

FRANCHISE DISCLOSURE DOCUMENT



Portal Franchising LLC
a Colorado limited liability company
4949 Broadway Street, Suite 113
Boulder, Colorado 80304
(920) 858-1090
openaportal@portalthermaculture.com
www.portalthermaculture.com

Portal Franchising LLC (“Portal”) offers franchises for businesses (each, a “**Portal Club**”) that operate a service-based wellness business providing sauna services, cold plunge services, other wellness offerings, and related amenities and products using Portal’s proprietary methodology under certain trademarks (the “**Trademarks**”). We offer ~~four~~^{three} different types of Portal Clubs: (i) stand-alone modular container structures (each, an “**Outpost**”), which are semi-permanent land-based structures, (ii) multi-unit ~~modular developments comprising a container structures asset or a design-build equivalent~~ (each, a “**Clubhouse**”), which are ~~semi-permanent~~ land-based structures, ~~and~~ (iii) adaptive reuse developments (each, a “**Brick & Mortar**”), which are permanent land-based traditional structures, ~~and (iv) floating platforms (each, a “Floating Platform”), which are permanent floating structures.~~

The total investment necessary to begin operation of an Outpost ranges from ~~\$239,267,500.00~~ to ~~\$617,700,727,000.00~~. This includes ~~\$175,300.00~~ to ~~\$373,500.00~~ that must be paid to the franchisor or affiliates. The total investment necessary to begin operation of a Clubhouse ~~under the lease path~~ ranges from ~~\$346,450,021,750.00~~ to ~~\$672,200,347,500.00~~. This includes ~~\$237,950,910,250.00~~ to ~~\$264,750.00~~ that must be paid to the franchisor or affiliates. ~~The total investment necessary to begin operation of a Clubhouse under the purchase path ranges from \$1,066,450.00 to \$1,392,200.00. This includes \$954,950.00 to \$984,700,940,000.00 that must be paid to the franchisor or affiliates. The total investment necessary to begin operation of a Brick & Mortar ranges from \$981,700,946,000.00 to \$2,282,700,973,000.00. This includes \$379,950,360,250.00 to \$620,700.00 that must be paid to the franchisor or affiliates. The total investment necessary to begin operation of a Floating Platform ranges from \$2,753,700.00 to \$4,793,700.00. This includes \$698,700.00 to \$728,700,821,000.00 that must be paid to the franchisor or affiliates. The total investment necessary to begin operation under an eight-unit Multi-Unit Development Agreement is \$2,257,350,137,500.00 to \$9,714,600,641,000.00. This includes \$2,109,600,920,000.00 to \$5,549,600,1,832,000.00 that must be paid to the franchisor or affiliates.~~

This Franchise Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise Disclosure Document at least fourteen (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. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Franchise Disclosure Document in another format that is more convenient for you. To discuss the availability of a Franchise Disclosure Document in different formats, contact Will Drescher, 4949 Broadway Street, Suite 113, Boulder, Colorado 80304, (920) 858-1090.

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

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at (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.

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

To simplify the language in this Franchise Disclosure Document, “**Portal**,” “**us**,” “**our**,” or “**we**” means Portal Franchising LLC, the franchisor. “**You**,” “**your**,” or “**Franchisee**” means the person, corporation, limited liability company, partnership, or other entity that buys the franchise. If the franchisee will be a corporation, limited liability company, partnership, or other entity, “**you**,” “**your**,” and “**Franchisee**” will also mean the owners, shareholders, partners, or other ownership interest holder of the corporation, limited liability company, or partnership, or other entity and any Managing Party (as defined in Item 15).

The Franchisor and Any Parents, Predecessors, and Affiliates

We are a Colorado limited liability company organized on August 26, 2025. We conduct business under our corporate name and the Trademarks (see Item 13). We began offering franchises on September 24, 2025. Our principal business address is 4949 Broadway Street, Suite 113, Boulder, Colorado 80304. We have no parent or predecessor companies. Our registered agent for service of process in Colorado is Denise Rahme and our address for service of process in Colorado is 4949 Broadway Street, Suite 113, Boulder, Colorado 80304. Our agents for service of process for other states are listed in Exhibit A. We do not offer franchises in any other line of business, but we may do so in the future.

We have ~~twelve~~en affiliates.

Our affiliate Portal Thermaculture LLC (“**Portal One**”) is a Colorado limited liability company organized on October 11, 2023. Portal One maintains a principal business address at 4949 Broadway Street, Suite 113, Boulder, Colorado 80304. Portal One’s registered agent for process in Colorado is Zenbusiness Inc. at 1801 Broadway Street, Suite 1225, Denver, Colorado 80202. Portal One operates three company-owned Portal Clubs. Portal One has not and does not offer franchises in any line of business.

Our affiliate Portal Consulting LLC (“**Portal Consulting**”) is a Colorado limited liability company organized on August 18, 2025. Portal Consulting maintains a principal business address at 4949 Broadway Street, Suite 113, Boulder, Colorado 80304. Portal Consulting provides marketing, training, and operational consulting services. Portal Consulting has not and does not offer franchises in any line of business.

Our affiliate Portal Denver LLC (“**Portal Denver**”) is a Colorado limited liability company organized on May 3, 2024. Portal Denver maintains a principal business address at 2949 Federal Blvd, Denver, Colorado 80211. Portal Denver sells access to sauna and cold plunge facilities via credits and memberships. Portal Denver has not and does not offer franchises in any line of business.

