FRANCHISE DISCLOSURE DOCUMENT

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EMS To You Franchising Co., Inc., a Colorado corporation, is offering a franchise program known as EMS To You specializing in electro muscle stimulation workout sessions conducted at the client's home, office, or other location where the client is located.

The total investment necessary to begin operation of an EMS To You Business franchise ranges from $51,740 to $78,910. This includes $24,900 (for a single franchise with a territory of up to 110,000 households) that must be paid to the franchisor or an affiliate. Additional franchises with territories of 110,000 households each can be acquired for an initial franchise fee of 75 percent of the then current Initial Franchise Fee for the first additional franchise and 65 percent of the then current Initial Franchise Fee for each additional franchise.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jonathan Barnett at 143 Union Boulevard, Suite 825, Lakewood, Colorado 80228 and 1-877-579-5511.

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

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

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

Issuance Date: April 13, 2026

For use in: AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IN, IA, KS, KY, LA, ME, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WI, WV, WY, and U.S. TERRITORIES (see State Effective Dates page for effective dates in certain states.)

Not for use in: IL, MD, and WA.

How to Use This Franchise Disclosure Document

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

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

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 Attachment L.

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 arbitration and/or litigation only in Colorado. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Colorado than in your own state.
2. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
4. **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.

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.

INFORMATION FOR PROSPECTIVE FRANCHISEES IN MICHIGAN

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

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

(A) A prohibition on the right of a franchisee to join an association of franchisees.

(B) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act [the Michigan Franchise Investment Law]. 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 provisions of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(D) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five 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 six 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. (The above language has been included in this Disclosure Document as a condition for registration. We and you do not agree that the parties are restricted from choosing to conduct arbitration outside of Michigan and believe that each of the provisions of the Franchise Agreement, including each of the arbitration provisions, is fully enforceable. We and you intend to rely on the federal pre-emption under the Federal Arbitration Act.)

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

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

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

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

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

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

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

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

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 or subfranchisor 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.

Any questions regarding the notice should be directed to:

State of Michigan
Department of Attorney General
Franchise Section - Consumer Protection Division
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

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ATTACHMENTS TO DISCLOSURE DOCUMENT:

A	Franchise Agreement
B	Confidentiality/Application Agreement
C	Nondisclosure and Noncompetition Agreement
D	Statement of Prospective Franchisee
E	Territory Reservation Deposit Agreement
F	RESERVED FOR FUTURE USE
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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

EMS To You Franchising Co., Inc., a Colorado corporation, is offering to prospective franchisees the opportunity to operate an EMS To You Business in accordance with the terms described in this Disclosure Document. To simplify the language in this Disclosure Document, the terms "**we**" or "**us**" means EMS To You Franchising Co., Inc., the franchisor (but not our officers, directors, agents or employees). "**You**" means the person who buys a franchise from us. If you are a corporation, partnership or other entity, certain provisions of our Franchise Agreement also apply to your owners, officers and directors and will be noted. Unless otherwise indicated, the term "**EMS To You Business**" means a franchised business specializing in mobile electro muscle stimulation workouts.

The Franchisor, Its Parent and Its Affiliates. We are a Colorado corporation, incorporated on June 27, 2025. We do business under our corporate name and EMS To You, and no other name. We offer and sell franchises that operate under the name "EMS To You." Our principal business and mailing address is 143 Union Boulevard, Suite 825, Lakewood, Colorado U.S.A. 80228. Our agents for service of process are disclosed in Attachment L.

Parent. We are owned by Barnett Enterprises Corp. ("**BEC**"). BEC owns all of the Marks (defined below) used in an EMS To You Business. BEC's principal place of business is the same as ours. We have no predecessors.

Affiliates. We are affiliated with the following companies that (1) conduct business of the type being offered under this Disclosure Document, (2) offer franchises in any line of business, or (3) provide products or services to our franchisees. Each of these companies is wholly owned by BEC unless otherwise noted below:

Name	Principal Business Address	Business Operations
EMS to You, Inc. ("**EMS To You Denver**")	143 Union Boulevard, Suite 825 Lakewood, Colorado 80228	EMS To You Denver operates an EMS To You Business in the Denver, Colorado area.
Oxi Fresh Franchising Co. Inc. ("**Oxi Fresh**")	143 Union Boulevard, Suite 825 Lakewood, Colorado 80228	Oxi Fresh offers franchises specializing in the cleaning of commercial and residential carpets, rugs, and upholstery, tile and grout floor cleaning, hardwood floor cleaning, and other ancillary services. As of December 31, 2025, Oxi Fresh had 454 franchisees operating in the USA and Canada.

Prior Business Experience. We began offering franchises to operate EMS To You Businesses with this Disclosure Document. We currently do not operate any EMS To You Businesses. Our affiliate EMS To You Denver has operated a business similar to an EMS To You Business described in this Disclosure Document since its inception in August 2024.

Our affiliate Oxi Fresh, has offered franchises for commercial and residential carpets, rugs, and upholstery cleaning, tile and grout floor cleaning, hardwood floor cleaning, and other ancillary services since 2006.

We are not currently engaged, and have not in the past engaged, in any business other than the sale of franchises for EMS To You Businesses. We may own or operate businesses similar to EMS To You Businesses, but we do not do so at present. Except as set forth above, neither we nor any of our affiliates or our parent currently offer, or have in the past offered, franchises in any line of business. None of our affiliates or parent currently provides any products or services to our franchisees, although they may do so in the future.

EMS To You Business Franchise Program. Under the Franchise Agreement (the "**Franchise Agreement**"), which is attached as Attachment A to this Disclosure Document, we offer qualified purchasers the right to establish and operate an EMS To You Business within a specified territory (the "**Protected Territory**"). An EMS To You Business offers whole body electro muscle stimulation workout sessions (each, an "**EMS session**") conducted at the client's home, office or other location where the client is located. For an additional fee, purchasers may acquire the rights to additional Protected Territories and the rights to operate additional franchised EMS To You Businesses in those additional Protected Territories. If you will be acquiring rights to multiple Protected Territories, then each Protected Territory you acquire represents a separate EMS To You Business. If the additional EMS To You Businesses are purchased at the same time as your initial EMS To You Business, and if the Protected Territories in each of the EMS To You Businesses are adjacent, your EMS To You Businesses may be included in a single Franchise Agreement. Otherwise, you will execute separate Franchise Agreements. (If you are acquiring EMS To You Businesses to be located in additional Protected Territories, the terms "EMS To You Business" and "Protected Territory" as used herein shall refer collectively to all of your EMS To You Businesses and Protected Territories, as applicable, except in those cases where multiple EMS To You Businesses or Protected Territories are specifically addressed.)

The Franchise Agreement gives you the right to operate your EMS To You Business under the names and marks "**EMS TO YOU**[SM]", and other marks designated by us (all referred to as the "**Marks**"). You must operate in accordance with our unique system for operating the businesses and related licensed methods of doing business (the "**Licensed Methods**"), and according to our operations manual and other manuals (collectively, the "**Operations Manual**"), within the Protected Territory. (See Item 12 for details.)

As a franchisee of ours, you must offer EMS sessions to clients. EMS sessions are typically held in the client's home, office or other locations where the client is located.

Under certain circumstances, you may reserve one or more Protected Territories for which you may acquire an EMS To You Business franchise within a 90-day time period in exchange for the payment of a nonrefundable deposit, as described in Item 5.

Referral Payment. If you refer a prospective franchisee to us who was not previously known to us, and that person becomes a franchisee of ours, we will, at our option, either (i) pay you a referral payment of $5,000, or (ii) grant you a credit of $5,000 to be applied toward fees and other amounts due to us. If the new franchisee pays its initial franchise fee in installments, the payment will be made or the credit will be applied on a pro rata basis within 30 days of the date on which funds are received from the franchisee. Otherwise, the payment will be made or the credit will be applied within 30 days of the date that the initial franchise fee is paid in full.

The Market. The market for your EMS To You Business are individuals looking for an exercise program that can be conducted in less time than a typical workout program, with the convenience of

working out at locations they choose. The market is developing as more people become aware of the benefits of electro muscle stimulation workouts. The sales of the services are not seasonal.

Laws and Regulations. While the U.S. Federal Drug Administration ("FDA") regulates electro muscle stimulator machines for clinical use, there are no laws or regulations specific to an EMS To You Business. The electro muscle stimulator machines you are required to obtain and use in your EMS To You Business are FDA cleared. While there are no specific federal laws regarding the operation of your EMS To You Business, there may be laws and regulations in your state or county that may apply to your operation of your EMS To You Business.

You should familiarize yourself with federal, state and local laws of a more general nature that may affect the operation of your EMS To You Business, including employment, worker's compensation, insurance, corporate, taxing, and licensing laws and regulations. In addition to laws and regulations that apply to businesses generally, your EMS To You Business may be subject to federal, state and local occupational safety and health regulations, Equal Employment Opportunity Act and Americans with Disabilities Act rules and regulations. Some jurisdictions may choose to regulate vigorously these and other laws that may adversely affect your ability to obtain the proper permits needed in order to open and operate your EMS To You Business. It will be your responsibility to inquire into and comply with all applicable laws and regulations related to the operation of your EMS To You Business.

Prior to signing the Franchise Agreement, we strongly recommend that you make sure that you will be able to obtain all necessary permits and licenses in order to operate your EMS To You Business in your Protected Territory. You may need to consult your attorney to help you understand the laws and regulations in your Protected Territory.

Competition. If you acquire an EMS To You Business, you will compete with other businesses offering similar services to the general public. These include other businesses devoted to offering electro muscle stimulation services, fitness clubs, and personal trainers.

ITEM 2
BUSINESS EXPERIENCE

Founder: Vanessa Barnett

Ms. Barnett is our founder, since our inception in June 2025. She also is the Founder of EMS To You Denver since its inception in August 2024. She has served as a Corporate Event Planner for our parent company, BEC, since 2016. Additionally, she has served as the Property Manager for BE Properties Corp. ("BE Properties"), an affiliated company of ours, located in Lakewood, Colorado, since 2022.

Director, President, Secretary and Treasurer: Jonathan L. Barnett

Mr. Barnett is the sole member of our Board of Directors and our President, Secretary, and Treasurer; positions he has held since our inception. He has served as Software and Scheduling Center Representative for Oxi Fresh since March 2026. Previously, he served as the sole Director, President, Secretary, and Treasurer of Oxi Fresh from August 2006 to March 2026. Mr. Barnett served as the sole member of the Board of Directors and as the President, Secretary, and Treasurer of BEC, and Oxi Fresh of Denver, Inc. from their inceptions in 2006 to March 2026. Mr. Barnett has served as Co-Manager of Fresh Sweeps of Denver, LLC, located in Lakewood, Colorado since July 2021. He is also director of BE Properties, a position he has held since June 2021. From October 2018 to June 2025, Mr. Barnett was the

Chairman of the Board of Directors and one of the Managers of Elephant In The Room Franchising Company, LLC, based in Tulsa, Oklahoma. He also served as a Manager of its parent company EITR Holdings, LLC (based in Jenks, Oklahoma) from 2013 to June 2025, and as Manager of its affiliates, Elephant In The Room, LLC, Elephant In the Room South Tulsa, LLC, and Elephant In The Room Broken Arrow, LLC (all located in Oklahoma), from their inceptions in 2011, 2013, and 2016, respectively, until June 2025. Since July 2022, Mr. Barnett has also served as Director, Co-President, and Treasurer of Accelerated Prep based in Lakewood, Colorado. He previously served as a Manager of Greenbaum Barnett Ventures from its inception in October 2020 until January 2024. From February 2019 to June 2022, Mr. Barnett was a director of Building Futures based in Lakewood, Colorado.

Vice President: Kristopher A. Antolak

Mr. Antolak has served as our Vice President since our inception. Mr. Antolak has served as the sole Director, President, and Secretary of Oxi Fresh since March 2026, and he previously served as the Vice President of Oxi Fresh from November 2014 to March 2026 after having served in a variety of other positions with Oxi Fresh since his employment with Oxi Fresh began in December 2009. Mr. Antolak has served as a co-owner and manager of several franchised Oxi Fresh Businesses over the past six years. He has served as Co-Manager of Fresh Sweeps of Denver, LLC located in Lakewood, Colorado since July 2021.

Training Manager: Monica Silva

Ms. Silva has been our Training Manager since our inception in June 2025. She also serves as the Manager of Operations of EMS To You Denver since its inception in August 2024. From August 2020 to August 2024, Ms. Silva devoted her time as a stay-at-home mother.

Director of Marketing and Design: Erin Banner

Ms. Banner has been our Director of Marketing and Design since our inception in June 2025. She also serves as the Director of Marketing and Design for Oxi Fresh since August 2013.

Director of Scheduling Center: Kelli K. Harbaugh

Ms. Harbaugh has served as our Director of Scheduling Center since our inception in June 2025. She also serves as the Director of Scheduling Center for Oxi Fresh since February 2018. She has been employed with Oxi Fresh since September 2010.

Director of Operations: Jordan S. Keith

Mr. Keith has been our Director of Operations our inception in June 2025. Mr. Keith has served as the Director of Operations for Oxi Fresh since February 2018 after having served in a variety of other positions with Oxi Fresh since his employment with Oxi Fresh in May 2015. He has also served as Managing Member of JSKeith Enterprises, LLC since January 2024.

Director of Franchise Development: Matt Kline

Mr. Kline has served as our Director of Franchise Development since our inception in June 2025. He also serves as the Director of Franchise Development for Oxi Fresh since February 2018.

All of our officers are located in Lakewood, Colorado.

ITEM 3
LITIGATION

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

You must pay to us an initial franchise fee ("**Initial Franchise Fee**") of $24,900 for your first franchise. The Initial Franchise Fee is paid in full when you execute the Franchise Agreement.

You may acquire additional franchises for the operation of additional EMS To You Businesses in additional Protected Territories. If you acquire multiple EMS To You Businesses which have adjacent Protected Territories at the same time, you will sign a single Franchise Agreement for all of these EMS To You Businesses. However, you will be required to execute a separate Franchise Agreement for any additional EMS To You Businesses that are acquired at a later date or that have Protected Territories that are not adjacent. If you acquire additional EMS To You Businesses, you must pay us an Initial Franchise Fee equal to 75 percent of the then current Initial Franchise Fee offered by us for your second EMS To You Business franchise acquired and an Initial Franchise Fee equal to 65 percent of the then current Initial Franchise Fee offered by us for your third and subsequent EMS To You Business franchises. These amounts are due in full upon execution of the relevant Franchise Agreement addressing each EMS To You Business.

We are a member of the International Franchise Association's VetFran initiative. If you have served as a veteran of the armed forces of the United States, you may be eligible to receive a discount of 10 percent off of the Initial Franchise Fee that would otherwise be due.

The Initial Franchise Fee is fully earned and non-refundable once paid in consideration of administrative and other expenses incurred by us in entering into the Franchise Agreement and for our lost or deferred opportunity to enter into a Franchise Agreement with others. Except as is provided in this Item 5, the Initial Franchise Fee is generally uniform to all persons currently acquiring a franchise.

In certain cases and in our discretion, we may allow potential franchisees to "reserve" a Protected Territory in which they may later purchase an EMS To You Business franchise (the "**Reserved Territory**"). If you desire to reserve a Protected Territory, and we agree to let you do so, you and we will sign the "Territory Reservation Deposit Agreement" in the form attached as Attachment E (the "**Deposit Agreement**"). Under the Deposit Agreement, you will pay us a deposit of $5,000 (the "**Deposit**") for each Reserved Territory, and we will agree not to award a franchise for or operate our own EMS To You Business within that Reserved Territory for a period of 90 days (the "**Reservation Period**"). The Deposit will be credited against the Initial Franchise Fee for the EMS To You Business franchise for the Reserved Territory if you purchase it prior to the expiration of the Reservation Period. Otherwise, the Deposit is entirely nonrefundable in all circumstances. The Deposit may not be applied to the Initial Franchise Fee for an EMS To You Business franchise with a Protected Territory other than the Reserved Territory without our written consent. If you execute a Deposit Agreement but fail to purchase the EMS To You

Business franchise for the Reserved Territory within the Reservation Period, you forfeit the Deposit and must sign a release of any claims against us. If you execute a Deposit Agreement and desire to complete the purchase of the EMS To You Business franchise for the Reserved Territory, you must comply with all of our requirements for obtaining a franchise, including signing our Franchise Agreement and paying the full remainder of the Initial Franchise Fee.

If applicable, a portion of your Initial Franchise Fee may be paid by us to another franchisee who has referred you to us.

ITEM 6
OTHER FEES

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fee[1,2,3,5]	5% of your Gross Revenues or a minimum of $295, per month per Protected Territory, which minimum may be increased	Monthly by the 5th of each month	See Note 1 below. We may increase the minimum amount of this fee, upon 60 days' notice to you. The Royalty Fee is payable each month beginning when you start operations. The minimum amount is based on each Protected Territory you acquire.
Advertising and Technology Fee[1,2,3,5]	3% of your Gross Revenues or a minimum of $150, per month per Protected Territory, which minimum may be increased	Monthly by the 5th of each month	See Note 1 below. We may increase the minimum amount of this fee, upon 60 days' notice to you. The Advertising and Technology Fee is payable each month beginning when you start operations. The minimum amount is based on each Protected Territory you acquire.
Scheduling Center Fee[1,2,4,5]	7% of your Gross Revenues, plus (i) $40 per month for each Co-Op Line that we provide you; and (ii) $10 per month for each EMS To You Business you own to cover your share of the national Toll-Free Number	Monthly by the 5th of each month for the prior month	See Note 1 below. The Scheduling Center Fee consists of three parts, a percentage of Gross Revenues fee that supports the Scheduling Center and the services it provides for you, a monthly fee for each Co-op Line you acquire, and a monthly fee for the Toll-Free Number which we provide for franchisees. This fee is payable each month beginning when you start operations. The portions of this fee that are based on your Co-op Line and the Toll-Free Number are subject to an increase upon 60 days' notice to you (see Note 5). If an extra Co-Op Line is acquired to be shared by multiple EMS To You franchisees in Broad Area Marketing, the portion of the Co-Op Line will be divided equally among the applicable franchisees, or in another manner that we determine to be equitable based on the circumstances.
National and International ("N&I") Account Program Fees[2,6]	Varies[6]	As incurred	For each N&I Account Program we establish with locations in your Protected Territory, you are required to participate in it, and we may charge a fee for additional training, our administration of the program, or referral of clients to you. See Item 12.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Shipping Costs and Taxes[2]	Will vary	Prior to shipment or as agreed	You are responsible for all taxes, shipping costs and other costs incurred by us in selling and shipping equipment or supplies to you.
Annual Convention and Other Meeting Fee[2]	Varies. It is expected that the fee for the first annual convention will be $450 per person attending.	As incurred	You are responsible for paying a pro rata cost of the annual convention and other mandatory meetings. We may, at our option, prorate the cost of the annual convention among all franchisees, regardless of actual attendance, and charge you 200% of that prorated cost if you fail to attend. We may waive this requirement, or part of this requirement, for franchisees that attend.
Additional Training, Assistance & Refresher Training[2]	Then current published rate (currently $700 per day, not including travel and lodging expenses)	As incurred	See Items 7 and 11. We provide an initial training program for up to two persons for free. You are responsible for paying your expenses for any training.
Successor Franchise Fee[2,3]	$4,000	At time of renewal	You will sign a then current Franchise Agreement upon exercise of your successor franchise rights.
Transfer Fee[2,3]	$4,000	Before transfer is effective	Payable by you or the transferee when the Franchise Agreement is transferred by you. If we identify the transferee for your Franchise Agreement, you will not be required to pay this Transfer Fee, and you will instead pay us the Resale Assistance Fee described below.
Resale Assistance Fee[2,3]	30% of the total consideration you receive for the sale of your EMS To You Business, but no less than $10,000 nor more than $20,000	Before transfer is effective	Payable to us, instead of the Transfer Fee described above, if we identify the transferee for your Franchise Agreement.
Transferee Training Fee[2,3]	$1,000	Prior to training	If you transfer your franchise, the transferee may be required to attend our initial training program and pay this training fee.
Supplier Approval[2]	Actual costs of supplier Approval	Upon receipt of bill	We reserve the right to charge you a fee for reviewing a proposed supplier of any goods or services to be used in connection with your EMS To You Business. If we determine that it is necessary to inspect the supplier's facilities or conduct tests, we will require you or the supplier to pay our actual costs incurred for inspection and testing.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Noncompliance Service Charge[2]	$500 or $1,000 per event of noncompliance, depending on the type of noncompliance	As incurred	We have the right to impose this charge, in addition to our other rights and remedies, if you are not in compliance with your Franchise Agreement or our standards and specifications. This charge will increase to $1,000 if you perform an EMS session not scheduled through the Scheduling Center, fail to maintain required insurance following notice from us, use or possess unapproved products or materials, engage in marketing outside of your Protected Territory in violation of the Franchise Agreement, or if we determine that you have received Gross Revenues in excess of what you have reported to us.
Fee for Soliciting Clients Outside of Protected Territory[2]	All revenues derived from applicable clients	As incurred	We may require this fee to be paid to us or to the franchisee with rights to the territory where such clients are located.
Late Fees and Interest[2]	$50 late fee per incident plus 1.5% interest on overdue amount per month, or maximum allowed by law	When payment is overdue	Payable if your Royalty Fee or other amounts due us or any of our affiliates are not paid when due.
Insufficient Funds Fee[2]	3% of the transaction amount	As incurred	Payable for denied request for ACH Withdrawal (defined below), credit card charge, check, or other payment method.
Audit Fee[2]	Actual costs of audit plus interest on amount of overdue monies If you commit an Act of Deception (as defined in Section 16.5 of the Franchise Agreement), $15,000	As incurred	Payable if audit shows an underreporting of at least 2% of amounts to be paid or spent, or if you fail to provide certain supporting records to us. If you commit an Act of Deception, you must pay us $15,000 immediately upon notice from us. Any amounts unpaid, unreported, or underreported must also be paid in full.
Unreported or Inaccurately Reported Sales or Underpayments[2]	Will vary under circumstances	Upon discovery of an Act of Deception	If you fail to report sales, provide false or inaccurate reports, fail to submit copies of contracts with clients, or underpay amounts owed, you must pay 100% of the gross income derived from the applicable sales or activities. Interest at the rate of 2.5% per month or the maximum amount allowed by law on all underpaid amounts will accrue if you do not correct the matter within 25 days of notice.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Attorney Fees and Costs	Actual fees and costs	As incurred	Payable upon your failure to comply with the Franchise Agreement, or if you fail to prevail in litigation or arbitration against us related to the Franchise Agreement or the franchise relationship.
Indemnification	Actual costs of indemnifications	Upon receipt of bill	You are solely responsible for and must indemnify and hold us harmless for all loss, damage, claims or demands arising in connection with your operation of your EMS To You Business.

[1] "**Gross Revenues**" includes all revenues of any kind received from clients or otherwise generated from or associated with your EMS To You Business, excluding sales taxes.

[2] Fees and costs that are imposed and payable to us. All these fees are nonrefundable. All fees are generally imposed uniformly on all franchisees who sign our current Franchise Agreement, but we may, in unique situations, modify certain fees. We may charge any fees against your bank account or credit card, at our option. Before you commence operations of your EMS To You Business, you must sign and deliver to us and your bank all documents needed to permit us to debit your bank account ("**ACH Withdrawal**") for the Royalty Fees, Scheduling Center Fees, Advertising and Technology Fees, and other payments due to us under the Franchise Agreement or otherwise. You must also sign and deliver to us a credit card authorization permitting us to charge your credit card for all Royalty Fees, Scheduling Center Fees, Advertising and Technology Fees, and other payments due to us under the Franchise Agreement or otherwise. The bank account and credit card must be dedicated exclusively to the EMS To You Business and not used for any other business or non-business purpose. If you change your account or transfer your account to a different bank or if you change your credit card, you must notify us within one day, and sign and deliver to us, and your bank if applicable, new documents to permit us to debit your bank account and charge your credit card within three days. You must also execute and deliver to us any replacement or additional ACH Withdrawal or credit card authorizations we request. These authorizations may be in electronic form, and the payments may be administered through the EMS To You Scheduling and Marketing System (as defined below). You must maintain at least $5,000 in your bank account for the ACH Withdrawal and have a minimum available credit line of at least $5,000 on your credit card. We may require you to pay all amounts due by means other than ACH Withdrawal or credit card whenever we deem appropriate, and may require that you execute the forms and complete the procedures we may establish to permit us to charge your fees to a bank account or credit card.

[3] If you acquire the right to operate multiple EMS To You Businesses, you must pay at least the minimum Royalty Fee and Advertising and Technology Fee for each EMS To You Business. Each Protected Territory that you acquire rights to represents a separate EMS To You Business. Further, if you acquire the right to operate more than one EMS To You Business, whether under the same Franchise Agreement or under multiple Franchise Agreements executed at the same time, we may require that the first 12 months of the minimum Royalty Fees for the second and each subsequent EMS To You Business franchise that is granted be paid in advance upon the execution of the Franchise Agreement. We will reconcile the actual Royalty Fees due at the end of the first 12 month period based on your actual Gross Revenues. You must pay a successor franchise fee for each individual EMS To You Business for which you are exercising successor franchise rights. You must also pay, as applicable, a transfer fee or a

resale assistance fee, and a transferee training fee for each EMS To You Business that is transferred. If you comply with our requirements for a successor franchise or transfer, the successor franchise and transfer rights may be exercised for each EMS To You Business individually or collectively.

[4] When you sign your initial Franchise Agreement and pay the Initial Franchise Fee, you become a member of our scheduling center ("**Scheduling Center**"). The Scheduling Center will schedule your appointments. You must use our Scheduling Center to schedule all appointments for your EMS To You Business.

As part of the Scheduling Center Fee, we will provide a single toll-free custom telephone number for the entire EMS To You franchise system (the "**Toll-Free Number**"), which will connect to the Scheduling Center and schedule appointments for franchisees based on the zip code entered by the caller, and a Co-Op Line, which will ring directly to you. You may desire to acquire multiple Co-Op Lines, in which case the Scheduling Center Fee will increase.

You and your clients will also be able to schedule EMS sessions with the Scheduling Center over the Internet using our Internet-based system (the "**EMS To You Scheduling and Marketing System**"). This EMS To You Scheduling and Marketing System will also be used for certain marketing purposes. See Item 11. It is your responsibility to check and monitor your schedule through the EMS To You Scheduling and Marketing System and operate your EMS To You Business in accordance with that schedule.

The Scheduling Center provides an approximate price quote to a client or you when scheduling an EMS session. You are permitted to charge any amount for an EMS session you provide through your EMS To You Business, subject to the other provisions of your Franchise Agreement and your obligation to comply with our standards, specifications, and Licensed Methods to the extent that they relate to pricing matters. The current Licensed Methods require that you may have only one base price sheet and one calendar for EMS sessions scheduling per each Protected Territory you acquire, which will apply for the entire relevant Protected Territory. Within a calendar, you may have multiple EMS session schedules based on the number of trainers you employ.

At any time you are in default of your obligation to pay any fee or amount due to us by its due date, we may, at our option and in addition to our other rights and remedies under the Franchise Agreement, suspend your membership and schedule in the Scheduling Center and the EMS To You Scheduling and Marketing System, and cancel your scheduled appointments, until your default is cured.

[5] Royalty Fees and Advertising and Technology Fees are payable beginning when you provide your first EMS session to a client through your EMS To You Business. The minimum amount of the Royalty Fee and Advertising and Technology Fee may be increased by us. Each increase to the Royalty Fee minimum amount shall be no greater than the percentage increase in the U.S. Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items (the "**CPI**") plus 5 percent per year since the date of the last increase of the fees for existing franchisees. Each increase to the Advertising and Technology Fee minimum amount shall be no greater than the percentage increase in the CPI-U for the CPI plus 20 percent per year since the date of the last increase of the fees for existing franchisees. Each of the percentage amount and minimum amount of the Royalty Fee and Advertising and Technology Fee may be increased in this manner no more frequently than once per year. The amount of the elements of the Scheduling Center Fee attributable to the Co-Op Lines and Toll-Free Number may also be increased by us no more frequently than once per year. The maximum amount of each such increase for each of these individual elements shall be equal to the percentage increase in the CPI plus 5 percent per year since the date of the last increase of that particular fee element for existing franchisees.

As of the date of this Disclosure Document, there have been no increases for the minimum Royalty Fees and Advertising and Technology Fees or the Scheduling Center Fee elements, so this will be determined based on the date of this Disclosure Document when these fees were initially established.

[6] For each N&I Account Program, as defined in Item 12, that we establish, we may charge fees which will vary depending on our arrangement with the N&I Account Program client, the services requested by the client, and our involvement in administering and providing services related to the program.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Initial Franchise Fee (Notes 1 and 2)	$24,900	Cash	Upon signing of Franchise Agreement. If you reserve a Protected Territory in advance, $5,000 of the Initial Franchise Fee will be paid upon signing of Deposit Agreement. (Note 2)	Us
Electro Muscle Stimulator with Initial Set of Bodysuits (Note 3)	$22,000 - $24,500	As Arranged	As Arranged	Third Party
Initial Training Expenses (Note 4)	$700 – $4,400	As Arranged	As Arranged	Vendors
Vehicle (Note 5)	0 – $1,800	As Arranged	As Arranged	Third Parties
Insurance Deposit (Note 6)	$240 – $310	As Arranged	As Arranged	Insurance Companies
Legal and Accounting Fees (Note 7)	$700 – $1,000	As Arranged	As Arranged	Attorney & Accountant
Computer Hardware and Software (Note 8)	$0 – $1,300	As Arranged	As Arranged	Vendors
Office Equipment and Supplies (Note 9)	$100 – $500	As Arranged	As Arranged	Vendors
Uniform Costs (Note 10)	$100 – $200	As Arranged	As Arranged	Vendors
Marketing Expenses (Prior to Opening) (Note 11)	$0 – $8,000	As Arranged	As Arranged	Vendors
Additional Funds (Working Capital - 3 months) (Note 12)	$3,000 – $12,000	As Arranged	As Arranged	Vendors

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Totals (Notes 13 and 14)	**$51,740 – $78,910**			

FOOTNOTES TO INITIAL INVESTMENT OF FRANCHISEE

Note 1 Initial Franchise Fee. The Initial Franchise Fee for your first franchise is $24,900 for a Protected Territory of 110,000 households. See Item 5 for further information regarding the Initial Franchise Fee. The Initial Franchise Fee for a second franchise is 75 percent of the then current Initial Franchise Fee for a Protected Territory of 110,000 households. The Initial Franchise Fee for a third and each subsequent franchise is 65 percent of the then current Initial Franchise Fee for a Protected Territory of 110,000 households each. See Items 5 and 12 of this Disclosure Document. The estimated initial investment set forth in this table assumes that you will acquire the franchise rights for one EMS To You Business. If you acquire more than one EMS To You Business, your estimated initial investment will increase.

Note 2 Reservation of Protected Territory. In certain circumstances, we may allow you to acquire the right to reserve a Protected Territory for a 90-day period in exchange for a $5,000 deposit, as described in Item 5. The deposit is payable upon execution of the Deposit Agreement. If you acquire the EMS To You Business franchise for the reserved territory within the reservation period, the deposit will be applied against the Initial Franchise Fee for that franchise. Except for this limited right to have the deposit applied against the Initial Franchise Fee, the deposit is nonrefundable in all circumstances.

Note 3 Electro Muscle Stimulator Machines and Bodysuits. You will purchase your electro muscle stimulator machine and bodysuits from our designated vendor.

Note 4 Initial Training Expenses. We do not charge for our initial training program for up to two persons. For each training program, you are required to pay the transportation to and from our training site and pay for the living arrangements, food, and other miscellaneous expenses during the time of training for each person attending your training. We estimate that your travel expenses for each training program will be $500 to $2,000. We estimate costs of $100 per day, per person, for lodging, food and other miscellaneous expenses, plus travel expenses to and from your location. See Item 11 of this Disclosure Document.

Note 5 Vehicle. Because an EMS To You Business is a mobile service business, you will need to use a vehicle in your EMS To You Business. If you do not already own or lease a vehicle, you may need to obtain a vehicle to use in your EMS To You Business. If you do not already own or lease a vehicle, we estimate that your lease payments for the vehicle will be between $200 and $600 per month. Your initial expenses will increase significantly if you desire to purchase a vehicle. Your costs will depend on the quality and type of vehicle you desire to obtain, the amount of use of your vehicle, financing options, whether you purchase or lease the vehicle, payment terms, the upgrades you desire and the local market.

Note 6 Insurance Deposit. We estimate that your initial insurance premium deposit will be approximately $240 to $310 and will include payments for worker's compensation, general liability,

errors and omissions, commercial auto, equipment, and personal property coverage. The total insurance premium is estimated at $1,000 to $1,250 per year.

Note 7 **Legal and Accounting Fees.** We estimate that your legal and accounting fees will be $700 to $1,000. These legal fees will be paid by you, if appropriate, in order to obtain an attorney to help form a business entity and review any other contracts or agreements that may be needed by you in order to begin operating your EMS To You Business. You will also need to retain an accounting or bookkeeping service to assist in the set up and preparation of a financial reporting system.

Note 8 **Computer Hardware and Software.** See Item 11 of this Disclosure Document.

Note 9 **Office Equipment and Supplies.** You will need a smart phone, calculator, executive planner, computer, business cards, paper, pencils, paper clips, stapler, binder clips, and other miscellaneous items.

Note 10 **Uniform Costs.** You will need to acquire any logo'd outfits through our designated supplier as needed.

Note 11 **Marketing Expenses.** You are not required to undertake any local market advertising although you are strongly encouraged to do so. See Item 11.

Note 12 **Additional Funds.** The disclosure laws require us to include this estimate of costs and expenses to operate your EMS To You Business during the "initial period" of the business, which is defined as three months or a longer period if "reasonable for the industry." We are not aware of any established longer "reasonable period," so our disclosures cover a three-month period. The estimate of additional funds is based on an owner-operated business and does not include any allowance for an owner's draw or salary. The estimate of $3,000 to $12,000 is for approximately three months. We estimate that, in general, you may expect to put additional cash into the business during at least the first three months, and sometimes longer. We cannot estimate or promise when or whether you will achieve a positive cash flow or profits.

Note 13 **Estimated Initial Investment.** The figures and footnotes listed above are estimates and we cannot guarantee that you will not have additional expenses starting your EMS To You Business. We have relied on the more than 20 years of experience in franchising by our President, Jonathan Barnett, in operating multiple franchise systems in compiling these estimates. Except as set forth in this Item 7, we do not provide an estimate of operating costs for your EMS To You Business over any period.

Note 14 **Refunds.** No fees or payments to us are refundable under any circumstances. However, the Deposit may be applied against Initial Franchise Fees in certain circumstances, as described in Note 2. Payments to third parties may or may not be refundable depending on your agreement with such third parties; however, usually such payments are nonrefundable.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must establish and operate your EMS To You Business in compliance with your Franchise Agreement and with the standards and specifications contained in the Operations Manual that we loan to you. The Operations Manual is designed to protect our reputation and the goodwill of the Marks, it is not designed to control the day-to-day operations of your EMS To You Business. Your rights to operate the

EMS To You Business pursuant to your Franchise Agreement are always subject to your obligation to comply with our standards and specifications and the Licensed Methods.

You must purchase specified products and services, and acquire certain equipment, inventory, and signage required for the operation of your EMS To You Business solely from suppliers (including distributors, manufacturers, and other sources) who have been approved in writing by us, as described in the Operations Manual. We maintain written lists of approved items of certain services, equipment, inventory, and supplies (by brand name and/or by standards and specifications) and lists of approved suppliers for those items. We update our lists occasionally and issue the updated lists to all franchisees.

We will furnish our standards and specifications, as well as our criteria for supplier approval, to franchisees on request, but only on a confidential basis and after you have completed your initial training program.

If you desire to purchase any items from an unapproved supplier, you or the supplier must submit to us a written request for approval. We will consider all relevant factors in an approval request, including the quality of goods and services, capacity of supplier, financial condition, terms, and other requirements consistent with other supplier relationships. We do not have any specific written criteria. We may inspect the supplier's facilities and require that samples from the supplier be delivered or made available to us or our designee for testing. You or the proposed supplier shall pay us in advance for all of our reasonable costs in regard to inspecting the supplier, its facilities, and the items involved (see Item 6 concerning the supplier approval fee). We will normally notify the supplier and you of our decision in writing within a commercially reasonable time, but no later than 30 days after a request. We may at times re-inspect the facilities and products of any previously approved supplier at your expense or the expense of the supplier. We may revoke our approval if the supplier fails to meet any of our standards and specifications at any time. Except for ownership interests in us, no officer of ours holds any ownership interest in any of our approved suppliers.

We are not obligated to provide any warranties or maintenance for your electro muscle stimulator machines, bodysuits, equipment, inventory, or signage. However, the manufacturer of these items may provide warranties and maintenance for them. The manufacturers of the items or other parties may also offer extended or additional warranties or maintenance services on certain items for an additional fee which you may choose to obtain, but you are not required to do so.

You must purchase certain products, services, supplies, and equipment under specifications and standards that we periodically establish either in the Franchise Agreement, the Operations Manual or other notices we send to you. These specifications are established to provide standards for performance, durability, design, and appearance. We will notify you whenever we establish or revise any of our standards or specifications, or if we designate approved suppliers for products, services, equipment or services.

We may choose to negotiate purchase agreements for certain services, equipment or supplies. You may purchase these services, equipment, or supplies from designated suppliers or from any approved supplier on terms as you negotiate. At the time you begin operating your EMS To You Business, you must stock and display the initial inventory of products, services, and supplies required by us as outlined in the Operations Manual or otherwise in writing.

Before you commence operations of your EMS To You Business, you must obtain certain minimum insurance coverage as required in the Operations Manual, naming us and our officers, directors, partners, agents, and employees as additional insureds. We currently have a designated insurance

provider from whom franchisees are generally required to obtain this insurance coverage. The prescribed insurance is currently as follows: (i) comprehensive general liability insurance with a limit of not less than $1 million per occurrence and $2 million general aggregate; (ii) errors and omissions insurance with a minimum limit of $250,000; (iii) property damage liability insurance, covering at a minimum the perils of fire, extended coverage, and vandalism, with a minimum limit of $1 million; (iv) worker's compensation and employer's liability insurance with coverage sufficient to meet the requirements of the law; (v) motor vehicle coverage with minimum limits of $1 million for any one accident; and (vi) such other insurance as may be required by statute or other laws of the state and/or any local governmental entities in which your EMS To You Business is located and operated. All insurance policies must be written by an insurance company satisfactory to us and provide for 30 days' advance written notice to us of cancellation or any material alteration. The policies, as applicable, must include coverage for non-owned automobiles. We may increase these limits or require new types of coverage at any time upon notice to you. You must maintain this insurance coverage during the entire term of your Franchise Agreement. You should consult an attorney or insurance advisor for recommended coverage.

You must obtain our approval before you use any advertising and promotional materials, signs, forms, and stationary unless we have prepared or approved them during the 12 months prior to their proposed use. You must purchase certain advertising and promotional materials, brochures, fliers, forms, business cards, and letterhead from approved vendors only. You must not engage in any advertising of your EMS To You Business unless we have previously approved the medium, content, and method. You must not advertise or list your EMS To You Business in any classified telephone directories without our prior written permission.

You are obligated to acquire from our designated supplier certain proprietary items in order to launch your EMS To You Business successfully. You will acquire these proprietary items following the completion of your initial training program. See Item 7 of this Disclosure Document.

We currently provide certain advertising and promotional materials to our franchisees. Otherwise, we and our affiliates are not currently designated suppliers for any items you will acquire or use in your EMS To You Business.

We estimate all of the purchases of items for which we have standards or specifications or for which we designate suppliers to be approximately 70 to 80 percent of all purchases and leases by you in connection with the cost of establishing your EMS To You Business, and approximately 20 to 25 percent of the costs of operating your EMS To You Business.

Once you open your EMS To You Business, you may purchase additional products, supplies, or equipment from any approved supplier or vendor.

All of your bookkeeping and accounting records, financial statements, and reports you submit to us must conform to our requirements. You will be required to report information regarding your EMS To You Business through the EMS To You Scheduling and Marketing System or in another manner that we specify. In particular, you must report to us the information required to close out all EMS sessions scheduled through the Scheduling Center. We have the right to inspect and audit your records, the records of certain individuals and companies affiliated with your EMS To You Business, and the records of the immediate family members of you and affiliated individuals.

You are required to have a computer with access to the Internet and that can run Microsoft Office Excel. See Item 11 below.

You must comply with all agreements with third parties related to your EMS To You Business. You must become a member of any franchise, trade, or other associations or organizations that, in our opinion, are useful in the operation of an EMS To You Business.

We will derive revenues from franchisees' purchases of the electro muscle stimulator machine and bodysuits from our designated vendor. However, we plan to contribute those funds to the Advertising and Technology Fund, defined in Item 11, for the benefit of the EMS To You system, although we are not contractually bound to do so and may cease making these contributions at any time in our discretion. We may negotiate other purchase arrangements for your benefit and receive other payments from the suppliers of the products and services in the future. Except as explained above, we do not provide any material benefit to you based on your use of approved suppliers. We have no purchasing or distribution cooperatives.

Except as discussed above, we do not derive revenues from the sale or lease of any products or services to you, although we may do so in the future. In the fiscal year 2025, we had no revenues from the sale or lease of products to franchisees. No affiliated company of ours derived revenues from the sale of any products or services to our franchisees.

Except as is set forth in this Item 8, you do not receive a material benefit from us based on your use of any particular designated or approved source.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you to find more detailed information about your obligations in the Franchise Agreement and in other items of this Disclosure Document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Franchise Agreement ("**FA**") Sections 4.1 and 11.1	Items 7 and 11
b. Pre-opening purchases/leases	FA Sections 4.1, 7.1 and 11.1	Items 7 and 8
c. Site development and other pre-opening requirements	FA Sections 4.1, 7.1 and 11.1	Items 7, 8 and 11
d. Initial and ongoing training	FA Article 6	Item 11
e. Opening	FA Sections 7.3 and 11.1	Item 11
f. Fees	FA Section 5.1 and Article 12; Deposit Agreement ("**DA**") Sections 1 and 2	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	FA Articles 7, 9 and 14, and Section 11.1	Items 8, 11 and 16
h. Trademarks and proprietary information	FA Article 15 and Sections 9.2 and 20.5	Items 13 and 14
i. Restrictions on products/services offered	FA Sections 1.1 and 11.1	Items 8 and 16

Obligation	Section in Agreement	Disclosure Document Item
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	FA Section 4.2; DA Sections 1 and 2	Item 12
l. Ongoing product/service purchases	FA Sections 11.1 and 14.2	Item 8
m. Maintenance, appearance and remodeling requirements	FA Sections 4.1, 7.1, and 11.1 and Article 9	Not Applicable
n. Insurance	FA Article 21	Item 7
o. Advertising	FA Article 13	Items 6, 7 and 11
p. Indemnification	FA Section 19.3	Item 7
q. Owner's participation/ management/staffing	FA Section 11.1	Item 15
r. Records and reports	FA Section 11.1 and Article 16	Item 11
s. Inspections and audits	FA Section 11.4 and Article 16	Items 6 and 11
t. Transfer	FA Section 11.3 and Article 17; DA Section 9	Items 6 and 17
u. Renewal	FA Sections 3.3 and 3.4	Items 6 and 17
v. Post-termination obligations	FA Sections 18.5, and 18.7 through 18.11; DA Sections 6 and 7	Item 17
w. Non-competition covenants	FA Article 20; DA Section 7	Item 17
x. Dispute resolution	FA Section 22.1; DA Section 5	Item 17
y. Guarantee	FA Section 11.3 and Exhibit II	Item 15

ITEM 10
FINANCING

Neither we nor any agent or affiliate of ours offer direct or indirect financing to our franchisees. We do not guarantee any notes, leases or other obligations of our franchisees.

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

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

Pre-Opening Obligations.

Prior to providing your first EMS session to a client through your EMS To You Business, we (or our designee) will provide the following assistance and services to you (Section 8.1 of FA unless otherwise noted):

A. We will designate your Protected Territory (Sections 4.2 and 8.1 of FA).

B. If you operate your EMS To You Business from a premises outside of your home, we will review and approve or disapprove the site selected by you for the EMS To You Business, and, if applicable, the lease or purchase agreement for such site (Sections 4.1 and 8.1 of FA).

C. We will identify the equipment, signs, fixtures, materials, supplies, and inventory necessary for your EMS To You Business to permit you to begin operations, including the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be purchased or leased (Sections 7.1 and 8.1 of FA). We do not deliver or install any of these items, but the suppliers may agree to do so.

D. We will conduct the initial training program for you or your Operations Manager (as defined below) and up to one additional employee, at a time and location designated by us (Sections 6.1 and 8.1 of FA).

E. We will provide lists of approved items of equipment, inventory, and supplies (by brand name and/or by standards and specifications) and lists of approved suppliers for those items.

F. We will loan to you one copy of the Operations Manual and other manuals and training aids designated by us for use in the Licensed Methods, as they may be revised by us (Section 8.1 and Article 9 of FA).

G. We will provide you access to our Inner Circle portion of our website for delivery of sales leads, market information and other relevant information.

H. We will provide you a membership to our Scheduling Center. We will also provide you with guidance related to accessing the EMS To You Scheduling and Marketing System, scheduling EMS sessions on the Internet, and any other functions of the system. You must comply with any terms related to the Scheduling Center and the EMS To You Scheduling and Marketing System related to the scheduling of appointments and your EMS To You Business.

I. We will provide advice and guidance in preparing to provide services through your EMS To You Business, including standards and procedures for obtaining inventory and supplies, providing approved services, advertising, promoting and operating your EMS To You Business (Section 8.1 and Article 9 of FA).

Continuing Obligations.

During the operation of your EMS To You Business, we (or our designee) will provide the following assistance and services to you (Section 10.1 of FA unless otherwise noted):

A. We will provide continuing courses of training, at times and locations designated by us (Sections 6.3 and 10.1 of FA).

B. At our discretion, we may inspect your EMS To You Business and/or work performed for some of your clients, as we deem advisable (Sections 10.1 and 11.4 of FA).

C. We will provide you updated lists of approved items of machines, equipment, inventory, and supplies (by brand name and/or by standards and specifications) and updated lists of approved suppliers for those items.

D. We will periodically provide you advice and guidance in operating your EMS To You Business through meetings, printed materials and/or other media, as we make available to all of our franchisees. This may include providing suggested pricing to you for products and services. Any prices that we recommend to you are merely recommendations and you may establish your own prices, which may be higher or lower than our recommended prices.

