
23300 · Other Payroll Liabilities	61,608.54
<b>Total 23000 · Payroll Liabilities</b>	<b>61,608.54</b>
24000 · Taxes Payable	72,200.00
25000 · Deferred Revenue	
25300 · Franchise Fee	9,568.00
25900 · Sponsorship	4,333.30
<b>Total 25000 · Deferred Revenue</b>	<b>13,901.30</b>
<b>Total Other Current Liabilities</b>	<b>619,094.89</b>
<b>Total Current Liabilities</b>	<b>661,044.01</b>
<b>Total Liabilities</b>	<b>661,044.01</b>
<b>Equity</b>	
30700 · Members Draw	-102,635.34
31000 · Owner's Capital	5,000.00
32000 · Members Equity	585,179.98
33000 · Retained Earnings	-291,573.49
34000 · Investor's Equity	400,000.00
Net Income	-64,200.97
<b>Total Equity</b>	<b>531,770.18</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,192,814.19</b>

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03/20/24

Accrual Basis

**FIT4MOM**  
**Profit & Loss**  
**January 2024**

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	<u>Jan 24</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>42000 · Franchise Revenue</b>	
42100 · Courses	21,176.16
42200 · Events	0.00
42300 · New Franchise Revenue	7,493.00
42400 · Franchise Development Revenue	17,073.78
42500 · Ongoing Franchise Revenue	91,701.33
<b>Total 42000 · Franchise Revenue</b>	<u>137,444.27</u>
<b>44000 · Partners &amp; Products</b>	
44100 · Retail Revenue	
44110 · Apparel	6,714.26
<b>Total 44100 · Retail Revenue</b>	<u>6,714.26</u>
44200 · Sponsorship Revenue	
44210 · Product Partnership	3,083.33
<b>Total 44200 · Sponsorship Revenue</b>	<u>3,083.33</u>
<b>Total 44000 · Partners &amp; Products</b>	<u>9,797.59</u>
<b>45000 · VOD Income</b>	
45200 · Single Course	124.12
45100 · Monthly Subscription	2,277.87
<b>Total 45000 · VOD Income</b>	<u>2,401.99</u>
<b>Total Income</b>	<u>149,643.85</u>
<b>Cost of Goods Sold</b>	
<b>55000 · VOD Expenses</b>	
55200 · Digital Media	79.00
55300 · Content Platform	1,499.00
<b>Total 55000 · VOD Expenses</b>	<u>1,578.00</u>
<b>52000 · Franchise Dept. COGS</b>	
52100 · Instructor Academy COGS	
52130 · IT Fees	2,790.39
<b>Total 52100 · Instructor Academy COGS</b>	<u>2,790.39</u>
52200 · New Franchise Revenue COGS	
52210 · Sales Commissions	3,657.80
52230 · IT Fees	6,389.67

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03/20/24

Accrual Basis

**FIT4MOM**  
**Profit & Loss**  
**January 2024**

	<u>Jan 24</u>
52240 · Staff Support	139.65
<b>Total 52200 · New Franchise Revenue COGS</b>	10,187.12
52300 · Franchise Development COGS	
52310 · Renewal Kits	152.86
<b>Total 52300 · Franchise Development COGS</b>	152.86
52400 · Ongoing Franchise COGS	
52420 · Front Desk Fee	10,120.00
52430 · IT Fees	12,542.00
<b>Total 52400 · Ongoing Franchise COGS</b>	22,662.00
52500 · Franchise Owner COGS	
52520 · Conference COGS	
52523 · Conference Materials	175.00
<b>Total 52520 · Conference COGS</b>	175.00
<b>Total 52500 · Franchise Owner COGS</b>	175.00
<b>Total 52000 · Franchise Dept. COGS</b>	35,967.37
54000 · Partner and Products COGS	
54100 · Retail COGS	
54160 · Production	-3,044.34
<b>Total 54100 · Retail COGS</b>	-3,044.34
<b>Total 54000 · Partner and Products COGS</b>	-3,044.34
<b>Total COGS</b>	34,501.03
<b>Gross Profit</b>	115,142.82
<b>Expense</b>	
60100 · Automobile Expense	
60110 · Automobile Fuel, Oil, Repairs	800.88
<b>Total 60100 · Automobile Expense</b>	800.88
60510 · Credit Card Processing	3,896.28
60700 · Company Event	186.21
60900 · Company Meetings	30.97
61700 · Dues & Licenses	4,435.67
62000 · Facility Expenses	
62200 · Rent Expense	95.00
<b>Total 62000 · Facility Expenses</b>	95.00