Our affiliate Portal Dry Goods LLC (“**Portal Dry Goods**”) is a Colorado limited liability company organized on August 26, 2025. Portal Dry Goods maintains a principal business address at 4949 Broadway Street, Suite 113, Boulder, Colorado 80304. Portal Dry Goods designs, sources, and sells branded merchandise, apparel, and packaged wellness products. Portal Dry Goods has not and does not offer franchises in any line of business.

~~Our affiliate Portal Emerald City LLC (“**Portal Emerald City**”) is a Colorado limited liability company organized on September 1, 2025. Portal Emerald City maintains a principal business address at 4949 Broadway Street, Suite 113, Boulder, Colorado 80304. Portal Emerald City sells access to sauna and cold plunge facilities via credits and memberships. Portal Emerald City has not and does not offer franchises in any line of business.~~

ITEM 5 INITIAL FEES

Initial Franchise Fee

You will pay us a non-refundable initial franchise fee for the right to operate your Portal Club (the “**Initial Franchise Fee**”) when you sign your Franchise Agreement. The Initial Franchise Fee is \$25,000.00 for an Outpost and ~~\$8545,000.00 for a Clubhouse, and Brick & Mortar, and Floating Platform.~~ The Initial Franchise Fee is uniform and fully earned upon receipt.

Marketing FundGrowth System Contribution

You will pay us a non-refundable fee each month to ~~be featured on~~ power your Portal Club’s growth marketing communications flowing through our national brands system (the “**Marketing FundGrowth System Contribution**”) beginning two months before your projected Portal Club opening date. The Marketing FundGrowth System Contribution is ~~\$6,850~~ the greater of (i) 5% of your Gross Revenues for the preceding month or (ii) \$4,500.00 per month. Your projected opening date will be established in writing by mutual agreement no later than 30 days after you execute your Franchise Agreement and may not be advanced by us without your written consent. The Marketing FundGrowth System Contribution applies to Clubhouse, ~~and Brick & Mortar, and Floating Platform~~ franchisees and is ~~not paid by~~ optional for Outpost franchisees. The Marketing FundGrowth System Contribution is uniform and fully earned upon receipt.

Activation Fee

You will pay us a non-refundable fee for our activation program, which includes pre-opening operational support, brand onboarding, systems configuration, and Portal staff deployment to prepare your Portal Club for opening (the “**Activation Fee**”) when you sign your Franchise Agreement. The Activation Fee is \$10,000.00 for an Outpost and \$30,000.00 for a Clubhouse, ~~and Brick & Mortar, and Floating Platform.~~ The Activation Fee is uniform and fully earned upon receipt.

Logistics Fee

You will pay us a non-refundable fee for the logistics of our assistance with the construction coordination, design review, and site supervision of your Portal Club (the “**Logistics Fee**”) when you sign your Franchise Agreement. If you purchase an Outpost, ~~or a Clubhouse, or a Floating Platform,~~ the transportation and delivery of your Portal Club will be included. The Logistics Fee is \$15,000.00 for an Outpost, \$70,000.00 for a Clubhouse, ~~\$135 and \$80,000.00 for a Brick & Mortar, and \$500,000.00 for a Floating Platform.~~ The Logistics Fee is uniform and fully earned upon receipt.

Container Purchase Fee

You will pay Portal Mobile Clubhouse a non-refundable fee for the purchase of the container asset associated with your Portal Club (the “**Container Purchase Fee**”) when you sign your Franchise Agreement. The Container Purchase Fee applies to Clubhouse and Outpost franchisees and is not paid by Brick & Mortar ~~or Floating Platform~~ franchisees. The Container Purchase Fee is uniform and fully earned upon receipt.

For an Outpost, the Container Purchase Fee ranges from ~~\$1200,000.00~~ to ~~\$3280,000.00~~ depending on the configuration you select. All Outpost configurations include one required sauna and cold plunge container for ~~\$1200,000.00~~. You may select the following optional add-on containers at additional cost: (i) one additional sauna and cold plunge container for ~~\$1200,000.00~~, and (ii) either (a) a check-in and

changing area container for \$60,000.00 or (b) a bathrooms-with-showers container with a check-in and changing area for \$80,000.00. Portal Mobile Clubhouse will provide you with a written configuration specification and corresponding Container Purchase Fee prior to your signing of the Franchise Agreement.

For a Clubhouse, the Container Purchase Fee is \$750,000.00. ~~The paid to Portal Mobile Clubhouse container asset is and applied toward either (i) a purpose-built, turn-key structure container asset comprising three containers including two saunas, four cold plunges, a changing area, and a bathroom with a shower that is constructed off-site and delivered to your Club Location. If you elect to lease your, or (ii) the design-build budget for a ground-up Clubhouse container asset rather than purchase it, you will not pay constructed on a vacant lot, with Portal Mobile Clubhouse serving as the design-build manager. The Container Asset Trust Agreement governs disbursement of the Container Purchase Fee and will pay the Container Lease Prepayment Fee described below.~~

The Container Purchase Fee is ~~held in~~ held in deposited into a segregated bank account maintained at JPMorgan Chase Bank, N.A. and held pursuant to a written agreement between Portal Franchising LLC and Portal Mobile Clubhouse LLC (the “**Container Asset Trust Agreement**”) ~~and~~). The Container Purchase Fee will not be commingled with Portal Mobile Clubhouse’s other funds ~~and may be used solely for any purpose other than~~ the acquisition, construction, and delivery of your container asset. Portal Mobile Clubhouse serves as trustee, and we serve as trust administrator ~~under the Container Asset Trust Agreement.~~ Funds will be released to Portal Mobile Clubhouse ~~only upon delivery commencement of construction of your container asset to your Club Location and your written confirmation of acceptance.~~ only upon delivery commencement of construction of your container asset ~~to your Club Location and your written confirmation of acceptance.~~ If Portal Mobile Clubhouse is unable to deliver your container asset ~~for any reason~~, the Container Purchase Fee will be refunded to you in full within 30 days of written notice of non-delivery. If Portal Mobile Clubhouse becomes insolvent, ~~the any~~ funds then held in the segregated account will not constitute property of Portal Mobile Clubhouse’s estate and will be refunded to you. A copy of the Container Asset Trust Agreement is available for your review upon request. The Container Purchase Fee is uniform and fully earned upon receipt.