E. We will schedule appointments for you through our Scheduling Center and provide the Co-Op Line(s). We do not make any warranties related to the EMS To You Scheduling and Marketing System, and we are not responsible for any incidental, special, or consequential damages, or for any claims made by third parties against you, related to the operation of the EMS To You Scheduling and Marketing System, or any errors or interruptions in those operations. We may suspend your membership and schedule with the Scheduling Center and the EMS To You Scheduling and the Marketing System at any time you are in default of your obligation to pay any fees or amounts due to us, in addition to any other rights or remedies we may have.

F. We will provide the Toll-Free Number as described in Item 6. A portion of the Scheduling Center Fee that you pay us includes a fee for the Toll-Free Number. We reserve the right to discontinue or change the Toll-Free Number in our sole discretion.

G. We will give you access to advertising and promotional materials developed by us, the cost of which we may pass on to you.

H. We will permit you to use our Licensed Methods, as they may be modified (Sections 2.1 and 15.3 of FA).

I. We will permit you to use our Marks in accordance with our specifications (Sections 2.1 and 15.1 of FA).

Sources of Supply.

Although not included in the Franchise Agreement, and although we are not required to perform these services under the Franchise Agreement, we will use commercially reasonable efforts to provide the following guidance and assistance on a continuing basis to enhance the growth and performance of our franchise program:

A. We will continue to search for more cost-efficient sources of supplies. With the strength of group purchasing, we will endeavor to purchase supplies and inventory at reduced prices.

B. We will endeavor to maintain an inventory of promotional material and sales and service manuals, available at reasonable costs.

C. We may perform periodic quality control visits to your EMS To You Business. During these visits all operations may be inspected and recommendations may be made to correct deficiencies, improve techniques, and enhance the efficiency of your EMS To You Business.

D. We may continually evolve in order to meet changing consumer demands and market conditions. Accordingly, we reserve the right to change the Licensed Methods and Operations Manual as needed due to these changes. You must promptly adopt these modifications and improvements at your sole expense.

Advertising Programs.

The Advertising and Technology Fund. You are required to remit to us an advertising and technology fee equal to 3 percent of your Gross Revenues each month, or a minimum of $150 per month, as of the date of this Disclosure Document ("**Advertising and Technology Fee**"). The minimum amount of the Advertising and Technology Fee may be increased at any time at our sole discretion upon 60 days' notice to you, subject to those restrictions listed in Note 5 to Item 6. The Advertising and Technology Fee will be payable monthly on the 15th day of each month. If you acquire the right to operate multiple EMS To You Businesses under the Franchise Agreement, then you will be required to pay the Advertising and Technology Fee for each EMS To You Business.

We will deposit the Advertising and Technology Fees in a separate bank account, commercial account or savings account ("**Advertising and Technology Fund**"). The Advertising and Technology Fund is administered by us, at our discretion. The Advertising and Technology Fund proceeds may be used for researching, preparing, maintaining, administering, and directing advertising and promotional materials and public relations programs, including production of commercial print, radio, television, magazine, newspaper, Internet advertising, direct response literature, direct mailings, brochures, collateral materials advertising, surveys of advertising effectiveness, and other advertising or public relations expenditures, for any international, national, or regional media. We may also use the Advertising and Technology Fund to pay for the expenses related to researching, developing, implementing, servicing, and operating any technology used in any manner related to the EMS To You franchise system or the EMS To You Businesses, including the EMS To You Scheduling and Marketing System, or any other or new technologies utilized in or related to our Scheduling Center, our website, the Toll-Free Number, search engine optimization, booking of EMS sessions for EMS To You Businesses, reporting of information for EMS To You Businesses, the machines, equipment, and bodysuits used in EMS To You Businesses, or

EMS To You Business computer systems (collectively, the "**Technology**"). We may reimburse ourself from the Advertising and Technology Fund for administrative costs, including the salaries of public relations personnel or persons administering the advertising services, the salaries of persons providing services related to any Technology, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that we or our authorized representatives incur with the programs or work funded by the Advertising and Technology Fund. We do not currently intend to have the Advertising and Technology Fund audited. Upon your written request to us, we will make available to you, no later than 120 days after the end of each calendar year, an annual unaudited financial statement for the Advertising and Technology Fund that shows how the Advertising and Technology Fund proceeds have been spent. No other accounting of the advertising fund is provided to you. We have the right, but not the obligation, to cause the Advertising and Technology Fund to be incorporated or operated through an entity separate from us as we deem appropriate, and any successor entity will have all rights and duties of ours relating to the Advertising and Technology Fund. We may use outside advertising and marketing agencies to create advertising material and outside companies or consultants to create and provide services for any Technology.

Each franchised, licensed, and company-owned EMS To You Business will be required to pay on the same basis into the Advertising and Technology Fund, except that we, in our sole discretion, may designate some or all of the Advertising and Technology Fees of a particular EMS To You Business be paid to a Local Advertising Group instead of the Advertising and Technology Fund.

We do not guarantee that advertising expenditures from the Advertising and Technology Fund will benefit you or any other franchisees directly or on a pro rata basis. We are not obligated to spend any amount on advertising in or for Technology related to your Protected Territory. Except as described in this Item 11, we assume no direct or indirect liability or obligation to collect amounts due to the Advertising and Technology Fund or to maintain, direct, or administer the Advertising and Technology Fund. We have no fiduciary obligation to you in connection with the operation of the Advertising and Technology Fund and we will not be liable for any act or omission with respect to the operation of the Advertising and Technology Fund or the use of the Advertising and Technology Fund that is consistent with this Agreement and is done in good faith.

Advertising and Technology Fees not spent in any fiscal year will be carried forward and spent in the ensuing fiscal year. If the advertising expenditure is more than the Advertising and Technology Fees collected during any calendar year, we may loan funds to the Advertising and Technology Fund on such terms that are no more favorable than the Advertising and Technology Fund could receive from other lending sources generally available to the Advertising and Technology Fund, and we will be reimbursed from the Advertising and Technology Fees during the same or subsequent years to the extent of such advances. None of the Advertising and Technology Fees will be used for advertising that is primarily for solicitation for the sale of franchises.

Although we intend the Advertising and Technology Fund to be of perpetual duration, we reserve the right to terminate the Advertising and Technology Fund. We will not terminate the Advertising and Technology Fund, however, until all monies in the Advertising and Technology Fund have been expended for advertising, promotional, or Technology purposes.

Currently, we do not have an advertising council that advises us on the Advertising and Technology Fund or other advertising matters, though we reserve the right to establish an advertising council in the future on the terms we establish. Once an advertising council is created, we may disband or terminate the council in our sole discretion.

We may remit a portion of Advertising and Technology Fund contributions back to one or more franchisees on any terms and conditions we determine in our sole discretion, including reimbursement of local advertising expenditures made by a franchisee. We may waive and/or compromise claims for contributions to, and/or claims against or with respect to, the Advertising and Technology Fund in our sole discretion, using the Advertising and Technology Fund to pay any of these claims. We will have sole discretion as to whether or not we take legal or other action against any franchisee who is in default of his, her or its obligations concerning the Advertising and Technology Fund (including obligations to make contributions) and whether a franchisee may be allowed to make direct advertising expenditures in place of contributions to the Advertising and Technology Fund.

Since we have no franchisees as of the date of this Disclosure Document, we have not made any expenditures of the Advertising and Technology Fund.

We are not obligated to spend any amount on advertising in the geographical area where you are or will be located.

Local Advertising. You are not required to spend any minimum amounts for local advertising, although we strongly recommend you conduct local advertising. Specifically, as part of our standards and specifications, we highly recommend that you solicit and seek starred Google reviews for your EMS To You Business, as those reviews help establish priority in search engine result rankings and help to drive sales for your business.

You must submit to us for our approval, at least 30 days prior to its implementation, a local advertising and marketing plan each year of the Franchise Agreement by which you intend to market your EMS To You Business during the next 12-month period. If you acquire the right to operate multiple EMS To You Businesses under the Franchise Agreement, you must submit and obtain our approval for a local advertising and marketing plan for each EMS To You Business. You may not use any advertising and marketing plans unless they have been approved in advance, in writing, by us, and you must cease using those plans upon our request. Any advertising or marketing plans submitted to us which are not approved or disapproved by us within 30 days of our receipt are deemed disapproved.

You may develop advertising materials for your own use, at your own cost. You must submit to us for our approval, at least 30 days prior to usage, all advertising materials that you desire to use. You may not use any advertising materials, including materials for Focused Marketing or Broad Area Marketing, both defined below, unless they have been approved, in advance, in writing by us, and you must cease using those materials upon our request. You must also notify us of the intended channels in which such advertising materials are to be used, and obtain our written approval of those channels in addition to the content of the advertising materials. Any advertising or marketing materials submitted to us which are not approved or disapproved by us within 30 days of our receipt are deemed disapproved.

You and other EMS To You franchisees may conduct Focused Marketing and Broad Area Marketing for your EMS To You Businesses in accordance with the terms set forth in the Franchise Agreement and the Operations Manual.

"**Focused Marketing**" is marketing in which a franchisee has control over the specific location of the distribution or display of the marketing. Focused Marketing typically includes direct solo mailings that a franchisee sends, door hangings that a franchisee distributes, newspaper advertising where a franchisee can limit the area in which the newspaper containing its advertisements are distributed, and Internet advertising where a franchisee can limit the display of the advertising to Internet users in a certain defined area. A franchisee may not conduct Focused Marketing outside of its Protected Territory.

"**Broad Area Marketing**" is any other form of marketing, and includes (i) advertising performed via a mass medium, such as yellow page advertisements, radio and television commercials, and general Internet advertising not based on the location of the Internet user; and (ii) shared mailings such as Valpak, deal-of-the-day websites, other advertising websites such as Angie's List, crowdsourcing programs such as Groupon and Living Social, and other similar situations in which a third party provides advertising services based on its own predetermined territories or areas of distribution. Each area of distribution or display of Broad Area Marketing is referred to as a "**3rd Party Marketing Area**."

You may not conduct Broad Area Marketing when the 3rd Party Marketing Area is located entirely outside of your Protected Territory. However, due to the nature of Broad Area Marketing, you may not be able to limit a Broad Area Marketing program strictly to your Protected Territory. Therefore, if you desire to conduct Broad Area Marketing for your EMS To You Business in a 3rd Party Marketing Area that includes all or a portion of your Protected Territory and an area outside of the Protected Territory, you must obtain our prior written consent. We may withhold our consent for any reason. Once our consent is given, we may withdraw it at any time by notice to you. Among other reasons, we may refuse to consent to such Broad Area Marketing, or withdraw our consent, if the portion of your Protected Territory in the 3rd Party Marketing Area represents a disproportionately small percentage of the entire 3rd Party Marketing Area.

If you desire to conduct Broad Area Marketing for your EMS To You Business in a 3rd Party Marketing Area that includes all or a portion of your Protected Territory and the protected territory of another EMS To You franchisee or franchisees, in addition to all other requirements related to such advertising, you must first notify the other EMS To You franchisee(s) and provide the other EMS To You franchisee(s) the opportunity to participate in the Broad Area Marketing program in exchange for paying a portion of the costs associated with the Broad Area Marketing. If you and the other applicable EMS To You franchisee(s) participating in the Broad Area Marketing program elect to acquire another Co-Op Line as part of your Broad Area Marketing, each of you will be responsible for paying us the portion of the Co-Op Line. See Item 6. We may require the other EMS To You franchisee(s), or if you receive a notice from another EMS To You franchisee, require you, to participate in the Broad Area Marketing. The costs of a Broad Area Marketing program may be apportioned based on the number of households in each franchisee's protected territory that is included in the applicable 3rd Party Marketing Area or on such other equitable basis as the applicable franchisees may determine, or if the applicable franchisees, including you, are unable to agree on the basis for allocation of such costs, as determined by us in our sole discretion. Any decision of ours will be final and binding on you.

If you refuse to participate in a Broad Area Marketing program after receiving notice from us that such participation is required, you will be in default of your Franchise Agreement. In that case, we may terminate your Franchise Agreement, or in lieu of us terminating your franchise, we can authorize the other EMS To You franchisee to proceed with its Broad Area Marketing program. In that event, any client in your Protected Territory who retains the services of the other EMS To You franchisee as a result of the Broad Area Marketing program will be deemed the same as a client resulting from a referral to or unsolicited inquiry of such other EMS To You franchisee, and whom the other EMS To You franchisee may service. See Item 12.

Notwithstanding the definitions of Focused Marketing and Broad Area Marketing above, if we in our sole discretion determine that any particular form or instance of marketing which would otherwise qualify as Focused Marketing is likely to result in substantial exposure to recipients, viewers, or other members of the public residing outside of (or who would likely be seeking services outside of) the applicable franchisee's protected territory ("**Excess Audience Focused Marketing**"), then we may

specify that such Excess Audience Focused Marketing is to be treated as Broad Area Marketing rather than Focused Marketing. Excess Audience Focused Marketing may include, by way of example, at our discretion, advertising at events and venues such as home shows and other trade or industry shows, property manager meetings, and other business association or group meetings, or advertising through the use of a billboard that is on an interstate or state highway. We have the final determination as to whether the promotional or advertising activities of you or any other franchisee constitute Focused Marketing, Excess Audience Focused Marketing, or Broad Area Marketing. We may specify in the Operations Manual or otherwise that certain forms or channels of marketing will always be considered Excess Audience Focused Marketing and therefore treated as Broad Area Marketing. We may also consider the specific circumstances of certain types of marketing on a case-by-case basis to determine whether it is Excess Audience Focused Marketing that should be treated as Broad Area Marketing. In the event of Excess Audience Focused Marketing that is treated as Broad Area Marketing, the applicable franchisees shall work to determine what should constitute the 3rd Party Marketing Area and the apportionment of costs between them, and if they are unable to agree then our decision of such matters shall be binding.

To the extent that a 3rd Party Marketing Area includes the protected area of an EMS To You Business operated by us or we desire to engage in a Broad Area Marketing program for any EMS To You Business we operate, we will be bound to the policy described above.

Based on the length of the Franchise Agreement term and the constant evolutions, innovations, changes, and developments in marketing practices and methods, we reserve the right to modify the terms for Focused Marketing and Broad Area Marketing. In particular, we may modify the definitions and categories of what constitutes Focused Marketing, Broad Area Marketing, and Excess Audience Focused Marketing, and how Focused Marketing and Broad Area Marketing may be conducted, through additions and changes to the Operations Manual or other standards and specifications. You will be bound by any of these changes.

Except as prohibited or limited by law, you must, at your sole cost, fully participate in all promotional campaigns, prize contests, client loyalty programs, special offers, discount programs including deal-of-the-day and crowdsourcing programs, and other programs, whether international, national, regional, or local in nature, which we prescribe. In addition, at your sole cost, you must honor any coupons, client loyalty program points or credits, gift certificates, discounts, or other authorized promotional offers that we prescribe for the franchise system, unless we agree otherwise.

Any car wrap advertising or radio or television advertising for your EMS To You Business must refer to the Toll-Free Number and no other telephone number. All Internet advertising for your EMS To You Business and, unless we agree otherwise, any Broad Area Marketing, must refer to either the Toll-Free Number or the number for a Co-Op Line. All other advertising must refer to a Co-Op Line telephone number and not the Toll-Free Number. You may not use or advertise any phone number other than the Toll-Free Number and Co-Op Line Number in your EMS To You Business, without our consent. You must obtain our approval of any advertising that features or utilizes a phone number provided by the advertising services provider (an "**Advertising Line**"). In that case, we may require that the Advertising Line connect to a particular telephone line (which may be Co-Op Line, Toll-Free Number, or another phone line we establish for that purpose). We may modify the requirements for which telephone numbers may or must be used in particular advertising situations through the Operations Manual.

You may not establish a website or advertise in any electronic media, including the Internet, without our prior written approval. In order to obtain our approval, you must submit to us all information pertaining to these advertisements. We may withhold our consent for any website or electronic

advertising you create or establish for any reason. You must comply with our guidelines related to the use of any social networking or social media website, including Facebook, X, LinkedIn, or Instagram.

In the event that there are any disputes between you and any other EMS To You franchisee or between you and us regarding any advertising issues, including whether a particular form of marketing constitutes Focused Marketing or Broad Area Marketing, or issues related to a 3rd Party Marketing Area or apportionment of any Broad Area Marketing program costs, our determination in our sole discretion will be binding upon the parties and final.

Local Advertising Groups. We may require you to join a local advertising group ("**Local Advertising Group**") that includes other franchisees in your market area. If we do, you must contribute to the Local Advertising Group in accordance with the rules and regulations of the Local Advertising Group. We may direct you or other franchisees to pay all or part of the required Advertising and Technology Fees to the Local Advertising Group. The membership, rules, and regulations of a Local Advertising Group, including how advertising fees are to be spent, will be determined by the Local Advertising Group's member franchisees, but must be approved in advance by us. The Local Advertising Group must operate based on written governing documents, and those documents will be available for review by franchisees. A Local Advertising Group must provide quarterly financial reports to us, and those reports will be available for review by franchisees at our headquarters. We can require Local Advertising Groups be changed, dissolved, or merged. If a Local Advertising Group is established in a market area, all company-owned EMS To You Businesses operating in that market area, if any, will contribute to the Local Advertising Group on an equivalent basis with franchisees.

Site Selection.

Under the Franchise Agreement, you must operate your EMS To You Business only at and from a single location (the "**EMS To You Location**"), which may be your personal residence. We recommend that you launch your EMS To You Business from your personal residence in order to reduce your expenses. You may choose to select a commercial location for your EMS To You Location when your EMS To You Business can justify the additional expense, although we do not require that you obtain a commercial location. If your residence is used as the EMS To You Location, then it must meet all applicable rules and regulations to qualify as a home office for tax purposes, but our approval is not required. If your EMS To You Location is not in your residence, then we must review and approve your site selection and the lease or purchase agreement for your site. Our review and approval of your site selection will be based on an analysis of local competing businesses, demographics, visibility, accessibility, suitability of the premises to be leased, and other factors more fully described in the Operations Manual. If we do not approve the site selection, you must select another site. See Section 4.1 of FA. For as long as you are unable to locate a site that meets our approval, you will be required to operate out of your residence.

You must have a physical location address in each of your Protected Territories that meets Google's then-current requirements for local marketing purposes in those territories. You are not required to operate your business from these physical addresses. A location obtained for marketing purposes under this paragraph does not require our approval. These requirements may be modified and expanded in the Operations Manual.

Time to Opening.

You will be deemed to have commenced operations of your EMS To You Business when you have completed the initial training program described below. The Franchise Agreement is typically

signed during or at the completion of the initial training program. See the section titled "Training Programs" below.

The typical length of time between signing the Franchise Agreement and providing your first EMS session to a client through your EMS To You Business is estimated to be between 15 and 60 days. Factors that will affect the length of time it takes you to start providing these services include your ability to obtain permits for operating your EMS To You Business, your local advertising campaign, and when you or your Operations Manager can attend and complete the required initial training.

If you have not provided your first EMS session to a client through your EMS To You Business within 90 days after signing your Franchise Agreement, then we can terminate the Franchise Agreement and keep the entire Initial Franchise Fee as liquidated damages, not as a penalty.

Computer Requirements.

You must acquire and use a computer system in your EMS To You Business operations. We currently have no standards for your computer other than it be able to access the Internet and be able to run Microsoft Office Excel. We reserve the right to establish additional requirements for a computer system in the future and you must conform your computer system to our requirements upon 60 days' notice to you. The estimated cost of purchasing this required computer system ranges from $0, if you already have the necessary computer system, to $1,300. See Item 7.

You are responsible for the ongoing maintenance and support of your computer system. We estimate your annual costs of maintenance and repair costs to be approximately $25 to $50 per year. Neither we nor any affiliate or third party is obligated to provide any ongoing maintenance, repairs, upgrades, or updates for your computer system. Neither we nor any affiliate or third party is obligated to provide or assist you in obtaining the above items or services. We may in the future require you to obtain these items or services from us or designated suppliers.

As of the date of this Disclosure Document, we do not have independent access to your computer system; however, no contractual restrictions exist concerning our ability to require you to give us independent access in the future and we reserve the right to require you to do so.

You must accept credit and debit cards from clients of your EMS To You Business. You may not charge your clients any additional fees or service charges if they elect to pay by credit or debit card. The Payment Card Industry ("**PCI**") requires all companies that process, store, or transmit credit or debit card information to protect the cardholders' information by complying with the PCI Data Security Standard ("**PCI DSS**"). Therefore, you must be PCI compliant by following and adhering to the then-current PCI DSS, currently found at www.pcisecuritystandards.org, or any similar or subsequent standard for the protection of cardholder data throughout the term of your Franchise Agreement. PCI mandates the PCI DSS compliance.

You must also have a telephone and number for your EMS To You Business telephone. We recommend you have a smart phone so you can receive calls while mobile.

You must comply with all terms and conditions established by us related to the use of any website that we operate or provide, including the terms of use, privacy policy, and any other legal notices available on the website. You must comply with the terms of the privacy policy as the party disclosing information in regard to any information you disclose to us or other parties through the website, and as the party collecting the information with regard to any personal information of any third parties that you

receive through the website. In particular, you must comply with the privacy policy as the collecting party related to any information disclosed by the Scheduling Center to you which was received by the Scheduling Center through the EMS To You Scheduling and Marketing System over the Internet.

All of the software programs and Internet applications or websites that we require you to use in your EMS To You Business, including but not limited to the EMS To You Scheduling and Marketing System, are deemed part of the Licensed Methods under the Franchise Agreement.

Training Programs.

We provide an initial training program at no additional charge for you, or if you are an entity, a person designated by you to assume primary responsibility for the management of your EMS To You Business (the "**Operations Manager**"), and up to one additional employee, provided the training of the additional employee is done at the same time as your or your Operations Manager's training. We may require any other principal(s) or employee(s) of your EMS To You Business to attend and satisfactorily complete all initial training programs. If you are acquiring your EMS To You Business as the result of a transfer, you will be required to pay a transferee's training fee of $1,000. Before providing your first EMS session to a client through your EMS To You Business, you or your Operations Manager must attend and complete the initial training program to our satisfaction. It is required that you, your Operations Manager and all of your principal(s) or employee(s) participating in the initial training program sign a Confidentiality/Application Agreement prior to taking the initial training course. That Confidentiality/Application Agreement is attached to this Disclosure Document as Attachment B.

All of these training programs are conducted at our headquarters in Lakewood, Colorado, U.S.A. The initial franchise training program lasts up to two business days of classroom training plus one day of on-the-job training. The actual length of your training programs and your training schedules may be adjusted by us based on your prior experience or training. Typically, the initial training program is conducted before you sign your Franchise Agreement. Following the second day of classroom training, we may refuse to offer a franchise to you. If we do offer a franchise to you, you may accept our offer by executing our Franchise Agreement at that time, or you may reject our offer. The initial training program must be completed prior to the time that you provide your first EMS session to a client through your EMS To You Business. Our training program uses written materials developed by us and approved vendors.

You are responsible for the transportation and living expenses of you or your Operations Manager and any of your employees while attending the training programs.

We do not maintain a formal training staff. The initial training program is supervised by our Training Manager, Monica Silva. Ms. Silva has one year of experience with us and approximately two years of experience in the field. Other employees of ours and our suppliers or other existing franchisees may also participate in providing training. Each of our instructors has demonstrated to us satisfactory knowledge of the topics they instruct and are overseen and reviewed by Ms. Silva.

We plan on being flexible in scheduling training to accommodate our personnel, you, and your employees. There are currently no fixed (i.e. monthly or bi-monthly) training schedules for the initial training program. As of the date of this Disclosure Document, our training programs consist of the following topics:

TRAINING PROGRAM

Initial Training Program

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-the-Job Training	Column 4 Location
Marketing	3 – 4 hrs.	0	Lakewood, Colorado
Management Duties	1 – 2 hrs.	0	Lakewood, Colorado
Scheduling Center Operations	1 – 2 hrs.	0	Lakewood, Colorado
Machine Operations	8 hrs.	5 – 8 hrs.	Lakewood, Colorado
TOTAL TRAINING	**13 – 16 hours**	**5 – 8 hours**	

If we determine that it is appropriate or necessary, we can require that you or your Operations Manager, as applicable, re-attend and successfully complete the initial training program, at your sole cost and expense. If we determine that you or your Operations Manager require training in addition to the initial training program, or if you reasonably request additional training and we in our sole discretion agree to provide it, then we will provide notice to you of the additional training, and we will conduct the additional training program at a location we designate. You will be responsible for paying the travel, lodging and other costs for you, your Operations Manager, or your other representatives, and you will be required to pay us our reasonable fees for conducting additional training. See Item 6.

We may present seminars, international, national, or regional conventions, continuing development programs, or other meetings. Most of these are voluntary and your attendance is not required. However, you or your Operations Manager must attend any mandatory seminars, programs, or meetings we conduct, not to exceed two of these programs per year. We will give you at least 30 days' prior written notice of any seminar, convention, program, or meeting that is mandatory. All mandatory training will be offered without a tuition charge; provided that we may allocate the costs incurred in holding these training programs, including facility costs, materials expenses, food and banquet expenses, and all other expenses for related activities equally among all franchisees whose attendance is required, regardless of attendance at the meeting or convention. You will be required to pay your pro-rata share if you attend the meeting or convention and 200 percent of your pro-rata share if you do not attend the meeting or convention. We may choose to waive all or a portion of the costs of attendance for any attendees of any convention or meeting without being obligated to waive any costs for non-attendees of the convention or meeting. You will also be responsible for all transportation and living expenses incurred while attending these programs. If you fail to attend a program at which attendance is deemed mandatory, we may, without waiving any other rights, also require you to attend and complete a make-up or alternative program at a location determined by us, and you will be responsible for the costs of the make-up program.

Operations Manual.

Our Operations Manual consists of one or more manuals, technical bulletins, videotapes, CD-ROMs or other written or media materials; and may be modified by us. At our option, we may make the Operations Manual available to you via the Internet (including through the Inner Circle portion of our website) or other electronic means. If any inconsistencies exist between the provisions in any Operations Manual we loan to you, or otherwise make available to you, and our master Operations Manual we maintain at our office, regardless of whether it is in electronic or other form, our master Operations Manual will control. We may modify the Operations Manual in our sole discretion and you must

conform your EMS To You Business to any modification within 30 days of being notified of the change. The Operations Manual must always be followed, even as modified by us.

The Table of Contents of our Operations Manual is set forth in Attachment H. There are 158 total pages in our Operations Manual.

ITEM 12
TERRITORY

We recommend that your EMS To You Location be your personal residence, as this approach will save you a substantial amount of money. You may, however, select a commercial office building, industrial office complex, or business park facility as your EMS To You Location. We must review and approve your selection of your EMS To You Location. You must also have a physical location address in each of your Protected Territories for Google local marketing purposes. See Item 11.

You will receive a designated territory as your Protected Territory that will be delineated by county, city, zip codes, street boundaries, or other designated geographical boundaries as determined by Census Bureau statistics. Your Protected Territory will contain approximately 110,000 households. You will operate from one location, your EMS To You Location, and you must notify us before relocating your EMS To You Location. We will generally approve your relocation to a new EMS To You Location if the new location is your new personal residence, or, otherwise, if the new location is located in your Protected Territory.

As long as you remain in compliance with your Franchise Agreement, we will not operate locations or grant franchises for an EMS To You Business within your Protected Territory. However, other franchisees may engage in Broad Area Marketing covering areas that may include your Protected Territory and may accept business resulting from referrals or unsolicited inquiries from clients within your Protected Territory, just as you may do outside of your Protected Territory as described herein. Your rights to your Protected Territory are further subject to any N&I Account Program we may establish, as discussed below. We or an affiliated company of ours may also operate businesses or grant franchises to operate businesses, within or outside of your Protected Territory, if they are operated under a different name or if they offer different goods or services. We have no plans at this time, however, to operate or franchise any other businesses selling goods or services similar to those you will offer. Provided you are in compliance with your Franchise Agreement, you will maintain rights to your Protected Territory, even though the population may increase.

Notwithstanding the above, we may temporarily grant another franchisee the right to schedule and perform EMS sessions in and operate its EMS To You Business in certain portions of your Protected Territory if you advise us that you are not going to be servicing those portions of your Protected Territory for a specified period of time.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You are not restricted on the number of electro muscle stimulations machines you may operate in your Protected Territory.

If you desire a territory larger than 110,000 households, you must purchase franchises for additional EMS To You Businesses. See Item 5 for discussion on the Initial Franchise Fee for second and subsequent franchises.

You do not receive the automatic right under the Franchise Agreement to acquire additional franchises for EMS To You Businesses with Protected Territories adjacent to your Protected Territory, or any other options, rights of first refusal, or similar rights to acquire any additional franchises from us. In certain cases, in our sole discretion, potential franchisees may acquire an option to open an EMS To You Businesses in a defined Reserved Territory pursuant to a Deposit Agreement. The Deposit Agreement and Reserved Territories are discussed in Item 5. We may in our discretion offer you the right to acquire additional franchises in the future.

You must devote your marketing to clients solely in your Protected Territory, although you may accept business resulting from referrals or unsolicited inquiries from clients outside your Protected Territory. You may engage in Broad Area Marketing covering an area that includes but extends beyond your Protected Territory under certain conditions as stated in Item 11 above. You may not solicit clients from outside your Protected Territory without our prior written approval. If you do solicit clients outside your Protected Territory, without our prior approval, then we have the right to require you to send all of the revenues derived from those clients to the franchisee who has acquired the territory where those clients are located, or to us. You may not use other channels of distribution, such as the Internet, to make sales outside of your Protected Territory, except as part of a Broad Area Marketing campaign in accordance with the terms above.

Focused Marketing and Broad Area Marketing materials distributed or displayed within a franchisee's own protected territory are not considered a solicitation with regard to clients outside of the franchisee's protected territory. If a client located outside of the protected territory of a particular EMS To You franchisee is exposed to advertising by that franchisee that is distributed or displayed in that franchisee's protected territory, and that client later retains the services of that franchisee as a result of the advertising, that franchisee may provide those services to the client regardless of the location of the client.

Other restrictions on your marketing activities are stated in Item 11.

If you provide EMS sessions to any client outside of your Protected Territory and within an area that is not, at the time any such services are provided, within the protected territory of another EMS To You Business (a "**Previously Unassigned Location**"), whether such EMS sessions result from referrals or unsolicited inquiries, Broad Area Marketing, or otherwise, we may assign, direct, and refer that client to an EMS To You Business that has, as its protected territory, all or part of the Previously Unassigned Location (the "**New Business**"). We may also take any other actions we deem appropriate to assign, direct, or refer these clients to the New Business, including but not limited to sending notices to the clients in the Previously Unassigned Location of the New Business or advising those clients of the New Business when they contact our Scheduling Center.

We reserve the right to solicit businesses with locations in more than one geographic area to participate in our "**National and International Account Program**" or "**N&I Account Program**." We have the right to solicit clients within your Protected Territory, including existing clients of your EMS To You Business, to become clients under our N&I Account Program, and you must cooperate with us and assist us in such solicitation. Unless waived by us, you must participate in and comply with the rules of our N&I Account Program by providing services to N&I Account Program clients who have locations within your Protected Territory. The rules for the N&I Account Program may include requirements related to the types of services to be performed, additional training, the pricing for the services, the payment of any fees to us for additional training, administering the N&I Account Program, and referring clients, and a quality review by us of the services you provide. These terms may vary depending upon the N&I Account Program client. If you fail to comply with the terms of the N&I Account Program or if we

determine at any time that you have not provided a satisfactory level and quality of service to a client under the N&I Account Program, you will be in default of your Franchise Agreement and we may appoint another franchisee of ours to perform any future services for that client's locations within your Protected Territory.

We further have and retain the right under the Franchise Agreement to: (a) develop and establish other franchise systems for different products or services utilizing proprietary marks not now or in the future designated as part of the Licensed Methods, and to grant licenses for these other franchised or licensed systems without providing you any right in those systems; (b) open, operate, sell, and/or manage EMS To You Businesses outside the Protected Territory; (c) use or license others to use the Marks and Licensed Methods for the operation of EMS To You Businesses at any location other than in the Protected Territory; (d) use the Marks and the Licensed Methods in connection with the provision of other services and products or in alternative channels of distribution (including, but not limited to, Internet, catalog, mail order, telemarketing or other direct marketing sales), without regard to location; and (e) use and license the use of other proprietary marks or methods of doing business which are not the same as, or confusingly similar to, the Marks or Licensed Methods, whether in alternative channels of distribution (including, but not limited to, Internet, catalog, mail order, telemarketing, or other direct marketing sales) or the same channels of distribution, at any location, including within the Protected Territory, which may be similar to or different from EMS To You Businesses. We retain and may exercise these rights without any compensation to you.

We can acquire or be acquired by, or engage in any other transaction with, other businesses (competitive or not) with companies or units located anywhere, including arrangements where other units are (or are not) converted to the Licensed Methods or other format, or in which company-owned, franchised or other businesses (including your EMS To You Business) are (or are not) converted to another format (whether competitive or not), or both, and is maintained as the same concept, or as a separate concept in your Protected Territory. You must fully cooperate with any of these conversions, at your sole expense.

Your rights to your Protected Territory or the Franchise Agreement's continuation are not dependent upon you achieving any sales quotas, market penetrations, or other contingencies.

ITEM 13
TRADEMARKS

Our parent company, Barnett Enterprises Corp. ("**BEC**"), has registered the following Marks with the United States Patent and Trademark Office on the Principal Register:

Mark	Registration Number	Date of Registration
EMS TO YOU	8160489	March 3, 2026
EMS TO YOU	8160492	March 3, 2026
	8160494	March 3, 2026

BEC intends to continue to renew the registrations of these Marks at the appropriate time.

BEC has granted us, in a License Agreement, dated effective June 27, 2025, an exclusive, royalty-free license to use and to permit our franchisees to use, the Marks anywhere in the world. The license is for 10 years commencing June 27, 2025, but it will automatically renew for additional 10-year periods if we do not materially breach the License Agreement by engaging in any activity that damages the Marks or the goodwill of BEC. If the license is terminated, BEC has agreed to license the use of the Marks directly to our franchisees until each franchise agreement expires or is otherwise terminated.

In addition to those Marks listed above, we claim common law service or trademark rights to a number of other words, phrases, or designs that you may use in your EMS To You Business.

The following statements apply solely to any unregistered principal trademarks and service marks. We do not have a federal registration for our principal trademark. Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Under the Franchise Agreement, we grant you the right and license to use the Marks and the Licensed Methods solely in connection with your EMS To You Business. You may use our Marks only in the manner authorized and permitted by us and you may not directly or indirectly contest the ownership or rights of BEC or us in the Marks. You cannot use the name "EMS To You" as part of your business name. You cannot use our Marks as part of an electronic address, domain name or on any websites on the Internet, or with modifying words, designs or symbols, except as we may license to you, without our prior written consent, which may be withheld for any reason. You may not use our Marks with an unauthorized product or service, or in a manner not authorized in writing by us. You must modify or discontinue your use of our Marks if we require the modification or discontinuance of them, at your expense.

There are presently no effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the trademark administrator of any state, or any court that apply to the Marks.

Except as described above, no agreements significantly limit our right to use or license the use of the Marks in a manner material to the franchise.

Our logos are part of our Marks.

The Franchise Agreement does not contain any provisions under which we are required to defend or indemnify you against any claims of infringement or unfair competition arising out of your use of the Marks. If litigation involving the Marks is instituted or threatened against you, the Franchise Agreement requires you to notify us promptly and cooperate fully with us in defending or settling the litigation.

We have no actual knowledge of either superior prior rights or infringing uses that could materially affect your use of the Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents Rights and Copyrights.

No patents or pending patent applications are material to the franchise.

We claim a copyright and treat the information in the Operations Manual as confidential trade secrets. We also claim a copyright in the software used in our EMS To You Scheduling and Marketing System and our other written materials. You are permitted to use the Operations Manual, the EMS To You Scheduling and Marketing System, and our written materials as part of your EMS To You Business. We have not registered any of these materials with the U.S. Copyright Office.

Operations Manual and Other Confidential Information.

Our Operations Manual and related materials are proprietary and confidential. They are our property to be used by you only as described in and during the term of the Franchise Agreement. The Operations Manual and other materials that contain our Marks or which are otherwise proprietary to us must be returned to us if your Franchise Agreement expires or is terminated for any reason.

The Franchise Agreement requires you to maintain all of our Confidential Information as confidential both during and after the term of the Franchise Agreement. "**Confidential Information**" includes all information, data, techniques, and know-how designated or treated by us as confidential and includes the Operations Manual. You may not at any time disclose, copy, or use any Confidential Information except as specifically authorized by us. Under the Franchise Agreement, you agree that all information, data, techniques, and know-how developed or assembled by you or your employees or agents during the term of the Agreement and pertaining to the Licensed Methods will be deemed a part of the Confidential Information protected under the Franchise Agreement. You may not use our Confidential Information in any unauthorized manner and you must take reasonable steps to prevent their disclosure to others. We may, in our discretion, require you and each of your officers, partners, directors, beneficial owners and employees who become aware of or have access to our confidential information, and their immediate family members, generally meaning their spouses, parents, siblings, and adult children, to execute our Nondisclosure and Noncompetition Agreement in the form attached to this Disclosure Document as Attachment C. You must provide us with a copy of each Nondisclosure and Noncompetition Agreement at the time it is signed and thereafter upon our request. We will require you, your Operations Manager and each of your officers, partners, directors, beneficial owners and employees who participate in the initial training program to execute our Confidentiality/Application Agreement in the form attached to this Disclosure Document as Attachment B, prior to any participation in the program.

Our right to use or license the copyrighted and other proprietary and confidential materials is not materially limited by any agreement or known infringing use. There is no determination of any administrative office or any court regarding these materials.

ITEM 15
OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

You are not required to personally participate in the direct operation of your EMS To You Business. If you do not personally participate in the direct operation of your EMS To You Business on a daily basis, you must appoint an Operations Manager, who must participate in the direct operation of your EMS To You Business on a daily basis. If you are a business entity, your designated Operations Manager does not need to have an ownership interest in you.

You or your Operations Manager must successfully complete the initial training program. You may have one additional person attend the initial training program with you or your Operations Manager. Any replacements or subsequent Operations Managers must be trained fully according to our standards by

either you or us. If we provide this additional training, we may charge a fee to you. See Items 6 and 11 of this Disclosure Document.

You are responsible for recruiting, appointing, hiring, firing, and supervising your employees, independent agents, Operations Managers, and other representatives. You are solely responsible for implementing training and other programs for your employees and agents related to the legal, safe, and proper performance of their work, regardless of the fact that we may provide advice, suggestions, and certain training programs. The advice, suggestions, and training we provide are to protect our brand and the Marks and not to control the day-to-day operation of your EMS To You Business. You will have sole authority and control over the day-to-day operations of the EMS To You Business and its employees and other representatives.

If you are an entity, each individual who holds an ownership interest in you must personally guarantee all of your obligations under the Franchise Agreement. (See Exhibit II of the Franchise Agreement for the form of Guaranty and Assumption of Franchisee's Obligations.)

We may require you to cause each of your Operations Managers, officers, directors, partners or shareholders, employees, independent agents, and any member of your or their immediate families, to execute our standard Nondisclosure and Noncompetition Agreement, a copy of which is attached to this Disclosure Document as Attachment C. We will require you to cause each of your Operations Managers, officers, directors, partners or shareholders, and any member of your or their immediate families, who participates in the initial training program to execute the Confidentiality/Application Agreement attached as Attachment B, prior to any participation in the program. If we require any immediate family member to execute our standard Nondisclosure and Noncompetition Agreement or Confidentiality/Application Agreement after your execution of the Franchise Agreement, you must use your best efforts to cause the execution of that agreement.

Other than the requirements above, we make no recommendations and have no requirements regarding written employment or other written agreements between you and your employees.

ITEM 16
RESTRICTIONS ON
WHAT THE FRANCHISEE MAY SELL

You must operate your EMS To You Business in strict conformity with all prescribed methods, procedures, policies, standards, and specifications in the Licensed Methods, as described in the Operations Manual and in other writings provided to you by us. You must use your EMS To You Location only for the operation of the EMS To You Business (except if it is also your personal residence) and you may not operate any other business at or from your EMS To You Location without our express prior written consent, which may be withheld for any purpose.

You may offer and sell only those goods and services that we approve. We maintain a written list of approved goods and services in the Operations Manual, which we may change (see Item 8 in this Disclosure Document).

You must offer all goods and services that we designate as required for all franchises. In addition, we may require you to comply with other requirements (such as state or local licenses, training, marketing, insurance) before we will allow you to offer certain optional services.

Initially, you must purchase at least one Electro Muscle Stimulator and an initial set of bodysuits. On an ongoing basis, you must order new bodysuits as necessary. You must also purchase a minimum volume of other equipment, materials and related items, forms, and other supplies as we may designate from us or our designated suppliers, to comply with the our policies and standards.

We reserve the right to designate additional required or optional services in the future and to withdraw any of our previous approvals. In that case, you must comply with the new requirements.

We may impose restrictions regarding your access to, and the services and pricing for, clients with multiple business locations under our N&I Account Program described in Item 12 above.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTIONS

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 or Other Agreement	Summary
a. Length of the Franchise Term	Franchise Agreement ("**FA**") Section 3.1	7 years
b. Renewal or extension of the term	FA Section 3.3	Successive term of 7 years each, subject to certain terms
c. Requirements for you to renew or extend	FA Section 3.3	Not less than 120 days nor more than one year written notice; compliance with Franchise Agreement; satisfaction of all monetary obligations owed us; execution of our current form of Franchise Agreement (which may contain terms and conditions materially different from your original Franchise Agreement); meet current qualification and training requirements; modify EMS To You Business and operations to conform with current Operations Manual; execution of a general release; pay successor franchise fee; others
d. Termination by you	FA Section 18.4	Upon our breach the Franchise Agreement, if you provide us with written notice within 30 days of the breach and a reasonable opportunity to cure of not less than 90 days (subject to state law)
e. Termination by us without cause	FA Section 18.3	We can terminate at our option if there is a force majeure event that prevents us from performing our obligations under the Franchise Agreement and continues for longer than six months
f. Termination by us with cause	FA Sections 18.1 and 18.2	We can terminate if you commit any one of several listed violations

Provision	Section in Franchise or Other Agreement	Summary
g. "Cause" defined-curable defaults	FA Section 18.2	You have 7 days to cure the filing of a legal action in violation of the dispute resolution terms in the Franchise Agreement; 10 days to cure a failure to make payments, misuse of Marks, and failure to submit reports or other records; and 30 days to cure other defaults under Franchise Agreement not listed as non-curable (subject to state law). If we provide you with a notice of default, we and our affiliates may suspend services to you and cancel your scheduled appointments until each default is cured.
h. "Cause" defined-non-curable defaults	FA Section 18.1	Non-curable defaults under the Franchise Agreement include unauthorized disclosure of Operations Manual or other confidential information; abandonment of EMS To You Business; 3 notices of default during the term even if cured; insolvency or bankruptcy; criminal convictions; unauthorized transfer; material misrepresentation on initial application; failure to complete training; condemnation or loss of EMS To You Location if not relocated and reopened within 60 days; contesting our ownership in Marks; improper business practices; sexual harassment or discrimination; Acts of Deception (as defined in Section 16.5 of the Franchise Agreement); violations of non-compete or other in-term restrictive covenants; breach of other agreement between us or any of our affiliates and you or any of your affiliates; guaranty becomes unenforceable or inadequate; others (subject to state law).
i. Your obligations on termination/non-renewal	FA Sections 18.5, 18.7 through 18.10	Includes payment of money owed to us; payment of an amount equal to the minimum Royalty Fees due over the shorter of three years or the remaining term under the Franchise Agreement, if terminated due to your default; discontinue using Marks; return Operations Manual and other materials; transfer phone numbers and listings; shut down websites and transfer web addresses; cease operating EMS To You Business; amend or cancel assumed names; use no marks likely to cause confusion; offer us the option to purchase your inventory and equipment and assume your lease; modify premises; abide by all post-termination covenants (see row "r" also); others. We have the right to take these actions if you fail to do so. Any loans to you from us become immediately due.
j. Assignment of contract by us	FA Section 17.1	No restriction on right to transfer
k. "Transfer" by you – defined	FA Section 17.2	Includes assignment of Franchise Agreement, transfer of an ownership interest in business entity, transfer of substantial portion of assets of business, transfers by operation of law
l. Our approval of transfer by you	FA Sections 17.3	We have the right to approve all transfers of your Franchise Agreement

Provision	Section in Franchise or Other Agreement	Summary
m. Conditions for our approval of transfer	FA Sections 17.3 and 17.4	Notice; comply with Franchise Agreement; payment of all monetary obligations owed us; transferee signs current form of Franchise Agreement (which may contain terms and conditions materially different from the original Franchise Agreement); transfer fee or resale assistance fee paid; general release signed; transferee purchases assets and assumes liabilities of business including outstanding promotional offers; training fee paid; transferee completes initial training program; transferee meets current standards; purchase agreement approved; others (see row "r" also)
n. Our right of first refusal to acquire your business	FA Section 17.6	We have the option to match any offer for your EMS To You Business
o. Our option to purchase your business	FA Sections 18.8 and 18.9	We have the option to purchase the assets and assume or enter into a lease for any non-residential premises of your EMS To You Business upon termination or expiration
p. Your death or disability	FA Section 17.5	Franchise must be assigned (see rows "l" and "m" above) to a third party approved by us within 90 days. In our sole judgment we may operate the business as long as we deem necessary or practical.
q. Non-competition covenants during the term of the franchise	FA Section 20.1	Prohibited from owning, operating or performing services for a business competing with us and from diverting the employees of us or other franchisees to a position outside of the EMS To You franchise system (subject to state law)
r. Non-competition covenants after the franchise is terminated or expires	FA Sections 20.2 and 20.4	No involvement in a business competitive with us for 2 years within a 20 mile radius of your Protected Territory or the Protected Territory of any other EMS To You Business; no diverting the employees of us or any other franchisees to a position outside of the EMS To You franchise system for 2 years (subject to state law)
s. Modification of the agreement	FA Section 23.1	The Franchise Agreement may be modified by a writing signed by both parties or, at our option, upon approval of 75% of our franchisees affected by the modification. The Operations Manual may be modified unilaterally by us.
t. Integration/ merger clause	FA Section 23.2	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement is intended to disclaim any representations made by us in this Disclosure Document.
u. Disputes resolution by arbitration or mediation	FA Section 22.1	Except for certain claims, all disputes must be arbitrated in Denver, Colorado (subject to state laws). If a claim can be brought in court, both you and we agree to waive our rights to a jury trial.