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03/20/24

Accrual Basis

**FIT4MOM**  
**Profit & Loss**  
**January 2024**

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	Jan 24
<b>63100 · Insurance Expense</b>	
63170 · EPL Insurance	1,176.58
63150 · Franchisors and Cyber Insurance	79.50
63110 · Automobile Insurance	171.62
63120 · General Liability Insurance	686.66
63140 · Life Insurance	114.45
63160 · Property Insurance	45.33
63180 · Workers' Compensation Insurance	337.18
<b>Total 63100 · Insurance Expense</b>	<b>2,611.32</b>
<b>63500 · Interest Expense</b>	2,437.00
<b>64100 · IT/Communications Expense</b>	
64160 · Telephone Expense	229.58
64180 · IT/Website Support	299.38
<b>Total 64100 · IT/Communications Expense</b>	<b>528.96</b>
<b>64500 · Marketing &amp; Sales Expense</b>	
64510 · Advertising	3,840.57
64520 · Marketing	1,681.90
64530 · Client Gifts	1,300.00
<b>Total 64500 · Marketing &amp; Sales Expense</b>	<b>6,822.47</b>
<b>64900 · Supplies</b>	231.64
<b>65100 · Postage &amp; Delivery</b>	93.72
<b>66000 · Personnel Wages &amp; Benefits</b>	
66100 · Health Insurance	997.44
66400 · Gross Wages	97,194.15
66600 · ER Taxes	9,654.12
<b>Total 66000 · Personnel Wages &amp; Benefits</b>	<b>107,845.71</b>
<b>66700 · Payroll Fees</b>	808.31
<b>66800 · Employee Gift</b>	1,173.68
<b>67500 · Professional Fees</b>	
67520 · Accounting	11,775.35
67530 · Contractors	4,504.00
67540 · Legal	839.50
67560 · Consulting	16,450.00
<b>Total 67500 · Professional Fees</b>	<b>33,568.85</b>
<b>68100 · Training Expense</b>	
68140 · EO	607.27
68150 · Professional Development	8,182.64
68170 · Education & Staff Development	510.00

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03/20/24

Accrual Basis

**FIT4MOM**  
**Profit & Loss**  
**January 2024**

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	<u>Jan 24</u>
Total 68100 · Training Expense	9,299.91
68500 · Travel & Entertainment Expense	
68520 · Airfare	781.40
68530 · Automotive	278.74
68540 · Lodging	480.63
68550 · Meals & Entertainment	2,940.15
Total 68500 · Travel & Entertainment Expense	<u>4,480.92</u>
Total Expense	<u>179,347.50</u>
Net Ordinary Income	-64,204.68
Other Income/Expense	
Other Income	
80100 · Interest Income	3.71
Total Other Income	<u>3.71</u>
Net Other Income	<u>3.71</u>
Net Income	<u><u>-64,200.97</u></u>

**NEW YORK REPRESENTATIONS PAGE**

**FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.**

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	<del>May 26, 2023</del> <a href="#">Pending</a>
Hawaii	<del>April 10, 2023</del> <a href="#">Pending</a>
Illinois	April <del>38, 2023</del> <a href="#">2024</a>
Indiana	April <del>38, 2023</del> <a href="#">2024</a>
Maryland	<del>May 9, 2023</del> <a href="#">Pending</a>
Michigan	April <del>38, 2023</del> <a href="#">2024</a>
Minnesota	<del>April 21, 2023</del> <a href="#">Pending</a>
New York	<del>April 18, 2023</del> <a href="#">Pending</a>
North Dakota	<del>April 14, 2023</del> <a href="#">Pending</a>
Rhode Island	<del>April 4, 2023</del> <a href="#">Pending</a>
South Dakota	April <del>38, 2023</del> <a href="#">2024</a>
Virginia	April <del>38, 2023</del> <a href="#">2024</a>
Washington	<del>May 18, 2023</del> <a href="#">Pending</a>
Wisconsin	April <del>38, 2023</del> <a href="#">2024</a>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT ~~M~~L**  
**TO FDD**

**RECEIPTS**

## Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Stroller Strides, LLC (“Stroller Strides”) offers you a franchise, Stroller Strides must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Stroller Strides or our affiliate in connection with the proposed franchise sale. [Michigan requires that Stroller Strides gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires that Stroller Strides gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If Stroller Strides 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 those state administrators listed on Exhibit A.

The franchisor is Stroller Strides, LLC located at 1084 N. El Camino Real, Suite B512, Encinitas, CA 92024. Its telephone number is 866-348-4666.

Issuance Date: April ~~38~~, ~~2023~~2024.

The franchise seller involved in offering and selling the franchise to you is ~~Britney Pagano~~Brittany Bachman, 1084 N. El Camino Real, Suite B512, Encinitas, CA 92024, 866-348-4666, or is listed below (with address and telephone number), or will be provided to you separately before you sign a \_\_\_\_\_ franchise \_\_\_\_\_ agreement:

Stroller Strides authorizes the respective state agencies identified on Exhibit A to receive service of process for Stroller Strides in the particular state.

I have received a disclosure document dated April ~~38~~, ~~2023~~2024, that included the following Exhibits:

- |  |  |
|--|--|
| A. List of State Authorities/Agents for Service of Process                     | <del>GE</del> . Operating Manual Table of Contents |
| B. Franchise <del>Application</del> <u>Agreement</u>                           | <del>HG</del> . State Specific Appendix            |
| <del>C</del> . <del>Franchise Agreement</del>                                  | <del>H</del> . General Release Form                |
| <del>DC</del> . Territory Expansion Addendum                                   | <del>J</del> . List of Current Franchisees         |
| <del>ED</del> . Renewal Addendum   | <del>KJ</del> . List of Former Franchisees         |
| <del>FE</del> . Non-Disclosure, Non-Solicitation and Non-Competition Agreement | <del>LK</del> . Financial Statements               |
|  | <del>ML</del> . Receipts                           |

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

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

Copy for Franchisee

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|  | <del>ML</del> . Receipts                           |

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

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

Copy for Stroller Strides, LLC

Please sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or send to us by email to [franchise@FIT4MOM.com](mailto:franchise@FIT4MOM.com) or by fax to 866-348-4666.