Container Lease Prepayment Fee

~~You will pay Portal Mobile Clubhouse a non-refundable fee you will pay Portal Mobile Clubhouse a non-refundable fee equal to three months of lease prepayments (the “**Container Lease Prepayment Fee**”) if you lease your container asset when you sign your Franchise Agreement. The Container Lease Prepayment Fee is \$30,000.00 being three times the minimum monthly lease payment of \$10,000.00 (the “**Minimum Container Lease Fee**”). The Container Lease Prepayment Fee will be credited against your first three months of ongoing Container Lease Fee payments as described in Item 6. The Container Lease Prepayment Fee applies only to Clubhouse franchisees. The Container Lease Prepayment Fee is not held in a segregated account and may be commingled with Portal Mobile Clubhouse’s general operating funds. The Container Lease Prepayment Fee is not subject to the Container Asset Trust Agreement. If Portal Mobile Clubhouse becomes insolvent, the Container Lease Prepayment Fee may not be recoverable. The Container Lease Prepayment Fee is uniform and fully earned upon receipt.~~

Development Fee

If you sign a Development Agreement, you will pay us a non-refundable fee equal to the sum of the Initial Franchise Fees, the Activation Fees, the Logistics Fees, and the Marketing Fund Growth System Contributions for each Development Club you are authorized to develop (the “**Development Fee**”) when you sign your Development Agreement. The Development Fee is paid in lieu of the Initial Franchise Fees, the Activation Fees, the Logistics Fees, and the Marketing Fund Growth System Contributions you would otherwise pay for your Development Clubs. Development Agreements require a minimum of eight

Development Clubs. ~~Development Agreements are not available for the Outpost format.~~ The Development Fee is uniform and fully earned upon receipt.

The royalty rate for your Development Clubs will be reduced to 2.5% of your Gross Revenues. Franchisees that sign a Development Agreement will not be charged the Management Fee described in Item 6 for any Development Club.

If you default on your Development Agreement by failing to meet your Development Schedule, following the date of default: (i) the reduced royalty rate of 2.5% applicable to your Development Clubs will automatically revert to our then-current standard royalty rate for all ongoing and future royalty obligations, (ii) the Management Fee waiver applicable to Development Clubs operated pursuant to your Development Agreement will terminate and the then-current Management Fee will apply to all of your Development Clubs, and (iii) territorial protections under your Development Agreement will be subject to reduction or termination in our discretion as described in Item 12. All royalty fees and Management Fees paid at the reduced rate prior to the date of failure are lawfully earned and not subject to retroactive adjustment, recalculation, or refund. Your failure to meet your Development Schedule will not affect the validity of any Franchise Agreement then in effect for any operating Development Club at the time of failure, provided that the Franchise Agreement will thereafter be governed by our then-current standard royalty rate and fee structure. We reserve all other rights and remedies available to us at law or in equity arising from your failure to meet your Development Schedule.

Territory Fee

If you sign a Development Agreement, you will pay us a non-refundable fee equal to \$65,000.00 per Development Club (the “**Territory Fee**”) when you sign your Development Agreement. The Territory Fee secures county-level territorial exclusivity for each county in which a Development Club is designated under your Development Agreement in lieu of the standard protected territory granted to single-unit franchisees. The Territory Fee for an eight-unit Development Agreement is \$520,000.00. The Territory Fee is paid in addition to the Development Fee. The Territory Fee is uniform and fully earned upon receipt.

ITEM 6
OTHER FEES

Type of Fee ¹	Amount	Date Due	Remarks
Royalty Fee	65% of Gross Revenues for the preceding month.	Monthly.	Royalty fee payments are based on your Gross Revenues from the preceding month. For <u>The Royalty Fee is waived for the first 6<u>twelve</u> months of operation of your Portal Club, -. Beginning with the 13th month of operation, the Royalty Fee will apply only of <u>5% applies to all</u> Gross Revenues exceeding \$60,000.00 per month. During this period, no Royalty Fee is due in any month when Gross Revenues do not exceed \$60,000.00.</u>
Management Fee	2.5% of Gross Revenues (the “ Management Fee ”).	Monthly.	You will pay us the Management Fee for our management services if you elect for us to manage your Portal Club based on your Gross