Provision	Section in Franchise or Other Agreement	Summary
v. Choice of forum	FA Sections 22.1 and 22.5	Colorado (subject to state laws)
w. Choice of law	FA Section 22.5	Federal and Colorado law (subject to state laws). The Colorado Consumer Protection Act does not apply.

Certain states have statutes that may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise. Certain states may also have court decisions that may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise. See the State Specific Addenda, which is attached to this Disclosure Document as Attachment M.

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchise. You may use the name of a public figure or celebrity in your promotional efforts or advertising only with our written approval.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Jonathan Barnett at 143 Union Boulevard, Suite 825, Lakewood, Colorado, U.S.A. 80228 and 1-877-571-5511, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Item 20 Table No. 1
Systemwide Outlet Summary
For Years 2023 to 2025[1]

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
Franchised[2]	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned[3]	2023	0	0	0
	2024	0	1	+1
	2025	1	1	0
Total Outlets	**2023**	**0**	**0**	**0**
	2024	**0**	**1**	**+1**
	2025	**1**	**1**	**0**

(1) Each year period begins on January 1 and ends on December 31.
(2) We did not commence selling franchises until August 2025, and did not have any franchisees in any prior years.
(3) Operated by our affiliate, EMS To You Denver.

Item 20 Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023 to 2025[1]

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Total	**2023**	**0**
	2024	**0**
	2025	**0**

(1) Each year period begins on January 1 and ends on December 31.

Item 20 Table No. 3
Status of Franchised Outlets
For Years 2023 to 2025[1][2]

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations-Other Reasons	Column 9 Outlets at the End of the Year
Totals	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**

(1) Each year period begins on January 1 and ends on December 31.
(2) We did not commence selling franchises until August 2025, and did not have any franchisees in any prior years.

Item 20 Table No. 4
Status of Company-Owned Outlets
For Years 2023 to 2025[1][2]

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Colorado	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	0	0	0	0	1
Totals	**2023**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**1**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**1**

(1) Each year period begins on January 1 and ends on December 31.
(2) Operated by our affiliate, EMS To You Denver.

Item 20 Table No. 5
Projected Openings As of December 31, 2025

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	0	2	0
Colorado	0	2	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
Nevada	0	1	0
Massachusetts	0	1	0
Total	**0**	**6**	**0**

A list of the names of all franchisees and the address and business telephone numbers of their outlets is provided on Attachment I to this Disclosure Document. A list of the name and last known city, state, and telephone number of each franchisee who has had an EMS To You Business terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the date of this Disclosure Document, is provided on Attachment J to this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some franchisees have signed confidentiality clauses during the last three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the EMS To You system. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

We have not created nor sponsored a franchisee advisory council, a trademark-specific franchisee association, within the EMS To You system.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Attachment K are the audited financial statements of our affiliate, Oxi Fresh Franchising Co. Inc. ("Oxi Fresh") as of December 31, 2025, 2024, and 2023. Oxi Fresh has absolutely and unconditionally guaranteed our performance of our obligations under the Franchise Agreement and state registrations. A copy of that Guarantee of Performance is included with the financial statements in Attachment K. The fiscal year end for both Oxi Fresh and us is December 31st.

ITEM 22
CONTRACTS

Attached are copies of the following agreements relating to the offer of the franchise:

Attachment A	Franchise Agreement (and attachments)
Attachment B	Confidentiality/Application Agreement
Attachment C	Nondisclosure and Noncompetition Agreement
Attachment D	Statement of Prospective Franchisee
Attachment E	Territory Reservation Deposit Agreement

ITEM 23
RECEIPTS

The last two pages of this Disclosure Document are receipt pages. Please sign and date each of them as of the date you received this Disclosure Document, detach the second receipt page, and promptly return it to us as specified on that page.

ATTACHMENT A
TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

EMS TO YOU FRANCHISING CO., INC.

FRANCHISE AGREEMENT

Franchisee: _____
Date: _____
Protected Territory: _____

EMS TO YOU FRANCHISING CO., INC.
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II. GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS
III. STATEMENT OF OWNERSHIP
IV. AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
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VI. RIDERS TO FRANCHISE AGREEMENT FOR SPECIFIC COUNTRIES, STATES, AND PROVINCES

EMS TO YOU
FRANCHISE AGREEMENT

THIS AGREEMENT ("**Agreement**") is made effective as of the date set forth on the signature page hereof, between **EMS TO YOU FRANCHISING CO., INC.,** a Colorado corporation ("**EMS TO YOU**"), and the franchisee named on the signature page of this Agreement ("**Franchisee**"), who, on the basis of the following understandings and in consideration of the following promises, agree as follows:

1. BACKGROUND AND PURPOSE

1.1. Background.

EMS TO YOU has developed and owns a unique system for establishing, operating, and marketing businesses ("**EMS To You Businesses**") specializing in in electro muscle stimulation workout sessions conducted at the client's home, office, or other location where the client is located (the "**EMS To You Sessions**" or the "**Services**"), and sales of approved supplies, materials, equipment, and other products (the "**Products**") under the marks "EMS TO YOU℠," and related service marks, trademarks, logos, and trade names (collectively, the "**Marks**") and using EMS TO YOU's unique system for operating the businesses and related licensed methods of doing business (the "**Licensed Methods**").

1.2. System.

EMS TO YOU grants the right and license to qualified individuals and entities to use the Marks and Licensed Methods to establish and operate EMS To You Businesses under its franchise system ("**System**").

1.3. Purpose.

Franchisee desires to establish an EMS To You Business and EMS TO YOU desires to grant Franchisee the right and license to operate EMS To You Business under the terms and conditions contained in this Agreement.

2. GRANT OF FRANCHISE

2.1. Grant of Franchise.

EMS TO YOU grants to Franchisee, and Franchisee accepts from EMS TO YOU, the number of franchises ("**Franchises**," or individually, a "**Franchise**") as set forth on the Addendum to Franchise Agreement, attached hereto as Exhibit I and incorporated herein by reference (the "**Addendum**"), for (i) the right and license to open and operate an EMS To You Business, and (ii) the license to use the Marks solely in connection with the establishment and operation of an EMS To You Business within a Protected Territory(ies) (as defined in **Section 4.2** below). If Franchisee is granted multiple Franchises for multiple Protected Territories, as indicated on the Addendum, the terms "**EMS To You Business**," "**Franchise**," and "**Protected Territory**" as used herein shall be deemed to refer collectively to all of Franchisee's EMS To You Businesses, Franchises, and Protected Territories, except in those cases where multiple EMS To You Businesses, Franchises or Protected Territories are specifically addressed.

2.2. Scope of Franchise Operations.

Franchisee shall use its best efforts to promote the EMS To You Business. Franchisee agrees to use the Marks and Licensed Methods, as they may be changed, improved and further developed by EMS

TO YOU from time to time, only in accordance with the terms and conditions of this Agreement, including the Addendum and the other Exhibits to this Agreement, which are attached to, and incorporated into, this Agreement.

3. TERM AND EXPIRATION

3.1. Term.

The term of this Agreement is for a period of seven years from the date this Agreement is executed by EMS TO YOU, unless sooner terminated as provided herein. Franchisee agrees to operate the EMS To You Business for the entire term of this Agreement.

3.2. Continuation.

If Franchisee continues to operate the EMS To You Business with EMS TO YOU's express or implied consent following the expiration or termination of this Agreement, the continuation will be on a month-to-month extension of this Agreement. This Agreement will then be terminable by either party on 30 days' written notice. Otherwise, all provisions of this Agreement will apply while Franchisee continues to operate the EMS To You Business.

3.3. Successor Franchise.

Provided Franchisee is not in default hereunder either at the time of its notice of exercise of successor franchise rights or at the time of the grant of the successor franchise rights, at the end of the term of this Agreement Franchisee will have the option to obtain a successor franchise for this Franchise, or for any individual Franchise if Franchisee is granted multiple Franchises under this Agreement, for additional terms of seven years each by acquiring successor franchise rights, provided that Franchisee has met all of the following requirements:

a. Franchisee executes EMS TO YOU's then current form of Franchise Agreement (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise), which may have terms substantially different than those set forth in this Agreement, within 30 days after Franchisee's receipt of such Franchise Agreement from EMS TO YOU. Specifically, but without limitation, the new Franchise Agreement may include modified territorial rights based on EMS TO YOU's then-current territory size and demarcation standards and additional and/or different fees. If Franchisee is exercising the successor franchise rights of less than all of the Franchises granted under this Agreement, the Addendum to the new Franchise Agreement executed by Franchisee shall reflect the reduction of the number of Franchises, Protected Territories and fees (as applicable).

b. Franchisee maintained compliance with all of the provisions of this Agreement during the term, including payment, on a timely basis, of all fees and other payments due hereunder. "**Compliance**" means, at a minimum, that Franchisee has not (i) failed to timely cure any breach of this Agreement specified by EMS TO YOU in a written notice to Franchisee; or (ii) received any written notification from EMS TO YOU of breach hereunder more than three times during the 24-month period prior to the expiration of the term of this Agreement, regardless of whether such breaches were timely cured.

c. Franchisee satisfies the then current standards applicable to all new EMS TO YOU franchisees, including EMS TO YOU's then current qualification and training requirements.

d. Franchisee maintains or modifies the EMS To You Business and its operations at Franchisee's sole expense (the necessity of which will be in the sole discretion of EMS TO YOU) to conform to the then current Operations Manual (hereinafter defined).

e. Except where prohibited by law, Franchisee executes a general release of any and all claims against EMS TO YOU and its affiliates, and their respective officers, directors, employees and agents, whether in their corporate or individual capacities, arising out of or relating to this Agreement.

f. Franchisee pays to EMS TO YOU a successor franchise fee in the amount of $4,000.00, which is due and payable upon execution of EMS TO YOU's then current Franchise Agreement and will be nonrefundable under all circumstances once paid. Except for the successor franchise fee described in the preceding sentence, an initial franchisee fee will not be charged upon execution of the successor Franchise Agreement. If Franchisee is exercising the successor franchise rights for multiple Franchises granted under this Agreement, Franchisee must pay the successor franchise fee for each individual Franchise.

3.4. Exercise of Option for Successor Franchise.

Franchisee may exercise its option for a successor franchise by giving written notice of such exercise to EMS TO YOU not less than 120 days, but not more than one year, prior to the scheduled expiration of this Agreement. Franchisee's successor franchise rights will become effective upon Franchisee's compliance with **Section 3.3** above. EMS TO YOU will provide Franchisee with copies of the then current Franchise Agreement within 30 days of Franchisee's notice of exercise of its option for a successor franchise. If Franchisee fails to execute and deliver the successor Franchise Agreement to EMS TO YOU within 30 days after Franchisee's receipt thereof from EMS TO YOU, then Franchisee shall be deemed to have irrevocably declined to exercise its option for a successor franchise and the Franchisee's option for a successor franchise shall terminate as of such date.

4. TERRITORY

4.1. EMS To You Location.

Franchisee's EMS To You Business will be operated from a location agreed upon by EMS TO YOU and Franchisee ("**EMS To You Location**"), which may be Franchisee's residence (if Franchisee is one or more individuals) or the residence of an owner of Franchisee (if Franchisee is a business entity). The EMS To You Location is designated in the Addendum. If Franchisee's residence is used as the EMS To You Location, then Franchisee's home office must meet all applicable rules and regulations to qualify as a home office for tax purposes in the country where the Protected Territory is located. If the EMS To You Location is not located in Franchisee's residence, EMS TO YOU must review and approve the lease or purchase agreement based on an analysis of local competing businesses, demographics, visibility, accessibility, suitability of the premises to be leased, and other factors more fully described in the Operations Manual. If EMS TO YOU does not approve the location selected by Franchisee, Franchisee must select another site. Franchisee must have the prior written approval of EMS TO YOU for the location of the EMS To You Location, and the EMS To You Location may not be relocated without the prior written consent of EMS TO YOU. Franchisee agrees to comply with any standards established by EMS TO YOU from time to time regarding Franchisee's EMS To You Location within 30 days of receipt of written notice from EMS TO YOU of such standards.

4.2. Protected Territory.

a. EMS TO YOU has designated a protected territory as set forth in the Addendum (the "**Protected Territory**") in which EMS TO YOU agrees it will not operate, or grant a Franchise to a third party to operate an EMS To You Business utilizing the Marks, subject to the rights of other franchised or EMS TO YOU-owned EMS To You Businesses to engage in Broad Area Marketing (defined in **Section 13.2**) covering areas that may include the Protected Territory and to accept business resulting from referrals or unsolicited inquiries from clients within the Protected Territory (as described in **Section 4.2.b** below), and subject to the terms of any N&I Account Program as described in **Section 14.3** below. Franchisee shall maintain its rights in the Protected Territory even though the population may increase.

b. Franchisee must devote its marketing to clients solely in the Protected Territory, although Franchisee may accept business resulting from referrals or unsolicited inquiries from clients outside the Protected Territory. Franchisee may engage in Broad Area Marketing covering an area that includes but extends beyond the Protected Territory under certain conditions as stated in **Section 13.2** below. Franchisee may not solicit clients from outside its Protected Territory without the prior written approval of EMS TO YOU, which approval may be withheld for any reason. If Franchisee does solicit any clients outside the Protected Territory without the prior written approval of EMS TO YOU, then EMS TO YOU has the right to require Franchisee to immediately send all of the revenues derived from those clients to the franchisee who has acquired the territory where such clients are located, or to EMS TO YOU, as specified by EMS TO YOU.

c. Notwithstanding the terms of **Section 4.2.a** above, EMS TO YOU may temporarily grant another franchisee the right to schedule and perform EMS To You Sessions in and operate its EMS To You Business in certain portions of Franchisee's Protected Territory if Franchisee advises EMS TO YOU that it is not going to be servicing those portions of the Protected Territory for a specified period of time.

4.3. EMS TO YOU's Reservation of Rights.

Franchisee understands and agrees that EMS TO YOU has and retains the rights under this Agreement to: (a) develop and establish other franchise systems for different products or services utilizing proprietary marks not now or hereafter designated as part of the Licensed Methods, and to grant licenses thereto, without providing Franchisee with any rights therein; (b) open, operate, sell and/or manage EMS To You Businesses outside the Protected Territory; (c) use, and to license others to use, the Marks and Licensed Methods for the operation of EMS To You Businesses at any location other than in the Protected Territory; (d) use the Marks and the Licensed Methods in connection with the provision of other services and products or in alternative channels of distribution (including, but not limited to, Internet, catalog, mail order, telemarketing or other direct marketing sales), without regard to location; (e) use the Marks and the Licensed Methods in connection with the licensing to others to provide, or the provision by EMS TO YOU directly of, services and products to commercial clients; for example, a company that desires to offer EMS To You Sessions to its employees, without regard to location in situations in which EMS TO YOU determines in its sole discretion that Franchisee is unable to adequately provide services to such commercial clients, including in cases where the size or other aspects of the work make it unlikely in EMS TO YOU's determination that Franchisee will be able to provide a satisfactory level and quality of service; (f) use and license the use of other proprietary marks or methods of doing business which are not the same as, or confusingly similar to, the Marks or Licensed Methods, whether in alternative channels of distribution (including, but not limited to, Internet, catalog, mail order, telemarketing or other direct marketing sales), at any location (including within the Protected Territory), which may be similar to or different from EMS To You Businesses; and (g) solicit, provide services to, and otherwise deal with N&I Account Program clients, or authorize others to do so, on the terms set forth in **Section 14.3** below. EMS TO YOU can acquire or be acquired by, or engage in any other transaction with, other businesses

(competitive or not), companies, or units located anywhere, including arrangements where other units are (or are not) converted to the System or other format, or in which company-owned, franchised, or other businesses (including EMS To You Businesses) are (or are not) converted to another format (whether competitive or not), or both, and is maintained as the same concept, as a new concept, or as a separate concept in the Protected Territory. Franchisee must fully cooperate with any of these conversions, at Franchisee's sole expense.

5. INITIAL FRANCHISE FEE

5.1. Initial Franchise Fee.

Franchisee will pay EMS TO YOU an initial franchise fee in the amount set forth in the Addendum (the "**Initial Franchise Fee**"), which shall be due and payable in full upon execution of this Agreement. Franchisee acknowledges and agrees that the Initial Franchise Fee represents payment for the initial grant of the rights to use the Marks and Licensed Methods, that EMS TO YOU has earned the Initial Franchise Fee upon receipt thereof, and that the Initial Franchise Fee is not refundable to Franchisee once paid.

6. TRAINING

6.1. Initial Training Program.

Franchisee (or if Franchisee is an entity, a person designated to assume primary responsibility for the management of Franchisee's EMS To You Business (an "**Operations Manager**")) shall attend and satisfactorily complete (at EMS TO YOU's sole determination) the initial business training program (the "**Initial Training Program**") prior to providing the first EMS To You Session to the public. Franchisee shall be responsible for all wages, travel, and living expenses incurred by itself or by its Operations Manager and for any other representative of Franchisee attending the Initial Training Program. EMS TO YOU will allow one person, in addition to Franchisee or its Operations Manager, chosen by Franchisee and approved by EMS TO YOU, to attend the Initial Training Program without tuition charged, provided that the training of the additional person is at the same time as the training of the Franchisee or its Operations Manager. EMS TO YOU may require any other representative(s) of Franchisee to attend and satisfactorily complete (at EMS TO YOU's sole determination) the Initial Training Program. EMS TO YOU may charge for any additional representatives of Franchisee who attend the Initial Training Program. If, under the terms of this Agreement or otherwise, Franchisee needs or desires to have persons attend the Initial Training Program after Franchisee's attendance of the Initial Training Program, then Franchisee must pay the then current tuition charged by EMS TO YOU for those persons, in addition to all wages, travel, and living expenses incurred in connection with their attendance at the Initial Training Program. If EMS TO YOU determines, in its sole discretion, that Franchisee or its Operations Manager (as applicable) is unable to satisfactorily complete the Initial Training Program, EMS TO YOU shall have the right to terminate this Agreement upon written notice to Franchisee, and EMS TO YOU may keep the Initial Franchise Fee paid by Franchisee to EMS TO YOU as liquidated damages, and not as a penalty.

6.2. Length of Training.

The Initial Training Program will consist of up to 16 hours of classroom instruction to be conducted over two business days at EMS TO YOU's facilities in Lakewood, Colorado, U.S.A., or another location designated by EMS TO YOU and up to eight hours of on-the-job training at an EMS To You Business. EMS TO YOU reserves the right to waive all or a portion of the Initial Training Program or to alter the training schedule, if in EMS TO YOU's sole discretion, Franchisee or its Operations Manager, as applicable, has sufficient prior experience.

6.3. Additional Training.

a. If EMS TO YOU in its sole discretion determines at any time during the term of this Agreement that Franchisee requires training in addition to the Initial Training Program, or if Franchisee reasonably requests such additional training and EMS TO YOU in its sole discretion agrees to provide it, then EMS TO YOU will provide notice to Franchisee of such additional training, and EMS TO YOU will conduct such additional training program(s) at a location designated by EMS TO YOU. Franchisee will be responsible for paying its travel, lodging, and other costs, and shall pay EMS TO YOU its reasonable fees for conducting additional training, which fees may be changed from time to time.

b. From time to time, EMS TO YOU may conduct additional meetings, seminars, conventions, and training programs. Franchisee or its representatives may attend such programs at their own expense and shall attend such programs for which EMS TO YOU has determined that Franchisee's attendance is required. EMS TO YOU will not require Franchisee to attend regional, national, or international training programs more often than twice a year. EMS TO YOU will give Franchisee at least 30 days' prior written notice of any ongoing seminar, convention, program, or meeting being held at which Franchisee's or its Operations Manager's attendance is required. All mandatory training programs will be offered without a tuition charge; provided, however, EMS TO YOU may allocate the costs incurred in holding each meeting, training program, seminar or convention, including expenses for materials, food and banquet expenses, all expenses for related activities, and all other expenses which are associated with attendance at each meeting, program, seminar or convention, equally among all franchisees, whose attendance is required, regardless of attendance. If Franchisee's or its Operations Manager's attendance is required at the applicable training program, seminar, regional meeting, or national or international convention, Franchisee will be required to pay its pro-rata share if it attends the applicable training program, seminar, regional meeting, or national or international convention, and, at EMS TO YOU's option, if Franchisee or its Operations Manager fails to attend the applicable training program, regional meeting, or national or international convention, Franchisee will be required to pay 200 percent of its pro-rata share. Franchisee will also be responsible for all wages, travel and living expenses associated with the attendance of Franchisee, its Operations Manager (if applicable), and all other persons associated with Franchisee at each training program, seminar, meeting or convention. EMS TO YOU may, at its sole option, choose to waive all or a portion of the costs for actual attendees of the applicable training program, seminar, meeting, or convention without being obligated to waive any costs for non-attendees of the training program, meeting or convention. If Franchisee or its Operations Manager fails to attend a program at which attendance is deemed mandatory by EMS TO YOU, EMS TO YOU may, in its sole discretion, and without waiving any other rights EMS TO YOU may have hereunder, require Franchisee or its Operations Manager to attend and complete a make-up or alternative program at a location determined by EMS TO YOU. Franchisee will be responsible for paying all wages, travel, lodging and other costs, and for paying Franchisee's registration fee for the program.

6.4. Release.

Franchisee, for itself and its agents, heirs, legal representatives, successors, and assigns, forever releases, waives, discharges, and holds EMS TO YOU and any of its affiliated companies, directors, officers, employees, and agents harmless from any and all claims, demands, causes of actions, loss, damage or injury, including attorneys' fees and costs, on account of, arising out of, or attributable to the attendance or participation of Franchisee or its Operations Manager and any other representatives of EMS TO YOU in any seminar, convention, program or meeting, or other company function or activity, including but not limited to the Initial Training Program, any meetings, conventions, or seminars, other required or non-required training programs, held or sponsored by or for EMS TO YOU, or the travel to or from such programs.

7. FRANCHISEE'S DEVELOPMENT OBLIGATIONS

7.1. Computer Equipment and Telephones.

Franchisee is required to own and operate computer equipment, software, telephones, including a smart phone, and other similar equipment meeting the standards and specifications set forth in the Operations Manual or as EMS TO YOU otherwise designates. Franchisee shall add, eliminate, substitute or modify any computer equipment, software, telephones, a smart phone, and other similar equipment upon 60 days' notice from EMS TO YOU of changes in EMS TO YOU's specifications and requirements. Franchisee is solely responsible for the on-going maintenance, repairs, upgrades, updates, and support of all computer equipment, software, telephones, a smart phone, and other similar equipment, but EMS TO YOU may require Franchisee to obtain such services or products through approved third party suppliers. EMS TO YOU retains the right to require Franchisee to provide EMS TO YOU with independent access to its computer system. Franchisee shall check the e-mail address it designates for notice purposes (and, if applicable, any e-mail address that may be provided by EMS TO YOU) at least once per business day, and respond to all e-mail messages appropriately within one business day.

7.2. Authorized Representatives.

Franchisee will be solely responsible for recruiting, appointing, hiring, firing, and supervising its employees, independent agents, Operations Manager, and other authorized representatives (collectively referred to as "**Authorized Representatives**"). Those Authorized Representatives will be employees or agents of Franchisee. They are not employees or agents of EMS TO YOU and EMS TO YOU is not the joint employer of those persons. Franchisee will have sole authority and control over the day-to-day operations of the EMS To You Business and its Authorized Representatives. EMS TO YOU will have no right or obligation to direct Franchisee's Authorized Representatives or to operate the EMS To You Business. It is Franchisee's responsibility to determine compensation of Authorized Representatives, terms of employment, safety regulations, work assignments, work schedules, and working conditions. Any information regarding any of those issues provided to Franchisee by EMS TO YOU are mere suggestions and Franchisee shall have the sole discretion to utilize such information or not. Franchisee is solely responsible for implementing training and other programs for employees and other Authorized Representatives related to the legal, safe, and proper performance of their work, regardless of the fact that EMS TO YOU may provide advice, suggestions, and certain training programs as described in this Agreement. Such advice, suggestions, and training by EMS TO YOU are provided to protect EMS TO YOU's brand and the Marks and not to control the day-to-day operation of Franchisee's EMS To You Business. Franchisee will keep EMS TO YOU informed of the names, addresses and telephone numbers of all Authorized Representatives. Franchisee shall cause each Authorized Representative to execute EMS TO YOU's standard Nondisclosure and Noncompetition Agreement.

7.3. Commencement of Operations.

Franchisee shall be deemed to have commenced operations of its EMS To You Business when Franchisee or its Operations Manager has completed the Initial Training Program. If Franchisee has not conducted its first EMS To You Session to a client within 90 days after the signing of this Agreement, then EMS TO YOU can, at its sole option, terminate the Franchise Agreement and keep the entire Initial Franchise Fee as liquidated damages, not as a penalty.

7.4. Active Operations.

Unless otherwise agreed in writing by EMS TO YOU and Franchisee, once Franchisee has commenced operations as specified above, Franchisee must actively promote and continue to operate its EMS To You Business in accordance with the Operations Manual and this Agreement; unless EMS TO YOU gives its prior written consent to Franchisee to temporarily suspend its operations, which consent may be withheld by EMS TO YOU for any reason.

8. DEVELOPMENT ASSISTANCE

8.1. EMS TO YOU's Development Assistance.

Prior to or simultaneously with the opening of the Franchisee's EMS To You Business, EMS TO YOU will provide Franchisee with the following assistance:

a. Designate Franchisee's Protected Territory.

b. Review and approve or disapprove the site selected by Franchisee for the EMS To You Business in accordance with **Section 4.1**, and, if applicable, the lease or purchase agreement for such site.

c. Identify the equipment, signs, fixtures, materials, supplies, and inventory necessary for the EMS To You Business to permit Franchisee to begin operations, including the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be purchased or leased. EMS TO YOU or its designee will sell to Franchisee additional items of equipment and materials, including bodysuits, supplies, and inventory requested by Franchisee.

d. Provide Franchisee a membership to the EMS TO YOU scheduling center (the "**Scheduling Center**"). Once Franchisee's Co-Op Line, as that term is defined in **Section 8.1.e** below, is established, the Scheduling Center will schedule appointments for Franchisee. EMS TO YOU will also provide Franchisee with guidance related to accessing the Internet-based system that has been established by EMS TO YOU for scheduling EMS To You Sessions with the Scheduling Center over the Internet and for certain marketing purposes (the "**EMS To You Scheduling and Marketing System**"), scheduling EMS To You Sessions on the Internet, and any other functions of the system. Franchisee must use the Scheduling Center to schedule all of its appointments. EMS TO YOU may suspend Franchisee's membership and schedule with the Scheduling Center and the EMS To You Scheduling and Marketing System at any time Franchisee is in default of its obligation to pay the Scheduling Center Fee, as defined in **Section 12.3**, or any other fee or amount due to EMS TO YOU, in addition to any other rights or remedies EMS TO YOU may have.

e. For each Franchise acquired, provide Franchisee a telephone line with a number that is local to Franchisee's Protected Territory (the "**Co-Op Line**"). This Co-Op Line will ring into the Scheduling Center for scheduling of EMS To You Sessions based on the zip code provided by the caller. The EMS To You Sessions scheduled through a Co-Op Line shall be assigned by the Scheduling Center to the EMS TO YOU franchisee with the protected territory rights to the zip code provided by the caller, regardless of which EMS TO YOU franchisee's Co-Op Line is called. Franchisee must have at least one Co-Op Line for each Franchise it acquires. Franchisee may acquire additional Co-Op Lines for an increase in the Scheduling Center Fee. Franchisee acknowledges as between EMS TO YOU and Franchisee, EMS TO YOU has the sole rights to, and interest in, all Co-Op Lines. In the event that EMS TO YOU's telephone carrier does not have coverage within the Protected Territory, Franchisee will be required to obtain a local telephone line for the required Co-Op Line for each Franchise and any additional telephone line desired, arrange for the connection of the line to the Scheduling Center, and,

unless EMS TO YOU specifies otherwise in its discretion, reassign the line to EMS TO YOU's telephone carrier and transfer the rights in the line to EMS TO YOU, at which point the local line will be deemed a Co-Op Line to be provided by EMS TO YOU to Franchisee.

f. Provide Franchisee with access to the Inner Circle portion of EMS TO YOU's website, for delivery of marketing information, order forms for supplies, equipment, work orders and other products, templates for advertising, other materials, and other relevant information.

g. Loan Franchisee one copy of EMS TO YOU's Operations Manual in accordance with **Article 9** below.

h. Provide the Initial Training Program in accordance with **Sections 6.1 and 6.2** of this Agreement.

i. Provide Franchisee advice and guidance in preparing to provide services through its EMS To You Business, including standards and procedures for obtaining inventory and supplies, providing approved services, and advertising, promoting and operating its EMS To You Business.

9. OPERATIONS MANUAL

9.1. Operations Manual.

EMS TO YOU agrees to loan to Franchisee one or more manuals, technical bulletins, videotapes, CD-ROMs or other written or media materials, in whatever form (including electronic form), prepared by or on behalf of EMS TO YOU for use by franchisees generally or for Franchisee in particular (all referred to in this Agreement as the "**Operations Manual**") covering the mandatory and suggested specifications, standards and operating procedures for Franchisee's EMS To You Business. The Operations Manual is designed to protect EMS TO YOU's reputation and the goodwill of the Marks, it is not designed to control the day-to-day operations of Franchisee's EMS To You Business. The Operations Manual shall also be deemed to include that information contained on the Inner Circle portion of EMS TO YOU's website, to which Franchisee will be granted access in accordance with Section **8.1.f**. EMS TO YOU may modify the Operations Manual in EMS TO YOU's discretion. Franchisee agrees that it will comply with the Operations Manual as an essential aspect of its obligations under this Agreement.

9.2. Confidentiality of Operations Manual Contents.

Franchisee agrees to use the Marks and Licensed Methods only as specified in the Operations Manual. The Operations Manual is the sole property of EMS TO YOU, and will be used by Franchisee only during the term of this Agreement and in strict accordance with the terms and conditions hereof. Franchisee will not duplicate the Operations Manual or written materials considered by EMS TO YOU to be a component of the Operations Manual, nor disclose the contents thereof to persons other than its Authorized Representatives or officers who have signed a confidentiality and non-competition agreement in a form supplied by or approved by EMS TO YOU. Franchisee will return the Operations Manual to EMS TO YOU upon the expiration, termination or transfer of this Agreement, at Franchisee's sole expense.

9.3. Changes to Operations Manual.

EMS TO YOU reserves the right to revise the Operations Manual from time to time as it deems necessary. Franchisee will conform its operations to any updated provisions within 30 days of notice of the change. A master copy of the Operations Manual maintained by EMS TO YOU at its principal office,

regardless if maintained electronically or otherwise, will be controlling in the event of a dispute regarding the content of any Operations Manual.

10. OPERATING ASSISTANCE

10.1. EMS TO YOU's Available Services.

EMS TO YOU agrees that, during Franchisee's operation of the EMS To You Business, and provided Franchisee is in compliance with the terms of this Agreement, EMS TO YOU will provide to Franchisee the following assistance and services:

a. Provide continuing courses of training at times and locations designated by EMS TO YOU, in accordance with **Section 6.3**.

b. In EMS TO YOU's discretion, inspect Franchisee's EMS To You Business and/or work performed for some of Franchisee's clients, as EMS TO YOU deems advisable, in accordance with **Section 11.4**.

c. Provide Franchisee with the updated specifications of all equipment, inventory and supplies required for the operation of its EMS To You Business, and updated lists of all approved suppliers of any services, products, equipment, inventory, supplies and other materials that EMS TO YOU requires Franchisee to use.

d. Provide Franchisee with continuing consultation and advice regarding business, financial, operational, technical, pricing, sales and advertising matters, type of Products and Services offered, operation of an EMS To You Business, and development of personnel policies, as deemed appropriate by EMS TO YOU, through meetings, telephone or e-mail consultations, the Inner Circle portion of EMS TO YOU's website, on-site visits and/or printed materials or other media, as deemed appropriate by EMS TO YOU. EMS TO YOU and Franchisee agree that any prices suggested to Franchisee by EMS TO YOU for Products and Services are recommendations only, and are not to be construed as mandatory upon Franchisee. Franchisee's right to establish prices for Products and Services is expressly subject to the other provisions of this Agreement and Franchisee's obligation to comply with EMS TO YOU's standards, specifications, and Licensed Methods to the extent that they relate to pricing matters. Nothing contained herein shall be deemed a representation by EMS TO YOU that the use of EMS TO YOU's suggested prices will optimize profits.

e. Schedule appointments for Franchisee through the Scheduling Center and provide the Co-Op Line(s) acquired by Franchisee. EMS TO YOU makes no representations or warranties to Franchisee, and expressly disclaims any warranty, that the EMS To You Scheduling and Marketing System is error free or that the operation and use thereof by Franchisee, Franchisee's clients, or any other party will be uninterrupted or error free. EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW, EMS TO YOU MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHETHER EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, RELATED TO THE EMS TO YOU SCHEDULING AND MARKETING SYSTEM, AND ALL SUCH WARRANTIES ARE EXPRESSLY EXCLUDED. IN NO EVENT SHALL EMS TO YOU HAVE ANY LIABILITY TO FRANCHISEE FOR (I) INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF USE, REVENUE, OR PROFIT, RESULTING FROM THE OPERATION OF THE EMS TO YOU SCHEDULING AND MARKETING SYSTEM, OR ANY ERROR OR INTERRUPTION THEREIN; OR (II) CLAIMS, DEMANDS OR ACTIONS AGAINST FRANCHISEE BY ANY THIRD PARTY RELATED TO THE

OPERATION OF THE EMS TO YOU SCHEDULING AND MARKETING SYSTEM, OR ANY ERROR OR INTERRUPTION THEREIN.

f. Provide a single toll-free custom telephone number for the entire EMS To You System (the "**Toll-Free Number**"), which will connect to the Scheduling Center and schedule appointments for EMS TO YOU's franchisees based on the zip or postal code entered by the caller. A portion of the Scheduling Center Fee that Franchisee pays EMS TO YOU includes a fee for the Toll-Free Number. In lieu of EMS TO YOU paying for the Toll-Free number directly, EMS TO YOU, in its discretion, may require Franchisee to sign up with the Toll-Free Number telephone carrier to use the Toll-Free Number and pay the rates for the Toll-Free Number directly to the carrier. EMS TO YOU reserves the right to discontinue or change the Toll-Free Number in its sole discretion. Franchisee acknowledges as between EMS TO YOU and Franchisee, EMS TO YOU has the sole rights to, and interest in, the Toll-Free Number.

g. Provide Franchisee access to advertising and promotional materials as may be developed by EMS TO YOU, the cost of which may be passed on to Franchisee, at EMS TO YOU's option.

10.2. Additional EMS TO YOU Services.

Although not obligated to do so, upon the reasonable request of Franchisee, EMS TO YOU may make its employees or designated agents available to Franchisee, either at EMS TO YOU's office or within Franchisee's Protected Territory, for additional advice and assistance in connection with the ongoing operation of the EMS To You Business governed by this Agreement. If Franchisee requests such additional assistance and EMS TO YOU agrees to provide it, EMS TO YOU reserves the right to charge Franchisee for all travel, lodging, living expenses, telephone charges and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee on behalf of Franchisee. Any fee will be charged in accordance with the then current published fees being charged by EMS TO YOU for such assistance.

11. FRANCHISEE'S OPERATIONAL COVENANTS

11.1. Business Operations.

Franchisee acknowledges that it is solely responsible for the successful operation of its EMS To You Business and that the continued successful operation thereof is, in part, dependent upon Franchisee's compliance with this Agreement and the Operations Manual. In addition to all other obligations contained in this Agreement and in the Operations Manual, Franchisee covenants that:

a. Prior to providing its first EMS To You Session to a client through the EMS To You Business, Franchisee shall: (i) procure all necessary licenses, permits, and approvals, including, without limitation, construction permits and licenses; (ii) hire and train sufficient personnel to operate the EMS To You Business; and (iii) purchase and install necessary equipment, bodysuits, and supplies, as required by EMS TO YOU.

b. Franchisee shall use the Scheduling Center to schedule all of the appointments for its EMS To You Business. It is Franchisee's responsibility to check and monitor its scheduled appointments through the EMS To You Scheduling and Marketing System and operate its EMS To You Business in accordance with that schedule. Franchisee shall comply with all terms and conditions applicable for the use of the Scheduling Center and the EMS To You Scheduling and Marketing System related to the scheduling of appointments and Franchisee's EMS To You Business. In particular, unless EMS TO YOU agrees otherwise or changes them, those current terms and conditions require that Franchisee may have

only one base price sheet and one calendar for EMS To You Session scheduling per each Protected Territory, which will apply for the entire relevant Protected Territory. Franchisee may have multiple EMS To You Session schedules based on the number of trainers employed by Franchisee. Franchisee authorizes EMS TO YOU to utilize any information submitted to or otherwise collected by the Scheduling Center, including but not limited to any data collected through the EMS To You Scheduling and Marketing System or through telephone calls, to prepare a financial performance representation, to release this information as necessary to substantiate any financial performance representation made by EMS TO YOU, and to share such information in summary form as EMS TO YOU deems necessary or desirable to share with other franchisees at any annual franchise meeting or other franchise business meetings. All of the software programs and Internet applications or websites that EMS TO YOU requires Franchisee to use in its EMS To You Business, including but not limited to the EMS To You Scheduling and Marketing System, are deemed part of the Licensed Methods under this Agreement.

c. Franchisee shall be required to report to EMS TO YOU, through the EMS To You Scheduling and Marketing System or in another manner specified by EMS TO YOU, all information requested by EMS TO YOU related to the EMS To You Business. In particular, Franchisee shall report to EMS TO YOU the information required to close out all EMS To You Session orders scheduled through the Scheduling Center.

d. Franchisee shall at all times operate its EMS To You Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, all laws, ordinances, and government regulations relating to (i) occupational hazards and health, (ii) consumer protection, (iii) equal opportunity, (iv) trade regulation, (v) worker's compensation, (vi) unemployment insurance, (vii) withholding and payment of federal, provincial, state, or other jurisdiction income taxes, social security taxes, or similar taxes, (viii) withholding and payment of sales, use, and property taxes, (ix) the import and export of goods, (x) currency control, (xi) privacy and data protection, and (xii) bribery of or other illegal payments to any government, government agency, public international organization, or political party, or any of their officials, employees, candidates, or other representatives. Franchisee shall maintain in force all required licenses, permits and certificates relating to the operation of its EMS To You Business. EMS TO YOU has no obligation to advise Franchisee of any legislative or other legal developments that may affect its EMS To You Business. Franchisee is solely responsible for inquiring about and becoming familiar with all applicable laws, ordinances, and regulations, and determining those actions required for compliance. Any information EMS TO YOU provides to Franchisee regarding applicable laws, ordinances, or regulations does not relieve Franchisee of its responsibility to consult with its own legal advisor and otherwise take appropriate action to inquire about and comply with applicable laws, ordinances, and regulations.

e. Franchisee shall, consistent with the terms of this Agreement, diligently develop its EMS To You Business and use its best efforts to market and promote the required Products and Services in the Protected Territory.

f. Franchisee, or the Operations Manager, as applicable, shall be directly involved, on a daily basis, in the supervision and conduct of Franchisee's EMS To You Business.

g. Franchisee will at all times faithfully, honestly and diligently perform its obligations hereunder and will not engage in any other business that will conflict with its obligations hereunder.

h. Franchisee agrees that its EMS To You Business will at all times maintain an adequate supply of bodysuits, equipment, inventory, and other materials required by EMS TO YOU, so as to enable Franchisee to operate the EMS To You Business in compliance with the standards and specifications of EMS TO YOU.

i. EMS TO YOU may provide Franchisee with specifications for brands and types of any equipment (including a motor vehicle), fixtures, furniture, and displays required to be used in Franchisee's EMS To You Business or in Franchisee's EMS To You Location; and Franchisee agrees to equip and furnish its EMS To You Business and EMS To You Location in accordance with EMS TO YOU's specifications. Franchisee shall purchase or lease original and replacement equipment, fixtures, furniture, and displays meeting such specifications only from sources approved by EMS TO YOU. If Franchisee proposes to purchase or lease any item of equipment, fixtures, furniture, or displays not approved by EMS TO YOU as meeting its specifications, Franchisee shall first notify EMS TO YOU in writing. EMS TO YOU may require submission of sufficient specifications, photographs, drawings and/or other information and samples to determine whether such item of equipment, fixture, or display meets its specifications. EMS TO YOU shall advise Franchisee within a reasonable period of time whether such item of equipment, fixture, or display meets its specifications.

j. Franchisee, at its sole expense, agrees to erect, prominently display and maintain advertising signs of such design, color, number, location, illumination and size as EMS TO YOU may require. All such signs or sign faces, as the case may be, shall bear the Marks. Franchisee further agrees to obtain all necessary permits and to comply with all codes, regulations, or ordinances applicable to display of the required signage, all at the expense of Franchisee. The maintenance and repair of all signs shall be the sole responsibility and obligation of Franchisee. Franchisee shall not display any sign not approved by EMS TO YOU. Franchisee must comply with EMS TO YOU's sign criteria, as more fully set forth in the Operations Manual.

k. All advertising and promotional activities that Franchisee conducts in any medium shall be conducted in a dignified manner; shall accurately promote, describe, and otherwise represent the Products and Services of an EMS To You Business; and must be approved in writing by EMS TO YOU prior to their use by Franchisee. Franchisee agrees to refrain from any advertising or promotional practice that is unethical or may be injurious to the business or reputation of EMS TO YOU or the goodwill associated with the Marks.

l. Franchisee shall notify EMS TO YOU in writing within five days of the commencement of or the threatening of any action, suit, or proceeding, or of the issuance or the threatened issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of Franchisee, its EMS To You Business, or the reputation of the System or of EMS TO YOU.

m. Franchisee's EMS To You Location shall be used solely for the purpose of conducting an EMS To You Business; except if the EMS To You Location is in a residence, portions of the residence not utilized for the EMS To You Business may be utilized for noncommercial purposes.

n. Franchisee or the Operations Manager, as applicable, shall attend and complete the Initial Training Program referred to in **Article 6** above. Franchisee or the Operations Manager, as applicable, shall also attend subsequent mandatory training programs, demonstrations, and seminars at locations as EMS TO YOU may require. Franchisee shall be bound by the terms of **Article 6** of this Agreement in regard to all training programs.

o. Franchisee shall strictly comply with all present and future provisions of the Operations Manual, including, specifically, those related to (i) the training, dress, general appearance, and demeanor of Franchisee's employees; (ii) the hours during which the EMS To You Location will be attended and open for business, and the hours during which employees of Franchisee's EMS To You Business will be available to complete client EMS To You Sessions; (iii) all advertising and promotional programs; (iv)

the use and retention of standard forms; (v) the type, quantity and variety of equipment (including motor vehicles) and bodysuits, trademarked product lines (if any), copyrighted materials, and inventory items used; (vi) the use of signs, posters, displays and similar items; (vii) the identification of Franchisee as the owner of the EMS To You Business; (viii) the treatment of clients and the handling of client complaints; (ix) the procedures regarding purchasing of items from EMS TO YOU and/or its affiliates; (x) the safety, maintenance, cleanliness, function and appearance of the EMS To You Location and of its equipment (including motor vehicles), fixtures, furniture, decor and signs used in the EMS To You Business; and (xi) any other mandatory specifications, standards, operating procedures and techniques, and/or other rules prescribed from time to time by EMS TO YOU in the Operations Manual or otherwise communicated to Franchisee in writing.

p. Franchisee recognizes and agrees that from time to time hereafter EMS TO YOU may change or modify the Licensed Methods and the System as presently described in the Operations Manual, and as identified by the Marks, including the adoption and use of new or modified trade names, trademarks, service marks, or copyrighted materials, new computer programs and systems, new types or brands of equipment and products, new inventory, or new equipment requirements or new techniques, and that Franchisee will accept, use, and display for the purpose of this Agreement any such changes in the Licensed Methods and the System as if they were part of this Agreement at the time of execution hereof. Franchisee will make such expenditures as such changes or modifications in the Licensed Methods and the System may require. Franchisee shall not change, modify, or alter in any way any material aspect of the Licensed Methods or the System, without the prior written consent of EMS TO YOU.

q. Franchisee shall not sell any service or product except the Services or Products, in conjunction with the operation of its EMS To You Business, unless Franchisee receives the prior written consent of EMS TO YOU.

r. Franchisee shall not alter its EMS To You Business in any manner that materially affects the image of its EMS To You Business or the System, except at EMS TO YOU's request or with EMS TO YOU's written approval, and any alterations must strictly conform to the specifications and requirements established or approved by EMS TO YOU.

s. Franchisee shall pay when due all debts and taxes arising in connection with Franchisee's EMS To You Business, except those duly contested in a bona fide dispute. Franchisee shall pay EMS TO YOU an amount equal to any sales tax, gross receipts tax or similar tax imposed on EMS TO YOU with respect to any payments to EMS TO YOU required under this Agreement, unless the tax is credited against income tax otherwise payable by EMS TO YOU.

t. During the term of this Agreement and for three years after the expiration and termination of this Agreement, Franchisee shall notify EMS TO YOU of any change to Franchisee's (or its Operations Manager's) home and business addresses and telephone numbers.

u. Franchisee shall purchase and maintain in good operating condition computer equipment, software, telephones, a smart phone, and other similar equipment meeting EMS TO YOU's minimum specifications.

v. Franchisee shall become a member of such franchise, trade, or other associations or organizations that, in the opinion of EMS TO YOU, are useful in the operation of an EMS To You Business. Franchisee shall have the option to become a member of all benefit programs that are offered from time to time by EMS TO YOU to all of its franchisees, if any. The costs of participating in such franchise, trade, or other associations and benefit programs shall be borne by Franchisee and its employees (if applicable to the employees).

w. Franchisee will comply with all agreements with third parties related to its EMS To You Business.

x. Franchisee will at all times during the term of this Agreement own and control the EMS To You Business authorized hereunder. Upon request of EMS TO YOU, Franchisee will promptly provide satisfactory proof of such ownership to EMS TO YOU. Franchisee represents that the Statement of Ownership, attached hereto as Exhibit III and incorporated by this reference, is true, complete, accurate, and not misleading; and, in accordance with the information contained in the Statement of Ownership, the controlling ownership of the EMS To You Business is held by Franchisee. Franchisee will promptly provide EMS TO YOU with a written notification if the information contained in the Statement of Ownership changes at any time during the term of this Agreement and will comply with the applicable transfer provisions contained herein.

y. Except as prohibited or limited by law, Franchisee shall fully participate in all promotional campaigns, prize contests, client loyalty programs, special offers, discount programs including deal-of-the-day and crowdsourcing programs, and other programs, whether international, national, regional, or local in nature (including the introduction of new Products or Services or other marketing programs directed or approved by EMS TO YOU), which are prescribed from time to time by EMS TO YOU. Franchisee shall be responsible for the costs of such participation. In addition, Franchisee shall honor any coupons, client loyalty program points or credits, gift certificates, discounts, or other authorized promotional offers of EMS TO YOU at Franchisee's sole cost unless otherwise specified in writing by EMS TO YOU. Franchisee acknowledges that EMS TO YOU frequently implements such promotions intended to increase client awareness and build business on an international, national, regional, or local level, and Franchisee's participation in these promotions is essential to their success. Franchisee acknowledges that EMS TO YOU has no obligation to reimburse Franchisee for the costs associated with participating in these promotions. From time to time a promotion may not benefit all franchisees in the System; and if the promotion is not offered in the region, or another unknown hardship arises, EMS TO YOU may, at EMS TO YOU's option, exempt Franchisee and/or other franchisees on a case-by-case basis.

z. Franchisee shall not engage in any activities not covered by Franchisee's liability insurance.

aa. Franchisee shall not engage in any trade, practice or other activity that is harmful to EMS TO YOU's goodwill or reflects unfavorably on EMS TO YOU's reputation, or that constitutes deceptive or unfair competition.

bb. Franchisee shall comply with all terms and conditions established by EMS TO YOU related to the use of any website that EMS TO YOU operates or provides, including the terms of use, privacy policy, and any other legal notices available on the website. Franchisee will comply with the terms of the privacy policy as the party disclosing information in regard to any information Franchisee discloses to EMS TO YOU or other parties through the website, and as the party collecting the information with regard to any personal information of any third parties that Franchisee receives through the website. In particular, Franchisee shall comply with the privacy policy as the collecting party related to any information disclosed by the Scheduling Center to Franchisee which was received by the Scheduling Center through the EMS To You Scheduling and Marketing System over the Internet.

cc. Franchisee must have a physical location address in each of its Protected Territories that meets Google's then-current requirements for local marketing purposes in those territories. Franchisee

does not have to operate its EMS To You Business from these physical addresses. EMS TO YOU may revise and expand on these physical address requirements in the Operations Manual.

dd. Franchisee must accept credit and debit cards from clients of its EMS To You Business. Franchisee shall not charge its clients any additional fees or service charges if they elect to pay by credit or debit card. The Payment Card Industry ("PCI") requires all companies that process, store, or transmit credit or debit card information to protect the cardholders' information by complying with the PCI Data Security Standard ("PCI DSS"). Therefore, Franchisee shall be PCI compliant by following and adhering to then-current PCI DSS, currently found at www.pcisecuritystandards.org, or any similar or subsequent standard for the protection of cardholder data throughout the term of this Agreement. Franchisee's EMS To You Business shall be in compliance with PCI DSS at all times.

ee. Franchisee expressly authorizes EMS TO YOU and its approved suppliers to contact Franchisee by e-mail, telephone, mail, or any other means related to any aspect of the EMS To You Business, authorized Products and Services, this Agreement, or the System, for so long as this Agreement remains in effect. Franchisee expressly authorizes EMS TO YOU to disclose Franchisee's contact information to EMS TO YOU's approved and designated suppliers to enable such suppliers to contact Franchisee. Franchisee acknowledges that these communications are necessary to facilitate and keep Franchisee updated regarding the ongoing franchise relationship.

ff. In all communications with EMS TO YOU's representatives, including its Scheduling Center personnel, Franchisee and its Authorized Representatives must conduct themselves in a dignified, respectful, courteous, and professional manner. No hostile, threatening, or offensive statements or behavior toward any EMS TO YOU representative is permitted.

gg. Franchisee acknowledges and agrees that certain associations between its EMS To You Business, the Marks, and/or the System, on the one side, and a political (including a political party or candidate), religious, social, cultural or similar group, member, cause, and/or activities (collectively, a "**Political or Social Cause**"), on the other side, may result in adverse publicity and other adverse impacts on the Marks and/or System with certain segments of the public. As such, Franchisee agrees that it will not, without EMS TO YOU's prior written consent, make any statement or take any other action (including posting signs) that could be perceived as promoting, approving, disapproving, publicizing, or otherwise commenting on a Political or Social Cause in any manner that is connected to or associated with the EMS To You Business, the Marks, and/or the System.