Type of Fee ¹	Amount	Date Due	Remarks
			Revenues from the preceding month. For the first six months of operation of your Portal Club, the Management Fee will apply only to Gross Revenues exceeding \$60,000.00 per month. During this period, no Management Fee is due in any month when Gross Revenues do not exceed \$60,000.00.
Marketing FundGrowth System Contribution ³	\$6,850 The greater of (i) 5% of Gross Revenues for the preceding month or (ii) \$4,500.00 for a Clubhouse, or Brick & Mortar, or Floating Platform.	Monthly.	Marketing FundGrowth System Contributions are <u>calculated based on your Gross Revenues from the preceding month and</u> payable on the first day of each month. We may change the Marketing FundGrowth System Contribution <u>rate and floor</u> in our discretion, but in no event will an increase exceed CPI plus 10%.
Minimum Container Lease Fee ⁴	The greater of (i) 10% of Gross Revenues for the preceding month or (ii) \$10,000.00.	Monthly.	Only applicable to Clubhouse franchisees that lease the Clubhouse container asset from Portal Mobile Clubhouse.
Technology Fee	\$500.00.	Monthly.	Technology fee payments are used to defray expenses we incur to offer you various technology-related services and products including, without limitation, providing you with email accounts and access to our proprietary CRM software. We may change the technology fee in our discretion. We may change the technology fee in our discretion, but in no event will an increase exceed CPI plus 10%.
Computer System Maintenance Expenses	\$500.00 to \$1,000.00.	Annually.	You will pay computer system maintenance expenses directly to the service provider.
Insufficient Funds Fee	\$100.00.	As incurred.	Payable if your electronic funds payment is rejected for insufficient funds.
Club Location Rent	As determined by your lease.	Monthly.	You will either enter into a direct lease with your Club Location landlord with monthly rental payments you negotiate or with

Type of Fee ¹	Amount	Date Due	Remarks
Audit Fee	Cost of audit plus any deficiency.	Upon demand.	Audit fees are payable if we audit the operations of your Portal Club and determine that you have understated amounts due to us by more than 3% or if your records are not compliant with our requirements.
Interest Fee	The greater of 18 10% per annum or the highest rate permitted by law.	Upon demand.	Interest fees are payable on any overdue amounts due to us and accrue from the date any payment is due until the payment is remitted.
Indemnification Fee	Cost of any liabilities, claims, damages, and legal fees we incur.	Upon demand.	Indemnification fees are payable for any matters arising from your operation of your Portal Club for which you are obligated to indemnify us pursuant to your Franchise Agreement.
Liquidated Damages Fee	The greater of (i) an amount equal to any amounts due or owed to us or our affiliates by you including, without limitation, unpaid accrued and future royalties, Marketing Growth System Contributions, or any other fees payable by you under your Franchise Agreement, lease, or otherwise, or (ii) \$100,000.00 for an Outpost, \$120,000.00 for a Clubhouse, \$180,000.00 for a Brick & Mortar, or \$240,000.00 for a Floating Platform.	Upon demand.	Payable if (i) we terminate your Franchise Agreement because of your default or (ii) you terminate your Franchise Agreement without the right to do so. Liquidated damages only address future royalty fee liability, are payable in addition to any outstanding amounts due at the time of termination, and are in addition to any other remedies we may have at law or equity.

Notes:

1. Fees. Except where otherwise noted, all fees are payable to us or our designees, are non-refundable and uniformly imposed on all franchisees. We may reasonably increase any fees or charges for products, materials, and services we provide from time to time excepting the royalty fee percentage used to calculate your royalty fee payments. The royalty fee percentage is not subject to any increases. You will remit all amounts you owe us pursuant to the Franchise Agreement or other agreements in the manner we

determine including, without limitation, payment by bank draft, certified check, credit card, electronic funds transfer, or as we may otherwise direct in writing. You will participate in any payment plans, computerized point of sale systems, credit verification systems, electronic funds transfer systems, automatic banking systems, or other similar plans or systems we require to facilitate your payments. You will execute all necessary documents and consents for payment including, without limitation, our current form of Auto-Debit Authorization Agreement for payments to be made by electronic funds transfer, a copy of which is attached to the Franchise Agreement as Schedule C, to enable us to automatically withdraw money from your financial accounts.

2. **Gross Revenues.** The term “**Gross Revenues**” means all gross sums collected or billed by you or us for all goods and services sold in connection with your Portal Club and any other revenue related to or derived from the provision of the Services and Products or the sale of any products or services in connection with the conduct and operation of your Portal Club whether for cash, check, credit, gift certificates, coupons, barter, or any other means of exchange ~~including, without limitation, the proceeds of any business interruption insurance policies and all revenues derived from tenants or subtenants of yours including, without limitation, rent and any other lease payment.~~ Gross Revenues do not include any sales, use, excise, license, or similar taxes separately billed, charged, and collected by you for remittance to the appropriate governmental authorities. ~~proceeds from any business interruption insurance policy, or revenues derived from the subletting of any portion of your Club Location.~~ Any installment or credit sale will be treated as a cash sale for the full price in the month during which the sale is made regardless of the time payment is received.

3. **Marketing Growth System Fund.** We have established a dedicated marketing fund for the benefit of the System (the “**Marketing Growth System Fund**”). ~~You Clubhouse and Brick & Mortar franchisees will pay Marketing Fund Growth System Contributions regardless of their Gross Revenues. The Growth System Contribution is optional for Outpost franchisees. The Growth System Contribution is equal to the greater of 5% of your Gross Revenues. The Marketing Fund Contribution of \$6,850.00 per for the preceding month is allocated as follows: (i) \$5,000 or \$4,500.00 per month as a local marketing allocation that we apply toward marketing and promotional activities intended to benefit your Portal Club location and funds the following programs: (i) paid media management, including, without limitation, digital advertising, local placement, campaign optimization, and channel-level reporting, (ii) creative and content system including branded content production, photography, video, and copy for use across all channels, (iii) CRM flows and lifecycle marketing including email and SMS automation, member journeys, and retention sequences, (iv) presale playbooks, including pre-opening demand generation, waitlist management, and community-building protocols, (v) launch campaigns, content including grand opening marketing, influencer coordination, and local activation programs, and (vi) network distribution, and other demand generation initiatives, and (ii) \$1,850.00 per month that we apply for brand development, creative production, national campaigns, technology, and shared marketing infrastructure.~~

~~4. **Minimum Container Lease Fee.** The Minimum Container Lease Fee is applicable only to Clubhouse franchisees that lease the Clubhouse container asset from Portal Mobile Clubhouse. The Minimum Container Lease Fee obligations run coterminously with your Franchise Agreement. The initial lease term is ten years from the date your Portal Club opens to the public. If you renew your Franchise Agreement, the Minimum Container Lease Fee obligation will continue on the same terms for each renewal term unless Portal Mobile Clubhouse notifies you of modified lease terms no later than 180 days prior to the commencement, including future-state technology and distribution platforms developed for the benefit of the renewal term. Upon expiration or termination of your Franchise Agreement for any reason, your right to use the Clubhouse container asset will terminate and you must return the container asset to Portal Mobile Clubhouse in the condition specified in your lease agreement.~~

~~Portal Mobile Clubhouse retains ownership of leased Clubhouse container assets at all times. The Minimum Container Lease Fee does not convey any ownership interest in the container asset and does not include a purchase option. Payment of the Minimum Container Lease Fee is not a financing arrangement. Any increase to the Minimum Container Lease Fee will be communicated to you in writing no later than 30 days prior to the effective date of the increase. Minimum Container Lease Fee payments are not held in a segregated account and may be commingled with Portal Mobile Clubhouse's other fundsSystem.~~

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – OUTPOST

Type of Expenditure¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	\$25,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Activation Fee	\$10,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Logistics Fee	\$15,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Container Purchase Fee ²	\$1200,000.00 to \$3280,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Portal Mobile Clubhouse.
Marketing Fund Growth System Contributions	\$0.00 to \$13,7009,000.00.	Certified check, credit card, or electronic funds transfer.	Two months prior to your projected Portal Club opening date.	Us.
Real Estate Rent and Security Deposit ³	\$0.00 to \$15,000.00.	As agreed.	As incurred.	Landlord or us.

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Real Estate Construction and Improvements ⁴	\$0.00 to \$50,000.00.	As agreed.	As incurred.	Third parties.
<u>Landscaping and Plant Life¹⁰</u>	<u>\$30,000.00 to \$80,000.00.</u>	<u>As agreed.</u>	<u>As incurred.</u>	<u>Third parties.</u>
Utilities and Utility Deposits	\$10,000.00 to \$350,000.00.	As agreed.	As incurred.	Third parties. Utility providers.
Insurance	\$2,500.00 to \$5,000.00.	As agreed.	As incurred.	Third parties. Insurance providers.
Training Expenses ⁵	\$0.00 to \$3,000.00.	As agreed.	As incurred.	Third parties.
Initial Inventory	\$3,000.00 to \$5,000.00.	As agreed.	As incurred.	Us.
<u>Furnishings and Locker Package¹⁷</u>	<u>\$8,000.00 to \$25,000.00.</u>	<u>As agreed.</u>	<u>As incurred.</u>	<u>Third parties.</u>
Computer System	\$0.00 to \$3,000.00.	As agreed.	As incurred.	Third parties.
Grand Opening Expenses ⁶	\$1,000.00 to \$20,000.00.	As agreed.	As incurred.	Third parties.
Licenses and Permits	\$2,000.00 to \$3,000.00.	As agreed.	As incurred.	Third parties. Governmental authorities.
Accounting and Professional Fees	\$1,000.00 to \$3,000.00.	As agreed.	As incurred.	Third parties. Professionals.
Staff Recruiting and Salary Expenses ⁷	\$0.00 to \$6,000.00.	As agreed.	As incurred.	Third parties.
Additional Funds for First Three Months of Operation ⁸	\$60,000.00 to \$120,000.00.	As agreed.	As incurred.	Third parties.
Total Estimated Initial Investment⁹	\$239,267,500.00 to \$619,700,727,000.00.			

YOUR ESTIMATED INITIAL INVESTMENT – CLUBHOUSE (~~LEASE PATH~~)

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	\$8545,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Activation Fee	\$30,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Logistics Fee	\$70,000.00.	Certified check, credit card, or	Upon signing your	Us.

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
		electronic funds transfer.	Franchise Agreement.	
Container Lease Prepayment Fee	\$30,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Portal Mobile Clubhouse.
Marketing Fund Contributions	\$13,700.00.	Certified check, credit card, or electronic funds transfer.	Two months prior to your projected Portal Club opening date.	Us.
Real Estate Rent and Security Deposit ³	\$0.00 to \$24,000.00.	As agreed.	As incurred.	Landlord or us.
Real Estate Construction and Improvements ⁴	\$0.00 to \$100,000.00.	As agreed.	As incurred.	Third parties.
Fitness Equipment	\$0.00 to \$60,000.00.	As agreed.	As incurred.	Third parties.
Landscaping and Plant Life ¹⁰	\$5,000.00 to \$12,500.00.	As agreed.	As incurred.	Third parties.
Utilities and Utility Deposits	\$2,500.00 to \$8,000.00.	As agreed.	As incurred.	Utility providers.
Insurance	\$2,500.00 to \$5,000.00.	As agreed.	As incurred.	Insurance providers.
Training Expenses ⁵	\$0.00 to \$3,000.00.	As agreed.	As incurred.	Third parties.
Initial Inventory	\$6,250.00 to \$12,000.00.	As agreed.	As incurred.	Us.
Furnishings and Art ¹¹	\$12,000.00 to \$20,000.00.	As agreed.	As incurred.	Third parties.
Computer System	\$2,000.00 to \$6,000.00.	As agreed.	As incurred.	Third parties.
Audio and Visual Systems ¹²	\$3,500.00 to \$5,000.00.	As agreed.	As incurred.	Third parties.
Grand Opening Expenses ⁶	\$1,000.00 to \$20,000.00.	As agreed.	As incurred.	Third parties.
Licenses and Permits	\$2,000.00 to \$3,000.00.	As agreed.	As incurred.	Governmental authorities.
Accounting and Professional Fees	\$1,000.00 to \$3,000.00.	As agreed.	As incurred.	Professionals.
Staff Recruiting and Salary Expenses ⁷	\$0.00 to \$2,000.00.	As agreed.	As incurred.	Third parties.
Additional Funds for First Three Months of Operation ⁸	\$80,000.00 to \$160,000.00.	As agreed.	As incurred.	Third parties.
Total Estimated Initial Investment⁹	\$346,450.00 to \$612,200.00.			