11.2. Clients in Unassigned Protected Territory.

If Franchisee provides EMS To You Sessions to any client outside of its Protected Territory and within an area that is not, at the time any such Services are provided, within the protected territory of another EMS To You Business (a "**Previously Unassigned Location**"), whether such EMS To You Sessions result from referrals or unsolicited inquiries under **Section 4.2.b**, Broad Area Marketing under **Section 13.2**, or otherwise, Franchisee acknowledges and agrees that any such client may be assigned, directed, and referred by EMS TO YOU to an EMS To You Business that has as its protected territory all or part of the Previously Unassigned Location (the "**New Business**"). EMS TO YOU may also take any other actions it deems appropriate to assign, direct, or refer such clients to the New Business, including but not limited to sending notices to Franchisee's clients in the Previously Unassigned Location of the New Business or advising those clients of the New Business when they contact the Scheduling Center.

11.3. Requirements for Entity Franchisees.

If Franchisee is a corporation, partnership, limited liability company or other business entity, the following additional conditions must be met, along with any other conditions as may be established by EMS TO YOU for entity franchisees:

a. Contemporaneously with the business entity acquiring the franchise rights, thereafter upon the issuance or transfer of any ownership interests in the business entity and the appointment or election of any person as director, officer, member or manager of the business entity, and at any other time requested by EMS TO YOU, the shareholders, members, partners, other owners, directors, officers, or managers (as applicable), any members of their immediate families, and any other individuals designated by EMS TO YOU will execute the Guaranty and Assumption of Franchisee's Obligations attached hereto as Exhibit II and incorporated herein by reference, personally guaranteeing full payment and performance of Franchisee's obligations to EMS TO YOU and individually undertaking to be bound, jointly and severally, by all the terms of this Agreement.

b. No shares in the capital of such corporation or other interest in the business entity shall be issued nor shall Franchisee directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey, donate, pledge, mortgage or otherwise encumber any such shares or other interest or offer or attempt to do so or permit the same to be done without EMS TO YOU's prior written consent. Such actions shall be deemed a Transfer, as defined in **Section 17.2**, and subject to the requirements of **Article 17** below.

c. The business entity shall maintain stop transfer instructions against the Transfer of ownership on its records subject to the restrictions of this Agreement and shall have all outstanding certificates of ownership endorsed with the following legend printed conspicuously upon the face of each certificate:

The transfer of the shares represented by this certificate is subject to the terms and conditions of a certain Franchise Agreement with EMS To You Franchising Co., Inc.

d. The articles of incorporation or organization and by-laws, operating agreement or other governing documents of the business entity shall provide that its objectives or business is confined exclusively to the operation of the EMS To You Business as provided for in this Agreement, and recite that the issuance and Transfer of any ownership interest in the business entity is restricted by the terms of this Agreement, and copies thereof shall be furnished to EMS TO YOU upon request.

11.4. EMS TO YOU's Right to Inspect EMS To You Location.

EMS TO YOU or its agents have the right to enter and inspect Franchisee's EMS To You Location at all times, and shall have the right to observe the manner in which Franchisee is rendering its services and products and conducting its operations. EMS TO YOU or its agents shall have the right to confer with Franchisee's employees and clients, and to inspect equipment and related merchandise, trademarked product lines, other merchandise, equipment, supplies or inventory for evaluation purposes to determine whether the equipment and related merchandise, trademarked product lines, and other merchandise, equipment, supplies, inventory, services and operations are satisfactory and meet the quality control provisions and performance standards established by EMS TO YOU from time to time.

11.5. Noncompliance Service Charge.

a. In the event that Franchisee fails to comply with any obligation set forth in this Agreement or any mandatory standard or specification in the Operations Manual or otherwise established by EMS TO YOU, EMS TO YOU shall have the right upon written notice to Franchisee to impose a noncompliance service charge ("**Noncompliance Service Charge**"). The Noncompliance Service Charge may, at EMS TO YOU's option, immediately be charged by EMS TO YOU to Franchisee's credit card or bank account pursuant to **Section 12.6.c** below, or invoiced to Franchisee for payment within 10 days. The Noncompliance Service Charge shall be $500.00 for each event of noncompliance by Franchisee, or $1,000.00 for (i) each EMS To You Session performed by Franchisee or its EMS To You Business that is not scheduled through the Scheduling Center (an "**Unreported EMS To You Session**"), (ii) a failure to maintain in full force and effect the insurance required under this Agreement following five days' written notice from EMS TO YOU, (iii) each EMS To You Session performed by Franchisee or its EMS To You Business that involves the use of any item of equipment, inventory, materials, or other supplies, including bodysuits, not approved by EMS TO YOU (or for each such item in the possession of Franchisee or its EMS To You Business, if not used in a EMS To You Session), or (iv) each distribution, display, or other dissemination of any marketing or promotional material by Franchisee outside of the Protected Territory, except in the limited circumstances permitted in **Section 13.2** related to Broad Area Marketing; or (v) in the event that EMS TO YOU, through an audit or otherwise, determines that Franchisee has derived Gross Revenues that exceed the amounts reported for EMS To You Sessions through the Scheduling Center.

b. The Noncompliance Service Charge is intended to compensate EMS TO YOU for the administrative costs that it incurs in monitoring, notifying, and following up with Franchisee in the event of noncompliance. The imposition of the Noncompliance Service Charge is in addition to any other rights or remedies that EMS TO YOU may have in the event of noncompliance by Franchisee including, without limitation, any right to declare a default or terminate this Agreement as described in **Article 18**.

11.6. Referral of Other Franchisees.

If Franchisee refers a prospective franchisee to EMS TO YOU who was previously unknown to EMS TO YOU, and that person subsequently becomes a franchisee of EMS TO YOU, then EMS TO YOU at its option will either (i) pay to Franchisee a referral payment of $5,000.00, or (ii) grant Franchisee a credit of $5,000.00 to be applied toward Franchisee's fees, purchases of inventory, or other amounts due to EMS TO YOU. If the new franchisee pays its initial franchise fee in installments, the payment will be made or the credit will be granted to Franchisee on a pro rata basis within 30 days of the date on which funds are received. Otherwise, the referral payment will be made or the credit will be granted within 30 days of the date that the initial franchisee fee is paid in full.

12. CONTINUING FEES AND PAYMENTS

12.1. Royalty Fee.

a. Franchisee shall pay to EMS TO YOU as a royalty fee (the "**Royalty Fee**") each month equal to the greater of 5 percent of Franchisee's total Gross Revenues (as defined below) during the applicable month or a minimum amount per month per Protected Territory. The initial amount of the minimum monthly Royalty Fee shall be set forth in the Addendum. Franchisee shall not subordinate to any other obligation its obligation to pay the Royalty Fee or any other fee or charge hereunder. Franchisee acknowledges that EMS TO YOU is entering into this Agreement with the expectation that it will receive the Royalty Fees over the full term of this Agreement.

b. The amount of the minimum monthly Royalty Fee shall be subject to an increase annually, at EMS TO YOU's option, on May 1 of each year, based on the increase in the U.S. Consumer Price Index for All Urban Consumers (CPI-U) for the all U.S. City Average for All Items, 1982-84=100 (the "**CPI**") pursuant to **Section 12.5** below, plus up to 5 percent per year, from the date the Royalty Fee was last increased for existing franchisees in the System.

12.2. Advertising and Technology Fees.

a. Franchisee shall pay to EMS TO YOU as an advertising fee (the "**Advertising and Technology Fee**") each month equal to the greater of 3 percent of Franchisee's total Gross Revenues during the applicable month or a minimum amount per month per Protected Territory. The initial minimum amount of the minimum monthly Advertising and Technology Fee shall be specified in the Addendum.

b. The minimum amount of the Advertising and Technology Fee may be increased at any time upon 60 days' notice from EMS TO YOU to Franchisee, but in no event more frequently than once per year. Each increase to the minimum amount of the Advertising and Technology Fee shall be no greater than the percentage increase in the CPI pursuant to **Section 12.5** below, plus 20 percent per year, from the date the Advertising and Technology Fee was last increased for existing franchisees in the System.

12.3. Scheduling Center Fee. Franchisee shall pay to EMS TO YOU a fee (the "**Scheduling Center Fee**") related to the Scheduling Center and the telephone services provided by EMS TO YOU, which will consist of the following elements:

a. Seven percent of total Gross Revenues to support the Scheduling Center and the services it provides to Franchisees and other franchisees;

b. $40.00 per month for each Co-Op Line that EMS TO YOU provides Franchisee; and

c. $10.00 per month for each EMS To You Business owned by Franchisee for the Toll-Free Number provided by EMS TO YOU.

In the event that an additional Co-Op Line is acquired with one or more other EMS TO YOU franchisees as part of a Broad Area Marketing Program as described in **Section 13.2**, then the portion of the Scheduling Center Fee attributable to that Co-Op Line under **Section 12.3.b** above shall be divided equally among the EMS TO YOU franchisees participating in the Broad Area Marketing program or divided in another manner that EMS TO YOU in its discretion determines to be equitable based on the circumstances. The amount of each element of the Scheduling Center Fee related to the Co-Op Line(s) or the Toll-Free Number may be increased at any time in EMS TO YOU's sole discretion upon 60 days' notice from EMS TO YOU to Franchisee, but in no event more frequently than once per year. The maximum percentage amount of each increase for each element of the Scheduling Center Fee related to the Co-Op Line(s) or the Toll-Free Number shall be equal to the percentage increase in the CPI pursuant to **Section 12.5** below, plus 5 percent per year, from the date that particular fee element was last increased for existing franchisees in the System. At any time Franchisee is in default of its obligation to pay the Scheduling Center Fee or any other fee or amount due to EMS TO YOU by its due date, EMS TO YOU may, at its option and in addition to its other rights and remedies under this Agreement, suspend Franchisee's membership and schedule in the Scheduling Center and the EMS To You Scheduling and Marketing System until Franchisee's default is cured.

12.4. Gross Revenues – Defined.

For purposes of the Royalty Fee, Advertising and Technology Fee, and Scheduling Center Fee, "**Gross Revenues**" means the total of all receipts derived from the operation of Franchisee's EMS To You Business, including fees for conducting EMS To You Sessions, and other ancillary services and products provided by Franchisee or its agents or employees, whether the receipts are evidenced by cash, credit, or checks, or exchanged for services, materials, service charges, property or other means of exchange. Gross Revenues do not include the amount of any tax imposed by any federal, state, provincial, municipal or other governmental authority directly on sales and collected from clients, provided that the amount of any such tax is shown separately and in fact paid by Franchisee to the appropriate governmental authority. Gross Revenues shall be deemed received by Franchisee at the time the services and products from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a client's personal check) actually has been received by Franchisee. Gross Revenues consisting of property or services shall be valued at the retail prices applicable and in effect at the time that they are received.

12.5 Calculation of CPI Increase.

For purposes of determining the increases in the minimum fees in **Sections 12.1** and **12.2**, and the increases to certain portions of the Scheduling Center Fee in **Section 12.3**, the adjustment in the CPI shall be determined in accordance with this Section. During the 30 days prior to each date on which EMS TO YOU elects to make such increase to a fee or fee element (as applicable, the "**Applicable Fee**"), EMS TO YOU shall determine the CPI for the latest month in which the CPI is available (the "**Ending Index**") and the CPI as of the latest month in which the CPI was available at the time the Applicable Fee was last increased for the existing franchisees in the System (the "**Beginning Index**"). EMS TO YOU shall divide the Ending Index number by the Beginning Index number and multiply the quotient by the then current Applicable Fee. This resultant number shall then be increased by the additional 5 percent per year for the Royalty Fee and Co-op Lines and Toll Free Number portion of the Scheduling Center Fee, and 20 percent per year for the minimum amount of the Advertising and Technology Fee, which shall determine the new Applicable Fee. In no event shall the adjusted Applicable Fee for any year be less than the Applicable Fee in the previous year. If the method of computing the CPI is changed from that in effect when the CPI was established, then the CPI shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the CPI is (a) discontinued or (b) revised without a conversion factor being published, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI had not been discontinued or revised.

12.6. Payments to EMS TO YOU.

a. Franchisee shall pay the Royalty Fees, Advertising and Technology Fee, and Scheduling Center Fee to EMS TO YOU by the fifth day of the month, beginning on the month following when Franchisee conducts its first EMS To You Session, based on the Gross Revenues of the preceding month as reported through the Scheduling Center, plus the portion of the Scheduling Center Fee based on the Co-op Lines and Toll Free Number.

b. If Franchisee is being granted more than one Franchise, EMS TO YOU may require that the first 12 months of the minimum Royalty Fees for the second and each subsequent Franchise that is granted be paid in advance upon the execution of this Agreement, as set forth in the Addendum. This advance payment shall be applied only toward those Royalty Fees due for such additional Franchises, and shall not reduce or be applied toward the Royalty Fee payments owed for the first Franchise acquired or any other amounts that become due to EMS TO YOU. This advance payment of the minimum Royalty

Fees is not refundable under any circumstances, even if Franchisee does not commence operations of the subsequent EMS To You Businesses.

c. Contemporaneously with the execution of this Agreement, Franchisee shall accurately complete, execute, and deliver to EMS TO YOU (i) the Authorization Agreement for preauthorized payment of any amounts due under this Agreement, or otherwise, by electronic transfer of funds from Franchisee's bank account to EMS TO YOU's bank account ("**ACH Withdrawal**"), in the form attached to this Agreement as Exhibit IV (the "**ACH Authorization**"), and (ii) the credit card charge authorization, which is attached to this Agreement as Exhibit V (the "**Credit Card Authorization**"); both of which are incorporated by this reference. Franchisee must also deliver the ACH Authorization to its applicable bank. Franchisee will execute and deliver any replacement or additional ACH Authorizations and Credit Card Authorizations requested by EMS TO YOU from time to time. These authorizations may be in electronic form, and the payments may be administered through the EMS To You Scheduling and Marketing System. EMS TO YOU may charge Franchisee's bank account or credit card, at EMS TO YOU's option, each month for the Royalty Fee, Advertising and Technology Fee, Scheduling Center Fee, and/or any other fees or amounts owed to EMS TO YOU when due, including Noncompliance Service Charges, Insufficient Funds Fees (as defined in **Section 12.6.e**), and late fees and interest as described below. EMS TO YOU may require Franchisee to pay by means other than ACH Withdrawal or credit card payment, whenever EMS TO YOU deems appropriate, and Franchisee agrees to comply with EMS TO YOU's payment instructions and to execute any documents in conjunction with such payment means.

d. Franchisee must at all times during the term of this Agreement (including any renewal terms) maintain at least $5,000.00 in its bank account subject to the ACH Withdrawal and at least one credit card account in good standing and with a minimum available credit line of $5,000.00 covered by the Credit Card Authorization. The bank account and credit card must be dedicated exclusively to the EMS To You Business and not used for any other business or non-business purpose. Franchisee agrees to advise EMS TO YOU, within one business day thereafter, if Franchisee changes its bank account or transfers its bank account to another bank, or if any credit card listed in a Credit Card Authorization expires, if Franchisee or the issuer of the card closes the account, or if other changes are made to the credit card account. Franchisee further agrees, within three business days of such change or transfer, to execute and return to EMS TO YOU, and Franchisee's bank if applicable, a replacement ACH Authorization or Credit Card Authorization for a bank account or credit card meeting the requirements of this Agreement, listing the new bank account information or credit card information and all other information required.

e. Franchisee agrees that any time an ACH Withdrawal transaction, credit card transaction, or other payment method is not honored or effective, Franchisee shall pay EMS TO YOU an insufficient funds fee (the "**Insufficient Funds Fee**") equal to 3 percent of the actual amount due, in addition to any applicable late fees and interest in accordance with **Section 12.7**.

12.7. Late Fees; Interest.

To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments, Franchisee shall also pay to EMS TO YOU, upon demand, a late payment charge of $50.00 per fee or other payment owed to EMS TO YOU that is not received on or before the due date, or which cannot be charged to Franchisee's bank account or credit card on or before the due date because the bank account or credit card listed in Franchisee's ACH Authorization or Credit Card Authorization form has expired, been closed or cancelled, does not have sufficient funds or charge limit, or otherwise, plus interest equal to the lesser of (i) the maximum legal rate of interest then charged on open accounts or (ii) 1.5 percent per month, on all payments due to EMS TO YOU during the period of time said payments are due and unpaid. This same interest rate shall apply as the post-judgment interest

rate, regardless of the applicable statutory rate, in the event of any legal actions related to this Agreement. However, if Franchisee fails to pay any fees or other amounts in furtherance of an Act of Deception (as defined in **Section 16.5** below), then the interest due shall be computed in accordance with the terms of **Section 16.5** below. The foregoing shall be in addition to any other remedies EMS TO YOU may possess, as permitted by law. Franchisee acknowledges that this Section shall not constitute agreement by EMS TO YOU to accept such payments after they are due or a commitment by EMS TO YOU to extend credit to, or otherwise finance Franchisee's operation of its EMS To You Business. Further, Franchisee acknowledges that its failure to pay all amounts when due will constitute grounds for termination of this Agreement, as provided herein.

12.8. EMS TO YOU's Right to Apply Franchisee Payments.

Notwithstanding any designation by Franchisee, EMS TO YOU shall have the sole option to apply any payments by Franchisee to any past due indebtedness of Franchisee of any kind; including Royalty Fee, Advertising and Technology Fee, and Scheduling Center Fee payments, purchases from EMS TO YOU and any of its affiliates, interest, or any other indebtedness.

12.9. Nonrefundable Fees.

Except as specifically contemplated in this Agreement, all fees once paid, shall be nonrefundable in all circumstances.

13. ADVERTISING

13.1. Local Advertising.

a. Franchisee is not required to spend any minimum amounts for local advertising, although EMS TO YOU strongly recommends that Franchisee conduct local advertising.

b. Franchisee may develop advertising materials for Franchisee's own use, at Franchisee's own cost. Before using any promotional and advertising materials, Franchisee will submit to EMS TO YOU or EMS TO YOU's designated agency, for EMS TO YOU's prior written approval, all information pertaining to such promotional materials and advertising developed by Franchisee; including, but not limited to, Yellow Pages or other telephone related materials, print ads, coupons, radio and television scripts, or Internet promotional materials. Franchisee agrees to comply with all of EMS TO YOU's advertising standards and specifications. Franchisee must obtain EMS TO YOU's approval of any advertising and promotional materials, signs, forms and stationery that Franchisee desires to use at least 30 days before the start of their usage, unless EMS TO YOU has prepared such materials, or approved such materials during the 12 months prior to their proposed use. Franchisee shall not use such materials until they have been approved by EMS TO YOU in writing and shall promptly discontinue use of any advertising or promotional materials upon the request of EMS TO YOU. Franchisee must also notify EMS TO YOU of the intended channels in which such advertising or promotional materials are to be used, and obtain approval of such advertising channels in addition to the content of the materials. Any materials submitted by Franchisee to EMS TO YOU that have not been approved or disapproved in writing within 30 days of receipt thereof by EMS TO YOU, shall be deemed disapproved.

c. Franchisee shall create and submit to EMS TO YOU for its approval, at least 30 days prior to its implementation, a local advertising and marketing plan for each year of this Agreement. If Franchisee is granted multiple Franchises under this Agreement, Franchisee shall submit to EMS TO YOU for its approval, at least 30 days prior to implementation, a local advertising and marketing plan for each Franchise. Each plan must set forth Franchisee's planned placements of local advertising during the

next 12-month period. Advertising by Franchisee may be in any media it desires, provided that such advertising conforms to the requirements for Focused Marketing and Broad Area Marketing set forth below, and the standards and requirements of EMS TO YOU as set forth in this Agreement, the Operations Manual, or as otherwise designated by EMS TO YOU. Franchisee shall not use such plans until they have been approved by EMS TO YOU in writing and shall promptly discontinue use of any advertising or promotional plans upon the request of EMS TO YOU. Any plans submitted by Franchisee to EMS TO YOU that have not been approved or disapproved in writing, within 30 days of receipt thereof by EMS TO YOU, shall be deemed disapproved.

d. Franchisee must refer to the Toll-Free Number and no other telephone number on any car wrap advertising and in all radio and television advertising for its EMS To You Business. Franchisee must refer to either the Toll-Free Number or the number for a Co-Op Line in all Internet advertising and, unless EMS TO YOU agrees otherwise, any other Broad Area Marketing. In all other advertising, Franchisee must refer to a Co-Op Line telephone number and not the Toll-Free Number. Franchisee may not use or advertise any telephone number other than the Toll-Free Number or a Co-Op Line number in its EMS To You Business, without the consent of EMS TO YOU. Franchisee must obtain EMS TO YOU's approval of any advertising that features or utilizes a phone number provided by the advertising services provider (an "**Advertising Line**"). In that case, EMS TO YOU may require that the Advertising Line connect to a particular telephone line (which may be the Co-Op Line, Toll-Free Number, or another phone line established by EMS TO YOU for that purpose). EMS TO YOU may modify the requirements for which telephone numbers may or must be used in particular advertising situations through the Operations Manual.

e. Franchisee may not advertise its EMS To You Business in connection with any other business, except with EMS TO YOU's prior written approval, which approval may be withheld for any reason.

f. Focused Marketing and Broad Area Marketing materials distributed or displayed within a franchisee's own protected territory are not considered a solicitation with regard to clients outside of the franchisee's protected territory. If a client located outside of the protected territory of a particular franchisee is exposed to advertising by that franchisee that is distributed or displayed in that franchisee's protected territory, and that client later retains the services of that franchisee as a result of the advertising, that franchisee may provide those services to the client regardless of the location of the client.

13.2. <u>Focused and Broad Area Marketing</u>.

a. Franchisee, and other franchisees, may conduct Focused Marketing and Broad Area Marketing (both defined below) for their EMS To You Businesses in accordance with the terms set forth in this **Article 13** and the Operations Manual. "**Focused Marketing**" is marketing in which a franchisee has control over the specific location of the distribution or display of the marketing. Focused Marketing typically includes direct solo mailings sent by a franchisee, door hangings distributed by a franchisee, newspaper advertising where a franchisee can limit the area in which the newspaper containing its advertisements are distributed, and Internet advertising where a franchisee can limit the display of the advertising to Internet users in a certain defined area. "**Broad Area Marketing**" is any other form of marketing, and includes (i) advertising performed via a mass medium, such as yellow page advertisements, radio and television commercials, and general Internet advertising not based on the location of the Internet user; and (ii) shared mailings such as Valpak, deal-of-the-day websites, other advertising websites such as Angie's List, crowdsourcing programs such as Groupon and Living Social, and other similar situations in which a third party provides advertising services based on its own predetermined territories or areas of distribution. Each area of distribution or display of Broad Area Marketing is referred to herein as a "**3rd Party Marketing Area**."

b. Franchisee may not conduct Focused Marketing outside of the Protected Territory or conduct Broad Area Marketing when the 3rd Party Marketing Area is located entirely outside of the Protected Territory. If Franchisee desires to conduct Broad Area Marketing for its EMS To You Business in a 3rd Party Marketing Area that includes all or a portion of the Protected Territory and an area outside of the Protected Territory, Franchisee must obtain the prior written consent of EMS TO YOU and comply with **Section 13.2.c** below to the extent applicable. EMS TO YOU may withhold its consent for any reason. Once consent is given, EMS TO YOU may withdraw the consent at any time by notice to Franchisee. Among other reasons, EMS TO YOU may refuse to consent to such Broad Area Marketing, or may withdraw its consent, if the portion of Franchisee's Protected Territory in the 3rd Party Marketing Area represents a disproportionately small percentage of the entire 3rd Party Marketing Area.

c. If Franchisee desires to conduct Broad Area Marketing for its EMS To You Business in a 3rd Party Marketing Area that includes some or all of the Protected Territory and the protected territory of another franchisee or franchisees of EMS TO YOU, in addition to the other requirements set forth in **Article 13**, Franchisee must first notify the other applicable franchisee(s) and provide the other franchisee(s) the opportunity to participate in the Broad Area Marketing program in exchange for paying a portion of the costs associated with the Broad Area Marketing. If Franchisee and the other applicable franchisee(s) elect to acquire another Co-Op Line as part of the Broad Area Marketing program, Franchisee and the other participating franchisee(s) shall be responsible for paying EMS TO YOU the portion of the Scheduling Center Fee payable for that Co-Op Line as described in **Section 12.3**. EMS TO YOU may require the other franchisee(s), or if Franchisee receives a notice from another franchisee, require Franchisee, to participate in the Broad Area Marketing program. The costs of a Broad Area Marketing program may be apportioned based on the number of households in each franchisee's protected territory that is included in the applicable 3rd Party Marketing Area or on such other equitable basis as the applicable franchisees may determine, or if the applicable franchisees, including Franchisee, are unable to agree on the basis for allocation of such costs, as determined by EMS TO YOU in its sole discretion. Any decision of EMS TO YOU will be final and binding on Franchisee.

d. If Franchisee refuses to participate in a Broad Area Marketing program after receiving notice from EMS TO YOU that such participation is required, Franchisee will be in default of this Agreement. In that case, EMS TO YOU may terminate this Agreement in accordance with **Section 18.2.e** below, or in lieu of EMS TO YOU terminating this Agreement, EMS TO YOU can authorize the other franchisee(s) to proceed with its or their Broad Area Marketing program. In that event, any client in Franchisee's Protected Territory who retains the services of the other franchisee as a result of the Broad Area Marketing program shall be deemed the same as a client resulting from a referral to or unsolicited inquiry of such other franchisee, and to whom the other franchisee may service in accordance with **Section 4.2.a**.

e. Notwithstanding the terms of **Section 13.2.a**, if EMS TO YOU in its sole discretion determines that any particular form or instance of marketing which would otherwise qualify as Focused Marketing as defined in **Section 13.2.a** is likely to result in substantial exposure to recipients, viewers, or other members of the public residing outside of (or who would likely be seeking services outside of) the applicable franchisee's protected territory ("**Excess Audience Focused Marketing**"), then EMS TO YOU may specify that such Excess Audience Focused Marketing is to be treated as Broad Area Marketing rather than Focused Marketing. Such Excess Audience Focused Marketing may include, by way of example, at EMS TO YOU's discretion, advertising at events and venues such as home shows and other trade or industry shows, property manager meetings, and other business association or group meetings, or advertising through the use of a billboard that is on an interstate or state highway. Franchisee shall be required to advise EMS TO YOU of its intended manner of display or dissemination of promotional or advertising materials at the time it seeks approval of the advertising under **Section**

13.1.b above in order to allow EMS TO YOU to make this determination, and EMS TO YOU shall have the final determination in its discretion as to whether the promotional or advertising activities of Franchisee or any other franchisee constitute Focused Marketing, Excess Audience Focused Marketing, or Broad Area Marketing. EMS TO YOU in its discretion may specify in its Operations Manual or otherwise that certain forms or channels of marketing will always be considered Excess Audience Focused Marketing and therefore treated as Broad Area Marketing hereunder. EMS TO YOU may also consider the specific circumstances of certain types of marketing on a case-by-case basis to determine whether it is Excess Audience Focused Marketing that should be treated as Broad Area Marketing. In the event of Excess Audience Focused Marketing that is treated as Broad Area Marketing, the applicable franchisees shall work to determine what should constitute the 3rd Party Marketing Area and the apportionment of costs between them, and if they are unable to agree then EMS TO YOU's decision of such matters shall be binding.

f. To the extent a 3rd Party Marketing Area includes the protected area of an EMS To You Business operated by EMS TO YOU itself or EMS TO YOU desires to engage in a Broad Area Marketing program for any EMS To You Business it operates, EMS TO YOU will be bound to the policy described above in this **Section 13.2**.

g. Franchisee acknowledges and agrees that, given the length of the term of this Agreement and the constant evolutions, innovations, changes, and developments in marketing practices and methods, it is necessary that EMS TO YOU be able to modify the terms of this **Section 13.2**. In particular, EMS TO YOU may modify the definitions and categories of what constitutes Focused Marketing, Broad Area Marketing, and Excess Audience Focused Marketing, and how Focused Marketing and Broad Area Marketing may be conducted, through additions and changes to its Operations Manual or other standards and specifications. Franchise agrees that it shall be bound to all such changes, and understands and acknowledges that they may result in modification to the terms set forth in this **Section 13.2**.

13.3. Local Advertising Group.

a. EMS TO YOU may establish a regional advertising cooperative ("**Local Advertising Group**") in a region that includes Franchisee's Protected Territory. If a Local Advertising Group is established that includes Franchisee's Protected Territory, Franchisee shall join and participate in it, and contribute to the local advertising pool established by the Local Advertising Group in accordance with the rules and regulations thereof (such contributions shall be made for each of Franchisee's Franchises with a Protected Territory located in the region of the Local Advertising Group). Each of EMS TO YOU's company-owned and affiliate-owned operations (if any) offering Products and Services similar to an EMS To You Business within the region for which the Local Advertising Group is established will make contributions to the Local Advertising Group on an equivalent basis to the contributions required of Franchisee.

b. If EMS TO YOU directs that Franchisee join a Local Advertising Group, EMS TO YOU may designate some or all of Franchisee's Advertising and Technology Fees be paid to that Local Advertising Group.

c. The rules of the Local Advertising Group must be in writing and established by its members, but must be submitted for prior approval to EMS TO YOU (and shall be deemed approved 30 days after submission if EMS TO YOU takes no action). All Local Advertising Groups shall provide quarterly financial reports to EMS TO YOU.

13.4. Advertising and Technology Fund.

a. EMS TO YOU will deposit the Advertising and Technology Fees in a separate bank account, commercial account or savings account ("**Advertising and Technology Fund**"). The Advertising and Technology Fund will be administered by EMS TO YOU, in its discretion. The Advertising and Technology Fund proceeds may be used for researching, preparing, maintaining, administering and directing advertising and promotional materials and public relations programs, including production of commercial print, radio, television, magazine, newspaper, Internet advertising, direct response literature, direct mailings, brochures, collateral materials advertising, surveys of advertising effectiveness, and other advertising or public relations expenditures, for any international, national, or regional media. The Advertising and Technology Fund proceeds may also be used to pay for the expenses related to researching, developing, implementing, servicing, and operating any technology used in any manner related to the System or EMS To You Businesses, including the EMS To You Scheduling and Marketing System, or any other or new technologies utilized in or related to EMS TO YOU's Scheduling Center, EMS TO YOU's website, the Co-Op Lines, the Toll-Free Number, search engine optimization, booking of EMS To You Sessions for EMS To You Businesses, reporting of information for EMS To You Businesses, the equipment used in EMS To You Businesses, or EMS To You Business computer systems (collectively, the "**Technology**"). EMS TO YOU may reimburse itself from the Advertising and Technology Fund for administrative costs, including the salaries of public relations personnel or persons administering the advertising services, the salaries of persons providing services related to any Technology, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that EMS TO YOU or its authorized representatives incur with the programs funded by the Advertising and Technology Fund. EMS TO YOU may use outside advertising and marketing agencies to create advertising material and outside companies or consultants to create and provide services for any Technology.

b. Upon request from Franchisee, EMS TO YOU will make available to Franchisee, no later than 120 days after the end of each calendar year, an annual unaudited financial statement for the Advertising and Technology Fund that shows how the Advertising and Technology Fund proceeds have been spent in the prior year.

c. All franchised, licensed and company-owned EMS To You Businesses will be required to pay on an equivalent basis into the Advertising and Technology Fund, except that EMS TO YOU, in its sole discretion, may designate some or all of the Advertising and Technology Fees of a franchised, licensed and company-owned EMS To You Business be paid to a Local Advertising Group instead of the Advertising and Technology Fund.

d. EMS TO YOU does not guarantee that advertising expenditures from the Advertising and Technology Fund will benefit Franchisee or any other franchisees directly or on a pro rata basis. EMS TO YOU assumes no direct or indirect liability or obligation to collect amounts due to the Advertising and Technology Fund or to maintain, direct or administer the Advertising and Technology Fund. Advertising and Technology Fees not spent in any fiscal year will be carried forward and spent in the ensuing fiscal year. If the advertising expenditure is more than the Advertising and Technology Fees collected during any calendar year, EMS TO YOU may loan funds to the Advertising and Technology Fund on such terms that are no more favorable than the Advertising and Technology Fund could receive from other lending sources generally available to the Advertising and Technology Fund, and EMS TO YOU will be reimbursed from the Advertising and Technology Fees during the same or subsequent years to the extent of such advances. None of the Advertising and Technology Fees will be used for advertising that is primarily for solicitation for the sale of franchises.

e. EMS TO YOU is not obligated to spend any amount on advertising or Technology in the Protected Territory.

f. EMS TO YOU reserves the right to establish an advertising council composed of franchisees that advises EMS TO YOU on the Advertising and Technology Fund and/or other advertising matters, on such terms as EMS TO YOU shall establish. Once such an advertising council is created, EMS TO YOU may disband or terminate the council in its sole discretion.

g. Although EMS TO YOU intends the Advertising and Technology Fund to be of perpetual duration, EMS TO YOU reserves the right to terminate the Advertising and Technology Fund. EMS TO YOU will not terminate the Advertising and Technology Fund, however, until all monies in the Advertising and Technology Fund have been expended for advertising and promotional purposes.

h. EMS TO YOU has no fiduciary obligation to Franchisee in connection with the operation of the Advertising and Technology Fund. EMS TO YOU will not be liable for any act or omission with respect to the operation of the Advertising and Technology Fund or the use of the Advertising and Technology Fund that is consistent with this Agreement and is done in good faith.

i. Additional details of the Advertising and Technology Fund will be set forth in the Operations Manual and sent to Franchisee.

j. Once Franchisee makes contributions to the Advertising and Technology Fund, all such monies will be used as required by this Section and will not be returned to Franchisee.

13.5. Advertising Disputes.

In the event that there are any disputes between Franchisee and any other franchisee(s) or between Franchisee and EMS TO YOU regarding any advertising issues, including whether a particular form of marketing constitutes Focused Marketing, Excess Audience Focused Marketing, or Broad Area Marketing, or issues related to a 3rd Party Marketing Area or apportionment of any Broad Area Marketing program costs, the determination of EMS TO YOU in its sole discretion will be binding upon the parties and final.

14. QUALITY CONTROL

14.1. Standards and Specifications.

EMS TO YOU will make available to Franchisee, via the Operations Manual, standards and specifications for materials used by, Products sold through, and Services offered through, Franchisee's EMS To You Business, which standards and specifications EMS TO YOU reserves the right to change upon 30 day prior written notice to Franchisee. Franchisee acknowledges and agrees that Franchisee's rights to operate the EMS To You Business pursuant to this Agreement are always subject to Franchisee's obligation to comply with EMS TO YOU's standards and specifications and the Licensed Methods. Franchisee is not restricted on the number of electro muscle stimulation equipment or bodysuits it may use in the Protected Territory. EMS TO YOU and EMS TO YOU's representatives will have the right to discuss with Franchisee, or other personnel Franchisee may designate, including the Operations Manager, all matters that may pertain to compliance with this Agreement and with EMS TO YOU's standards, specifications, requirements, instructions, and procedures. Franchisee shall in all respects cooperate with EMS TO YOU's rights under this Agreement. EMS TO YOU also reserves the right to contact any or all of Franchisee's clients, employees, suppliers and other service professionals for quality control, market research and such other purposes as EMS TO YOU deems appropriate.

14.2. Restrictions on Services and Materials.

All services, equipment, inventory, materials and related items, forms, and other supplies used in the operation of an EMS To You Business shall conform to the specifications and quality standards established by EMS TO YOU from time to time. Franchisee shall purchase certain services, equipment, inventory, materials and related items, forms, and other supplies used in the operation of the EMS To You Business, as specified from time to time by EMS TO YOU, solely from suppliers approved by EMS TO YOU. If Franchisee desires to purchase any of these items from an unapproved supplier, Franchisee shall submit to EMS TO YOU a written request for approval of the supplier, or shall request that the supplier do so. EMS TO YOU shall have the right to require that its representatives be permitted to inspect the supplier's facility and that samples from the supplier be delivered at EMS TO YOU's option either to EMS TO YOU or to an independent consultant designated by EMS TO YOU for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the testing shall be paid by Franchisee or the supplier. EMS TO YOU reserves the right, at its option, to re-inspect the facilities and products of the approved supplier, from time to time, and to revoke its approval upon the supplier's failure to continue to meet any of EMS TO YOU's standards and specifications. EMS TO YOU shall be entitled upon request, to periodically review inventory reports from Franchisee, including product identification and serial numbers, if applicable, for compliance with the foregoing requirements.

14.3. National and International Account Program.

EMS TO YOU has solicited and may continue to solicit businesses with locations in multiple geographic areas, including within the Protected Territory, to participate in EMS TO YOU's "**National and International Account Program**," or "**N&I Account Program**." Unless waived by EMS TO YOU, Franchisee must participate in and comply with the rules of EMS TO YOU's N&I Account Program by providing services to N&I Account Program clients who have locations within the Protected Territory. Such rules may include requirements related to the types of services to be performed, additional training required, the pricing for the services, the payment of any fees to EMS TO YOU for additional training, administering the N&I Account Program, or referring clients, and a quality review by EMS TO YOU of the services Franchisee provides. These terms may vary depending upon the N&I Account Program client. If Franchisee fails to comply with the terms for the N&I Account Program or if EMS TO YOU determines at any time that Franchisee has not provided a satisfactory level and quality of service to a client under the N&I Account Program then Franchisee shall be in default of this Agreement and, in addition to all other remedies available to EMS TO YOU, EMS TO YOU may appoint another franchisee to perform any future services for that client's locations within the Protected Territory. EMS TO YOU will have the right to solicit potential clients for the N&I Account Program within Franchisee's Protected Territory, including Franchisee's existing clients. Franchisee shall cooperate with and assist EMS TO YOU as requested in such solicitation.

15. TRADEMARKS, TRADE NAMES AND PROPRIETARY INTERESTS

15.1. Marks.

Franchisee acknowledges that EMS TO YOU's parent company, Barnett Enterprises Corp. ("**BEC**"), is the owner of, and EMS TO YOU is the licensee of, the service mark EMS TO YOU℠, and all of the other Marks, and that Franchisee's right to use them is derived solely from this Agreement and limited to the operation of its EMS To You Business in accordance with this Agreement. Some of the Marks may not be registered in the country, province, or state where the Protected Territory is located. Franchisee agrees that neither EMS TO YOU nor BEC shall have any obligation to register any of the Marks in any jurisdiction. Franchisee has no authority or right to register any of the Marks in any

jurisdiction without EMS TO YOU's prior written consent. Franchisee may not use any Marks in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by EMS TO YOU. Franchisee agrees that its usage of the Marks and any goodwill established thereby shall inure to the exclusive benefit of EMS TO YOU. Franchisee shall not use the Marks in any manner calculated to represent that it is the owner of the Marks. Franchisee agrees not to contest or oppose, nor to assist anyone else to contest or oppose, EMS TO YOU's or BEC's application for, or registration of, any of the Marks, or the validity or ownership of the Marks. Franchisee agrees not to directly or indirectly do or cause to be done, whether by commission or omission, any act, that may in any way jeopardize or adversely affect the validity or distinctiveness of the Marks, or the title of EMS TO YOU and BEC, thereto. Franchisee agrees that it will, without charge to EMS TO YOU, upon request by EMS TO YOU or its representatives, do all things and execute all documents that may at any time be necessary or desirable to protect or ensure the validity and distinctiveness of the Marks and to ensure the title of EMS TO YOU and BEC, thereto. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of EMS TO YOU and BEC in and to the Marks.

15.2. No Use of Other Marks.

Franchisee agrees to use the mark "EMS TO YOU" as the sole identification of its EMS To You Business. Franchisee agrees that it shall affix a notice in a conspicuous location in or upon the EMS To You Location (if Franchisee leases space outside of Franchisee's personal residence) with content and format acceptable to EMS TO YOU, that it is an independent franchisee of EMS TO YOU, and as such, an authorized user of the Marks, and that the owner of the Marks is EMS TO YOU.

15.3. Licensed Methods.

Franchisee acknowledges that EMS TO YOU owns and controls the distinctive plan for the establishment, operation, and promotion of EMS To You Businesses and all related Licensed Methods. Franchisee acknowledges that much of the information contained in EMS TO YOU's Operations Manual, and any other manual or nonpublic written information about EMS TO YOU, and other confidential information provided to Franchisee by EMS TO YOU, constitutes trade secrets of EMS TO YOU. Franchisee acknowledges that EMS TO YOU has valuable rights in and to such trade secrets. Franchisee further acknowledges that it has not acquired any right, title or interest in the Licensed Methods, except for the right to use the Licensed Methods in the operation of the EMS To You Business as it is governed by this Agreement.

15.4. EMS TO YOU's Rights to New Ideas.

All enhancements and improvements in the Licensed Methods developed by Franchisee shall be and become the sole and absolute property of EMS TO YOU. EMS TO YOU may incorporate such improvements or enhancements into the Licensed Methods and shall have the sole and exclusive right to copyright, register or patent such improvements in EMS TO YOU's own name and Franchisee shall have no right to use such enhancements and improvements, except as set forth in this Agreement. Franchisee shall promptly disclose all such enhancements and improvements to EMS TO YOU (whether or not requested by EMS TO YOU) in such detail as EMS TO YOU may from time to time request. Franchisee shall, without further consideration, but at the expense of EMS TO YOU, execute such documents and do such acts as may be necessary for EMS TO YOU to copyright, register, or patent the enhancements or improvements in EMS TO YOU's own name in any country.