YOUR ESTIMATED INITIAL INVESTMENT – CLUBHOUSE (PURCHASE PATH)

Type of Expenditure¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	\$85,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Activation Fee	\$30,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Logistics Fee	\$70,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Container Purchase Fee	\$750,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Portal Mobile Clubhouse.
Marketing Fund Growth System Contributions	\$13,7009,000.00.	Certified check, credit card, or electronic funds transfer.	Two months prior to your projected Portal Club opening date.	Us.
Real Estate Rent and Security Deposit ³	\$0.00 to \$24,000.00.	As agreed.	As incurred.	Landlord or us.
Real Estate Construction and Improvements ⁴	\$0.00 to \$100,000.00.	As agreed.	As incurred.	Third parties.
Fitness Equipment	\$0.00 to \$60,000.00.	As agreed.	As incurred.	Third parties.
Landscaping and Plant Life ¹⁰	\$5,000.00 to \$12,500.00.	As agreed.	As incurred.	Third parties.
Utilities and Utility Deposits	\$2,500.00 to \$8,000.00.	As agreed.	As incurred.	Third parties. Utility providers.

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Insurance	\$2,500.00 to \$5,000.00.	As agreed.	As incurred.	<u>Third parties.</u> Insurance providers.
Training Expenses ⁵	\$0.00 to \$3,000.00.	As agreed.	As incurred.	Third parties.
Initial Inventory	\$6,250.00 to \$12,000.00.	As agreed.	As incurred.	Us.
Furnishings and Art ¹¹	\$12,000.00 to \$20,000.00.	As agreed.	As incurred.	Third parties.
Computer System	\$2,000.00 to \$6,000.00.	As agreed.	As incurred.	Third parties.
Audio and Visual Systems ¹²	\$3,500.00 to \$5,000.00.	As agreed.	As incurred.	Third parties.
Grand Opening Expenses ⁶	\$1,000.00 to \$20,000.00.	As agreed.	As incurred.	Third parties.
Licenses and Permits	\$2,000.00 to \$3,000.00.	As agreed.	As incurred.	<u>Third parties.</u> Governmental authorities.
Accounting and Professional Fees	\$1,000.00 to \$3,000.00.	As agreed.	As incurred.	<u>Third parties.</u> Professionals.
Staff Recruiting and Salary Expenses ⁷	\$0.00 to \$2,000.00.	As agreed.	As incurred.	Third parties.
Additional Funds for First Three Months of Operation ⁸	\$80,000.00 to \$160,000.00.	As agreed.	As incurred.	Third parties.
Total Estimated Initial Investment⁹	\$1,066,450<u>21,750.00</u> to <u>\$1,332,200<u>347,500.00.</u></u>			

YOUR ESTIMATED INITIAL INVESTMENT – BRICK & MORTAR

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	\$8545 ,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Logistics Fee	\$13580 ,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Activation Fee	\$30,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Marketing Fund <u>Growth System</u> Contributions	\$13,700 <u>9,000.00.</u>	Certified check, credit card, or	Two months prior to your projected	Us.

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
		electronic funds transfer.	Portal Club opening date.	
Sauna Equipment ¹³	\$80,000.00 to \$300,000.00.	Certified check, credit card, or electronic funds transfer.	As incurred.	Portal Mobile Clubhouse.
Cold Plunge Equipment ¹⁴	\$80,000.00 to \$300,000.00.	Certified check, credit card, or electronic funds transfer.	As incurred.	Portal Mobile Clubhouse.
Real Estate Rent and Security Deposit ³	\$30,000.00 to \$45,000.00.	As agreed.	As incurred.	Landlord or us.
Real Estate Construction and Improvements ⁴	\$250 300,000.00 to \$750 1,500,000.00.	As agreed.	As incurred.	Third parties.
Fitness Equipment	\$0.00 to \$120,000.00.	As agreed.	As incurred.	Third parties.
Landscaping and Plant Life ¹⁰	\$22,500 30,000.00 to \$40 60,000.00.	As agreed.	As incurred.	Third parties.
Utilities and Utility Deposits	\$3,500.00 to \$ 10,000.00 to \$30,000.00.	As agreed.	As incurred.	Utility providers. Third parties.
Insurance	\$3,500.00 to \$6,500.00.	As agreed.	As incurred.	Insurance providers. Third parties.
Training Expenses ⁵	\$0.00 to \$3,000.00.	As agreed.	As incurred.	Third parties.
Initial Inventory	\$6,250.00 to \$12,000.00.	As agreed.	As incurred.	Us.
Furnishings and Art ¹¹	\$25,000.00 to \$80,000.00.	As agreed.	As incurred.	Third parties.
Computer System	\$2,000.00 to \$6,000.00.	As agreed.	As incurred.	Third parties.
Audio and Visual Systems ¹²	\$35,000.00 to \$65,000.00.	As agreed.	As incurred.	Third parties.
Grand Opening Expenses ⁶	\$1,500.00 to \$22,000.00.	As agreed.	As incurred.	Third parties.
Licenses and Permits	\$2,500.00 to \$3,750.00.	As agreed.	As incurred.	Governmental authorities. Third parties.
Accounting and Professional Fees	\$1,250.00 to \$3,750.00.	As agreed.	As incurred.	Professionals. Third parties.
Staff Recruiting and Salary Expenses ⁷	\$0.00 to \$2,000.00.	As agreed.	As incurred.	Third parties.
Additional Funds for First Three Months of Operation ⁸	\$175,000.00 to \$250,000.00.	As agreed.	As incurred.	Third parties.

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Total Estimated Initial Investment⁹	\$981,700<u>946,000.00</u> to \$2,162,700<u>973,000.00</u>.			

~~YOUR ESTIMATED INITIAL INVESTMENT—FLOATING PLATFORM~~

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	\$85,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Logistics Fee	\$500,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Activation Fee	\$30,000.00.	Certified check, credit card, or electronic funds transfer.	Upon signing your Franchise Agreement.	Us.
Marketing Fund Contributions	\$13,700.00.	Certified check, credit card, or electronic funds transfer.	Two months prior to your projected Portal Club opening date.	Us.
Floating Platform¹⁵	\$1,600,000.00 to \$2,900,000.00.	As agreed.	As incurred.	Third parties.
Real Estate Rent and Security Deposit³	\$35,000.00 to \$50,000.00.	As agreed.	As incurred.	Landlord or us.
Real Estate Construction and Improvements⁴	\$50,000.00 to \$250,000.00.	As agreed.	As incurred.	Third parties.
Landscaping and Plant Life¹⁰	\$30,000.00 to \$150,000.00.	As agreed.	As incurred.	Third parties.
Utilities and Utility Deposits	\$5,000.00 to \$15,000.00.	As agreed.	As incurred.	Utility providers.
Insurance	\$6,750.00 to \$12,500.00.	As agreed.	As incurred.	Insurance providers.
Training Expenses⁵	\$0.00 to \$3,000.00.	As agreed.	As incurred.	Third parties.
Initial Inventory	\$35,000.00 to \$50,000.00.	As agreed.	As incurred.	Us.
Furnishings and Art¹¹	\$25,000.00 to \$100,000.00.	As agreed.	As incurred.	Third parties.
Computer System	\$2,000.00 to \$6,000.00.	As agreed.	As incurred.	Third parties.

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Audio and Visual Systems ¹²	\$75,000.00 to \$150,000.00.	As agreed.	As incurred.	Third parties.
Grand Opening Expenses ⁶	\$30,000.00 to \$120,000.00.	As agreed.	As incurred.	Third parties.
Licenses and Permits	\$30,000.00 to \$50,000.00.	As agreed.	As incurred.	Governmental authorities.
Accounting and Professional Fees	\$1,250.00 to \$6,500.00.	As agreed.	As incurred.	Professionals.
Staff Recruiting and Salary Expenses ⁷	\$0.00 to \$2,000.00.	As agreed.	As incurred.	Third parties.
Additional Funds for First Three Months of Operation ⁸	\$200,000.00 to \$300,000.00.	As agreed.	As incurred.	Third parties.
Total Estimated Initial Investment⁹	\$2,753,700.00 to \$4,793,700.00.			

YOUR ESTIMATED INITIAL INVESTMENT – DEVELOPMENT AGREEMENT

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Fee ¹⁶⁵	\$1,589,600 400,000.00 to \$5,029,600 1,312,000.00.	Varies.	Upon signing your Development Agreement.	Us.
Territory Fee	\$520,000.00.	Varies.	Upon signing your Development Agreement.	Us.
Cost of First Development Club ¹⁷⁶	\$147,750 217,500.00 to \$4,1652,809 ,000.00	Varies.	As incurred.	Third parties.
Total Estimated Initial Investment¹⁰	\$2,257,3501,137,500.00 to \$9,714,6004,641,000.00			

Notes:

1. General. You will pay all associated processing charges for any initial fees paid to us or our affiliates by credit card or electronic funds transfer. All fees imposed by us or our affiliates are non-refundable unless otherwise noted. Fees and expenses paid to vendors or other third parties may or may not be refundable depending on the arrangements you make.

2. Container Purchase Fee. The Container Purchase Fee for an Outpost ranges from \$100,000.00 to \$280,000.00 depending on the container configuration you select, and the Container Lease Prepayment Fee are mutually exclusive is \$750,000.00 for a Clubhouse, in each case as described in Item 5.

3. Real Estate Rent and Security Deposit. This estimate is for the first three months of your lease term and is based on a space with a footprint between 200 to 1,200 square feet for an Outpost, approximately 2,200 square feet for a Clubhouse, and a footprint between 2,000 and 6,000 square feet for

a Brick & Mortar ~~or Floating Platform~~. You may also incur additional related expenses including, without limitation, (i) taxes, (ii) your *pro rata* share of common expenses and common area maintenance, (iii) percentage rent (if any), (iv) prepaid rent (which may or may not be refundable depending on your lease), (v) promotion fund payments, (vi) tenant insurance, ~~and (vii) marina fees, dock fees, and waterway access fees applicable to floating structures~~. The amount of your rent may vary significantly depending on a number of factors including, without limitation, the size, condition, and location of your Club Location and specific provisions of your lease. We cannot estimate the precise amount of your rent if you enter into your lease directly with a landlord other than Portal Real Estate. Portal Real Estate may derive revenue from a sublease arrangement if you sublease your Club Location from Portal Real Estate.