15.5. Copyrights.

Franchisee and EMS TO YOU acknowledge and agree that: (a) EMS TO YOU may authorize Franchisee to use certain copyrighted or copyrightable works (the "**Copyrighted Works**"); (b) the Copyrighted Works are the valuable property of EMS TO YOU; and (c) Franchisee's rights to use the Copyrighted Works are granted to Franchisee solely on the condition that Franchisee complies with the terms of this Section. Franchisee acknowledges and agrees that EMS TO YOU owns or is the licensee of the owner of the Copyrighted Works. Such Copyrighted Works include, but are not limited to, the Operations Manual, advertisements, and promotional materials, and may include all or part of the System, trade dress and other portions of an EMS To You Business. Franchisee acknowledges that this Agreement does not confer any interest in the Copyrighted Works upon Franchisee, other than the right to use them in the operation of its EMS To You Business in compliance with this Agreement. If EMS TO YOU authorizes Franchisee to prepare any adaptation, translation, or work derived from the Copyrighted Works, or if Franchisee prepares any Copyrighted Works such as advertisements, poster or promotional material, Franchisee agrees that such adaptation, translation, derivative work or Copyrighted Work shall constitute a "work made for hire" as that term is defined in the Copyright Act, 17 U.S.C. § 101 et seq., and shall become the property of EMS TO YOU, and Franchisee assigns all its right, title and interest therein to EMS TO YOU (or such other person or entity identified by EMS TO YOU). Franchisee agrees to execute any documents, in recordable form, which EMS TO YOU determines are necessary to reflect such ownership. Franchisee shall submit all such adaptations, translations, derivative works and Copyrighted Works to EMS TO YOU for approval prior to use. Franchisee shall ensure that all Copyrighted Works used hereunder shall bear an appropriate copyright notice as specified by EMS TO YOU and specifying that EMS TO YOU is the owner of the copyrights therein.

15.6. Infringement.

Franchisee shall immediately notify EMS TO YOU in writing of any apparent infringement of or challenge to Franchisee's use of the Marks that it becomes aware of, and of any claim by any person of any right in the Marks or any similar trade name, trademark, or service mark of which Franchisee becomes aware. Franchisee shall not, in connection with any such infringement, challenge, or claim, directly or indirectly communicate with any person other than an officer of EMS TO YOU and its legal counsel. EMS TO YOU and/or its affiliated company shall have sole option to take, or not to take, any action as it deems appropriate as a result of any infringement, challenge, or claim. EMS TO YOU and/or its affiliated company shall have the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of such infringement, challenge or claim, or otherwise relating to the Marks. Franchisee agrees, at Franchisee's sole expense, to execute all instruments and documents, render such assistance, and do such acts and things, as may, in the opinion of EMS TO YOU's and/or its affiliated company's counsel, be necessary or advisable to protect and maintain the interests of EMS TO YOU and/or its affiliated company in any such litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding, or to otherwise protect and maintain the interests of EMS TO YOU and/or its affiliated company in the Marks.

15.7. Franchisee's Business Name and Internet Use.

Franchisee acknowledges that EMS TO YOU has a prior and superior claim to the Marks and EMS TO YOU's corporate name and trade names. Franchisee will not use the designation "EMS TO YOU," or any other of the Marks, or any portions thereof, in the legal name of its corporation, partnership or other business entity, nor use any of such names, the Marks or trade names, or portions thereof, as part of an electronic mail address or on any sites on the Internet, without the prior written consent of EMS TO YOU, which consent may be conditioned upon Franchisee conditionally assigning the name to EMS TO YOU exercisable upon a default by Franchisee under, or termination of, this Agreement. Any sites

established by Franchisee on the Internet and any changes subsequently made to those sites must be approved by EMS TO YOU prior to their establishment or change, which consent may be withheld for any reason. Franchisee shall not use any Internet domain names and/or home page addresses other than those operated by EMS TO YOU. The requirement for EMS TO YOU's prior approval set forth in this Section will apply to all activities on the Internet or other communications network to be conducted by Franchisee, except that Franchisee maintain one or more e-mail addresses (but Franchisee must use such e-mail addresses only for business of the EMS To You Business), and Franchisee may conduct individual e-mail communications without EMS TO YOU's prior written approval-provided that the address and communications comply with all of the requirements (including those pertaining to the use of the Marks) contained in this Agreement. Franchisee shall comply with EMS TO YOU's guidelines related to the use of any social networking or social media website, including but not limited to Facebook, Twitter, LinkedIn, or MySpace. Franchisee agrees to obtain EMS TO YOU's prior approval as provided above if it proposes to send advertising to multiple addresses via e-mail. Franchisee also agrees not to register or attempt to register any of the above names, the Marks or the trade names of EMS TO YOU, or any portions thereof as a trademark, service mark, or domain name on the Internet. During the term of this Agreement, EMS TO YOU may require that Franchisee post a sign at its EMS To You Location, and include a reference on its letterhead, e-mails, contracts, business cards and/or other items, stating that it is an "authorized franchisee of EMS To You Franchising Co., Inc.," or other language specified by EMS TO YOU. If local laws require that Franchisee file an affidavit or other registration indicating that it is conducting business under an assumed, fictitious or trade name, Franchisee shall state in such filing or affidavit that the same is made "as an authorized franchisee of EMS To You Franchising Co., Inc."

15.8. Change of Marks.

Franchisee shall use and display the Marks and Copyrighted Works only as specified by EMS TO YOU. If it becomes advisable at any time in the opinion of EMS TO YOU for Franchisee to modify or discontinue use of any of the Marks or Copyrighted Works, or to use one or more additional or substitute names, Marks or Copyrighted Works, Franchisee agrees to comply with EMS TO YOU's directions within a reasonable time after notice to Franchisee by EMS TO YOU. EMS TO YOU shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of the Marks. Franchisee agrees that any costs for modifying or changing the Marks will be borne by Franchisee and such modification or change of the Marks will be completed by Franchisee within a reasonable period of time after notification by EMS TO YOU.

15.9. Business Records.

Franchisee acknowledges and agrees that EMS TO YOU owns all records ("**Business Records**") with respect to clients and employees of, and/or related to, Franchisee's EMS To You Business; including, without limitation, all databases (whether in print, electronic or other form) with client's and potential clients' names, addresses, phone numbers, e-mail addresses, and client purchase records, and all other records contained in the database. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration, or cancellation of this Agreement, EMS TO YOU may access such Business Records, and may utilize, transfer, or analyze such Business Records as EMS TO YOU determines to be in the best interest of the System, in EMS TO YOU's sole discretion.

16. REPORTS, RECORDS AND FINANCIAL STATEMENTS

16.1. Franchisee Reports and Financial Statements.

a. Franchisee will establish and maintain at its own expense bookkeeping and accounting systems that conform to the specifications that EMS TO YOU may prescribe from time to time.

Franchisee will supply to EMS TO YOU such records in a manner and form as EMS TO YOU may from time to time require including financial statements and balance sheets of Franchisee's EMS To You Business and Franchisee's most recent federal income tax returns, in a format prescribed by EMS TO YOU, within 15 days of Franchisee's receipt of a written request by EMS TO YOU for such information. If requested by EMS TO YOU, such financial statements shall be prepared by an independent certified public accountant in accordance with generally accepted accounting principles consistently applied. All reports and financial information to be furnished to EMS TO YOU must be signed by Franchisee or its Treasurer or Chief Financial Officer, attesting that the statement is true and correct, and prepared in accordance with the Operations Manual, this Agreement, and as otherwise specified in writing by EMS TO YOU. If Franchisee is granted multiple Franchises under this Agreement, EMS TO YOU may request financial statements and balance sheets for individual Franchises.

b. Franchisee shall submit to EMS TO YOU current financial statements and other reports as EMS TO YOU may request to evaluate or compile research and performance data on any operational aspect of its EMS To You Business. Franchisee authorizes EMS TO YOU to utilize this information to prepare a financial performance representation, to release this information as necessary to substantiate any financial performance representation made by EMS TO YOU, to share such information in summary form as EMS TO YOU deems necessary or desirable to share with other franchisees at any annual convention or other franchise business meetings, and to utilize this information in any other manner and with any other parties that EMS TO YOU deems appropriate without obtaining any further written consent of Franchisee. All financial information transmitted by Franchisee to EMS TO YOU pursuant to this Agreement shall be owned by EMS TO YOU as part of the Business Records as defined in **Section 15.9** above, with no duty on the part of EMS TO YOU to account to Franchisee with respect to the use and exploitation of the same.

16.2. Books and Records.

During the term of this Agreement, including any successor franchise terms, and for seven years thereafter, Franchisee shall retain full, complete and accurate records of all sales, marketing activities, closeout sheets, payroll, and accounts payable in accordance with the standard accounting system described by EMS TO YOU in the Operations Manual or otherwise specified in writing by EMS TO YOU. If Franchisee is granted multiple Franchises under this Agreement, Franchisee shall maintain separate records for each Franchise.

16.3. Audit of Books and Records.

From the date Franchisee and EMS TO YOU sign this Agreement until three years after the expiration or termination of this Agreement, including any successor franchises, EMS TO YOU or EMS TO YOU's authorized agent shall have the right to request, receive, inspect and audit any of the business records, financial or otherwise, of Franchisee or any party affiliated with Franchisee, including but not limited to Franchisee's Operations Manager, other owners, guarantors, officers, directors, or Authorized Representatives, any immediate family members of Franchisee or of such affiliated parties, or any companies or entities associated with Franchisee or such affiliated parties, that EMS TO YOU in its sole discretion determines may be relevant in determining the business results of Franchisee's EMS To You Business; such as verifying that Franchisee has paid all fees and other amounts owed to EMS TO YOU based on the revenues of Franchisee or otherwise. Inspections and audits conducted at the EMS To You Location may take place without prior notice. EMS TO YOU may also require at any time the records from Franchisee or its affiliated parties be sent to EMS TO YOU's offices or another location to permit the inspection or audit of such records to be conducted at EMS TO YOU's place of business or the other location. If EMS TO YOU notifies Franchisee that documents are to be sent to a location other than the EMS To You Location for the purpose of conducting an inspection or audit at that location, Franchisee

shall provide the requested documents to EMS TO YOU within the time period set forth in EMS TO YOU's notice. Franchisee will be responsible for any expenses associated with collecting and delivering any documents requested by EMS TO YOU for its inspection or audit. Franchisee agrees that EMS TO YOU will have the right to inspect and audit any records of Franchisee or any affiliated party that EMS TO YOU determines to be relevant in its sole discretion, which records may include, in addition to those referred to above, (i) tax returns; (ii) quarterly and/or annual financial statements, including profit and loss statements and balance sheets; (iii) copies of checks, check ledgers and bank statements for checking and savings accounts; (iv) all contracts or agreements entered into by Franchisee and any third parties related to its EMS To You Business, including but not limited to contracts with clients; and (v) any other documents requested by EMS TO YOU. EMS TO YOU may inspect and audit documents covering a period beginning with the date on which Franchisee first acquired its EMS To You Business and ending on the date such audit is concluded. All documents provided for EMS TO YOU's inspection or audit must be certified by Franchisee and the appropriate affiliated party, if applicable, as true, complete, and correct. Should any inspection or audit disclose a deficiency in the payment of any amounts required to be paid or spent under this Agreement, Franchisee shall pay the deficiency to EMS TO YOU immediately, without prejudice to any other remedy of EMS TO YOU under this Agreement. In addition, if such deficiency for any audit period equals or exceeds 2 percent of the correct amount of any amounts required to be paid or spent under this Agreement during that audit period, or if Franchisee fails to submit any statements or reports required hereunder to EMS TO YOU (including by failing to use the Scheduling Center to schedule Franchisee's EMS To You Sessions or to close out all EMS To You Session orders scheduled), and EMS TO YOU conducts an audit of Franchisee's books and records, Franchisee will also pay to EMS TO YOU the entire cost of the inspection or audit including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel immediately.

16.4. Failure to Comply with Reporting Requirements.

If Franchisee's records and procedures, including any information reported through the Scheduling Center, are insufficient to permit a proper determination of Gross Revenues for purposes of the Royalty Fee, Advertising and Technology Fee, and Scheduling Center Fee, EMS TO YOU shall have the right to charge the minimum Royalty Fee and Advertising and Technology Fee, or to deliver to Franchisee an estimate, made by EMS TO YOU, of Gross Revenues for the period under consideration, and Franchisee shall pay to EMS TO YOU the Royalty Fee, Advertising and Technology Fee, and Scheduling Center Fee shown thereby within five days of the date of the notice. Any such estimate shall be deemed the minimum amount of Royalty Fee, Advertising and Technology Fees and Scheduling Center Fee due for the required reports, and Franchisee shall remain liable for all Royalty Fees, Advertising and Technology Fees, and Scheduling Center Fees in excess of such amounts once the actual Gross Revenues related to such reports are determined. In addition, if Franchisee's failure constitutes an Act of Deception, then EMS TO YOU will have the right to proceed in accordance with **Section 16.5**.

16.5. Acts of Deception.

Notwithstanding anything to the contrary contained in this Article, if a breach occurs under **Sections 11.1.c**, **12.1**, **12.2**, **12.3**, **12.4**, **12.7**, **16.1**, **16.2**, or **16.3** due to Franchisee failing to pay or report to EMS TO YOU any sales or other financial information or information regarding EMS To You Sessions performed pursuant to the terms established hereunder; if Franchisee underpays any amounts owed to EMS TO YOU, including amounts discovered in an audit of Franchisee's books and records; or provides reports to EMS TO YOU that are incomplete, inaccurate or misleading in any respect, and said breach remains uncured for 25 days or more after notice has been given, said act shall be deemed a deceptive act by Franchisee to prevent EMS TO YOU from receiving its fees based on the Gross Revenues of Franchisee's EMS To You Business and other fees due EMS TO YOU by Franchisee (an "**Act of Deception**"). The occurrence of an Act of Deception will result in serious damage to EMS TO

YOU and the System in that it would (i) result in EMS TO YOU receiving less compensation than it is entitled; (ii) result in substantial costs to EMS TO YOU in responding to the Act of Deception, based on the need to research Franchisee's activities, contact third parties, coordinate an audit, and/or take other actions; (iii) demand substantial effort and attention of EMS TO YOU's representatives, in turn diverting their attention from their ordinary duties devoted to EMS TO YOU and its services for the EMS TO YOU franchise system; and (iv) encourage other franchisees of EMS TO YOU to engage in similar acts, thereby contributing to a general atmosphere of noncompliance within the EMS TO YOU franchise system. At the same time, EMS TO YOU and Franchisee acknowledge and agree that these damages, due to their nature, would be difficult to quantify. Therefore, upon discovery of an Act of Deception by EMS TO YOU, Franchisee shall pay EMS TO YOU as liquidated damages and not as a penalty, 100 percent of Franchisee's gross income from the entire applicable sale or sales involved in the Act of Deception, together with any late fees in accordance with **Section 12.7** of this Agreement, plus interest at the rate of 2.5 percent per month or the highest rate allowable by applicable law, whichever is less, on such amount from the first date any fees arising from such sales were due to EMS TO YOU. With respect to an Act of Deception, this interest provision shall supersede any other interest provision in this Agreement. This same interest rate shall apply as the post-judgment interest rate, regardless of the applicable statutory rate, in the event of any legal actions related to an Act of Deception under this Agreement. Additionally, once an Act of Deception is discovered, EMS TO YOU or its designated representatives may conduct an inspection or audit of the records of Franchisee or any of its affiliated parties as stated in **Section 16.3** above, provided, however, that any inspection or audit conducted as a result of the discovery of an Act of Deception shall be performed at Franchisee's sole cost and expense and shall be conducted at any time of EMS TO YOU's choosing. EMS TO YOU shall provide written notice to Franchisee of its election to conduct an audit of Franchisee's books and records pursuant to this Section and upon receipt of such written notice, Franchisee shall immediately pay to EMS TO YOU $15,000.00 (the "**Audit Fee**"), which Audit Fee shall be utilized by EMS TO YOU to offset the costs and expenses incurred by EMS TO YOU or its designated representatives in conducting such audit. If the final costs and expenses of the audit are less than the Audit Fee, EMS TO YOU shall either, in its sole discretion, refund the excess portion of the Audit Fee to Franchisee or offset such excess portion of the Audit Fee against other amounts determined to be due to EMS TO YOU or which become due to EMS TO YOU in the future. If the actual cost of the audit exceeds the Audit Fee, Franchisee shall pay EMS TO YOU the excess amount within 10 days of written notice of the deficiency and demand for payment. Failure on the part of Franchisee to pay the excess amount shall be deemed a continuing default of Franchisee under this Agreement.

16.6. Financial Information from Third Parties.

Franchisee authorizes EMS TO YOU to make inquiries of Franchisee's bank, suppliers and trade creditors concerning Franchisee's EMS To You Business, and agrees to direct such persons and companies to provide to EMS TO YOU such information and copies of documents pertaining to its EMS To You Business as EMS TO YOU may request.

17. TRANSFER

17.1. Transfer by EMS TO YOU.

Franchisee acknowledges that EMS TO YOU's obligations under this Agreement are not personal, and EMS TO YOU can unconditionally transfer, on its own discretion, this Agreement to another corporation or any other party, including the operator of a competing franchise system. Franchisee further acknowledges and agrees that EMS TO YOU may sell its assets, the Marks or the System to any third party of EMS TO YOU's choice; or may terminate or cease to exist or dissolve, in any such case without Franchisee's consent, and provided the transferee expressly assumes and undertakes to perform EMS TO YOU's obligations in all material respects, free of any responsibility or

liability whatsoever to Franchisee after the transaction occurs. With regard to any such sale, transfer, assignment or disposition, Franchisee expressly and specifically waives any claims, demands, or damages against EMS TO YOU arising from or related to the transfer of the Marks or the System from EMS TO YOU to any other party.

17.2. Transfer by Franchisee.

Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee. Accordingly, EMS TO YOU will not allow or permit any transfer, assignment, subfranchise or conveyance of this Agreement, any interest in this Agreement (including any individual Franchise granted under this Agreement if Franchisee is granted multiple Franchises under this Agreement), all or any part of the Franchisee if the Franchisee is a business entity, or all or a substantial portion of the assets of the EMS To You Business (each, a "**Transfer**"), except in compliance with **Section 17.3**. The term "Transfer," as used in this Agreement, means and includes the voluntary, involuntary, direct or indirect transfer, assignment, sale, gift or other similar disposition. Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void and, at the option of EMS TO YOU, grounds for termination of this Agreement by EMS TO YOU.

17.3. Pre-Conditions to Franchisee's Transfer.

No Transfer will be approved by EMS TO YOU or be effective unless and until Franchisee and the transferee obtain EMS TO YOU's written consent and all the following conditions are satisfied:

a. Franchisee is in full compliance herewith and pays to EMS TO YOU all outstanding debts or amounts owing to EMS TO YOU.

b. In EMS TO YOU's sole discretion, the transferee executes EMS TO YOU's then current Franchise Agreement (which shall have a term equal to the remainder of Franchisee's term, but which may contain provisions substantially different from those contained herein), and such other documents then customarily used by EMS TO YOU to grant franchises, and all other documents as may be requested by EMS TO YOU.

c. Franchisee pays EMS TO YOU either a transfer fee ("**Transfer Fee**") or a resale assistance fee ("**Resale Assistance Fee**") depending on whether EMS TO YOU identifies the proposed transferee of this Agreement. If Franchisee or another party, not acting on behalf of EMS TO YOU, identifies the proposed transferee, Franchisee or the proposed transferee shall pay EMS TO YOU a nonrefundable Transfer Fee in the amount of $4,000.00. If EMS TO YOU or a party acting on behalf of EMS TO YOU identifies the proposed transferee, Franchisee shall pay to EMS TO YOU a nonrefundable Resale Assistance Fee equal to 30 percent of the total consideration Franchisee receives upon the Transfer of this Agreement, including without limitation, the purchase price for the assets of the EMS To You Business or for the ownership interest in Franchisee, any amounts designated as consulting fees or other fees, the amounts for any blue sky or goodwill, the amounts for any lease arrangements, and other similar costs, compensation, fees or payments, however designated, and whether to be paid in a lump sum or financed; provided that such Resale Assistance Fee shall not in any event be less than $10,000.00 nor more than $20,000.00. The Transfer Fee or Resale Assistance Fee shall be payable to reimburse EMS TO YOU for its reasonable legal, marketing, sales, accounting, credit and investigation expenses incurred as a result of the proposed Transfer. EMS TO YOU shall not charge transferee an Initial Franchisee Fee. If Franchisee is transferring multiple Franchises granted under this Agreement, Franchisee must pay the Transfer Fee and/or Resale Assistance Fee, as applicable, for each individual Franchise.

d. Except where prohibited by law, Franchisee executes a general release in favor of EMS TO YOU, including its shareholders, officers, directors, agents and employees, from all claims and potential claims of Franchisee.

e. The transferee purchases all of Franchisee's assets used in its EMS To You Business in accordance with all applicable bulk sales rules and regulations and assumes all of the liabilities of the EMS To You Business, unless such liabilities have been paid prior to the closing of the transaction or unless the sale is a sale of shares in the capital stock of Franchisee. The transferee must agree to be responsible at its sole expense for honoring and accepting any credits, gift cards or certificates, discounts including deal-of-the-day and crowdsourcing discounts, special offers, prizes, and any other promotional offers made by Franchisee related to the EMS To You Business.

f. If EMS TO YOU determines that training of the proposed transferee is required, the proposed transferee attends, at its own expense, and successfully completes (to EMS TO YOU's satisfaction) EMS TO YOU's initial training program and pays a nonrefundable training fee of $1,000.00 (the "**Transferee Training Fee**"). If Franchisee is transferring multiple Franchises granted under this Agreement to multiple transferees, EMS TO YOU may require that each transferee attend EMS TO YOU's initial training program and pay a Transferee Training Fee.

g. The parties to the proposed transaction shall have entered into a bona fide binding agreement (a "**Purchase Offer**"), subject only to the rights of EMS TO YOU. EMS TO YOU shall be furnished a copy of this Purchase Offer, and such Purchase Offer shall be subject to EMS TO YOU's written approval, and the Right of First Refusal reserved to EMS TO YOU as specified in **Section 17.6** below. Franchisee must advise each prospective transferee of this provision and the other terms of this Agreement. Franchisee agrees to provide the proposed transferee, if appropriate, with such disclosure documents and other information as may be required by applicable law.

h. If the transferee is a corporation, partnership, limited liability company or other legal entity, the transferee and its stockholders, partners, members or owners of a beneficial interest in the transferee have complied with **Section 11.3** above.

i. The proposed transferee has demonstrated to EMS TO YOU's satisfaction that it, he or she will meet in all respects EMS TO YOU's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote its, his or her best efforts to the operation of the EMS To You Business being transferred, and any other conditions as EMS TO YOU may apply in evaluating new franchisees. All required conditions will be provided by EMS TO YOU to the proposed transferee at time of notification of desire to transfer. EMS TO YOU must be provided all information about the proposed transferee as EMS TO YOU may require. No Transfer to a competitor of EMS TO YOU will be permitted.

j. Franchisee agrees that EMS TO YOU has the right to confer with prospective transferees and furnish them with information regarding Franchisee's EMS To You Business, this Agreement, and the proposed transfer without being held liable to Franchisee, except for intentional misstatements made to a prospective transferee.

k. If Franchisee is transferring less than all of the Franchises granted under this Agreement, Franchisee and EMS TO YOU shall enter into an amended Addendum to Franchise Agreement to replace that Addendum to Franchise Agreement attached as Exhibit I, to reflect that reduction of the number of Franchises, Protected Territories, and Royalty Fee and other fees.

17.4. Waiver of Transfer Fees.

EMS TO YOU will waive the Transfer Fee and Resale Assistance Fee set forth in **Section 17.3.c**, the Transferee Training Fee set forth in **Section 17.3.f**, and the Right of First Refusal in **Section 17.6**, in regard to the following Transfers, although all other requirements set forth in this **Article 17** shall apply:

a. If Franchisee is a business entity, a Transfer of less than 25 percent of the ownership interest in the Franchisee business entity. If there are multiple Transfers that result in a total Transfer of 25 percent or more of the ownership interest in the Franchisee business entity, then this **Section 17.4** will no longer apply and Franchisee shall immediately comply with all requirements of this **Article 17**.

b. If Franchisee is one or more individuals, a Transfer from such individual or individuals to a business entity in which they own not less than 75 percent of the total stock, membership interests, partnership interests or other ownership interests, and which is actively managed by them, so long as this Agreement is not signed as part of Franchisee's exercise of successor franchise rights and such transfer occurs no later than 45 days following the date of this Agreement.

17.5. Franchisee's Death or Disability.

a. If Franchisee is an individual, upon the death or permanent disability of Franchisee, or if Franchisee is an entity, upon the death or permanent disability of the Operations Manager, the rights granted by this Agreement may pass to the next of kin or legatees, provided that Franchisee's or Operations Manager's legal representatives shall within 90 days from the date of death or permanent disability of Franchisee or the Operations Manager apply in writing to EMS TO YOU for the right to transfer to the next of kin or legatee the rights under this Agreement or the ownership interest of the entity. The proposed transferees must meet each of the requirements set forth in this **Article 17** within 30 days of the receipt of a conditional approval for the transfer, except that, in a Transfer under this Section, there will be no Transfer Fee or Resale Assistance Fee charged by EMS TO YOU pursuant to **Section 17.3.c**. For purposes hereof, the term "permanent disability" will mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Franchisee or the Operations Manager from supervising the management and operation of the EMS To You Business for a period of 90 days from the onset of such disability, impairment or condition. If the legal representatives do not comply with the provisions of this Section, or do not propose a transferee acceptable to EMS TO YOU under the standards set forth in this Agreement, all rights licensed to Franchisee under this Agreement will terminate immediately and automatically revert to EMS TO YOU. During the 90-day period following Franchisee's or Operations Manager's death or permanent disability in which the legal representative may apply for the right to transfer the rights under this Agreement, the legal representative(s) may continue to operate the Franchise(s), provided that operation is conducted in accordance with the terms of this Agreement and any other agreements with EMS TO YOU.

b. In order to prevent any interruption of the business of Franchisee's EMS To You Business that might cause harm to the business and thereby depreciate the value thereof, Franchisee authorizes EMS TO YOU, in the event that Franchisee is incapacitated or dies, and is not, therefore, in the sole judgment of EMS TO YOU, able to operate the EMS To You Business hereunder, to operate the business for so long as EMS TO YOU deems necessary and practical, and without waiver of any other rights or remedies EMS TO YOU may have under this Agreement; provided, however, that if EMS TO YOU does commence to operate the Franchise, EMS TO YOU shall not be obligated to operate the Franchise for a period of more than 90 days. All monies from the operation of the business during such period of operation by EMS TO YOU shall be kept in a separate account and the expenses of the business, including reasonable compensation and expenses for EMS TO YOU's representatives, shall be charged to that account. If, as herein provided, EMS TO YOU temporarily operates the EMS To You

Business, Franchisee agrees to indemnify and hold EMS TO YOU and any representative of EMS TO YOU who may act hereunder harmless from any and all claims arising from the acts and omissions of EMS TO YOU and its representative arising therefrom.

17.6. EMS TO YOU's Right of First Refusal.

If Franchisee desires to Transfer, in whole or in part, the EMS To You Business, Franchisee shall obtain a bona fide, executed, written Purchase Offer from a responsible, arms-length, and fully disclosed purchaser for the EMS To You Business and other assets used by Franchisee in its EMS To You Business. Franchisee shall submit an exact copy of the Purchase Offer to EMS TO YOU, which shall, for a period of 30 days from the date of delivery of such offer to EMS TO YOU, have the right, but not the obligation, exercisable by written notice to Franchisee, to purchase all of the EMS To You Business and the assets of Franchisee (the "**Right of First Refusal**"), for the price and on the terms set forth in the Purchase Offer, subject to the provisions of this **Article 17** and provided that:

a. there shall be deducted from the purchase price the amount of any commissions or fees that would otherwise have been payable to any broker, agent or other intermediary in connection with the sale of such property to the offeree; and

b. EMS TO YOU shall have the right to substitute cash for any other form of consideration specified in the Purchase Offer and to pay in full the entire purchase price at the time of closing.

If EMS TO YOU does not exercise its right of first refusal, the offer may be accepted by Franchisee or its owners but only upon the same terms and conditions as proposed to EMS TO YOU, and subject to the other requirements set forth in this **Article 17**. If the sale to such purchaser is not completed within 60 days after delivery of such offer to EMS TO YOU, EMS TO YOU shall again have the Right of First Refusal.

17.7. Post-Transfer Obligations.

With and after each valid Transfer of this Agreement pursuant to this **Article 17**, the transferee or transferees of Franchisee shall be deemed to be the Franchisee under this Agreement and will be bound by and liable for all of Franchisee's existing and future obligations. No owner in any business entity that becomes Franchisee shall have any rights under this Agreement by reason of his, her or its ownership. The transferor shall comply with those requirements set forth in **Section 18.5**.

18. DEFAULT AND TERMINATION

18.1. Termination by EMS TO YOU-Effective Upon Notice.

EMS TO YOU shall have the right to terminate this Agreement and all rights granted Franchisee hereunder, subject to the provisions of applicable law governing franchise termination and renewal, effective upon receipt of notice by Franchisee, upon the occurrence of any of the following events:

a. Unauthorized Disclosure. Franchisee intentionally or negligently discloses to any unauthorized person the contents of, or any part of, EMS TO YOU's Operations Manual or any other trade secrets or confidential information of EMS TO YOU.

b. Abandonment. Franchisee voluntarily abandons the EMS To You Business for a period of 15 consecutive days, or any shorter period that indicates an intent by Franchisee to discontinue

operation of its EMS To You Business; unless such abandonment is due to fire, flood, earthquake or other similar causes beyond Franchisee's control and not related to the availability of funds to Franchisee.

c. Insolvency; Assignments. Franchisee or any of its guarantors becomes insolvent or is adjudicated a bankrupt; or any action is taken by Franchisee or any of its guarantors, or by others against Franchisee or a guarantor under any insolvency, bankruptcy or reorganization act; or Franchisee or any of its guarantors makes an assignment for the benefit of creditors, or a receiver is appointed for Franchisee or a guarantor.

d. Unsatisfied Judgments; Levy; Foreclosure. Any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersedeas or other appeal bond has been filed); or execution is levied against the EMS To You Business or any of the property used in the operation of the EMS To You Business and is not discharged within five days; or the real or personal property of the EMS To You Business is sold after levy thereupon by any sheriff, marshal or constable.

e. Criminal Conviction. Franchisee, or, if Franchisee is an entity, any owner of greater than 25 percent of the Franchisee entity, is convicted of a felony, a crime involving moral turpitude, a crime related to its EMS To You Business, or any crime or offense that is likely, in the sole opinion of EMS TO YOU, to materially and unfavorably affect the System, Marks, goodwill or reputation thereof.

f. Repeated Noncompliance. Franchisee receives three notices of default with respect to Franchisee's obligations hereunder from EMS TO YOU during the term of this Agreement, regardless of whether the defaults were cured by Franchisee.

g. Unauthorized Transfer. Franchisee sells, transfers or otherwise assigns the EMS To You Business, an interest in its franchise or the Franchisee entity, this Agreement, the EMS To You Business or a substantial portion of the assets of the EMS To You Business owned by Franchisee without complying with the provisions of this Agreement.

h. Condemnation or Loss of EMS To You Location. Franchisee loses possession or the right of possession of all or a significant part of the EMS To You Location through condemnation, casualty, lease termination or mortgage foreclosure and the EMS To You Business is not relocated or reopened within 60 days of such loss of possession or condemnation or casualty.

i. Contesting Ownership of Marks. Franchisee contests in any court or proceeding the validity of, or EMS TO YOU's ownership of, the Marks.

j. Unauthorized Entity Action. Franchisee is a corporation or other business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate such entity without EMS TO YOU's prior written consent.

k. Failure to Complete Training. Franchisee fails to successfully complete EMS TO YOU's Initial Training Program.

l. Improper Business Practices. EMS TO YOU determines that Franchisee: engaged in an act of fraud with respect to its rights or obligations under this Agreement; engaged in false advertising; engaged in any activity that has a material adverse effect on EMS TO YOU, the System, and/or the Marks; failed to submit sales or other financial information to EMS TO YOU or intentionally submitted incorrect sales or other financial information to EMS TO YOU; failed to comply with applicable laws, regulations and ordinances; or engaged in any other business from the EMS To You Location.

m. Sexual Harassment or Discrimination. EMS TO YOU receives credible evidence, which it verifies to its satisfaction, that Franchisee, its Operations Manager, or any other management level employee of Franchisee, has sexually harassed or intimidated any individual or intentionally engaged in any racial, ethnic, religious, sexual, or other offensive discrimination against any individual or group.

n. Material Misrepresentation. Franchisee has made a material misrepresentation in its application to own and operate the Franchise.

o. Act of Deception. Franchisee has committed an Act of Deception, as defined in **Section 16.5**.

p. Violation of Covenant Not to Compete or Other Restrictive Covenant. Franchisee or any of the Franchisee Affiliates (as defined in **Section 20.1**) violates the covenant not to compete or any other restrictive covenant contained in **Article 20** below.

q. Executive Order 13224; Patriot Act. Franchisee, or any officer, director, member, manager, or partner of Franchisee (as applicable), or the Operations Manager, violates or becomes subject to United States Executive Order 13224 or The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**Patriot Act**").

r. Breach of Other Agreement. Franchisee breaches the terms of any other agreement between EMS TO YOU and Franchisee and fails to cure said breach during any applicable cure period provided in the other agreement.

s. Inadequate Guaranties. Any guaranty of this Agreement fails to be a continuing obligation fully enforceable against the guarantor signing the guaranty, or there is any inadequacy of the guaranty or guarantor and the guarantor is unable to provide adequate assurances as required by EMS TO YOU.

18.2. Termination by EMS TO YOU with Prior Notice.

EMS TO YOU shall have the right to terminate this Agreement and all rights granted Franchisee hereunder, subject to the provisions of applicable law governing franchise termination and renewal, effective after the specified number of days after delivery of written notice by EMS TO YOU to Franchisee:

a. Failure to Make Payments. Franchisee fails to pay any amounts due EMS TO YOU or affiliates, including the Initial Franchise Fee, the Royalty Fee, the Advertising and Technology Fee, the Scheduling Center Fee, the Noncompliance Service Charge, and all other fees or sums owed to EMS TO YOU within 10 days after receiving notice that such fees or amounts are overdue.

b. Misuse of Marks. Franchisee misuses or fails to follow EMS TO YOU's directions and guidelines concerning use of the Marks and fails to correct the misuse or failure within 10 days after notification from EMS TO YOU.

c. Failure to Submit Reports or Requested Information. Franchisee fails, or refuses, to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, within 10 days after notification from EMS TO YOU.

d. Filing Non-Compliant Legal Action. Franchisee or any of the Franchisee Affiliates files or otherwise commences litigation, arbitration, or any other legal action against EMS TO YOU or any of the EMS TO YOU Affiliates, as defined in **Section 22.1**, that is not in compliance with the dispute resolution terms agreed upon in **Article 22** as may be modified by any applicable rider in Exhibit VI, and fails to dismiss such action within seven days after notification from EMS TO YOU.

e. All Other Defaults Under Agreement. In addition to the foregoing termination rights, EMS TO YOU shall have the right to terminate this Agreement (subject to any applicable laws to the contrary, where such applicable law shall prevail), effective upon 30 days' written notice to Franchisee, if Franchisee breaches any other provision of this Agreement and fails to cure the default during such 30-day period. In that event, in EMS TO YOU's sole discretion this Agreement will terminate without further notice to Franchisee, effective upon expiration of the 30-day period. Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30-day period and Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30-day period, Franchisee shall be given an additional reasonable period of time to cure the breach.

18.3. Termination by EMS TO YOU for Continuing Force Majeure Events.

EMS TO YOU shall have the right at its option to terminate this Agreement and all rights granted Franchisee hereunder, subject to the provisions of applicable law governing franchise termination and renewal, effective upon receipt of notice by Franchisee, in the event of a force majeure event as described in **Section 23.17** below that occurs and continues for a period of six consecutive months or longer and which prevents EMS TO YOU from performing its obligations hereunder.

18.4. Termination by Franchisee.

Franchisee shall have the right to terminate this Agreement as the result of a material breach of this Agreement by EMS TO YOU, provided Franchisee is in full compliance with this Agreement and provides EMS TO YOU with written notice of the breach within 30 days of the breach and a reasonable opportunity to cure such breach, which shall in no event be less than 90 days.

18.5. Obligations of Franchisee Upon Termination or Expiration.

Franchisee agrees that upon termination or expiration of this Agreement Franchisee shall do all of the following:

a. Pay within 10 days of the effective date of termination or expiration of this Agreement all amounts owed to EMS TO YOU, the landlord of the EMS To You Location (if applicable) and Franchisee's trade and other creditors that are then unpaid. In the event of a termination due to a default by Franchisee, the amounts owed to EMS TO YOU shall include an amount equal to the minimum Royalty Fees that would have been payable for each month from the date of termination until the earlier of (i) three years following the date of termination, or (ii) the expiration date that would apply to this Agreement had it not been terminated. All periodic payments to EMS TO YOU shall be deemed to accrue daily, shall be adjusted accordingly, and shall include interest at the rate of 18 percent per annum or the highest rate permitted by law, whichever is lower. This same interest rate shall apply as the post-judgment interest rate, regardless of the applicable statutory rate, in the event of any legal actions related to this Agreement.

b. Immediately discontinue the use of all Marks, signs, stationery, structures, forms of advertising, telephone listings and service, the Operations Manual, training aids, client lists, computer

software and media, business records, files, instructions, brochures, correspondence, all confidential information of EMS TO YOU, and all materials and Products and Services of any kind which are identified or associated with the System and/or any of the Marks, and return all these materials and products to EMS TO YOU, at Franchisee's sole cost and expense. Neither Franchisee nor any party associated with Franchisee will retain any copy or record of the foregoing, excepting only Franchisee's copy of this Agreement and any correspondence between the parties hereto, and any other documents which Franchisee reasonably needs for compliance with any provision of law.

c. Immediately notify all listing agencies, Internet service providers, and social media website operators, and, if applicable, the telephone company, of the termination or expiration of Franchisee's right to use any classified or other telephone directory listings, domain names, social media websites or accounts, and, if applicable, telephone numbers, associated with the Marks, and authorize the transfer of them to EMS TO YOU or any new franchisee as directed by EMS TO YOU. Franchisee acknowledges as between EMS TO YOU and Franchisee, EMS TO YOU has the sole rights to, and interest in, all directory listings, web addresses, domain names, social media websites and accounts, and telephone numbers used by Franchisee to promote its EMS To You Business and/or associated with the Marks. Franchisee irrevocably appoints EMS TO YOU, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Should Franchisee fail or refuse to do so, all Internet service providers, listing agencies, social media website operators, and the telephone company may accept such direction in this Agreement as conclusive evidence of the exclusive rights of EMS TO YOU in such e-mail addresses, domain names, directly listings, social media websites and accounts, and telephone numbers; and its authority to direct their transfer.

d. Immediately cease to operate the EMS To You Business and make no representation nor state that Franchisee is in any way approved, endorsed or licensed by EMS TO YOU or associated or identified with EMS TO YOU or the System in any manner.

e. Immediately take all steps necessary to amend or terminate any registration or filing of any d/b/a or business name or fictitious name or any other registration or filing containing the Marks, so as to delete the Marks and all references to anything associated with the System.

f. If Franchisee continues to operate or subsequently begins to operate any other business after termination or expiration of this Agreement, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or in the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute EMS TO YOU's exclusive rights in and to the Marks, and Franchisee further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with EMS TO YOU or a former association or connection with EMS TO YOU.

g. Unless EMS TO YOU exercises its right to assume and enter into the lease for the EMS To You Location as set forth in **Section 18.9** below, Franchisee shall immediately make such modifications for alterations to the premises of the EMS To You Location as may be necessary to distinguish the appearance of the premises from that of an EMS To You Business, and Franchisee shall make such specific additional changes to the premises as EMS TO YOU may request for that purpose. In the event Franchisee fails or refuses to comply with this requirement, EMS TO YOU shall have the right to enter upon the premises, without being guilty of trespassing or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

h. Immediately shut down any website operated by Franchisee to promote the EMS To You Business and assign and transfer all web addresses used by Franchisee for the same purpose.

i. Comply with the provisions of this Agreement that survive termination or expiration of this Agreement, including in particular, the restrictive covenants in **Article 20**.

18.6. EMS TO YOU's Right to Suspend Services on Franchisee's Default.

If EMS TO YOU has provided Franchisee with a notice of any default pursuant to this **Article 18,** in addition to EMS TO YOU's other remedies, EMS TO YOU reserves the right, on behalf of itself and the EMS TO YOU Affiliates, to suspend any services to be provided by EMS TO YOU or any EMS TO YOU Affiliate or the sales of any products to Franchisee by EMS TO YOU or any EMS TO YOU Affiliate until such time as Franchisee cures the default. The services that may be suspended include but are not limited to any services related to advertising or promotion of Franchisee's EMS To You Business such as the listing of Franchisee's EMS To You Business on any website, and suspension of any telephone or Scheduling Center services. If EMS TO YOU determines in its discretion that the continued operation of the EMS To You Business while such default is pending may result in a risk to the health or safety of any party, EMS TO YOU may also cancel any EMS To You Sessions currently scheduled for Franchisee's EMS To You Business with the Scheduling Center. The suspension may continue until Franchisee has cured each default identified in the default notice from EMS TO YOU and Franchisee is deemed to be in good standing. Franchisee is not relieved of any obligation to pay any fees during the term of any suspension. The rights afforded to EMS TO YOU in this **Section 18.6** are in addition to any other rights of EMS TO YOU upon a default by Franchisee.

18.7. Franchisee's Failure to Comply With Post-Termination Obligations.

If, within 30 days after termination or expiration of this Agreement, Franchisee fails to:

a. Remove all displays of the Marks from Franchisee's EMS To You Business that are identified or associated with the System, then EMS TO YOU may enter the Franchisee's EMS To You Location to effect removal, except if prohibited by law. In this event, EMS TO YOU will not be charged with trespass nor be accountable or required to pay for any displays or materials.

b. Take all steps necessary to amend or terminate any registration or filing of any business name or d/b/a or any other registration or filing containing the Marks, then Franchisee irrevocably appoints EMS TO YOU, with full power of substitution, as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, and in Franchisee's name, place and stead and on Franchisee's behalf, to take action as may be necessary to amend or terminate all registrations and filings if Franchisee fails to timely take such action.

18.8. EMS TO YOU's Purchase of Business Assets.

EMS TO YOU has the right, but not the obligation, to be exercised by notice of intent to do so sent in writing by EMS TO YOU within 30 days after termination or expiration of this Agreement, to purchase any or all of the assets of Franchisee's EMS To You Business; including inventory, equipment, bodysuits, supplies, signs, advertising materials and items bearing the Marks, at their fair market value (less the amount of any outstanding liens or encumbrances). If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by EMS TO YOU, and the appraiser's determination shall be binding. No monetary amount shall be as attributable to any goodwill associated with Franchisee's use of the Marks or in connection with the operation of its EMS To You Business. If EMS TO YOU elects to exercise its option to purchase as herein provided, it will have the

right to set off all amounts due EMS TO YOU or any companies affiliated with EMS TO YOU from Franchisee, and the cost of the appraisal, if any, against any payment thereof.

18.9. EMS TO YOU's Option to Assume or Enter Into Lease.

a. EMS TO YOU has the right, but not the obligation, to be exercised by notice of intent to do so sent in writing by EMS TO YOU within 30 days after termination or expiration of this Agreement, to assume Franchisee's lease with its lessor, if Franchisee has leased nonresidential space for its EMS To You Location.

b. If Franchisee is the owner of a nonresidential building wherein its EMS To You Location is located, EMS TO YOU shall have the opportunity, to be exercised by notice of intent to do so sent in writing by EMS TO YOU within 30 days after termination or expiration of this Agreement, of executing a lease agreement with Franchisee for a period of not more than 10 years, as EMS TO YOU shall select, and the premises shall be leased to EMS TO YOU at a rate not more than the fair market value for premises similar to that of the premises of the EMS To You Location at the time EMS TO YOU decides to exercise this option to lease.

18.10. Effects of Termination or Expiration.

Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which EMS TO YOU may have against Franchisee, whether such claims or rights arise before or after termination or expiration. All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect notwithstanding such expiration or termination.

18.11. Outstanding Loan Obligations.

In the event that this Agreement expires or is terminated for any reason whatsoever and EMS TO YOU is the lender under any loan agreement ("**Loan**") or the holder of any promissory note ("**Note**") or the holder of any personal property, security interest, chattel mortgage, debenture or mortgage of any nature whatsoever (the "**Security Interest**") from Franchisee concerning assets used at any time by Franchisee in its EMS To You Business or which are situated on the EMS To You Location, such Loan, Note or Security Interest shall, upon the effective date of termination or expiration, immediately become fully due and payable as to all principal and interest so loaned and secured.

18.12. Terminology.

For purposes of this Agreement, wherever the term "expiration" or "termination" is used, it is intended to refer to both situations, unless the context indicates otherwise. Any terms herein that apply upon expiration or termination shall also apply for a transferor upon a Transfer.

18.13. Conflicting Laws.

THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE FEDERAL, STATE, PROVINCIAL, OR OTHER LAW, SUCH LAW SHALL GOVERN FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

18.14. Remedies Cumulative.

All rights and remedies conferred upon EMS TO YOU by this Agreement and by law shall be cumulative of each other, and neither the exercise nor the failure to exercise any right or remedy shall preclude the exercise of any other right or remedy.

19. BUSINESS RELATIONSHIP

19.1. Business Relationship.

Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venturer or employee of EMS TO YOU, and Franchisee agrees not to hold itself out as such. The parties agree that this Agreement does not establish a fiduciary relationship between them. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. It is further agreed that Franchisee has no authority to create or assume in EMS TO YOU's name or on behalf of EMS TO YOU, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of EMS TO YOU for any purpose whatsoever. All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of EMS TO YOU or subject to EMS TO YOU's control. Neither this Agreement nor the course of conduct between EMS TO YOU and Franchisee is intended, nor may anything in this Agreement (or the course of conduct) be construed, to state or imply that EMS TO YOU is the employer of Franchisee's Authorized Representatives, or vice versa. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations. Notwithstanding any other provisions in this Agreement, EMS TO YOU shall not be responsible for supervising the activities of Franchisee's EMS To You Business or ensuring that the EMS To You Business is operated in compliance with applicable laws.

19.2. Third Party Obligations.

EMS TO YOU will have no liability for Franchisee's obligations, or to pay or otherwise fulfill any of Franchisee's obligations to any third parties.

19.3. Indemnification.

Franchisee agrees to indemnify, defend, release and hold EMS TO YOU, its subsidiaries and affiliates (if any), and their respective shareholders, directors, officers, members, managers, partners, employees, agents, successors and assignees, as applicable, (the "**Indemnified Parties**") harmless against, and to reimburse them for all Claims, (as defined below), any and all third party obligations described above, and any and all claims, obligations and liabilities directly or indirectly arising out of the operation of the EMS To You Business or arising out of the use of the Marks and Licensed Methods in any manner not in accordance with this Agreement, including (without limitation) the use or operation of the electro muscle stimulation equipment or bodysuits, inadvertent injury or damage to a client or a clients' personal property, theft or other crime by employees at client premises, and violations of any laws including criminal, labor or employment laws. This indemnity includes any Claims arising from the acts or omissions of Franchisee's Authorized Representatives. For purposes of this Agreement, "**Claims**" include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. EMS TO YOU will have the right to defend any such Claim

against it. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

20. RESTRICTIVE COVENANTS

20.1. Non-Competition During Term.

Franchisee acknowledges that, in addition to the license of the Marks hereunder, EMS TO YOU has also licensed commercially valuable information which comprises and is a part of the Licensed Methods and the System, including without limitation, operations, marketing, advertising and related information and materials, and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the information and materials by all franchisees of EMS TO YOU using the Marks and Licensed Methods. Franchisee therefore agrees that other than the EMS To You Business licensed herein, neither Franchisee, the Operations Manager, nor any of Franchisee's shareholders, directors, officers, members, managers, partners, guarantors, employees, agents, successors and assignees, as applicable (collectively, the "**Franchisee Affiliates**"), nor any member of his or their immediate families, or any Authorized Representative, will during the term of this Agreement:

a. have any direct or indirect controlling interest as a disclosed or beneficial owner in a "Competitive Business," as defined below;

b. perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business;

c. divert or attempt to divert any business related to EMS TO YOU or another franchisee of EMS TO YOU authorized by EMS TO YOU to use the Marks and System, to any Competitive Business by direct inducement or otherwise; or

d. divert or attempt to divert the employment of any employee or other representative of EMS TO YOU, or of another franchisee authorized by EMS TO YOU to use the Marks and System, to any employment, consultation or other position outside of EMS TO YOU or the EMS TO YOU franchise system, by any direct inducement or otherwise.

The term "**Competitive Business**" as used in this Agreement means any business operating, or granting franchises or licenses to others to operate, a business that is similar to an EMS To You Business, including a business that conducts electro muscle stimulation workouts, and ancillary services and products. However, Franchisee will not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 2 percent or less of that class of securities issued and outstanding.

20.2. Post-Term Covenant Not to Compete.

Upon termination or expiration of this Agreement for any reason, or the Transfer of the rights under this Agreement, Franchisee and the Franchisee Affiliates agree that, for a period of two years commencing on the effective date of termination, expiration, or Transfer, or the date on which Franchisee ceases to conduct business, whichever is later, neither Franchisee and the Franchisee Affiliates nor any Authorized Representative will have any direct or indirect interest (through a member of any immediate family or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business, or grant franchises or licenses to others to operate a Competitive Business, within a 20-mile of the outer

boundaries of Franchisee's Protected Territory or any protected territory of any EMS To You Business owned by EMS TO YOU, any affiliate of EMS TO YOU or any other franchisee of EMS TO YOU. Franchisee and the Franchisee Affiliates expressly acknowledge that they possess business and career skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living. If a former Franchisee, former Franchisee Affiliate, or any former Authorized Representative, breaches this Section, the two-year period shall start on the date that such person is enjoined from competing or stops competing, whichever is later.

20.3. No Interference.

a. During the term of this Agreement and for a period of two years following the expiration or termination of this Agreement for any reason, the Transfer of the rights under this Agreement, or the date on which Franchisee ceases to conduct business, whichever is later, neither Franchisee nor any of the Franchisee Affiliates shall interfere with the business of EMS TO YOU by interfering with or disrupting, or attempting to interfere with or disrupt, the relationship, contractual or otherwise, between EMS TO YOU and any of its existing or prospective franchisees, clients, suppliers, partners or joint venturers.

b. In the event Franchisee or any of the Franchisee Affiliates breaches the terms of this **Section 20.3**, Franchisee agrees to pay EMS TO YOU, as liquidated damages, and not as a penalty, an amount equal to the then current Initial Franchise Fee due for a Franchise, per occurrence.

20.4. No Diversion.

a. Franchisee and the Franchisee Affiliates agree that, for a period of two years following the expiration or termination of this Agreement for any reason, the Transfer of the rights under this Agreement, or the date on which Franchisee ceases to conduct business, whichever is later, neither Franchisee nor the Franchisee Affiliates will directly or indirectly (through an immediate family member or otherwise) divert or attempt to divert any business related to EMS TO YOU or another franchisee authorized by EMS TO YOU to use the Marks and System, to any Competitive Business, by direct inducement or otherwise.

b. Franchisee and the Franchisee Affiliates agree that, for a period of two years following the expiration or termination of this Agreement for any reason, the Transfer of the rights under this Agreement, or the date on which Franchisee ceases to conduct business, whichever is later, neither Franchisee nor the Franchisee Affiliates will directly or indirectly (through an immediate family member or otherwise) divert or attempt to divert the employment of any employee or other representative of EMS TO YOU or of another franchisee authorized by EMS TO YOU to use the Marks and System, to any employment, consultation or other position outside of EMS TO YOU or the EMS TO YOU franchise system, by direct inducement or otherwise.

20.5. Confidentiality of Proprietary Information.

Franchisee and the Franchisee Affiliates will treat all information it receives that comprises or is a part of the Licensed Methods or the System as proprietary and confidential, and will not use or duplicate such information in an unauthorized manner or disclose the information to any unauthorized person, including in any business that may be competitive with EMS TO YOU, without first obtaining EMS TO YOU's written consent. Franchisee and the Franchisee Affiliates acknowledge that the Marks, the System and the Licensed Methods have valuable goodwill attached to them, that the protection and maintenance thereof is essential to EMS TO YOU and that any unauthorized use or disclosure of the Marks and Licensed Methods will result in irreparable harm to EMS TO YOU.

20.6. Confidentiality Agreements and Acknowledgements.

EMS TO YOU reserves the right to require that Franchisee cause each of its Franchisee Affiliates, any member of their immediate families, and any Authorized Representatives, to execute a Nondisclosure and Noncompetition Agreement in a form approved by EMS TO YOU containing the restrictive covenants of this Agreement. If EMS TO YOU requires any immediate family member to execute a Nondisclosure and Noncompetition Agreement subsequent to the execution of this Agreement by Franchisee, Franchisee must use its best efforts to cause that immediate family member to execute the Nondisclosure and Noncompetition Agreement. Franchisee will provide to EMS TO YOU a copy of each Nondisclosure and Noncompetition Agreement signed by any such individual immediately following its execution and thereafter upon EMS TO YOU's request.

20.7 Claims Are Not Defenses to Covenants.

Franchisee expressly agrees that the existence of any claim it may have against EMS TO YOU, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by EMS TO YOU of the covenants of this **Article 20**. Franchisee further agrees that EMS TO YOU shall be entitled to set off from any amount owed by EMS TO YOU to Franchisee any loss or damage to EMS TO YOU resulting from Franchisee's breach of this **Article 20**.

21. INSURANCE

21.1. Insurance Coverage.

Franchisee shall procure, prior to providing its first EMS To You Session to a client through its EMS To You Business, and shall maintain in full force and effect during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee, EMS TO YOU, and the officers, directors, partners, agents, and employees of both EMS TO YOU and Franchisee, against any loss, liability, personal injury, death, property damage, or expense whatsoever arising from or occurring upon or in connection with operating its EMS To You Business. Franchisee shall, upon commencement of the term of this Agreement, purchase and at all times maintain in full force and effect all of the following coverages with the limits set forth in the Operations Manual:

a. Workers Compensation Insurance in amounts prescribed by law.

b. Comprehensive general liability insurance including, but not limited to, product liability coverage and personal injury coverage.

c. Errors and omissions insurance.

d. Property damage liability insurance covering at a minimum the perils of fire and extended coverage and vandalism

e. Motor vehicle coverage.

f. Such additional insurance as may be required by the terms of any lease or mortgage for Franchisee's EMS To You Location, or by the statutes or other laws of the country, state, province, and/or local governmental entities in which Franchisee's EMS To You Business is located and operated.

The liability insurance afforded by the policy or policies shall not be limited in any way by reason of any insurance that may be maintained by EMS TO YOU; nor shall Franchisee's performance of this obligation relieve it of liability that under the indemnity provisions set forth in this Agreement. EMS TO YOU reserves the right to increase or decrease the amounts of insurance Franchisee must purchase by providing Franchisee with 30 days advance written notice of any changes in coverage amounts. All policies of insurance required under this Section will be with the insurance company(ies) designated by EMS TO YOU (or, if EMS TO YOU does not designate any particular company, with companies qualified to do business and in good standing in the jurisdiction where Franchisee's EMS To You Business is located and that are approved by EMS TO YOU). All insurance policies shall be in a form satisfactory to EMS TO YOU. All liability insurance policies shall name EMS TO YOU as an additional insured to the extent of claims arising out of the operations of Franchisee's EMS To You Business.

21.2. Proof of Insurance.

Prior to opening for business, Franchisee shall furnish to EMS TO YOU certificates issued by each of Franchisee's insurers indicating that all premiums due have been paid, that all required insurance is in full force and effect, and that the insurance will not be terminated or changed without at least 30 days' prior written notice from the insurer to EMS TO YOU. New certificates evidencing renewal of insurance shall be furnished at least 30 days' prior to the date of expiration of each policy. Within five business days of any request by EMS TO YOU, Franchisee shall deliver a copy of all insurance policies to EMS TO YOU for examination.

21.3. Failure to Maintain Insurance.

If Franchisee fails to obtain or maintain adequate insurance, in addition to any other remedies available to EMS TO YOU under this Agreement, EMS TO YOU may obtain insurance for and in Franchisee's name. Within five days of any written request by EMS TO YOU, Franchisee shall pay all costs of obtaining adequate insurance, which costs shall include a reasonable fee for EMS TO YOU's expenses in obtaining the insurance.

22. ARBITRATION

22.1. Arbitration.

a. Except as set forth in **Section 22.4**, all controversies, disputes, claims, causes of action and/or alleged breaches or failures to perform between EMS TO YOU, its subsidiaries and affiliated companies or their shareholders, officers, directors, members, managers, partners, agents, employees and attorneys (in their representative capacity) (collectively, the "**EMS TO YOU Affiliates**") and Franchisee and the Franchisee Affiliates (as defined in **Section 20.1** above) arising out of or related to: (1) this Agreement; (2) the relationship of the parties; (3) the validity of this Agreement; or (4) any Licensed Methods, will be submitted for binding arbitration to either the Judicial Arbiter Group ("**JAG**") or the American Arbitration Association ("**AAA**"), as selected by the party submitting the demand.

b. Arbitration proceedings will be conducted in Denver, Colorado, U.S.A. and will be heard by one arbitrator in accordance with the then current rules of AAA that apply to commercial arbitration. The decision as to whether a claim is subject to mandatory arbitration shall be made by an arbitrator, not a court, except that the decision whether the arbitration may proceed as a class action shall be made by a court. The arbitrator shall be a resident of the State of Colorado, U.S.A. knowledgeable of Colorado law and fluent in English. The arbitration proceeding and all other hearings shall be conducted in English only, although Franchisee shall have the right, at Franchisee's option and sole expense, to have a translator present at the proceeding or other hearings. The expense of a translator shall not be considered

a cost, expense, or fee related to an action pursuant to **Section 23.11.b** of this Agreement. The parties further agree that, in connection with any arbitration proceeding, each will file any compulsory counterclaim (as defined by Rule 13 of the United States Federal Rules of Civil Procedure) within 30 days after the date of the filing of the claim to which it relates.

c. Any party to an arbitration proceeding may apply to the arbitrator for reasonable discovery from the other. In this Agreement, "reasonable discovery" means a party may submit no more than ten interrogatories, including subparts, 25 requests for admission, 25 document requests, and 3 depositions per side of the dispute. The foregoing discovery rights and limitations shall control over any contradictory discovery rules of AAA, unless the parties agree otherwise.

d. The parties agree that failure or refusal of a party to pay its required share of the deposits for arbitrator compensation or administrative charges shall constitute a waiver by that party to present evidence or cross-examine witnesses. In such event, the other party, at the discretion of the arbitrator, shall be required to present evidence and legal argument either at a hearing or by documents and affidavits. Such waiver shall not allow for an award against the non-paying party in the absence of evidence presented as provided above.

22.2. Arbitration Award.

Subject to **Sections 22.6** and **22.7** below, the arbitrator will have the right to award or include in the award any relief available and appropriate under the applicable law (as set forth in **Section 22.5**) and this Agreement. Any award shall be based on established law and shall not be made on broad principles of justice and equity. The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction. This provision will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

22.3. Limitations on Proceedings.

a. EMS TO YOU and Franchisee agree that arbitration will be conducted on an individual basis only. Neither party shall commence any arbitration with a third party against the other, or join with any third party in any arbitration involving EMS TO YOU and Franchisee. Further, neither EMS TO YOU nor Franchisee shall attempt to consolidate or otherwise combine in any manner an arbitration proceeding involving EMS TO YOU and Franchisee with another arbitration of any kind, nor shall EMS TO YOU or Franchisee attempt to certify a class or participate as a party in a class action against the other.

b. The foregoing notwithstanding, in the event Franchisee controls, is controlled by, or is in active concert with another franchisee of EMS TO YOU, or there is a guarantor of some or all of the Franchisee's obligations to EMS TO YOU, then the joinder of those parties to any arbitration between EMS TO YOU and Franchisee shall be permitted, and in all events, the joinder of an owner, director, officer, manager, partner or other representative or agent of Franchisee shall be permitted.

c. Franchisee agrees that no claims may be brought on its behalf or on behalf of any of the Franchisee Affiliates by any third party, including but not limited to any association representing Franchisee.

22.4. Exceptions to Arbitration.

Notwithstanding the terms of **Section 22.1** or any other provision in this Agreement:

a. Any actions brought which are primarily related to or based on the Marks or the copyrights of EMS TO YOU or to enforce the provisions of **Article 20** of this Agreement may be brought by EMS TO YOU, at its option, either (i) in a court of competent jurisdiction or (ii) in arbitration pursuant to **Section 22.1**. Further, in the event that Franchisee brings any claims to contest or oppose EMS TO YOU's or BEC's application for, or registration of, any of the Marks, or the validity or ownership of the Marks (notwithstanding those prohibitions in **Section 15.1** above), Franchisee agrees that such actions must be brought in a court of competent jurisdiction under **Section 22.5**.

b. If an action is based on a separate agreement or instrument between Franchisee or the Franchisee Affiliates and EMS TO YOU or the EMS TO YOU Affiliates (such as a promissory note or lease), the dispute resolution procedure in that agreement or instrument will control, rather than **Section 22.1**; provided, that, at EMS TO YOU's sole option, any claim of EMS TO YOU or any EMS TO YOU Affiliate against Franchisee or any Franchisee Affiliate based on such other agreement or instrument may be brought in arbitration in conjunction with a dispute between the parties that is subject to arbitration under **Section 22.1**, regardless of any provisions to the contrary contained in that other agreement or instrument.

c. EMS TO YOU and Franchisee will each have the right in a proper case to obtain temporary or preliminary injunctive relief from a court of competent jurisdiction. Each party agrees that the other may have such temporary or preliminary injunctive relief, without bond, but upon due notice, and with the sole remedy in the event of the entry of such injunctive relief being the dissolution of such injunctive relief, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived by each party). Any such action will be brought as provided below.

22.5. Governing Law/Consent to Jurisdiction/Waiver of Jury Trial.

The United States Federal Arbitration Act shall govern all questions about the enforceability of the dispute resolution procedures in this Agreement and the confirmation of any arbitration awards pursuant to such procedures, and no arbitration issues are to be resolved pursuant to any other statutes, regulations or common law. Otherwise, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or applicable international trademark law, this Agreement shall be interpreted under the laws of the State of Colorado, U.S.A. and any dispute between the parties shall be governed by and determined in accordance with the internal substantive laws (and not the laws of conflict) of the State of Colorado, U.S.A., which laws shall prevail in the event of any conflict of law. Notwithstanding the foregoing, the parties agree that the Colorado Consumer Protection Act (COLO. REV. STAT. ANN. Section 6-1-101, et seq.) shall not apply to this Agreement or any disputes between the parties. Franchisee and EMS TO YOU have negotiated regarding a forum in which to resolve any disputes that may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding not subject to mandatory arbitration, as specified in **Sections 22.1** and **22.4** above, involving Franchisee and/or the Franchisee Affiliates and EMS TO YOU and/or the EMS TO YOU Affiliates, the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado, U.S.A., and each waive any objection either may have to the personal jurisdiction of or venue in the state and federal courts of Colorado, U.S.A. Notwithstanding the foregoing, any legal proceeding by EMS TO YOU or any EMS TO YOU Affiliate not subject to mandatory arbitration may be brought in any court of competent jurisdiction in the country, state, province, or other geographic area in which the EMS To You

Business is located or in which Franchisee or any Franchisee Affiliate resides or owns assets. IF A CLAIM MAY BE BROUGHT IN COURT, THEN EMS TO YOU, THE EMS TO YOU AFFILIATES, FRANCHISEE, AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.

22.6. No Punitive or Consequential Damages.

Except as specifically permitted elsewhere in this Agreement or as may be required by statute, neither EMS TO YOU or any of the EMS TO YOU Affiliates, on the one side, nor Franchisee or any of the Franchisee Affiliates, on the other side, shall be liable to the other for punitive or other damages not measured by the other party's actual damages, except as may be required by statute, in any action between the parties, whether of the type subject to mandatory arbitration under **Section 22.1** or otherwise, and whether such action is brought in arbitration, litigation, or any other legal proceeding.

22.7. No Recourse Against Others.

Franchisee agrees that its sole recourse for claims (whether in contract or in tort, in law or in equity, or granted by statute) arising between the parties shall be against EMS TO YOU or its successors and assigns. Franchisee agrees that the shareholders, directors, officers, employees, managers, members, and agents of EMS TO YOU and its affiliates (the "**Nonparty Affiliates**") shall not be personally liable nor named as a party in any action between EMS TO YOU and Franchisee. To the maximum extent permitted by law, Franchisee waives any such claims against such Nonparty Affiliates.

23. MISCELLANEOUS PROVISIONS

23.1. Modification.

a. This Agreement may only be modified upon execution of a written agreement between EMS TO YOU and Franchisee or, at EMS TO YOU's option, upon notice of the approval of a Super-Majority as defined in **Section 23.1.b** below.

b. This Agreement may be modified by EMS TO YOU at its option whenever EMS TO YOU and a Super-Majority, as hereinafter defined, of franchisees of EMS TO YOU agree to any such modification. A "**Super-Majority**" of EMS TO YOU franchisees shall consist of the owners of at least 75 percent of all EMS To You Businesses, or, if only a portion of EMS To You Businesses are affected by the modification, at least 75 percent of those EMS To You Businesses affected by the modification. Whenever a modification is approved by a Super-Majority EMS TO YOU may elect to treat the modification as effective to all franchisees or the applicable group thereof, including Franchisee, to the same extent and in the same manner as if the modification was unanimously approved by them, and regardless of whether Franchisee may or may not desire to be bound by the modification. EMS TO YOU shall provide Franchisee with notice of any modification to this Agreement based on a Super-Majority approval at least 30 days' prior to the date such modification is to be effective. By signing this Agreement, Franchisee appoints the officers of EMS TO YOU as its attorneys in fact with irrevocable power and authority to execute any such modification so approved.

c. Franchisee acknowledges that EMS TO YOU may modify its standards and specifications and operating, marketing, and other policies and procedures set forth in the Operations Manual unilaterally under any conditions and to the extent in which EMS TO YOU, in its sole discretion, deems necessary, and Franchisee shall be bound by such modifications. These modifications may include regional and local variations. Franchisee may be obligated to invest additional capital in Franchisee's EMS To You Business and incur higher operating costs based on these periodic modifications.

23.2. Entire Agreement.

This Agreement (which includes the Addendum and Exhibits) contains the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter hereof. EMS TO YOU does not authorize and will not be bound by any representation of any nature other than those expressed in this Agreement. Franchisee acknowledges and agrees that no representations have been made to it by EMS TO YOU regarding projected sales volumes, market potential, revenues or profits of Franchisee's EMS To You Business, or operational assistance other than as stated in this Agreement or in any franchise disclosure document or advertising or promotional materials provided by EMS TO YOU in connection herewith. Additionally, Franchisee hereby acknowledges and agrees that, in entering into this Agreement, it is not relying on the existence or non-existence of any particular fact or matter not set forth in this Agreement or in the franchise disclosure document provided to Franchisee. Franchisee agrees and understands that EMS TO YOU will not be liable or obligated for any oral representations or commitments made prior to the execution hereof, for claims of negligent or fraudulent misrepresentation based on any such oral representations or commitments, or for claims of negligent or fraudulent omissions or nondisclosure of facts or information. Nothing in this Agreement or in any related agreement is intended to disclaim any representations made by EMS TO YOU in the franchise disclosure document provided to Franchisee.

23.3. Varying Standards.

EMS TO YOU has the right, at its sole determination, to vary the Franchise Agreement and/or standards for any Franchise based upon the peculiarities of a particular site or circumstance, density of population, business potential, population or trade area, existing business practices, or any other condition that EMS TO YOU deems to be of importance or otherwise desirable. Franchisee shall not have any right to complain about a variation in the Franchise Agreement, or from standard specifications and practices, granted to any other franchisee. Franchisee shall not be entitled to require EMS TO YOU to grant to Franchisee a like or similar variation.

23.4. Authority.

If Franchisee is a business entity, the individual(s) executing this Agreement on behalf of the business entity represent and warrant to EMS TO YOU, both individually and in his/her/their capacity(ies) as a director, officer, limited liability manager or member, or partner (as applicable), that he/she/they have the proper authority to enter into this Agreement on behalf of the business entity.

23.5. Delegation by EMS TO YOU.

From time to time, EMS TO YOU will have the right to delegate the performance of any portion or all of its obligations and duties under this Agreement to third parties, whether they are employees of EMS TO YOU or independent contractors that EMS TO YOU has contracted with to provide such services. Franchisee agrees in advance to any such delegation by EMS TO YOU of any portion or all of its obligations and duties hereunder.

23.6. Consent; Business Judgment.

Wherever EMS TO YOU's consent or approval is required in this Agreement, unless the provision specifically indicates otherwise, EMS TO YOU has the right to withhold its approval at its option, in its business judgment, taking into consideration its assessment of the long-term interests of the System overall. EMS TO YOU may withhold any and all consents or approvals required by this

Agreement if Franchisee is in default or breach of this Agreement. EMS TO YOU's approvals and consents will not be effective unless given in writing and signed by one of its duly authorized representatives. In no event may Franchisee make any claim for money damages based on any claim that EMS TO YOU has unreasonably withheld or delayed any consent or approval to a proposed act by Franchisee under the terms of this Agreement. Franchisee's sole remedy for the claim will be an action or proceeding to enforce the provisions of this Agreement by specific performance or by declaratory judgment.

23.7. General Economic Conditions.

Neither a general economic downturn or conditions nor Franchisee's financial inability to perform the terms of this Agreement will be a defense to an action by EMS TO YOU for Franchisee's breach of this Agreement.

23.8. Effective Date.

This Agreement will not be effective until accepted by EMS TO YOU as evidenced by dating and signing by an authorized officer of EMS TO YOU.

23.9. Limitation on Actions.

Notwithstanding anything contained in this Agreement to the contrary, any and all claims and actions arising out of or relating to this Agreement, the relationship between Franchisee and EMS TO YOU, or Franchisee's operation of the EMS To You Business shall be commenced within one year from the occurrence of the facts giving rise to the claim or action.

23.10. Review of Agreement.

Franchisee acknowledges that it had a copy of this Agreement in its possession for a period of time not less than that required by applicable law and has been given sufficient time to seek, and to submit this Agreement for, professional review and advice of Franchisee's choosing prior to freely executing this Agreement.

23.11. Attorneys' Fees.

a. Subject to **Section 23.11.b** below, Franchisee shall reimburse EMS TO YOU for its costs and expenses, including, without limitation, attorneys' fees, which EMS TO YOU incurs in pursuit of its rights following a breach or event of default of or by Franchisee whether or not the pursuit of rights involves litigation or arbitration.

b. The prevailing party in any litigation or arbitration action arising out of, or related to, this Agreement (including an action to compel arbitration) is entitled to recover all of its reasonable costs and expenses related to the action, including reasonable accounting, expert witness, attorneys' and arbitrator's fees, and costs of collecting monies owed, in addition to all other amounts and damages awarded. If both parties are awarded a judgment in any dollar amount, the court or arbitrator, as applicable, shall determine the prevailing party taking into consideration the merits of the claims asserted by each party, the amount of the judgment received by each party, and the relative equities between the parties.

23.12. No Waiver.

No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by EMS TO YOU or Franchisee will be considered to imply or constitute a further waiver by EMS TO YOU or Franchisee of the same or any other condition, covenant, right, or remedy.

23.13. No Right to Set Off.

Franchisee will not be allowed to set off amounts owed to EMS TO YOU for Royalty Fees, Scheduling Center Fees, Advertising and Technology Fees, or other amounts due hereunder, against any monies owed to Franchisee, which right of set off is expressly waived by Franchisee. No endorsement or statement on any check or payment of any sum less than the full sum due to EMS TO YOU shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and EMS TO YOU may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. EMS TO YOU may apply any payments made by Franchisee against any past due indebtedness of Franchisee as EMS TO YOU may see fit. EMS TO YOU may set off against any payment due to Franchisee hereunder any outstanding debts of Franchisee to EMS TO YOU, and may, at EMS TO YOU's option, pay Franchisee's trade creditors out of any sum otherwise due to Franchisee.

23.14. Survival of Terms.

Every article and section of this Agreement that by its terms is intended to survive expiration and/or termination of this Agreement shall survive the expiration or termination of this Agreement for any reason.

23.15. Invalidity; Authority to Reform.

In the event that any arbitrator or court of competent jurisdiction determines that any provision of this Agreement, including but not limited to any of the restrictive covenants contained in **Article 20** hereof, are unenforceable as written for any reason, including for purposes of the restrictive covenants, reasons that the areas of restriction exceed the reasonable maximum time period, geographic area or scope, then the parties hereby request and authorize the arbitrator or court to "blue pencil" such provision so as to make it enforceable and to best carry out the intent of the parties, or to deem such provision severed from this Agreement if it cannot be so modified. The holding, declaration or pronouncement shall not adversely affect any other provisions of this Agreement, which shall otherwise remain in full force and effect.

23.16. Notices.

a. All notices required to be given under this Agreement will be given in writing, by personal delivery, certified mail, return receipt requested, e-mail or an overnight delivery service providing documentation of receipt, at the address set forth below the signatures of EMS TO YOU and Franchisee respectively on the signature page hereto or at such other addresses as EMS TO YOU or Franchisee may designate from time to time. Notice will be effectively given when personally delivered or delivered by e-mail to the proper e-mail address. If the Protected Territory is in the United States, notice will be effectively given three days after being deposited in the United States mail, with proper address and postage prepaid, or one day after being deposited with the overnight delivery service, as may be applicable. If the Protected Territory is outside of the United States, notice will be effectively given seven days after being deposited in the United States mail, with proper address and postage prepaid, or three days after being deposited with the overnight delivery service, as may be applicable.

b. Franchisee shall provide EMS TO YOU with a current business and/or residential address (in accordance with the preceding paragraph), other than the address of the EMS To You Location (unless the EMS To You Location is in Franchisee's residence). Franchisee must provide EMS TO YOU with updated information whenever changes occur, so that EMS TO YOU always has a current address for Franchisee.

23.17. Force Majeure.

EMS TO YOU will not be liable to Franchisee, nor will EMS TO YOU be deemed to be in breach of this Agreement, if it exercises best efforts to perform its obligations as may be due to Franchisee hereunder, and its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of labor, material or energy, or voluntarily foregoing the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instruments of any federal, state, provincial, or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, provincial, or municipal government or any department or agency thereof; (3) viral or bacterial epidemic, pandemic, or other public health crisis; (4) acts of God; or (5) fires, strikes, terrorism, embargoes, war or riot. Any delay resulting from any of these causes will extend performance by EMS TO YOU accordingly or excuse performance by EMS TO YOU in whole or in part, as may be necessary.

23.18. Estoppel Certificates.

Franchisee agrees at any time and from time to time within 10 days after notice from EMS TO YOU, to execute, acknowledge and deliver to EMS TO YOU a statement in writing, form and substance acceptable to EMS TO YOU, verifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the Agreement is in full force and effect as modified and stating the modifications), and whether or not there exists any default in the performance of any term, condition or covenant of this Agreement and, if so, specifying each such default, and such other matters related to this Agreement as EMS TO YOU shall request, it being intended that any such statement delivered pursuant hereto may be relied upon by EMS TO YOU and by any lenders of EMS TO YOU, or any prospective purchasers of all or any part of EMS TO YOU's business.

23.19. Binding Effect.

This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest.

23.20. Cross-Default and Cross Termination Provisions.

a. A default by Franchisee under this Agreement will be deemed a default of all agreements between Franchisee and/or any company(ies) affiliated with Franchisee, on the one hand, and EMS TO YOU and/or any company(ies) affiliated with EMS TO YOU, on the other hand (the "**Other Agreements**"). A default by Franchisee and/or any company(ies) affiliated with Franchisee under any of the Other Agreements will be deemed a default under this Agreement. A default by any guarantor(s) of this Agreement or of any of the Other Agreements will be deemed a default of this Agreement.

b. If this Agreement is terminated as a result of a default by Franchisee, EMS TO YOU may, at its option, elect to terminate any or all of the Other Agreements. If any of the Other Agreements is terminated as a result of a default by Franchisee and/or any company(ies) affiliated with Franchisee, EMS TO YOU may, at its option, elect to terminate this Agreement. It is agreed that an incurable or

uncured default under this Agreement or any of the Other Agreements will be grounds for termination of this Agreement and/or any and all of the Other Agreements without additional notice or opportunity to cure.

23.21. Charges and Taxes.

All provisions in this Agreement stating that Franchisee will pay or be responsible for any costs, charges, or taxes includes all customs or duty charges, foreign currency purchase levies, import and export fees and levies, and other similar costs, charges and taxes.

23.22. Translations.

If Franchisee is required to translate any advertising materials or any other materials related to the EMS To You Business to use them in the Protected Territory, it will do so in accordance with the terms of EMS TO YOU's current form of translation agreement. EMS TO YOU shall have the right to copyright the translated or adapted materials in any other country or territory, and shall own the United States and all foreign copyrights of all translations, adaptations and/or derivative versions of the materials and shall have the right to market the materials, including the translated or adapted versions of the materials in any manner EMS TO YOU might choose in all countries of the world.

23.23. Approval Within Protected Territory.

Any approval of this Agreement by the appropriate authorities in the Protected Territory that is required to enable Franchisee to enter into this Agreement, perform under the terms of this Agreement, do business with EMS TO YOU, or make payments to EMS TO YOU in United States Dollars in the United States of America will be the sole responsibility and at the sole expense of Franchisee.

23.24. Manner of Payment.

All references in the Agreement to the term "Dollars" or the symbol "$" refers to United States Dollars, and all payments made to EMS TO YOU, unless otherwise noted, must be paid in United States Dollars net of any taxes or withholdings. The exchange rate for calculating payments due will be the exchange rate published in The Wall Street Journal the day the payment is due. If, for any reason whatsoever, a payment that is due to EMS TO YOU under this Agreement is not paid on the date that such payment is due, the exchange rate to be used shall be either the exchange rate published on the due date or the exchange rate published on the date that the payment is actually made, whichever results in a greater amount to EMS TO YOU. If The Wall Street Journal is not published on the date of conversion, the applicable exchange rate will be that rate published in The Wall Street Journal on the nearest date of publication prior to the date of conversion or by a successor or equivalent publication to be designated by EMS TO YOU in the event The Wall Street Journal ceases to be published or ceases to publish the applicable exchange rates. EMS TO YOU may designate and change payment instructions at any time on prior written notice to Franchisee. Franchisee shall be solely responsible for the payment of any costs and charges incurred in connection with the transfer and exchange of currency over and above any fees due or paid.

23.25. Translation of Agreement.

The English language will be regarded as the authoritative and official text of this Agreement; however, this Agreement may be translated into the language in dominant use in the Protected Territory, at Franchisee's expense, in the event that translation is necessary for any reason, including for the purpose of registration of this Agreement with the applicable governmental authority. Nevertheless, in the event

that any discrepancies exist between the English text and the translated text, the English text will be considered the official text of this Agreement.

23.26. Incorporation of Riders.

To the extent that any of the Riders to Franchise Agreement for Specific Countries, States, and Provinces attached as Exhibit VI is applicable, such rider is incorporated herein and this Agreement is modified accordingly. The provisions in any applicable rider are included as a condition to registration or use in certain jurisdictions, and EMS TO YOU is not precluded from contesting the validity, enforceability, or applicability of such provisions in any action relating to this Agreement or its rescission or termination.

23.27. Counterparts; Electronic Signatures.

This Agreement and any riders and addenda hereto may be executed in any number of identical counterparts and via electronic signatures, and each such counterpart shall be deemed a duplicate original hereof.

23.28. Acknowledgement.

BEFORE SIGNING THIS AGREEMENT, FRANCHISEE SHOULD READ IT CAREFULLY AND DISCUSS ITS PROVISIONS WITH ITS LEGAL COUNSEL. FRANCHISEE ACKNOWLEDGES ALL OF THE FOLLOWING:

A. FRANCHISEE OR ITS OPERATIONS MANAGER HAS BEEN AFFORDED THE OPPORTUNITY TO ASK QUESTIONS AND REVIEW MATERIALS OF EMS TO YOU THAT FRANCHISEE OR ITS OPERATIONS MANAGER DEEMS RELEVANT IN ORDER TO MAKE A DECISION TO ENTER INTO THIS AGREEMENT AND ACQUIRE A FRANCHISE HEREUNDER.

B. FRANCHISEE OR ITS OPERATIONS MANAGER HAS SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL, TAX AND BUSINESS MATTERS AND HAS PRIOR EXPERIENCE SO AS TO ENABLE FRANCHISEE OR ITS OPERATIONS MANAGER TO UTILIZE THE INFORMATION MADE AVAILABLE TO FRANCHISEE AND FULLY UNDERSTAND SUCH INFORMATION.

C. THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON FRANCHISEE'S ABILITY AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS.

D. NO ASSURANCE OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN GIVEN TO FRANCHISEE OR ITS OPERATIONS MANAGER AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE EARNINGS LIKELY TO BE ACHIEVED.

E. NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS DOCUMENT AND IN ANY DISCLOSURE DOCUMENT SUPPLIED TO FRANCHISEE, IS BINDING ON EMS TO YOU IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT, AND, IN ENTERING INTO THIS AGREEMENT, FRANCHISEE IS NOT RELYING ON THE EXISTENCE OR NON-EXISTENCE OF ANY FACT OR MATTER NOT SET FORTH IN THIS AGREEMENT OR IN A DISCLOSURE DOCUMENT SUPPLIED TO FRANCHISEE.

F. NEITHER FRANCHISEE, NOR ANY FRANCHISEE AFFILIATE, IS SUBJECT TO UNITED STATES EXECUTIVE ORDER 13224 OR THE PATRIOT ACT. IF FRANCHISEE OR ANY FRANCHISEE AFFILIATE BECOMES SUBJECT TO UNITED STATES EXECUTIVE ORDER 13224 OR THE PATRIOT ACT, FRANCHISEE OR THAT FRANCHISEE AFFILIATE SHALL NOTIFY EMS TO YOU IMMEDIATELY THEREOF.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

The parties have executed this Agreement to be made effective as of the ___ day of _____, 202___.

EMS TO YOU:
EMS TO YOU FRANCHISING CO., INC.,
a Colorado corporation

By: _____
Date: _____

Address for Notice:

143 Union Boulevard, Suite 825
Lakewood, Colorado, U.S.A. 80228
Fax No: 303-716-2955
E-mail Address: info@emstoyou.com

FRANCHISEE:
IF AN INDIVIDUAL:

_____
Franchisee, Individually

Print Name: _____

IF A PARTNERSHIP, CORPORATION
OR OTHER ENTITY:

_____

By: _____

Print Name: _____
Date: _____

Address for Notice: _____
_____

Fax No: ___-___-____

E-mail Address: _____

EXHIBIT I
TO FRANCHISE AGREEMENT

ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement (the "**Addendum**"), dated as of the date set forth below, modifies and amends that certain Franchise Agreement (the "**Agreement**"), by and between EMS To You Franchising Co., Inc., hereinafter "**EMS TO YOU**" and the undersigned franchisee, hereinafter "**Franchisee**." This Addendum modifies the terms of the Agreement and in the event of a conflict in terms between the Agreement and this Addendum, the terms of this Addendum shall be controlling.

The parties agree as follows:

1. Number of Franchises. The number of Franchises granted, referenced in **Section 2.1** of the Agreement, is: _____.

2. Protected Territory. The Protected Territory (or Protected Territories, if multiple Franchises are granted under the Agreement), referenced in **Section 4.2.a** of the Agreement, will be the geographical area(s) described as follows: _____.

3. EMS To You Location. The site for the EMS To You Location agreed to by EMS TO YOU and Franchisee, as referenced in **Section 4.1** of the Agreement, will be:_____.

4. Initial Franchise Fee. The Initial Franchise Fee, as referenced in **Section 5.1** of the Agreement is $_____.

5. Initial Minimum Royalty Fee. The initial minimum Royalty Fee, as referenced in **Section 12.1** of the Agreement is $_____ per month, representing a minimum Royalty Fee of $295.00 per month for each Franchise acquired.

6. Initial Minimum Advertising and Technology Fee. The initial minimum Advertising and Technology Fee, as referenced in **Section 12.2** of the Agreement, is $_____ per month, representing a minimum Advertising and Technology Fee of $150.00 per month for each Franchise acquired.

7. Initial Scheduling Center Fee. Based on the number of Co-Op Lines provided by EMS TO YOU for Franchisee's use, the portion of the Scheduling Center Fee payable for the Co-Op Line(s) pursuant to **Section 12.3.b** and **12.3.c** of the Agreement shall initially be $_____ per month. Based on the number of Franchises granted to Franchisee, the portion of the Scheduling Center Fee payable for the Toll-Free Number pursuant to **Section 12.3.d** of the Agreement shall initially be $_____ per month.

8. Payment of Royalty Fee in Advance. As referenced in **Section 12.5.b**, EMS TO YOU requires that Franchisee pay the amount of $_____ in Royalty Fees in advance upon execution of this Agreement for those additional Franchises acquired, if any.

9. Other Terms: _____
_____
_____

Fully executed this ____ day of _____, 202_____.

EMS TO YOU:

EMS TO YOU FRANCHISING CO., INC.

By: _____
Title: _____
Date: _____

FRANCHISEE:

By: _____
Title: _____
Date: _____

EXHIBIT II
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "**Franchise Agreement**") executed on or about the date set forth below by **EMS TO YOU FRANCHISING CO., INC.,** a Colorado corporation, having its head office at 143 Union Boulevard, Suite 825, Lakewood, Colorado, U.S.A. 80228 ("**EMS TO YOU**"), each of the undersigned personally and unconditionally:

1. Guarantees to EMS TO YOU and its successors and assigns, for the Term, including successor franchise terms thereof, that the franchisee named on the signature page hereof ("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreement.

2. Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, including but not limited to, the terms of the articles and sections pertaining to non-competition during and after the Term, confidentiality and the Marks and Copyrighted Works of EMS TO YOU.

3. Waives all of the following:

(a) Acceptance and notice of acceptance by EMS TO YOU of the foregoing undertaking.

(b) Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed.

(c) Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed.

(d) Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability.

(e) Notice of any amendment, modification, deletion or addition of any term or condition of or to any of the obligations hereby guaranteed.

(f) Notice of any termination as to future liability of any other guarantor.

(g) Any and all other notices and equitable defenses to which he or she may be entitled.

4. Consents and agrees that:

(a) His or her direct and immediate liability under this Guaranty shall be joint and several.

(b) He or she shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so.

(c) Such liability shall not be contingent or conditioned upon pursuit by EMS TO YOU of any remedies against Franchisee or any other person.

(d) Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which EMS TO YOU may from time to time grant to Franchisee or to any other person; including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the Term, including successor franchise terms thereof.

(e) He or she shall be bound by the restrictive covenants, confidentiality provisions, audit provisions, and indemnification provisions contained in the Franchise Agreement.

(f) EMS TO YOU may, at its option, without notice to or further consent of him or her, take any of the following actions:

(i) retain the primary or secondary liability of any other party with respect to all or any part of the obligations hereby guaranteed.

(ii) release or compromise any liability of any other guarantor or any other party with respect to the obligations hereby guaranteed.

(iii) amend, modify, delete, or add any term or condition of or to any of the obligations hereby guaranteed, which may include the creation of new obligations.

5. No delay or neglect on the part of EMS TO YOU in the exercise of any right or remedy existing under law or by virtue of this Guaranty shall operate as a waiver thereof, but such rights and remedies shall continue in full force and effect until specifically waived or released by an instrument in writing executed by EMS TO YOU and designated as a waiver or release; and no single or partial exercise by EMS TO YOU of any right or remedy shall preclude further exercise thereof or the exercise of any right or remedy.

6. The arbitration, injunctive relief, governing law and jurisdiction provisions contained in the Franchise Agreement shall govern this Guaranty, and such provisions are incorporated into this Guaranty by this reference.

7. This Guaranty may be executed via electronic signature.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature effective on the ___ day of _____, 202___.

Name of Franchisee:

_____

GUARANTOR(S)

_____

_____
Print Name

_____
Address

_____

Telephone Number _____

_____

_____
Print Name

_____
Address

_____

Telephone Number _____

_____

_____
Print Name

_____
Address

_____

Telephone Number _____

ALBERTA GUARANTEES ACKNOWLEDGMENT ACT

(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. (guarantor's name), the guarantor in the guarantee dated _____ made between _____ and _____, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by (print name), Barrister and Solicitor at the _____ of _____, in the Province of Alberta, this _____ day of _____, 202__.

_____
Signature

STATEMENT OF GUARANTOR

I am the person named in this certificate.

_____
Signature of Guarantor

EXHIBIT III
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

STATEMENT OF OWNERSHIP

Franchisee: _____

Trade Name (if different from above): _____

Form of Ownership (Check One):

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company ____ Other

If a **Partnership**, provide name and address of each partner showing percentage owned and whether each is active in management, indicate the country, state and/or province in which the partnership was formed and the date it was formed, and provide a copy of the Partnership Agreement.

If a **Corporation**, provide the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each, indicate the country, state and/or province and date of incorporation, and provide a copy of the Articles of Incorporation certified by the Secretary of State or other official for the country, state and/or province in which the corporation was formed.

If a **Limited Liability Company**, provide name and address of each member and each manager showing percentage owned, indicate the country, state and/or province in which the Limited Liability Company was formed and the date it was formed, and provide a copy of the Articles of Organization certified by the Secretary of State or other official for the country, state and/or province in which the Limited Liability Company was formed and the Operating Agreement.

If **another type of business entity**, provide the names and addresses of the owners and any officers or managers showing percentage owned, indicate the country, state and/or province in which the business entity was formed and the date it was formed, and provide a copy of any articles of formation and governing agreements certified, if applicable, by the Secretary of State or other official for the country, state and/or province in which the business entity was formed.

_____

_____

_____

_____

Franchisee acknowledges that this Statement of Ownership applies to the EMS To You Franchising Co., Inc. Franchise authorized under Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to EMS To You Franchising Co., Inc. in writing.

Date _____ Name _____

EXHIBIT IV
TO FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

The undersigned franchisee ("**Franchisee**") hereby (1) authorizes EMS TO YOU FRANCHISING CO., INC. ("**Company**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account indicated below for payment of all fees, amounts, and obligations that become payable by Franchisee to Company; and (2) authorizes and requests the depository designated below ("**Depository**") to debit such account pursuant to Company's instructions without responsibility for the correctness of these payments, subject to there being sufficient funds in Franchisee's account to cover such debit entries.

The dollar amount to be debited will vary and the dates on which the debits are initiated will vary.

Depository	Branch

Street Address	City	State	Zip Code

Bank Transit/ABA Number	Account Number

Franchisee states and acknowledges that the account described above has been established, and that this authority is extended, primarily for commercial purposes, and not for personal, family, or household purposes.

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Franchisee of the Franchisee's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Franchisee agrees to not revoke any authorization for funds transfer prior to the termination of its Franchise Agreement with Company, without the prior written consent of Company. Any termination or dishonor of this authority shall not relieve Franchisee of its obligation to make payments to Company, whether pursuant to the Franchise Agreement or otherwise.

Franchisee is responsible for, and must pay on demand, all costs or charges relating to the handling of debit entries pursuant to this authority.

FRANCHISEE (Print Name)	DEPOSITORY (Print Name)

Franchisee:_____
By:_____
Title:_____
Address:_____
_____
Date:_____

Franchisee should also provide Company with a voided check.

EXHIBIT V
TO FRANCHISE AGREEMENT

CREDIT CARD AUTHORIZATION

CREDIT CARD AUTHORIZATION

This Credit Card Authorization (this "**Authorization**") is entered into this ___ day of _____, 202___ by the undersigned credit card account owner ("**Owner**"). Owner agrees that EMS To You Franchising Co., Inc. ("**EMS TO YOU**") may charge (in EMS TO YOU's sole discretion) the account(s) listed below for payment of past due fees, interest charges, or other past due charges owed to EMS TO YOU (as specified below), as follows:

1. Owner authorizes EMS TO YOU to charge Owners account(s), as listed below, for all Royalty Fees, Advertising and Technology Fees, Scheduling Center Fees, Noncompliance Service Charges, late fees, interest charges, Insufficient Funds Fees, and other fees or amounts owed by Owner to EMS TO YOU as set forth in one or more Franchise Agreements between Owner, or a company controlled by Owner, and EMS TO YOU; and for other amounts owed by Owner, or a company controlled by Owner, to EMS TO YOU under any agreement between the parties.

Type of Credit Card: _____ VISA _____ MASTERCARD

Credit Issuer: _____ Billing Address: _____

_____

Account Number: _____ Expiration Date: _____

Current Credit Limit: $ _____

Type of Credit Card: _____ VISA _____ MASTERCARD

Credit Issuer: _____ Billing Address: _____

_____

Account Number: _____ Expiration Date: _____

Current Credit Limit: $ _____

2. Owner agrees that this Authorization will remain in effect for each EMS TO YOU Franchise Agreement of Owner, or a company controlled by Owner, throughout the duration of the applicable Franchise Agreement, unless EMS TO YOU agrees to an earlier termination of this Authorization. Owner agrees not to revoke any Authorization prior to the termination of the applicable Franchise Agreement, without prior written consent of EMS TO YOU. Owner agrees that the credit card issuer cannot cancel this Authorization without receiving written consent from EMS TO YOU.

3. Owner agrees to maintain, at all times, sufficient available credit in each account covered by this Authorization to pay all due amounts and associated charges, as listed above, but, in any event the available credit on each account will not be less than $5,000.00. Owner shall notify EMS TO YOU of the expiration, termination, or any other change in its account(s) covered by this Agreement, within one business day of the change, providing new account numbers and other information requested by EMS TO

YOU. Owner agrees to execute a new Authorization within three business days after receipt of a new Authorization form from EMS TO YOU.

4. Owner agrees that EMS TO YOU may charge Owner's account(s) listed above, as applicable, whenever fees owed by Owner, or a company controlled by Owner, are past due, as follows:

(a) EMS TO YOU may charge Owner's credit card account(s) for the amount of all Royalty Fees, Advertising and Technology Fees, Scheduling Center Fees, Noncompliance Service Charges, late fees, interest charges, Insufficient Funds Fees, and other fees or amounts owed by Owner to EMS TO YOU as set forth in one or more Franchise Agreements between Owner, or a company controlled by Owner, and EMS TO YOU, each time Owner, or a company controlled by Owner, does not otherwise pay its fees or other amounts when due.

(b) EMS TO YOU may charge the following late fee and interest to Owner's credit card account, with or apart from the actual Royalty Fees, Advertising and Technology Fees, Scheduling Center Fees, Noncompliance Service Charges, late fees, interest charges, Insufficient Funds Fees, and other fees or amounts owed by Owner to EMS TO YOU, as specified above. The late fee is $50.00 per incident. If any payment required to be made by Owner to EMS TO YOU under a Franchise Agreement is past due, EMS TO YOU may also charge Owner's account(s) interest on the past due amount at the lesser of 1.5 percent per month, or the highest rate allowable per law, accruing from the date of the default. Further, any time an electronic funds transfer transaction, credit card transaction, or other payment method is not honored or effective, Franchisee shall pay EMS TO YOU an insufficient funds fee (the "**Insufficient Funds Fee**") equal to 3 percent of the actual amount due.

5. EMS TO YOU may bill Owner directly for any amounts owed by Owner, or a company controlled by Owner, to EMS TO YOU for which EMS TO YOU does not charge Owner's account(s) under this Authorization.

6. A company is considered to be "controlled by Owner" if Owner is a guarantor of a Franchise Agreement between the company and EMS TO YOU; or if Owner has a 10 percent or greater shareholder, partnership, or member interest in the company, or is the sole proprietor of the company.

7. Owner agrees to execute any other documents required by any credit card processing company, any credit card issuer, any other entity, or by law, as necessary to enable EMS TO YOU to exercise the rights granted to it by this Authorization.

8. All capitalized terms not defined in this Authorization are defined as in the applicable Franchise Agreement between EMS TO YOU and Owner.

OWNER:

_____

By: _____

Print Name: _____

Title: _____

EXHIBIT VI
TO FRANCHISE AGREEMENT

RIDERS TO FRANCHISE AGREEMENT FOR SPECIFIC COUNTRIES, STATES, AND PROVINCES

The following Riders and Addenda to the Franchise Agreement for Specific Countries, States, and Provinces ("Riders") are applicable only for those franchisees to whom the franchise laws of the identified jurisdiction apply. Following the Riders is a signature page designating and incorporating any applicable Riders.

UNITED STATES RIDERS TO THE FRANCHISE AGREEMENT

CALIFORNIA RIDER TO THE FRANCHISE AGREEMENT

1. The following language is added to the end of **Article 5**:

   The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our preopening obligations and you are open for business.

2. The following language is added to the end of **Section 20.4.b**:

   The non-diversion covenant in this **Section 20.4.b** may not be enforceable under California law.

3. **Section 22.5** is deleted and replaced with the following language:

   The United States Federal Arbitration Act shall govern all questions about the enforceability of the dispute resolution procedures in this Agreement and the confirmation of any arbitration awards pursuant to such procedures, and no arbitration issues are to be resolved pursuant to any other statutes, regulations or common law. Otherwise, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or applicable international trademark law, this Agreement shall be interpreted under the laws of the State of Colorado, U.S.A. and any dispute between the parties shall be governed by and determined in accordance with the internal substantive laws (and not the laws of conflict) of the State of Colorado, U.S.A., which laws shall prevail in the event of any conflict of law. Notwithstanding the foregoing, the parties agree that the Colorado Consumer Protection Act (COLO. REV. STAT. ANN. Section 6-1-101, et seq.) shall not apply to this Agreement or any disputes between the parties. If a claim is asserted in any legal proceeding not subject to mandatory arbitration, as specified in **Sections 22.1** and **22.4** above, involving Franchisee and/or the Franchisee Affiliates and EMS TO YOU and/or the EMS TO YOU Affiliates, both parties consent to jurisdiction and venue for disputes between them in the state and federal courts of Colorado, U.S.A., and each waive any objection either may have to the personal jurisdiction of or venue in the state and federal courts of Colorado, U.S.A. Notwithstanding the foregoing, any legal proceeding by EMS TO YOU or any EMS TO YOU Affiliate not subject to mandatory arbitration may be brought in any court of competent jurisdiction in the country, state, province, or other geographic area in which the EMS To You Business is located or in which Franchisee or any Franchisee Affiliate resides or owns assets. IF A CLAIM MAY BE BROUGHT IN COURT, THEN EMS TO YOU, THE EMS TO YOU AFFILIATES, FRANCHISEE, AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.

4. **Section 23.2** is deleted and replaced with the following language:

This Agreement (which includes the Addendum and Exhibits) contains the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter hereof. EMS TO YOU does not authorize and will not be bound by any representation of any nature other than those expressed in this Agreement. Nothing in this Agreement or in any related agreement is intended to disclaim any representations made by EMS TO YOU in the franchise disclosure document provided to Franchisee.

5. **Sections 23.28.D** and **23.28.E** are deleted in their entirety.

6. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

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

HAWAII RIDER TO THE FRANCHISE AGREEMENT

1. The following language is added at the end of **Sections 3.3.e** and **17.3.d**:

Any release executed herewith will not apply to any claims that Franchisee may have that have arisen under the Hawaii Franchise Investment Law.

2. The following language is added at the end of **Article 5**:

The initial franchise fee and other initial payments to EMS TO YOU shall be deferred until the day that EMS TO YOU has fulfilled all of its pre-opening obligations to Franchisee and Franchisee has opened for business.

3. The following paragraph is added to **Article 18**:

Section 482E-6(3) of the Hawaii Revised Statutes provides that upon termination or refusal to renew the Franchise, EMS TO YOU is obligated to compensate Franchisee for the fair market value, at the time of the termination or expiration of Franchise, of Franchisee's inventory, supplies, equipment and furnishings purchased from EMS TO YOU or a supplier designated by EMS TO YOU; provided that personalized materials which have no value to EMS TO YOU need not be compensated for. If EMS TO YOU refuses to renew a Franchise for the purpose of

converting Franchisee's business to one owned and operated by EMS TO YOU, EMS TO YOU, in addition to the remedies provided above, shall compensate Franchisee for the loss of goodwill. EMS TO YOU may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of Franchisee's inventory, supplies, equipment and furnishings pursuant to this requirement, and may offset from such compensation any monies due EMS TO YOU.

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

ILLINOIS RIDER TO THE FRANCHISE AGREEMENT

1. The following language is added at the end of **Article 5**:

All initial fees payable to EMS TO YOU and any of its affiliates shall be deferred until EMS TO YOU has fulfilled all of its initial obligations to Franchisee and Franchisee has commenced doing business pursuant to this Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to EMS TO YOU's financial condition.

2. Illinois law governs this Agreement.

3. 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.

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

5. 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.

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

7. See the FIRST page of this Exhibit VI for your signature.

INDIANA RIDER TO THE FRANCHISE AGREEMENT

The following modifications are made to the Franchise Agreement only to the extent required by the Indiana Franchises Act, IND. CODE § 23-2-2.5, and the Indiana Deceptive Franchise Practices Act, IND. CODE § 23-2-2.7:

1. The following language is added to **Sections 4.2** and **4.3**:

   Indiana law prohibits EMS TO YOU from establishing an EMS TO YOU-owned outlet engaged a substantially identical business within Franchisee's Protected Territory.

2. The following language is added to the end of **Sections 3.3.e** and **17.3.d**:

   Any release executed in connection herewith will not apply to any claims that may arise under the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Act.

3. The words "or any Protected Territory of any EMS To You Business owned by EMS TO YOU, any affiliate of EMS TO YOU or any other franchisee of EMS TO YOU" are deleted from **Section 20.2**.

4. **Section 22.5** is deleted and replaced with the following language:

   The United States Federal Arbitration Act shall govern all questions about the enforceability of the dispute resolution procedures in this Agreement and the confirmation of any arbitration awards pursuant to such procedures, and no arbitration issues are to be resolved pursuant to any other statutes, regulations or common law. Otherwise, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or applicable international trademark law, disputes related to a violation of the Indiana Franchises Act or the Indiana Deceptive Franchise Practices Act shall be governed thereby, and all other matters regarding this Agreement shall be governed by the laws of the State of Colorado, U.S.A., which laws shall prevail in the event of any conflict of law. Notwithstanding the foregoing, the parties agree that the Colorado Consumer Protection Act (COLO. REV. STAT. ANN. Section 6-1-101, et seq.) shall not apply to this Agreement or any disputes between the parties. Subject to the foregoing, Franchisee and EMS TO YOU have negotiated regarding a forum in which to resolve any disputes that may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding not subject to mandatory arbitration, as specified in **Sections 22.1** and **22.4** above, involving Franchisee and/or the Franchisee Affiliates and EMS TO YOU and/or the EMS TO YOU Affiliates, the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado, U.S.A., and each waive any objection either may have to the personal jurisdiction of or venue in the state and federal courts of Colorado, U.S.A. Notwithstanding the foregoing, any legal proceeding by EMS TO YOU or any EMS TO YOU Affiliate not subject to mandatory arbitration may be brought in any court of competent jurisdiction in the country, state, province, or other geographic area in which the EMS To You Business is located or in which Franchisee or any Franchisee Affiliate resides or owns assets. IF A CLAIM MAY BE BROUGHT IN COURT, THEN EMS TO YOU, THE EMS TO YOU AFFILIATES, FRANCHISEE AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.

5. The following sentence is added at the end of **Section 23.2**:

Notwithstanding anything to the contrary in this provision, Franchisee does not waive any right under the Indiana statutes with regard to prior representations made by EMS TO YOU.

6. **Section 23.9** is deleted and replaced with the following language:

Notwithstanding anything contained in this Agreement to the contrary, any and all claims and actions arising out of or relating to this Agreement, the relationship between Franchisee and EMS TO YOU, or Franchisee's operation of the EMS To You Business must be commenced within the time period specified in Indiana law.

MARYLAND RIDER TO THE FRANCHISE AGREEMENT

1. The following language is added at the end of **Sections 3.3.e** and **17.3.d**:

Any release executed in connection herewith will not apply to any claims that may arise under the Maryland Franchise Registration and Disclosure Law.

2. The following language is added at the end of **Section 5.1**:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

3. The following language is added at the end of **Article 22**:

Franchisee may commence any cause of action against EMS TO YOU in any court of competent jurisdiction, including the state or federal courts of Maryland, unless otherwise governed by the arbitration provisions of this Agreement.

4. All but the first and last sentences of **Section 23.2** are deleted, with the following sentence added to the end of **Section 23.2**:

Provided, however, that this provision is not limited to, nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Laws.

5. **Section 23.9** is amended by adding the following thereto:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

6. **Section 23.10** is deleted in its entirety.

7. **Section 23.28** is deleted and replaced with the following:

Section 23.28. Acknowledgment.

D. NEITHER FRANCHISEE, NOR ANY FRANCHISEE AFFILIATE, IS SUBJECT TO UNITED STATES EXECUTIVE ORDER 13224 OR THE PATRIOT ACT. IF FRANCHISEE OR ANY FRANCHISEE AFFILIATE BECOMES SUBJECT TO UNITED STATES EXECUTIVE ORDER 13224 OR THE PATRIOT ACT, FRANCHISEE OR THAT FRANCHISEE AFFILIATE SHALL NOTIFY EMS TO YOU IMMEDIATELY THEREOF.

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

MINNESOTA RIDER TO THE FRANCHISE AGREEMENT

1. The following is added to the end of **Article 5**:

All initial franchise fees payable to EMS To You shall be deferred until the day Franchisee's EMS To You Business opens for business.

2. **Articles 3**, **17**, and **18** are modified by the following language:

EMS TO YOU will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4 and 5, which require (except in certain specified cases) (1) that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of this Agreement, and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

3. The following language is added at the end of **Sections 3.3.e** and **17.3.d**:

Any release executed in connection herewith will not apply to any claims that may arise under the Minnesota Franchise Act.

4. **Section 12.5.e** is deleted and replaced with the following language:

Franchisee agrees that any time an ACH Withdrawal transaction, credit card transaction, or other payment method is not honored or effective, Franchisee shall pay EMS TO YOU an insufficient funds fee (the "**Insufficient Funds Fee**") of $30.00, in addition to any applicable late fees and interest in accordance with **Section 12.6**.

5. **Section 15.6** is modified by the following language:

EMS TO YOU agrees to protect Franchisee against claims of infringement or unfair competition with respect to Franchisee's authorized use of the Marks when the Franchisee's rights granted therein warrant protection.

6. **Sections 20.1.d** and **20.4.b** are modified by the following language:

Minnesota Statutes Section 181.991 prohibits a franchisor from restricting, restraining, or prohibiting in any way a franchisee from soliciting or hiring an employee of the franchisor or an employee of a franchisee of the same franchisor. Any such restrictions in these **Sections 20.1.d** and **20.4.b** are hereby deemed deleted.

7. **Section 22.4.c** is modified by the following language:

Pursuant to Minnesota Rule 2860.4400(J), a franchisee cannot consent to a franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. Also, a court will determine if a bond is required.

8. **Section 22.5** is modified by the following language:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit EMS TO YOU from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or this Agreement can abrogate or reduce (1) any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. The above language has been included in this Agreement as a condition to registration. EMS TO YOU and Franchisee do not agree with the above language and believes that each of the provisions of the Agreement are fully enforceable. EMS TO YOU and Franchisee intend to fully enforce all of the provisions of the Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

9. The following statement is added at the end of **Section 23.9**:

Minnesota law provides that no action may be commenced pursuant to Minnesota Statute Section 80C.17 more than three years after the cause of action accrues. Minnesota Statutes, Section 80C.17, Subd. 5.

NEW YORK RIDER TO THE FRANCHISE AGREEMENT

1. The following is added at the end of **Sections 3.3.e** and **17.3.d**:

Provided however, 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 shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied.

2. The following sentence is added to **Section 9.3**:

Any new or different requirements set forth in the Procedures Manual shall not unreasonably increase Franchisee's obligations or place an excessive burden on Franchisee's operation of its EMS To You Business.

3. The following sentence is added to **Section 17.1**:

However, no assignment shall be made except to an assignee who, in the good faith judgment of EMS TO YOU, is willing and able to assume EMS TO YOU's obligations under this Agreement.

4. The following is added to **Article 18**:

Franchisee may terminate this Agreement upon any grounds available by law.

5. The following is added to **Section 19.3**:

However, Franchisee shall not be required to indemnify EMS TO YOU for any liabilities which arose as a result of EMS TO YOU's breach of this Agreement or other civil wrongs committed by EMS TO YOU.

6. The following sentence is added to **Section 22.5**:

The foregoing choice of law should not be considered a waiver of any right conferred upon either EMS TO YOU or Franchisee by the General Business Law of the State of New York, Article 33. This language has been included in this Agreement as a condition to registration. EMS TO YOU and Franchisee do not agree with the above language and believe that each of the provisions of the Agreement, including all choice-of-law provisions, are fully enforceable. EMS TO YOU and Franchisee intend to fully enforce all of the provisions of the Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

NORTH DAKOTA RIDER TO THE FRANCHISE AGREEMENT

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees:

A. Restrictive Covenants: 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 this statute.

B. Situs of Arbitration Proceedings: 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.

C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

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

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Franchise agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

I. Limitation of Claims: Franchise agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

2. The State of North Dakota has determined that requiring a franchisee pay all costs and expenses incurred by the franchisor in enforcing the agreement to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

3. The following paragraph is added at the end of **Section 22.1**:

The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

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

RHODE ISLAND RIDER TO THE FRANCHISE AGREEMENT

1. The following paragraph is added at the end of **Section 22.1**:

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

The above language has been included in this Agreement as a condition to registration. EMS TO YOU and Franchisee do not agree with the above language and believe that each of the provisions of the Agreement, including all choice of law provisions, are fully enforceable. EMS TO YOU and Franchisee intend to fully enforce all of the provisions of the Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

VIRGINIA RIDER TO THE FRANCHISE AGREEMENT

1. The following is added to the end of **Article 5**:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires EMS TO YOU to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to EMS TO YOU until EMS TO YOU has completed its pre-opening obligations under this Agreement.

2. The following is added to the end of **Section 23.20**:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in this Agreement does not constitute "reasonable cause," as that term is defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement

provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. 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.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. 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.

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

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. The following language is added at the end of **Article 5.1:**

> All initial fees payable to EMS To You and any of its affiliates as described in Item 5 of the Franchise Disclosure Document shall be deferred until EMS To You has fulfilled all of its pre-opening obligations to Franchisee and Franchisee has commenced doing business pursuant to this Agreement.

20. The second through fourth sentences of **Section 18.5(a)** are deleted and replaced with the following:

In the event of a termination due to a default by Franchisee, the amounts owed to EMS TO YOU shall include an amount equal to the minimum Royalty Fees that would have been payable for each month from the date of termination until the earlier of (i) two years following the date of termination, or (ii) the expiration date that would apply to this Agreement had it not been terminated. All periodic payments to EMS TO YOU shall be deemed to accrue daily, and shall be adjusted accordingly.

21. **Section 23.1.b** does not apply in Washington.

22. The following language in **Section 23.2** does not apply in Washington:

Franchisee acknowledges and agrees that no representations have been made to it by EMS TO YOU regarding projected sales volumes, market potential, revenues or profits of Franchisee's EMS To You Business, or operational assistance other than as stated in this Agreement or in any franchise disclosure document or advertising or promotional materials provided by EMS TO YOU in connection herewith. Additionally, Franchisee hereby acknowledges and agrees that, in entering into this Agreement, it is not relying on the existence or non-existence of any particular fact or matter not set forth in this Agreement or in the franchise disclosure document provided to Franchisee. Franchisee agrees and understands that EMS TO YOU will not be liable or obligated for any oral representations or commitments made prior to the execution hereof, for claims of negligent or fraudulent misrepresentation based on any such oral representations or commitments, or for claims of negligent or fraudulent omissions or nondisclosure of facts or information.

23. **Section 23.10** does not apply in Washington.

24. **Section 23.28** is deleted in its entirety.

WISCONSIN RIDER TO THE FRANCHISE AGREEMENT

1. The following paragraph is added to the end of **Article 18**:

The conditions under which this Agreement can be terminated or not renewed may be effected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135.

CANADA RIDERS TO THE FRANCHISE AGREEMENT

ALL CANADIAN PROVINCES RIDER TO THE FRANCHISE AGREEMENT

1. Franchisee and EMS TO YOU agree that they shall not be restricted by this Agreement from soliciting or hiring each other's employees to the extent that such restriction would be prohibited by applicable law. Any provision of this Agreement to the contrary is hereby deemed amended accordingly.

SIGNATURE PAGE TO RIDERS

If any one of the preceding Riders is checked as an "Applicable Rider" below, then that Rider shall be incorporated into the Franchise Agreement entered into by EMS To You Franchising Co., Inc. and the undersigned Franchisee. To the extent any terms of an Applicable Rider conflict with the terms of the Franchise Agreement, the terms of the Applicable Rider shall supersede the terms of the Franchise Agreement.

Applicable Rider:

UNITED STATES

- ☐ California
- ☐ Hawaii
- ☐ Illinois
- ☐ Indiana
- ☐ Maryland
- ☐ Minnesota
- ☐ New York
- ☐ North Dakota
- ☐ Rhode Island
- ☐ Virginia
- ☐ Washington
- ☐ Wisconsin

CANADA

- ☐ All Provinces

EMS TO YOU FRANCHISING CO., INC.

By: _____

Title: _____

_____
FRANCHISEE (Print Name)

By: _____

Title: _____

ATTACHMENT B
TO FRANCHISE DISCLOSURE DOCUMENT

CONFIDENTIALITY / APPLICATION AGREEMENT

EMS TO YOU FRANCHISING CO., INC.
Confidentiality / Application Agreement

EMS To You Franchising Co., Inc. ("EMS TO YOU") hereby reserves a place for _____ ("Applicant") to participate in the initial training program of EMS TO YOU, to be conducted at the EMS TO YOU headquarters in Lakewood, Colorado, U.S.A., on the following dates:

Training will commence _____ and will finish _____

Applicant acknowledges that, as a part of Applicant's training (or preparation for training), Applicant will be furnished with certain proprietary information of EMS TO YOU including without limitation, proprietary information concerning an EMS TO YOU Business; the Licensed Methods; financial information of EMS TO YOU or its franchisees other than financial information filed with any government regulatory agency; marketing methods; sales and promotional methods; operation methods; nonpublic statistical information; the strategic plan, budgets and projections for EMS TO YOU; information concerning negotiations of any kind conducted by EMS TO YOU whether pending or completed; marketing research data and marketing plans; information contained in the EMS TO YOU Operations Manuals, and any other manual or other nonpublic written information; internal lists of franchisees and customers of EMS TO YOU Businesses; and other information which may be considered a trade secret or proprietary, as such information may be further developed and modified from time to time by EMS TO YOU. Applicant agrees not to divulge or utilize in any way, other than in a franchised EMS TO YOU Business, any proprietary information or trade secrets of EMS TO YOU disclosed during or in preparation for training at any time, without the prior written consent of EMS TO YOU.

Applicant agrees that, for a period of two years from the date hereof, Applicant will not (a) attempt to employ or employ (either directly or indirectly) any franchisees of EMS TO YOU or any employees, agents, or representatives of EMS TO YOU or of any of EMS TO YOU's franchisees for any position outside of the EMS TO YOU franchise system (except with the prior written consent of EMS TO YOU or the franchisee, as applicable); (b) divert or attempt to divert any business related to EMS TO YOU or any of EMS TO YOU's franchisees or any client or account of EMS TO YOU or any of EMS TO YOU's franchisees; or (c) have any direct or indirect controlling interest in or perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any business that operates, or grants franchises to others to operate, a business which is the same as or substantially similar to an EMS TO YOU Business, including but not limited to a business that provides services related to electro muscle stimulation workouts.[1]

Upon completion of the second day of classroom training, if Applicant's training progress is not acceptable to EMS TO YOU, EMS TO YOU shall have the right to refuse to sell an EMS TO YOU Business franchise to Applicant, and neither party shall have any further obligation with respect to the other, except as set forth in the immediate preceding paragraph.

If Applicant's training progress is acceptable to EMS TO YOU, Applicant shall, after the second day of classroom training, have the following options:

A. Reject the opportunity to become an EMS TO YOU Business franchisee, or,
B. Execute a copy of EMS TO YOU's then current Franchise Agreement, complete the purchase of the franchise, and commence operations of an EMS TO YOU Business.

_____ _____
Applicant **EMS TO YOU FRANCHISING CO., INC.**

_____ _____
Date Date

_____
Phone (Office)

_____
Phone (Home)

_____
Fax

[1] For Applicants who are residents of, or who will operate their EMS TO YOU Business in any of, the Canadian Provinces of Alberta, British Columbia, Manitoba, New Brunswick, Ontario, Prince Edward Island, or Saskatchewan: This paragraph does not apply. Further, it is expressly agreed that the confidentiality obligations herein (i) do not apply to information that is or comes into the public domain other than as a result of a contravention of this agreement, is disclosed to any person other than as a result of a contravention of this agreement, or is disclosed with the consent of all the parties to this agreement, and (ii) do not prohibit the disclosure of information to an organization of franchisees, other franchisees of the same franchise system, or a franchisee's professional advisors.

ATTACHMENT C
TO FRANCHISE DISCLOSURE DOCUMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement (this "**Agreement**") is made and entered into effective on the day and date set forth below, by and among EMS TO YOU FRANCHISING CO., INC., a Colorado corporation ("**EMS To You**"), having an address of 143 Union Boulevard, Suite 825, Lakewood, Colorado, U.S.A. 80228, the franchisee named on the signature page of this Agreement (the "**Franchisee**"), and the associate of Franchisee named on the signature page of this Agreement (the "**Associate**").

RECITALS

A. EMS To You is engaged in a business of franchising to others businesses ("**EMS To You Businesses**") that specialize in in electromagnetic muscle stimulation workout sessions conducted at the client's home, office or other location where the client is located under the marks EMS To You℠, and related service marks, trademarks and trade names ("**Proprietary Marks**").

B. EMS To You and its affiliates have developed proprietary methods for establishing, operating, and promoting EMS To You Businesses utilizing certain confidential information as more fully described herein ("**Licensed Methods**"), and have established substantial goodwill and an excellent reputation with respect to the quality of the services available in a EMS To You Business, which goodwill and reputation have been and will continue to be of major benefit to EMS To You.

C. Franchisee is a franchisee under an effective franchise agreement ("**Franchise Agreement**") with EMS To You.

D. Associate is or will become involved with Franchisee in the capacity of an officer, partner, director, manager, agent, employee, independent contractor (such capacities collectively referred to as "**Affiliation**"), or is related to a person who has an Affiliation with Franchisee, and will become privileged as to certain confidential information related to EMS To You, its operations and the EMS To You Business.

E. Associate, Franchisee, and EMS To You have reached an understanding and agreement with regard to nondisclosure by Associate of confidential information and with respect to noncompetition by Associate with EMS To You and Franchisee.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate, Franchisee, and EMS To You, intending legally to be bound, agree as follows:

1. <u>Confidential Information</u>. Associate recognizes and agrees that certain proprietary information relating to EMS To You and its operations and the operations of EMS To You Businesses ("**Confidential Information**") is owned by EMS To You and is treated as confidential by EMS To You and Franchisee, including without limitation, all proprietary information concerning EMS To You Businesses; the Licensed Methods; all financial information of EMS To You or Franchisee other than financial information filed with any government regulatory agency; marketing methods; sales and promotional methods; all nonpublic statistical information; the strategic plan, budgets, and projections for EMS To You; all information concerning negotiations of any kind conducted by EMS To You whether pending or completed; all marketing research data and marketing plans; all information contained in the EMS To You operations manuals, and any other manual or other nonpublic written information; internal lists of franchisees and customers of EMS To You Businesses; and all other information which may be considered a trade secret or proprietary and such Confidential Information as may be further developed from time to time by EMS To You.

2. Use and Disclosure of Confidential Information. Associate acknowledges that, in connection with Associate's Affiliation with EMS To You, EMS To You or Franchisee will disclose in strict confidence certain Confidential Information necessary for the operation of an EMS To You Business. Associate specifically acknowledges that the Confidential Information is valuable, unique and comprises a substantial portion of the assets of EMS To You; and Associate agrees that he or she will not utilize all or any portion of the same for Associate's personal benefit during the term of Associate's Affiliation with Franchisee, nor in any manner use the same subsequent to the termination of Associate's Affiliation with EMS To You or Franchisee or the termination or expiration of the Franchise Agreement, nor disclose any of the same to any person, firm, corporation, or other entity whatsoever at any time for any reason or purpose, without the prior written consent of EMS To You. Associate shall not copy, publish or otherwise duplicate the Confidential Information or permit others to do so and shall return all Confidential Information to Franchisee upon termination of Associate's Affiliation with Franchisee. Associate may disclose to other employees, agents, or representatives of EMS To You or Franchisee the Confidential Information only to the extent necessary for such employees, agents, or representatives to carry out their intended function.

3. Noncompetition Covenant. Associate covenants and agrees that, during the term of his or her Affiliation, except in conjunction with Franchisee's EMS To You Business in a manner authorized by EMS To You and Franchisee, Associate shall not, either directly or indirectly through any member of Associate's immediate family, separate business entity, or otherwise:

(a) have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business, defined below;

(b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business;

(c) divert or attempt to divert any business related to EMS To You, Franchisee, or any other franchisee of EMS To You to any Competitive Business by direct inducement or otherwise; or

(d) divert or attempt to divert the employment of any employee or representative of EMS To You, Franchisee, or any other franchisee of EMS To You to any Competitive Business by any direct inducement or otherwise.

The term "**Competitive Business**" as used in this Agreement means any business which engages in, or licenses or franchises others to engage in, or promotes potential franchisees to engage in, a business which is the same as or substantially similar to a EMS To You Business; including but not limited to a business that provides electro muscle stimulation workout sessions, and ancillary products and services. Notwithstanding the foregoing, Associate will not be prohibited by this Agreement from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 2 percent or less of that class of securities issued and outstanding.

4. Post-Termination Covenant Not to Compete. Associate covenants and agrees that, for a period of two years after the earlier of (i) the effective date of termination or expiration of Associate's Affiliation with Franchisee or EMS To You, or (ii) the effective date of termination or expiration of the Franchisee's Franchise Agreement, neither Associate, nor any member of Associate's immediate family, shall (a) have any direct or indirect interest, as a disclosed or a beneficial owner, investor, partner, director, officer, employee, consultant, representative, or agent or in any other capacity, in or with any Competitive Business located or operating within the Protected Territory, as defined in Franchisee's

Franchise Agreement with EMS To You, in which Franchisee's EMS To You Business is located, or within 20 miles of the outer boundaries of the Protected Territory, as defined in the respective Franchise Agreement, of Franchisee or any other franchised EMS To You Business; or (b) divert or attempt to divert any business related to Franchisee, EMS To You, or any other EMS To You franchisee, to any Competitive Business, by direct inducement or otherwise. Associate expressly acknowledges that he or she possesses business and career skills and abilities of a general nature and has other opportunities for exploiting such skills and abilities. Consequently, enforcement of this covenant will not deprive Associate of his or her personal goodwill or ability to earn a living. If Associate or any member of Associate's immediate family breaches any of Sections 4 through 6 of this Agreement, then the two-year period applicable for each of these covenants shall start on the date that Associate or its family member, as applicable, is enjoined from such activity or ceases such activity, whichever is later.

5. No Interference. Associate covenants and agrees that, for a period of two years after the earlier of (i) the effective date of termination or expiration of Associate's Affiliation with Franchisee or EMS To You, or (ii) the effective date of termination or expiration of the Franchisee's Franchise Agreement, neither Associate, nor any member of Associate's immediate family, shall interfere with the business of EMS To You by interfering with or disrupting, or attempting to interfere with or disrupt, the relationship, contractual or otherwise, between EMS To You or Franchisee and any of their existing or prospective franchisees, customers, suppliers, partners, or joint venturers.

6. No Diversion of Employees. Associate covenants and agrees that, for a period of two years after the earlier of (i) the effective date of termination or expiration of Associate's Affiliation with Franchisee or EMS To You, or (ii) the effective date of termination or expiration of the Franchisee's Franchise Agreement, neither Associate, nor any member of Associate's immediate family, shall divert or attempt to divert the employment of any employee or other Authorized Representative, as defined in the respective Franchise Agreement, of Franchisee, of EMS To You, or of another franchised or licensed EMS To You Business, to any Competitive Business, by direct inducement or otherwise.

7. Audit of Business Records. EMS To You or its authorized agent may request, receive, inspect, and audit any business records, financial or otherwise, of Associate, Associate's immediate family members, or any party affiliated with Associate or its immediate family members, including any companies or entities associated with Associate or its immediate family members, that EMS To You in its sole discretion, determines may be relevant in determining Associate's compliance with the terms of this Agreement or Franchisee's business results in its EMS To You Business. The records subject to this audit include (i) tax returns; (ii) quarterly and/or annual financial statements, including profit and loss statements and balance sheets; (iii) copies of checks, check ledgers, and bank statements for checking and savings accounts; (iv) all contracts or agreements entered into by Franchisee and any third parties related to its EMS To You Business, including but not limited to contracts with customers; and (v) any other documents requested by EMS To You. Any such inspection or audit shall be conducted in accordance with the audit provisions set forth in the Franchise Agreement, which are deemed incorporated herein. Inspections and audits conducted at Associate's business location or other location where the records are held may take place without prior notice. EMS To You may also require at any time the records from Associate or its affiliated parties be sent to EMS To You's offices or another location to permit the inspection or audit of such records to be conducted at EMS To You's place of business or the other location. If EMS To You notifies Associate that documents are to be sent to a location other than Associate's business location for the purpose of conducting an inspection or audit at that location, Associate shall provide the requested documents to EMS To You within the time period set forth in EMS To You's notice. EMS To You may audit and inspect documents covering a period beginning with the date on which Associate's Affiliation commenced and ending on the date such audit is concluded. All documents provided for EMS To You's inspection or audit must be certified by Associate and the

appropriate affiliated party, if applicable, as true, complete, and correct. Inspections and audits may be conducted following the expiration or termination of Associate's Affiliation for any reason.

8. Injunction. Associate acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, EMS To You and Franchisee, or either one separately, shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which EMS To You and/or Franchisee may be entitled.

9. Assignment. Both Franchisee and EMS To You may assign all or part of this Agreement and the rights which inure to either of them hereunder without the consent of Associate, provided that any assignment by Franchisee shall require the written consent of EMS To You. This Agreement shall not be assignable by Associate.

10. Effect of Waiver. The waiver by Associate, Franchisee or EMS To You of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof, and in no event shall such a waiver be binding upon EMS To You unless it is in writing and signed by an authorized representative of EMS To You.

11. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate, Franchisee, and EMS To You, and their respective heirs, executors, representatives, successors and assigns.

12. Entire Agreement. This instrument contains the entire agreement of Associate, Franchisee and EMS To You relating to the matters set forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought. Further, both Associate and Franchisee agree that no change to this Agreement shall be made without the written consent of EMS To You having first been obtained.

13. Governing Law. This instrument shall be governed by and construed under the laws of the State of Colorado, U.S.A.

14. Arbitration.

(a) Any and all controversies, disputes or claims between EMS To You, its subsidiaries, and affiliated companies, or their shareholders, officers, directors, agents, employees, and attorneys (in their representative capacity); Franchisee, its shareholders, officers, directors, agents and employees; and/or Associate arising out of or related to this Agreement or the validity hereof shall be submitted for binding arbitration; except for actions for injunctive relief pursuant to Section 8 above, which actions EMS To You and/or Franchisee, at their option, may bring either in a court of competent jurisdiction or in arbitration.

(b) If EMS To You is a party to any controversy, dispute, or claim, such arbitration proceedings shall be conducted in Denver, Colorado, U.S.A., will be submitted to either the Judicial Arbiter Group ("**JAG**") or the American Arbitration Association ("**AAA**"), as selected by the party submitting the arbitration demand, will be heard by one arbitrator in accordance with the then current rules of AAA applicable to commercial arbitration, and the arbitrator shall be a resident of the State of Colorado, U.S.A. and fluent in English. The arbitration proceeding and all other hearings shall be conducted in English only, although Associate shall have the right, at Associate's option and sole

expense, to have a translator present at the proceeding or other hearings. If EMS To You is not a party to such controversy, dispute or claim, such arbitration proceedings shall be conducted within the Protected Territory (as applicable, as defined in the Franchise Agreement between the Franchisee and EMS To You) of the Franchisee and will be heard by one arbitrator in accordance with the then current commercial arbitration rules of any arbitration group mutually acceptable to Franchisee and Associate, and if Franchisee and Associate cannot agree on an arbitration group within 30 days after demand for arbitration, then AAA shall conduct such arbitration in accordance with its then current commercial arbitration rules. The decision as to whether a claim is subject to mandatory arbitration shall be made by an arbitrator, not a court.

(c) The parties agree that failure or refusal of a party to pay its required share of the deposits for arbitrator compensation or administrative charges shall constitute a waiver by that party to present evidence or cross-examine witnesses. In such event, the other party, at the discretion of the arbitrator, shall be required to present evidence and legal argument either at a hearing or by documents and affidavits. Such waiver shall not allow for an award against the non-paying party in the absence of evidence presented as provided above.

15. Severability. If any provision of this Agreement is held, declared, or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority, arbitrator, or otherwise, the parties authorize and request such court, governmental authority, or arbitrator to modify the provision held to be void, voidable, invalid, unenforceable, or inoperative, to contain such lesser covenants that impose the maximum duty permitted by law so that the provision is upheld as valid, and the parties agree to be bound by the modified provision. The holding, declaration, or pronouncement shall not affect adversely any other provisions of this Agreement, which shall otherwise remain in full force and effect.

16. Attorneys' Fees. If EMS To You or Franchisee must enforce any of the provisions or rights under this Agreement in any action at law or in equity and if EMS To You and/or Franchisee is successful in such litigation or arbitration as determined by the court or arbitrator in a final judgment or decree, then the Associate shall pay EMS To You or Franchisee, as applicable, all costs, expenses and reasonable attorneys' fees incurred by EMS To You and/or Franchisee (including without limitation such costs, expenses and fees on any appeals), and if EMS To You and/or Franchisee receives a judgment in any such action or proceeding, such costs, expenses and reasonable attorneys' fees shall be included as part of such judgment.

17. Definitions. All capitalized terms not defined in this Agreement have the respective meanings set forth in the effective Franchise Agreement between Franchisee and EMS To You.

18. Cross Default. A default by Associate under this Agreement will be deemed a default of all agreements between Franchisee and EMS To You, unless waived by EMS To You in writing.

19. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts and via electronic signatures.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

The parties have signed this Agreement on the ____ day of _____, 202___.

EMS To You:

EMS TO YOU FRANCHISING CO., INC.,
a Colorado corporation

By: _____
Its: _____

FRANCHISEE:

_____
a _____

By: _____
Its: _____

ASSOCIATE:

_____
Print Name:_____

ATTACHMENT D
TO FRANCHISE DISCLOSURE DOCUMENT

STATEMENT OF PROSPECTIVE FRANCHISEE

EMS TO YOU FRANCHISING CO., INC.
STATEMENT OF PROSPECTIVE FRANCHISEE

(Note: Dates and answers must be completed in the prospective franchisee's own handwriting.)

Since the prospective franchisee (also called "I/we," in this document) and EMS TO YOU FRANCHISING CO., INC. ("EMS To You") both have an interest in making sure that no misunderstanding exists between us, and to verify that no violations of law might have occurred, and understanding that EMS To You is relying on the statements I/we make in this document, I/we advise EMS To You as follows:

A. The following dates and information are true and correct:

1. The date of our first face-to-face meeting with any person to discuss the possible purchase of an EMS To You Franchise.

_____

2. The date on which I/we received a Franchise Disclosure Document ("Disclosure Document") providing me/us with information regarding the purchase of an EMS To You Franchise.

_____

3. The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement and all other documents I/we later signed.

_____

4. The earliest date on which I/we signed the Franchise Agreement or any other binding document (not including any Receipt evidencing our receipt of the Disclosure Document).

_____

5. The earliest date on which I/we delivered cash, a check, or other consideration to EMS To You, or any other person or company.

_____

B. Representations and Other Matters:

1. No oral, written, visual, or other promises, agreements, commitments, representations, understandings, "side deals," options, rights of first refusal, or agreements of any type, including but not limited to, any which expanded upon or were inconsistent with the Disclosure Document or the Franchise Agreement, have been made to me/us with respect to any matter (including, but not limited to, advertising, marketing, site location and/or development, operational, marketing or administrative assistance, exclusive rights, or rights to purchase one or more territories or otherwise) nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement or a written Addendum thereto signed by me/us and EMS To You, except as follows:

_____

_____

_____

_____

(If none, write NONE)

2. No oral, written, visual, or other claim, guarantee or representation (including, but not limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by any person or entity, nor have I/we relied in any way on any such, except for the information expressly set forth in the Disclosure Document, if any, except as follows:

_____

_____.

(If none, write NONE).

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, but not limited to, my/our obtaining any financing, my/our selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or my/our fully performing any of my/our obligations, nor am I/we relying on EMS To You or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement or a written Addendum thereto signed by the me/us and EMS To You, except as follows:

_____

_____.

(If none, write NONE).

4. If the prospective franchisee is a business entity, the individuals signing for the "Prospective Franchisee" constitute all of the executive officers, members, managers, partners, shareholders, investors and/or principals (as applicable) of the Prospective Franchisee and each of such individuals has received the Disclosure Document and all attachments and carefully read, discussed, understands and agrees to the Franchise Agreement and each written Addendum or Attachment.

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and EMS To You has strongly recommended that I/we obtain such independent professional advice. I/we have also been advised by EMS To You to discuss my/our proposed purchase of, or investment in, an EMS To You Franchise with one or more existing EMS To You franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing EMS To You franchisees.

6. I/we understand that entry into any business venture necessarily involves certain risk of loss or failure, that the purchase of an EMS To You Franchise (or any other franchise) is a speculative investment, that investment beyond the amounts outlined in the Disclosure Document may be required to succeed, that there exists no guaranty against possible loss or failure in this or any other business and that the most important factors in

the success of any EMS To You Franchise, including the one to be operated by me/us, are my/our personal business, marketing, sales, management, judgment and other skills.

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) immediately inform EMS To You's attorney, and (b) make a written statement regarding such next to my signature below so that EMS To You may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: _____

FOR CALIFORNIA ONLY:

DO NOT COMPLETE SECTION B OF THIS STATEMENT IF YOU ARE A RESIDENT OF, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN CALIFORNIA.

PROSPECTIVE FRANCHISEE:

By: _____
Prospective Franchisee

By: _____
Prospective Franchisee

By: _____
Prospective Franchisee

All of the above is true, correct and complete to the best of my knowledge.

Franchise Marketing Representative: _____

Reviewed by: _____(Franchisor)

President: _____ Franchise Agreement Number: _____

ATTACHMENT E
TO FRANCHISE DISCLOSURE DOCUMENT

TERRITORY RESERVATION DEPOSIT AGREEMENT

TERRITORY RESERVATION DEPOSIT AGREEMENT

This Territory Reservation Deposit Agreement (this "**Deposit Agreement**") is made and entered into effective on the day and date set forth below (the "**Effective Date**"), by and between EMS TO YOU FRANCHISING CO., INC., a Colorado corporation ("**EMS TO YOU**"), and the applicant named on the signature page of this Deposit Agreement (the "**Applicant**").

1. **Payment and Territory Reservation.** On the Effective Date, Applicant will pay EMS TO YOU $5,000 as an entirely non-refundable deposit (the "**Deposit**") toward the purchase of a franchise (the "**Franchise**") for the operation of a business providing electro muscle stimulation workout sessions conducted at the client's home, office or other location where the client is located and related services under the marks EMS TO YOU℠, and related service marks, trademarks and trade names (an "**EMS To You Business**") in the territory set forth on the attached Exhibit E-1 (the "**Reserved Territory**"). In consideration for the payment of the Deposit, EMS TO YOU grants Applicant the right, subject to compliance with all of EMS TO YOU's requirements for the award of an EMS To You Business franchise, to acquire the Franchise for 90 days following the Effective Date (the "**Reservation Period**"). During the Reservation Period, and subject to Applicant's compliance with the terms of this Deposit Agreement and all other agreements between Applicant and EMS TO YOU, EMS TO YOU will not grant a franchise for or operate an EMS To You Business that has a territory within or overlapping any portion of the Reserved Territory. Applicant may exercise its right to acquire the Franchise by executing EMS TO YOU's form of Franchise Agreement and other documents required for new EMS TO YOU franchisees and paying the initial franchise fee for the purchase of the Franchise in full prior to the expiration of the Reservation Period. To enable EMS TO YOU to comply with potential disclosure laws and prepare the Franchise Agreement and related documents for Applicant's exercise of this right, Applicant must give EMS TO YOU written notice of Applicant's intent to acquire the Franchise at least 20 days in advance of the expiration of the Reservation Period, in accordance with Section 8 below.

2. **Non-Refundability of Deposit.** Applicant and EMS TO YOU agree that the Deposit is not intended to be a penalty or forfeiture and is intended, among other things, to compensate EMS TO YOU for (i) not selling a franchise covering the Reserved Territory during the Reservation Period, (2) not increasing the initial franchise fee to be paid by Applicant for the Franchise during the Reservation Period, and (3) any delay EMS TO YOU may experience in receiving any royalty fee or other income due to its inability to sell a franchise for or operate an EMS To You Business in the Reserved Territory during the Reservation Period. THE DEPOSIT IS TOTALLY NON-REFUNDABLE UNDER ANY AND ALL CIRCUMSTANCES AND MAY BE USED ONLY TO PURCHASE THE FRANCHISE FOR THE RESERVED TERRITORY DURING THE RESERVATION PERIOD AT THE INITIAL FRANCHISE FEE SPECIFIED ABOVE.

3. **Failure to Complete Purchase.** In the event that Applicant does not purchase, or is unable to purchase, the Franchise for the Reserved Territory during the Reservation Period for any reason, the entire Deposit will be retained by EMS TO YOU. In that event, all of Applicant's rights and all of EMS TO YOU's obligations will be forever canceled and, subject to applicable law, Applicant will execute a general release, in a form prescribed by EMS TO YOU, of any and all claims, known or unknown, against EMS TO YOU and its subsidiaries and affiliated companies or their shareholders, officers, directors, members, managers, partners, agents, employees, successors, and assignees (collectively, the "**EMS To You Affiliates**").

4. **Misrepresentations.** If Applicant has made or makes any material misrepresentations or omissions in connection with the application for or purchase of any EMS To You Business franchise, EMS TO YOU will have no obligation to sell the Franchise to Applicant and EMS TO YOU may retain the full Deposit.

5. **Dispute Resolution; Governing Law.** Any dispute, controversy or claim between Applicant or any of Applicant's shareholders, directors, officers, members, managers, partners, employees, agents, successors and assignees, as applicable (the "**Applicant Affiliates**"), and EMS TO YOU or any of the EMS To You Affiliates, arising out of or relating to this Deposit Agreement or any other agreement or document related to this Deposit Agreement will be settled by binding arbitration with the Judicial Arbiter Group or the American Arbitration Association ("**AAA**"), as selected by the party submitting the demand. Arbitration proceedings will be conducted in Denver, Colorado, U.S.A. and will be heard by one arbitrator in accordance with the then current rules of AAA that apply to commercial arbitration. The arbitrator shall be a resident of the State of Colorado U.S.A. knowledgeable of Colorado law and fluent in English. The arbitration proceeding and all other hearings shall be conducted in English only, although Applicant shall have the right, at Applicant's option and sole expense, to have a translator present at the proceeding or other hearings. The expense of a translator shall not be considered attorneys' fees or court costs awardable to the prevailing party in arbitration or litigation pursuant to Section 9 below. The decision as to whether a claim is subject to mandatory arbitration shall be made by an arbitrator, not a court. The United States Federal Arbitration Act shall govern all questions about the enforceability and scope of the dispute resolution procedures in this Deposit Agreement, and all other matters will be governed by the laws of the State of Colorado, U.S.A. Any arbitration award shall be based on established law and shall not be made on broad principles of justice and equity.

6. **Confidential Information.** Applicant acknowledges that it has received proprietary information of EMS TO YOU by participating in EMS TO YOU's training program, including but not limited to the licensed methods and proprietary information for the operation of an EMS To You Business, marketing methods, information contained in the EMS TO YOU Operations Manuals, and other information EMS TO YOU considers a trade secret or proprietary (the "**Confidential Information**"). Applicant will treat all Confidential Information as proprietary and confidential, and will not use or duplicate such information in an unauthorized manner or disclose the information to any unauthorized person, including in any business that may be competitive with EMS TO YOU, without first obtaining EMS TO YOU's written consent. Applicant acknowledges that any unauthorized use or disclosure of the Confidential Information will result in irreparable harm to EMS TO YOU.

7. **Noncompetition Covenant.** Applicant acknowledges that, due to the disclosure of the Confidential Information by EMS TO YOU to Applicant, any participation by Applicant or the Applicant Affiliates in a business in competition with EMS TO YOU or its franchisees would unfairly harm EMS TO YOU and its franchisees. Therefore, if Applicant does not acquire the Franchise during the Reservation Period or if this Deposit Agreement is terminated for any other reason, then for a period of two years commencing on the expiration of the Reservation Period or the termination of this Deposit Agreement, neither Applicant nor any of the Applicant Affiliates, will (a) attempt to employ or employ (either directly or indirectly) any franchisees of EMS TO YOU or any employees, agents, or representatives of EMS TO YOU or of any of EMS TO YOU's franchisees; (b) divert or attempt to divert any business related to EMS TO YOU or any of EMS TO YOU's franchisees or any client or account of EMS TO YOU or any of EMS TO YOU's franchisees; or (c) have any direct or indirect controlling interest in or perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any business which is the same as or substantially similar to an EMS To You Business, including but not limited to a business that provides services related to in electro muscle stimulation workout sessions or grants franchises or licenses to others to operate such a business, within 20 miles of the outer boundaries of the Reserved Territory or the territory of any EMS To You Business owned by EMS TO YOU, any affiliate of EMS TO YOU, or any franchisee of EMS TO YOU. Applicant expressly acknowledges that Applicant and the Applicant Affiliates possess business and career skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

8. **Notices.** All notices, requests, demands, statements, or consents made under this Deposit Agreement, including Applicant's notice of its election to purchase the Franchise during the Reservation Period, will be given in writing, by personal delivery, certified mail, return receipt requested, e-mail, or an overnight delivery service providing documentation of receipt at the addresses set forth below the respective signatures of EMS TO YOU and Applicant or at such other addresses as EMS TO YOU or Applicant may designate from time to time. Notice will be effectively given when personally delivered or delivered by e-mail to the proper e-mail address. If the Reserved Territory is in the United States, notice will be effectively given three days after being deposited in the United States mail, with proper address and postage prepaid, or one day after being deposited with the overnight delivery service, as may be applicable. If the Reserved Territory is outside of the United States, notice will be effectively given seven days after being deposited in the United States mail, with proper address and postage prepaid, or three days after being deposited with the overnight delivery service, as may be applicable.

9. **Miscellaneous.** Neither this deposit nor any rights associated with it are assignable by Applicant without the prior written consent of EMS TO YOU, which may be withheld in its sole and absolute discretion. This Deposit Agreement embodies the entire agreement and understanding between Applicant and EMS TO YOU and supersedes all prior agreements and understandings related to the subject matter hereof. However, nothing in this Deposit Agreement is intended to disclaim any representations made by EMS TO YOU in the franchise disclosure document provided to Applicant. No amendment to this Deposit Agreement will be binding unless it is in writing and signed by an officer of EMS TO YOU. If any provision of this Deposit Agreement shall be held by an arbitrator or a court of competent jurisdiction to be invalid, illegal or unenforceable as written, the parties authorize and request such arbitrator or court to modify such provision so as to make such provision enforceable and to best carry out the intent of the parties, or to deem such provision severed from this Deposit Agreement if it cannot be so modified. The holding, declaration or pronouncement shall not adversely affect any other provisions of this Deposit Agreement, which shall otherwise remain in full force and effect. In the event of any arbitration or litigation between Applicant and EMS TO YOU and/or the EMS To You Affiliates based upon an alleged breach or default in their respective obligations to be fulfilled pursuant to this Deposit Agreement, the prevailing party(ies) in the action shall be entitled to recover attorneys' fees and court costs from the non-prevailing party(ies). Sections 5, 6, and 7 of this Deposit Agreement will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Deposit Agreement. This Deposit Agreement may be executed in any number of counterparts and via electronic signatures, and all signed counterparts shall be deemed to be an original. Executed facsimile copies and electronic signatures shall be deemed originals for all purposes.

The parties have signed this Deposit Agreement on the ____ day of _____, 202___.

EMS TO YOU:	**APPLICANT:**
EMS TO YOU FRANCHISING CO., INC., a Colorado corporation	_____, a _____
By: _____ Its: _____	By: _____ Its: _____
Address for Notice: 143 Union Boulevard, Suite 825 Lakewood, Colorado, U.S.A. 80228 E-Mail Address: info@emstoyou.com	Address for Notice: _____ _____ E-Mail Address:_____

EXHIBIT E - 1

RESERVED TERRITORY

[insert territory]

ATTACHMENT F
TO FRANCHISE DISCLOSURE DOCUMENT

RESERVED FOR FUTURE USE

ATTACHMENT G
TO FRANCHISE DISCLOSURE DOCUMENT

CURRENT FORM OF GENERAL RELEASE

THE FOLLOWING FORM OF GENERAL RELEASE AGREEMENT IS A SAMPLE OF OUR CURRENT FORM OF GENERAL RELEASE AGREEMENT. THIS AGREEMENT IS OFTEN MODIFIED TO CONFORM TO THE FACTS SURROUNDING THE EVENT OR INCORPORATED INTO A LARGER AGREEMENT WHICH MORE PRECISELY ADDRESSES THE EVENT. WE MAKE NO REPRESENTATION OR GUARANTY THAT THE GENERAL RELEASE AGREEMENT YOU MAY BE REQUIRED TO SIGN WILL BE IDENTICAL TO THE GENERAL RELEASE AGREEMENT SET FORTH BELOW.

GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE AGREEMENT (this "Agreement") is made as of _____ _____, 202___ by and between EMS TO YOU FRANCHISING CO., INC., a Colorado corporation ("EMS To You"), and _____, a(n) _____ ("Franchisee").

RECITALS

A. EMS To You and Franchisee entered into that certain Franchise Agreement dated _____ _____, 202___, (the "Franchise Agreement").

B. Franchisee desires to _____ its rights and obligations under Franchise Agreement.

C. As a condition to the _____ of Franchisee's rights and obligations under the Franchise Agreement, EMS To You requires Franchisee to execute this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the terms and conditions set forth below, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Release. Franchisee for itself, its employees, officers, directors, shareholders, members, managers, partners, agents, representatives, successors and assigns, hereby fully and forever unconditionally releases and discharges EMS To You, its affiliated companies and their employees, officers, directors, shareholders, members, managers, partners, agents, representatives, successors and assigns (collectively referred to as the "EMS To You Parties") from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever, in law or in equity, whether known or unknown to it, which it may now have against EMS To You or the EMS To You Parties, or which may hereafter be discovered, in connection with, as a result of, or in any way arising from, any relationship or transaction with EMS To You or the EMS To You Parties, however characterized or described, from the beginning of time until the date of this Agreement.

2. Notice. Any notice, request, demand, statement or consent made under this Agreement shall be in writing and shall be personally delivered or sent by registered or certified mail, return receipt requested, and shall be deemed given when personally delivered or three days after deposit in the United States Mail, postage prepaid, and properly addressed to the other party at its address as set forth below. Each party may designate a change of address by notice to the other party in accordance with this Section.

If to Franchisee: _____
_____
_____

If to EMS To You: EMS To You Franchising Co., Inc.
143 Union Boulevard, Suite 825
Lakewood, Colorado, U.S.A. 80228
Attention: Jonathan Barnett

3. Colorado Laws. This Agreement shall be interpreted by the laws of the State of Colorado. Should any provision of this Agreement be found to violate the statutes or court decisions of the State of Colorado or of the United States, that provision shall be deemed to be amended to comply with and conform to such statutes or court decisions to affect the intent of the parties hereto.

4. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, trustees, receivers, personal representatives, legatees and devisees of the parties.

5. Attorneys' Fees. Each party shall be responsible for paying its and his or her own costs and expenses incurred in the preparation of this Agreement. However, in the event of any litigation between the parties based upon an alleged breach or default in their respective obligations to be fulfilled pursuant to this Agreement, the prevailing party in the action shall be entitled to recover attorney's fees and court costs from the non-prevailing party(ies).

6. Entirety. This Agreement embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings related to the subject matter hereof.

FOR WASHINGTON FRANCHISEES ONLY:

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act, RCW 19.100, 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.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

EMS TO YOU:

EMS TO YOU FRANCHISING CO., INC.

By: _____
Jonathan L. Barnett, President

Date: _____

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

Date: _____

ATTACHMENT H
TO FRANCHISE DISCLOSURE DOCUMENT

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ATTACHMENT I
TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

LIST OF FRANCHISEES
As of December 31, 2025

The franchisees in this list are ordered and organized based on their territories, which are stated in underline above the franchisees' names. As EMS To You Businesses are service-based franchises where the services are performed at the customer's location, many franchisees have addresses outside of their territories.

NONE

ATTACHMENT J
TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

Listed below are the names and last known city, state, and telephone numbers of every franchisee who has had an EMS To You Business terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the date of this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

The franchisees in this list are ordered and organized based on the franchisees' former territories, which are stated in underline above the franchisees' names. As EMS To You Businesses are service-based franchises where the services are performed at the customer's location, many franchisees have addresses outside of their territories.

NONE

ATTACHMENT K
TO FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

OXI FRESH FRANCHISING CO., INC.

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2025, 2024, AND 2023

OXI FRESH FRANCHISING CO., INC.

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Stockholder
Oxi Fresh Franchising Co., Inc.
Lakewood, Colorado

Opinion

We have audited the accompanying financial statements of Oxi Fresh Franchising Co., Inc., which comprise the balance sheets as of December 31, 2025, 2024, and 2023, and the related statements of operations, changes in stockholder's deficit, 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 Oxi Fresh Franchising Co., Inc. as of December 31, 2025, 2024, and 2023, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Keaveny Dunlavy

St. George, Utah
April 9, 2026

OXI FRESH FRANCHISING CO., INC.

BALANCE SHEETS

As of December 31, 2025, 2024, and 2023

	2025	2024	2023
Assets			
Current assets			
Cash and equivalents	$ 281,303	$ 110,327	$ 88,483
Accounts receivable, net	731,310	651,767	728,724
Equipment and supply inventory	9,229	16,215	18,298
Due from related parties	124,149	125,027	82,843
Notes receivable	54,776	30,234	-
Deferred contract costs	44,659	21,284	-
Total current assets	1,245,426	954,854	918,348
Non-current assets			
Property and equipment, net	157,103	198,003	245,727
Right of use asset	996,798	1,247,185	1,469,928
Intangible assets, net	536,407	543,977	485,585
Notes receivable from related parties	731,091	1,043,305	1,152,426
Other non-current assets	34,638	34,638	34,638
Total non-current assets	2,456,037	3,067,108	3,388,304
Total assets	$ 3,701,463	$ 4,021,962	$ 4,306,652
Liabilities and stockholder's deficit			
Current liabilities			
Accounts payable	$ 642,053	$ 174,592	$ 176,637
Credit cards payable	523,559	103,076	505,229
Accrued expenses	234,521	232,618	276,007
Line of credit	62,146	-	67,812
Finance lease obligations, current	-	-	58,141
Operating lease liability, current	288,194	249,367	214,909
Notes payable, current	520,696	161,647	600,590
Deferred revenue, current	123,175	93,800	-
Total current liabilities	2,394,344	1,015,100	1,899,325
Non-current liabilities			
Finance lease obligations, non-current	-	-	94,474
Operating lease liability, non-current	746,427	1,034,621	1,277,939
Notes payable, non-current	3,761,419	4,009,737	2,682,006
Total non-current liabilities	4,507,846	5,044,358	4,054,419
Total liabilities	6,902,190	6,059,458	5,953,744
Stockholder's deficit			
Common stock, 1,000,000 shares authorized, par value of $0.001, 100,000 shares issued and outstanding	1	1	1
Additional paid-in capital	83,462	83,462	83,462
Accumulated deficit	(3,284,190)	(2,120,959)	(1,730,555)
Total stockholder's deficit	(3,200,727)	(2,037,496)	(1,647,092)
Total liabilities and stockholder's deficit	$ 3,701,463	$ 4,021,962	$ 4,306,652

The accompanying notes are an integral part of these financial statements.

OXI FRESH FRANCHISING CO., INC.

STATEMENTS OF OPERATIONS

For the years ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Operating revenue			
Franchise fees	$ 909,502	$ 1,477,665	$ 1,971,775
Royalty fees	2,368,388	2,323,030	2,112,649
Call center fees	2,281,932	2,406,826	2,370,390
Product sales	1,698,433	1,591,591	1,487,958
National advertising fees	1,105,759	1,416,486	1,084,646
Other operating revenues	135,758	60,805	364,889
Total operating revenue	8,499,772	9,276,403	9,392,307
Cost of sales	1,248,585	1,537,556	1,654,437
Gross profit	7,251,187	7,738,847	7,737,870
Operating expenses			
General and administrative	1,572,310	1,725,035	2,261,851
Payroll and related costs	2,751,478	2,997,481	3,221,778
National advertising expenses	1,196,227	1,387,184	1,085,819
Advertising and marketing	72,220	152,353	205,677
Professional services	110,999	68,835	78,136
Depreciation and amortization	432,718	392,212	440,630
Total operating expenses	6,135,952	6,723,100	7,293,891
Operating income	1,115,235	1,015,747	443,979
Other expense			
Interest expense	(515,313)	(649,953)	(312,881)
Total other expense	(515,313)	(649,953)	(312,881)
Net income	$ 599,922	$ 365,794	$ 131,098

The accompanying notes are an integral part of these financial statements.

OXI FRESH FRANCHISING CO., INC.
STATEMENTS OF STOCKHOLDER'S DEFICIT
For the years ended December 31, 2025, 2024, and 2023

	Common Shares Outstanding	Common Stock	Additional Paid-in Capial	Accumulated Deficit	Total Stockholder's Deficit
Balances as of January 1, 2023	100,000	$ 1	$ 83,462	$ (956,407)	$ (872,944)
Dividends	-	-	-	(905,246)	(905,246)
Net income	-	-	-	131,098	131,098
Balances as of December 31, 2023	100,000	1	83,462	(1,730,555)	(1,647,092)
Dividends	-	-	-	(756,198)	(756,198)
Net income	-	-	-	365,794	365,794
Balances as of December 31, 2024	100,000	1	83,462	(2,120,959)	(2,037,496)
Dividends	-	-	-	(1,763,153)	(1,763,153)
Net income	-	-	-	599,922	599,922
Balances as of December 31, 2025	100,000	$ 1	$ 83,462	$ (3,284,190)	$ (3,200,727)

The accompanying notes are an integral part of these financial statements.

OXI FRESH FRANCHISING CO., INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Cash flow from operating activities:			
Net income	$ 599,922	$ 365,794	$ 131,098
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	432,718	392,212	440,630
Bad debt expense	49,058	73,908	70,304
Amortization of right of use asset	250,387	222,743	198,796
Changes in operating assets and liabilities:			
Accounts receivable	(153,143)	(27,185)	(60,253)
Due from related parties	878	(42,184)	(69,829)
Equipment and supply inventory	6,986	2,083	1,871
Deferred commissions	(23,375)	(21,284)	-
Accounts payable	467,461	(2,045)	154,473
Credit cards payable	420,483	(402,153)	22,129
Accrued expenses	1,903	(43,389)	55,686
Operating lease liability	(249,367)	(208,860)	(193,976)
Deferred revenue	29,375	93,800	-
Net cash provided by operating activities	1,833,286	403,440	750,929
Cash flows from investing activities:			
Purchases of property and equipment	(12,821)	(5,784)	(64,403)
Purchases of intangible assets	(371,427)	(397,096)	(289,682)
Investment in notes receivable	-	-	(64,353)
Collections on related party notes receivable	312,214	109,121	-
Net cash provided by (used in) investing activities	(72,034)	(293,759)	(418,438)
Cash flows from financing activities:			
Principal payments on capital lease obligations	-	(152,615)	(53,299)
Proceeds from long-term debt	485,000	1,387,651	765,000
Net draws on line of credit	62,146	(67,812)	9,287
Principal payments on long-term debt	(374,269)	(498,863)	(264,184)
Dividends to stockholder	(1,763,153)	(756,198)	(905,246)
Net cash provided by (used in) financing activities	(1,590,276)	(87,837)	(448,442)
Net change in cash	170,976	21,844	(115,951)
Cash at the beginning of the year	110,327	88,483	204,434
Cash at the end of the year	$ 281,303	$ 110,327	$ 88,483

The accompanying notes are an integral part of these financial statements.

OXI FRESH FRANCHISING CO., INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Supplementary disclosures of cash flows			
Cash paid for interest	$ 515,313	$ 649,953	$ 312,881
Cash paid for taxes	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Oxi Fresh Franchising Co., Inc. ("the Company") was incorporated on August 17, 2006 in the state of Colorado. The Company in is the business of offering for sale franchises to operate a "OXI FRESH Carpet Cleaning Business" under the names and marks "OXI FRESH®" and "OXI FRESH CARPET CLEANING®", the phrases "The Way Mother Nature Cleans®", "THE WORLD'S GREENEST CARPET CLEANER®", and "THE WORLD'S GREENEST, CLEANEST CARPET CLEANER™", and other marks designated by the Company. An OXI FRESH Business provides services in the cleaning of commercial and residential carpet, rugs, and upholstery. Oxi Fresh Businesses also offer tile and grout cleaning services, hardwood floor cleaning services, and other ancillary services.

The Company is a wholly-owned subsidiary of Barnett Enterprises Corp ("Parent"). Parent owns the trademarks and other intellectual property relating to the OXI FRESH Business franchise system and they are licensed to the Company under a perpetual royalty free license agreement (the "Licenses"). The Licenses grant the Company the right to use the trademark and other intellectual property to license them to franchisees of the Company. The Licenses are for 10 years commencing September 27, 2006 and will renew automatically for additional 10-year terms providing the Company does not materially breach the Licenses by engaging in any activity that damages the marks or the goodwill of Parent.

The Company is related to Oxi Fresh of Denver, LLC through common ownership. Oxi Fresh of Denver, LLC, is a Colorado corporation incorporated on August 17, 2006 operating an OXI FRESH Business in the Denver, Colorado area.

The financial statements present the financial position and results of operations of the Company and do not include the financial position of Parent and the Company's related companies. The accompanying financial statements have been prepared in conformity with and in accordance with accounting principles generally accepted in the United States of America.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

Preparation of the Company's financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(d) Reclassification

Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform to the presentation in the current period financial statements.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase.

(f) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, national advertising fees, call center fees, and product sales. These receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. When determining the allowance for doubtful receivable, the Company has adopted ASC 326, *Financial Instruments—Credit Losses*. This standard requires that management utilize the Current Expected Credit Losses ("CECL") model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received.

As of December 31, 2025, 2024, and 2023, the Company had no allowance for doubtful accounts.

(g) Equipment and Supply Inventory

Equipment and supply inventory consists primarily of carpet and floor cleaning equipment and supplies and is valued at the lower of cost (determined by the first in, first out method) or market.

(h) Property, Plant & Equipment

The Company has adopted ASC 360, *Property, Plant and Equipment*. Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based over the estimated useful lives of the related assets (generally three to seven years). Land is not depreciated, as it has no observable useful life. Maintenance and repair costs are expensed as incurred. Expenditures that extend the useful lives of property and equipment are capitalized.

(i) Intangible Assets

The Company has adopted ASC 350, *Intangibles – Goodwill and Other,* that requires that goodwill and intangible assets with indefinite lives (such as intellectual property) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives (such as internal use software) are amortized over their estimated useful lives. The Company has established intangible assets for the cost of internal-use software.

The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Internal use software costs are amortized using the straight-line method over a period of three years. Loan fees are amortized over the life of the loan. Intangible assets with finite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable.

(j) Income Taxes

The Company has elected to be treated as Subchapter S Corporation under the provisions of the Internal Revenue Code for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its stockholder and no provision for federal or state income taxes has been recorded in the accompanying balance sheet.

The Company adopted ASC 740-10-25-6, *Accounting for Uncertainty in Income Taxes*, that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. The Company's evaluation was performed for the tax periods ending December 31, 2025, 2024, and 2023 for U.S. Federal Income Tax and for the State of Colorado Income Tax, the tax years which remain subject to examination by major tax jurisdictions as of December 31, 2025.

(k) Leasing

The Company adopted ASC 842, *Leases*. The Company has an operating lease for office space, which required the recognition of a right-of-use asset and lease liability as of the date of implementation. The lease liability reflects the present value of the Company's estimated future minimum lease payments over the lease term, discounted using a collateralized incremental borrowing rate. The impact of ASC 842 is non-cash in nature and does not affect the Company's cash flows.

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any of its short-term leases. All leases with a term of 12 months or less at commencement, for which the Company is not reasonably certain to exercise available renewal options that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

(l) Revenue Recognition

The Company has adopted ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company's revenues consist of initial franchise fees, royalty fees, call center fees, product sales, and national advertising fund fees from locations operated by conventional franchisees.

Royalty and national advertising fees

Upon evaluation of the five-step process, the Company has determined that royalty and marketing fees are to be recognized in the same period as the underlying sales.

Call center fees

The Company provides call center services to its franchisees on a monthly basis. Upon evaluation of the five-step process, the Company has determined that service revenues are to be recognized in the same period as the services are provided.

Product sales

The Company sells cleaning products to its franchisees, which are shipped directly by the vendor. Upon evaluation of the five-step process, the Company has determined that product sales are to be recognized upon the transfer of control to the customer, which is generally upon shipment.

Initial franchise fees

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. In addition, the practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation, which the Company has elected to adopt. These pre-opening services include the following (which the Company may or may not provide all of):

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

The Company has allocated the portion of the initial fees equal to the fair value of pre-opening services, which are recognized upon the provision of all pre-opening services (generally the commencement of operations). The remainder has been allocated to the license and underlying intellectual property, which is recorded as deferred revenue and amortized over the life of the franchise agreement.

(m) Advertising and Technology Fund Contribution

The Company has established an advertising and technology fund. The Company administers the fund and uses the fund to satisfy the costs of maintaining, administering, directing and preparing advertising, and to pay for the expenses related to researching, developing, implementing, servicing, and operating any technology used in any manner related to the Oxi Fresh franchise system or the Oxi Fresh business system. The contribution is collected monthly and is the greater of $150 or 3% of the franchisees' gross revenue from the preceding month.

(n) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2025, 2024, and 2023 were $72,220, $152,353, and $205,677, respectively.

(o) Retirement Plan

The Company provides a 401(k) contribution plan to all eligible employees. The Company matches 100% up to 4% of the participating employee's plan compensation. The Company may make additional discretionary profit-sharing contributions subject to limitations as defined by the plan document. Employer contributions totaled $66,982, $87,239, and $85,444 for the years ended December 31, 2025, 2024, and 2023, respectively.

(p) Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, notes receivable, accounts payable and accrued expenses, the carrying amounts approximate fair value due to their short maturities.

(2) Property and Equipment

As of December 31, 2025, 2024, and 2023, the Company's property and equipment consisted of the following:

	2025	2024	2023
Furniture and equipment	$ 488,819	$ 488,819	$ 488,819
Office and computer equipment	205,013	192,192	297,246
Software and web design	61,165	61,165	61,165
Leasehold improvements	144,908	144,908	144,908
	899,905	887,084	992,138
Less: accumulated depreciation	(742,802)	(689,081)	(746,411)
Property and equipment, net	$ 198,003	$ 198,003	$ 245,727

Depreciation expense was $53,721, $53,508, and $105,084, for the years ended December 31, 2025, 2024, and 2023, respectively.

(3) Operating Lease

The Company is the lessee in an operating lease for office space. The lease expires in 2028, with the option to renew. As of December 31, 2025, 2024, and 2023, the Company recorded a right of use asset of $996,798, $1,247,185, and $1,469,928, respectively. As of December 31, 2025, 2024, and 2023, the Company had the following operating lease liability:

	2025	2024	2023
Operating lease liability, current	$ 288,194	$ 249,367	$ 214,909
Operating lease liability, non-current	746,427	1,034,621	1,277,939
	$ 1,034,621	$ 1,283,988	$ 1,492,848

As of December 31, 2025, the future minimum lease payments under non-cancelable operating leases are as follows:

For the year ended December 31,	
2026	$ 396,916
2027	403,730
2028	445,181
Total lease payments	1,245,827
Less: amounts representing interest (discount rate of 12%)	(211,206)
Total operating lease liabilities	$ 1,034,621

(4) Intangible Assets

As of December 31, 2025, 2024, and 2023, the Company's intangible assets consisted of the following:

	2025	2024	2023
Internal use software	$ 2,729,665	$ 2,358,238	$ 1,961,142
Accumulated amortization	(2,193,258)	(1,814,261)	(1,475,557)
	$ 536,407	$ 543,977	$ 485,585

Amortization expense for the years ended December 31, 2025, 2024, and 2023 was $378,997, $338,704, and $335,546, respectively. Expected amortization expense for the coming periods is as follows:

For the year ended December 31,	
2026	$ 256,176
2027	206,167
2028	74,064
	$ 536,407

(5) Accrued Expenses

Accrued expenses consist of invoices payable to the Company's carpet and floor cleaning supply vendor and payroll expenses payable.

(6) Finance Lease Obligations

During the year ended December 31, 2021, the Company leased certain property and equipment under two finance lease obligations, which had maturity dates in the year ended December 31, 2026. The implicit interest rates were between 8% and 10% per annum. During the year ended December 31, 2024, the Company obtained financing from a third-party financial institution and repaid the full balance of these finance lease obligations. As of December 31, 2025 and 2024, no amount was due on these lease obligations. As of December 31, 2023, the outstanding balance on these finance leases was $152,615, of which $58,141 was current.

(7) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalties, call center fees, and national advertising fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Oxi Fresh system for a period of seven years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not yet begun operations as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.
The following table represents the activity of the Company's deferred contract costs for the years ended December 31, 2025, 2024, and 2023:

	2025	2024	2023
Beginning deferred contract costs	$ 21,284	$ -	$ -
Additions	463,580	845,285	1,120,126
Expenses recognized	(450,226)	(824,001)	(1,120,126)
Ending deferred contract costs	$ 34,638	$ 21,284	$ -

The following table represents the activity of the Company's deferred revenue for the years ended December 31, 2025, 2024, and 2023:

	2025	2024	2023
Beginning deferred revenue	$ 93,800	$ -	$ -
Additions	938,877	1,571,465	1,971,775
Revenue recognized from beginning deferred revenue	(93,800)	-	-
Revenue recognized from contracts executed in the current year	(815,702)	(1,477,665)	(1,971,775)
Ending deferred revenue	$ 123,175	$ 93,800	$ -

(8) Notes Payable

As of December 31, 2025, 2024, and 2023, the Company's notes payable consisted of the following:

	2025	2024	2023
Note payable with a bank. Face amount $2,105,275, dated December 18, 2024, interest at an annual rate of 10.75%, payments due in 120 installments of $28,838. Guaranteed by the Small Business Administration. Collateralized by all the assets of the Company and Parent, and by guarantees of the Parent and by a shareholder of Parent.	$ 1,988,589	$ 2,105,275	$ -
Note payable with a bank. Face amount $929,303, dated March 5, 2020, interest at the prime plus 2.75% per annum, payments due in 120 installments of $10,790. Guaranteed by the Small Business Administration. Collateralized by all the assets of the Company and Parent, and by guarantees of the Parent and by a shareholder of Parent.	-	-	647,983
Emergency Injury Disaster Loan ("EIDL") with the Small Business Administration ("SBA"). Face amount $2,000,000, dated June 15, 2020, due in 360 payments of $10,011, beginning in December 2022, including interest at 3.75%.	1,918,910	1,966,109	2,013,668
Note payable to a related party. The amount does not accrue interest and is due upon demand.	-	100,000	150,000
Note payable with a bank. Face amount $500,000, dated August 22, 2025, interest at an imputed rate of 9% per annum, payments due in 78 weekly installments of $8,397.	374,616	-	-
Note payable with a bank dated September 18, 2023 with interest of 47% per annum and weekly payments of $14,643 until maturity in September 2025.	-	-	473,329
	4,282,115	4,171,384	3,284,980
Less: current maturities	(520,696)	(161,647)	(600,590)
	$ 3,761,419	$ 4,009,737	$ 2,682,006

(9) Advertising and Technology Fund Activity

Advertising and Technology Fund activity consists of the following as of December 31:

	2025	2024	2023
Balance, beginning of the year	$ (812,991)	$ (842,293)	$ (841,120)
Contributions received	1,105,759	1,416,486	1,084,646
Disbursements	(1,196,227)	(1,387,184)	(1,085,819)
	$ (903,459)	$ (812,991)	$ (842,293)

For the years ended December 31, 2025, 2024, and 2023, the contributions received and costs incurred have been reported as revenue and expense in the Company's Statement of Operations.

(10) Line of Credit

The Company has a line of credit with a third party financial institution. As of December 31, 2025, the outstanding balance on the line of credit was $62,146.

(11) Related Party Transactions

(a) Note receivable from Parent

During the year ended December 31, 2022, the Company entered into a promissory note agreement with the Parent. The note accrues interest at a rate of 2% and is payable on May 31, 2028. As of December 31, 2025, 2024, and 2023, the note balance was $731,091, $737,023, and $815,138, respectively.

(b) Notes receivable from affiliates through common ownership

During the years ended December 31, 2025, 2024, and 2023, the Company made loans to affiliates through common ownership. As of December 31, 2025, no loans were outstanding. As of December 31, 2024 and 2023, the notes had a balance of $306,283 and $337,228, respectively.

(c) Transactions with Related Parties

During the years ended December 31, 2025, 2024, and 2023, the Company earned operating revenues and received advertising and technology fund contributions from affiliates of $151,871, $95,158, and $97,769, respectively. As of December 31, 2025, 2024, and 2023, the balance due from related parties was $124,149, $125,027, and $82,843, respectively.

(12) Commitments and Contingencies

(a) Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(b) Joint Loans with Related Parties

On December 18, 2024, the Company entered into a joint loan with its parent to consolidate its debt and obtain a lower rate of interest. The loan has an initial principal balance of $4,200,000, of which the Company assumed $2,105,275. The loan charges interest at a rate of 10.75% per annum and is payable in 120 payments of $57,531. In the event that the Company's parent defaults, the Company would be liable to pay the remaining balance assumed by the Parent. As of December 31, 2025 and 2024, the outstanding balance was $3,969,321 and $4,200,000, respectively.

(13) Subsequent Events

Management has evaluated subsequent events through April 9, 2026, the date on which the financial statements were available to be issued.

OXI FRESH FRANCHISING CO., INC. GUARANTEE OF PERFORMANCE

For value received, Oxi Fresh Franchising Co., Inc., a Colorado corporation (the "**Guarantor**"), located at 143 Union Boulevard, Suite 825, Lakewood, Colorado 80228, absolutely and unconditionally guarantees to assume the duties and obligations of EMS To You Franchising Co., Inc., a Colorado corporation (the "**Franchisor**") located at 143 Union Boulevard, Suite 825, Lakewood, Colorado 80228, under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with the franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Lakewood, Colorado on the 16 day of MARCH, 2026.

Guarantor:

OXI FRESH FRANCHISING CO., INC.

By: _____
Name: Jonathan L. Barnett
Title: President

ATTACHMENT L
TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 One Sansome Street, Suite 600 San Francisco, California 94104-4448 (415) 972-8565 651 Bannon Street, Suite 300 Sacramento, California 95811 (916) 445-7205 (866) 275-2677 (toll free) www.dfpi,ca.gov ask.dfpi@dfpi.ca.gov	Commissioner Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 (866) 275-2677 (toll free)
FLORIDA	Florida Department of Agriculture and Consumer Services Division of Consumer Services Attn: Finance & Accounting 407 South Calhoun Street Tallahassee, Florida 32399-0800 (850) 410-3800	None
HAWAII	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Hawaii Commissioner of Securities Same Address
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62701 (217) 782-4465	Illinois Attorney General Same Address
INDIANA	Indiana Secretary of State Division of Securities 302 West Washington Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
IOWA	Iowa Secretary of State 321 E. 12th Street Des Moines, Iowa 50319 (515) 281-5204	Same
MARYLAND	Office of Attorney General Maryland Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Attorney General Franchise Section - Consumer Protection Division G. Mennen Williams Building, 1st Floor 525 W. Ottawa Street Lansing, Michigan 48933 P.O. Box 30213 Lansing, Michigan 48909 (517) 373-7117	Michigan Department of Commerce Same Address
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2732 P.O. Box 95006 Lincoln, Nebraska 68509-5006 (402) 471-3445	None
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222	Secretary of State 99 Washington Avenue Albany, New York 12231
NORTH DAKOTA	North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 (701) 328-2910	North Dakota Insurance Commissioner Same
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4140	Director of Oregon Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4140

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
RHODE ISLAND	State of Rhode Island and Providence Plantations Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex - Building 69-1 Cranston, Rhode Island 02920 (401) 462-9500	Director of Rhode Island Department of Business Regulation Same Address
SOUTH DAKOTA	South Dakota Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Director of South Dakota Division of Insurance Same Address
TEXAS	Secretary of State Statutory Documents Section James E. Rudder Building 1019 Brazos Street Austin, Texas 78701 P.O. Box 13550 Austin, Texas 78711 (512) 463-5705	None
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South, 2nd Floor Salt Lake City, UT 84114 801-530-6601	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760	Director of Financial Institutions 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760
WISCONSIN	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 P.O. Box 1768 Madison, Wisconsin 53701-1768 (608) 266-8557	Administrator, Division of Securities Same Address

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 franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process.

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

ATTACHMENT M
TO FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA WITH STATE EFFECTIVE DATES PAGE

STATE LAW ADDENDA TO THE
EMS TO YOU FRANCHISING CO., INC.
FRANCHISE DISCLOSURE DOCUMENT

The following modifications are to the EMS To You Franchising Co., Inc. ("EMS To You") Franchise Disclosure Document for the states noted below.

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.

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.

OUR WEBSITE (www.emstoyou.com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

1. The following paragraph is added to the end of Item 3:

Neither we nor any person listed in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. § 78a et seq., suspending or expelling these persons from membership in this association or exchange.

2. The following statement is added to the end of Item 5:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our preopening obligations and you are open for business.

3. The following statement is added at the end of Item 6:

In the event that California law is determined to apply, the maximum interest rate permitted under California law varies but is generally 10 percent per annum.

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

The California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, nonrenewal, or transfer of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement contains a covenant not to compete, which extends beyond the termination or expiration of the franchise. The Franchise Agreement also contains a covenant not to divert our employees or the employees of other franchisees, which extends beyond the termination or expiration of the franchise. These provisions may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Denver, Colorado with the costs being awarded to 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 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of the Franchise Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of the State of Colorado. This provision may not be enforceable under California law.

The Franchise Agreement contains liquidated damages clauses that will apply if you, or one of your officers, directors, partners, members, managers, employees, agents, or representatives interferes with our business in violation of the Franchise Agreement, or if we terminate the Franchise Agreement based on your failure to satisfactorily complete the initial training program or your failure to provide your first cleaning service to a customer within 90 days after signing the Franchise Agreement. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Section 31125 of the Franchise Investment Law requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

You may be required to sign a general release if you renew or transfer your franchise. California Corporations Code § 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§ 31000 through 31516). Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043).

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

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

6. It is unlawful to sell any franchise in this state that is subject to registration under this law without first providing to the prospective franchisee, at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the franchise disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise at least 14 DAYS PRIOR TO THE EXECUTION OF AGREEMENT.

7. (a) Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto;

(b) Any provision of a franchise agreement, franchise disclosure document, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

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 COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH EMS TO YOU AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
Department of Commerce & Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(303) 586-2722

1. The following statement is added at the end of Item 5:

The initial franchise fee and other initial payments to us shall be deferred until the day that we have fulfilled all of our pre-opening obligations to you and you have opened for business.

2. The following paragraph is added to Item 17:

Section 482E-6(3) of the Hawaii Revised Statutes provides that upon termination or refusal to renew the franchise, we are obligated to compensate you for the fair market value, at the time of the termination or expiration of the franchise, of your inventory, supplies, equipment and furnishings purchased from us or a supplier designated by us; provided that personalized materials which have no value to us need not be compensated for. If we refuse to renew a franchise for the purpose of converting your business to one owned and operated by us, we, in addition to the remedies provided above, shall compensate you for the loss of goodwill. We may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of your inventory, supplies, equipment and furnishings pursuant to this requirement, and may offset from such compensation any monies due us.

3. The following list reflects the status of our franchise registration in the states which require registration:

A. The states in which this proposed registration is effective: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

B. The states in which this proposed registration is or will be shortly on file: None.

C. The states, if any, which have refused, by order or otherwise, to register these franchises: None.

D. The states, if any, which have revoked or suspended the right to offer these franchises: None.

E. The states, if any, in which the proposed registration of these franchises has been withdrawn by us: None.

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

INDIANA

The following modifications are made to the Disclosure Document only to the extent required by the Indiana Franchises Act, IND. CODE § 23-2-2.5, and the Indiana Deceptive Franchise Practices Act, IND. CODE § 23-2-2.7:

1. The following statement is added to Item 12:

Indiana law prohibits us from establishing a Franchisor-owned outlet engaged in a substantially identical business within your exclusive territory, or if no exclusive territory is designated, that competes unfairly with you within a reasonable area.

2. The Summary column of Items 17.r and w in the Chart in Item 17 are deleted and replaced by the following:

17.r: No involvement in a competitive business for two years within a 20 mile radius of your Protected Territory.

17.w: Except to the extent governed by federal law, disputes related to a violation of the Indiana Franchises Act or the Indiana Deceptive Franchise Practices Act shall be governed by those laws, and all other matters regarding the Franchise Agreement shall be governed by Federal and Colorado law. The Colorado Consumer Protection Act does not apply.

The changes to Item 17.w have been included in this Disclosure Document as a condition to registration. We and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue and choice of law provisions, are fully enforceable. We and you intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by us, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

MINNESOTA

1. Special Risks to Consider About This Franchise:

MINNESOTA STATUTES, SECTION 80C.21 AND MINNESOTA RULE 2860.4400(J) PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA, REQUIRING WAIVER OF A JURY TRIAL, OR REQUIRING YOU TO CONSENT TO LIQUIDATED DAMAGES, TERMINATION PENALTIES OR JUDGMENT NOTES. IN ADDITION, NOTHING IN THE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE (1) ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR (2) YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.

Supplier Control. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

2. The following statements are added to the Cover Page:

THIS FRANCHISE HAS BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

3. The following language is added at the end of Items 5 and 7:

All initial franchise fees payable to us shall be deferred until the day that your EMS To You Business opens for business.

4. The following replaces the "Insufficient Funds Fee" row in the chart in Item 6:

Insufficient Funds Fee[1]	$30 per violation	As incurred	Payable for denied request for ACH Withdrawal (defined below), credit card charge, check, or other payment method.

5. The following statement is added at the end of Item 13:

We will protect your right to use our Marks in the manner authorized by us. The Minnesota Department of Commerce requires franchisors to indemnify franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's marks infringes upon the trademark rights of the third party.

6. The following statement is added at the end of Items 5, 17.c, and 17.m:

(Any release executed in connection herewith shall not apply to any claims that may arise under the Minnesota Franchise Act. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided, it does not bar the voluntary settlement of disputes.)

7. The following statements are added at the end of Item 17:

We will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the franchise agreement, and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Statutes, Section 80C.17, Subd. 5 provides that any claims and actions based on a violation of Chapter 80C of the Minnesota statutes or any rule or order thereunder shall be commenced within three years from the occurrence of the facts giving rise to such claim or action.

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce (1) any of your rights as provided for in Minnesota Statutes, Chapter 80C, or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. (The foregoing language has been included in this Disclosure Document as a condition of registration. We and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement are fully enforceable. We and you intend to fully enforce all of the provisions of the Franchisee Agreement and all other documents signed by us, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.)

You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

Minnesota Statutes Section 181.991 prohibits a franchisor from restricting, restraining, or prohibiting in any way a franchisee from soliciting or hiring an employee of the franchisor or an employee of a franchisee of the same franchisor. Any such restrictions in the Franchise Agreement are deemed deleted.

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

NEW YORK

1. The following information is added to the Cover Page of the Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN ATTACHMENT L OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS

FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following paragraphs are added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following statement is added at the end of Item 5:

The Initial Franchise Fee constitutes part of our general operating funds and will be used as such in our discretion.

4. The following statement is added to the end of the "Summary" sections of Item 17.c, titled "Requirements for you to renew or extend," and Item 17.m, 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 hereunder 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.

5. The following language replaces the "Summary" section of Item 17.d, titled "Termination by franchisee":

You may terminate the Franchise Agreement upon any grounds available by law.

6. The following statement is added to the end of the "Summary" sections of Item 17.v, titled "Choice of forum," and Item 17.w, titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon either us or you by Article 33 of the General Business Law of the State of New York. (The foregoing language has been included in this Disclosure Document as a condition of registration. We and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all choice of law provisions, are fully enforceable. We and you intend to fully enforce all of the provisions of the Franchisee Agreement and all other documents signed by us, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.)

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

8. Receipts -- Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, 10 business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

WE REPRESENT THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

NORTH DAKOTA

1. The North Dakota Securities & Insurance Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees:

A. Restrictive Covenants: 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 this statute.

B. Situs of Arbitration Proceedings: 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.

C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

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

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Franchise agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

I. Limitation of Claims: Franchise agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

2. The State of North Dakota has determined that requiring a franchisee pay all costs and expenses incurred by the franchisor in enforcing the agreement to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

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

RHODE ISLAND

The following statement is added at the end of Item 17:

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

The preceding language has been included in this Disclosure Document as a condition to registration. We and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. We and you intend to fully enforce all of the provisions of the Franchise Agreement, and all other documents signed by us, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

VIRGINIA

1. The following statement is added at the end of Item 5:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to us until we have completed our pre-opening obligations under the Franchise Agreement.

2. The following statement is added at the end of Row h in Item 17:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

WISCONSIN

REGISTRATION OF THIS FRANCHISE IN THE STATE OF WISCONSIN DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

The conditions under which the Franchise Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135.

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	PENDING
Hawaii	PENDING
Illinois	NOT FOR USE IN
Indiana	PENDING
Maryland	NOT FOR USE IN
Michigan	PENDING
Minnesota	PENDING
New York	PENDING
North Dakota	PENDING
Rhode Island	PENDING
South Dakota	PENDING
Virginia	PENDING
Washington	NOT FOR USE IN
Wisconsin	PENDING

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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 EMS To You Franchising Co., Inc. ("we") offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor, or an affiliate, in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Attachment L.

We authorize the parties identified on Attachment L to receive service of process for us in the particular state.

The following Franchise Sellers were involved in the offering of this franchise:

> The following employees of ours, having a principal business address and telephone number the same as ours: Jonathan Barnett, Vanessa Barnett, Kristopher Antolak, Monica Silva, Erin Banner, Kelli Harbaugh, Matt Kline, Kyle Heverly, _____ _____.
>
> The following independent sales agent (we request that the prospective franchisee fill in the information if known):_____, having a principal business address at : _____ _____, telephone number: _____ _____.

Issuance Date: April 13, 2026.

I received a Disclosure Document dated April 13, 2026, that included the following Attachments:

Franchise Agreement (Attachment A); Confidentiality/Application Agreement (Attachment B); Nondisclosure and Noncompetition Agreement (Attachment C); Statement of Prospective Franchisee (Attachment D); Territory Reservation Deposit Agreement (Attachment E); Reserved for Future Use (Attachment F); Current Form of General Release (Attachment G); Operations Manual Table of Contents (Attachment H); List of Franchisees (Attachment I); List of Franchisees Who Have Left the System (Attachment J); Financial Statements (Attachment K); List of Administrators/Agents For Service of Process (Attachment L); and State Specific Addenda with State Effective Dates Page (Attachment M).

DATE: _____

_____

Prospective Franchisee

Print Name:_____

RECEIPT

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Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration, whichever occurs first.

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The following employees of ours, having a principal business address and telephone number the same as ours: Jonathan Barnett, Vanessa Barnett, Kristopher Antolak, Monica Silva, Erin Banner, Kelli Harbaugh, Matt Kline, Kyle Heverly,_____.

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DATE: _____

_____

Prospective Franchisee

Print Name: _____

IMPORTANT: PLEASE IMMEDIATELY SIGN AND FAX THIS PAGE TO (303) 716-2955, THEN RETURN THIS PAGE BY MAIL OR COURIER TO EMS TO YOU FRANCHISING CO., INC. AT 143 UNION BOULEVARD, SUITE 825, LAKEWOOD, COLORADO, U.S.A. 80228.