4. Real Estate Construction and Improvements. At your sole expense, you will design, construct, and equip your Club Location within the timetable we specify in conformity with our architectural and design plans, trade dress, and System specifications (the “Plans”). You will contract only with design, engineering, and construction companies we have previously approved or that you select and we approve. We will consult and supervise your construction process as we deem appropriate and may inspect the design, construction, and development of your Club Location at any reasonable time. If we identify instances where your design, construction, or remodeling is inconsistent with the Plans, we will notify you in writing of the deficiencies and you will correct the deficiencies before opening your Portal Club. You will exclusively bear the cost of the Plans and all costs and expenses pertaining to the design, construction, and equipping of your Club Location. ~~For Floating Platform franchisees, construction and improvements may include dock construction, gangway installation, utility connections, and other marine infrastructure.~~

5. Training Expenses. You will pay all associated third party expenses for your personnel including, without limitation, accommodation costs, salary costs, transportation costs, and food costs.

6. Grand Opening Expenses. You will conduct a grand opening promotional program (a “Grand Opening”) for your Portal Club during the period commencing 14 days before and ending 90 days after the date your Portal Club opens to the general public. You will provide us with a summary of your proposed Grand Opening expenditures at least 30 days before the date your Portal Club opens to the general public.

7. Staff Recruiting and Salary Expenses. You may need to hire minimal staff to assist with your Grand Opening or other matters before opening your Portal Club to the general public.

8. Additional Funds for First Three Months of Operation. This is an estimate of the additional funds necessary for the first three months after you open your Portal Club to the general public. This estimate includes employee salaries, but does not include royalty fees, debt service, or your compensation. This estimate does not include the Initial Franchise Fee, the Activation Fee, the Logistics Fee, the Marketing FundGrowth System Contributions, or any container asset or equipment costs, each of which is separately disclosed in this Item 7. This is only an estimate and we cannot guarantee that you will not incur additional expenses during your initial operating period. The actual amount of your required additional funds will depend on factors including, without limitation, your management skills, your experience and business acumen, local economic conditions, the local market for the Services and Products, and your competition. Royalty Fees and Management Fees are waived during the first twelve months of operation. You should account for these obligations when evaluating the adequacy of your working capital reserves.

9. Total Estimated Initial Investment. We have relied on our experience and the experience of Portal One to prepare these figures. You should review these figures carefully with a business advisor before you sign a Franchise Agreement. These figures are estimates and we cannot guarantee that you will not incur additional costs. Your financial condition, the arrangements you negotiate, and the business

decisions you make will affect these costs. There is no assurance that your experience or the experience of any particular franchisee will correspond with the information presented above. The Outpost format does not require ~~landscaping, furnishings and art, or~~ audio and visual systems as part of the standard build-out. Landscaping and furnishings requirements will vary based on container configuration and site conditions. For the Development Agreement table, the low end of the range reflects an eight-unit Clubhouse Outpost Development Agreement ~~under the lease path~~ and the high end reflects an eight-unit Floating Platform Brick & Mortar Development Agreement. You should review the applicable format-specific table for a complete breakdown of estimated costs per unit.

10. Landscaping and Plant Life. This estimate includes the cost of plants, planters, landscaping, and hardscaping at your Club Location. Actual costs will vary depending on the size, condition, and layout of your Club Location and local market rates for landscaping services and materials. You will contract only with landscaping vendors we have previously approved or that you select and we approve.

11. Furnishings and Art. This estimate includes the cost of hooks, benches, seating, tables, storage, light fixtures, art, murals, and stained glass required to meet our brand standards and System specifications. You will purchase furnishings and art from our approved or designated suppliers as described in Item 8. Actual costs will vary depending on the size and configuration of your Club Location and the specific furnishings and art selections required.

12. Audio and Visual Systems. This estimate includes the cost of speakers, projectors, and receivers required to meet our System specifications. You will purchase and install audio and visual systems that meet our then-current technical specifications as described in the Operations Manual. You may purchase components from any supplier you choose as long as the components meet our specifications unless we designate a required supplier in the Operations Manual. Actual costs will vary depending on the size and acoustic requirements of your Club Location.

13. Sauna Equipment. You must purchase certain equipment relating to saunas (the “**Sauna Equipment**”) from Portal Mobile Clubhouse. The estimate reflects the cost of Sauna Equipment depending on the number and specification of units required for your Club Location. Actual costs will vary depending on the size and configuration of your Club Location.

14. Cold Plunge Equipment. You must purchase certain equipment relating to cold plunges (the “**Cold Plunge Equipment**”) from Portal Mobile Clubhouse. The estimated range of \$80,000.00 to \$300,000.00 reflects the cost of Cold Plunge Equipment depending on the number and specification of units required for your Club Location. Actual costs will vary depending on the size and configuration of your Club Location.

~~15. Floating Platform. The Floating Platform cost reflects the purchase of a permanent floating structure from third party marine architects, engineers, and contractors. We must approve your selected contractor and design specifications prior to commencement of construction. We do not manufacture or supply the Floating Platform. Costs will vary depending on the design specifications, size, and complexity of the structure and local contractor rates.~~

~~16. Development Fee.~~ 15. Development Fee. The Development Fee is equal to the sum of the Initial Franchise Fees, Activation Fees, Logistics Fees, and Marketing Fund Growth System Contributions for each Development Club. The Development Fee is paid in lieu of the Initial Franchise Fees, Activation Fees, Logistics Fees, and Marketing Fund Growth System Contributions you would otherwise pay for your Development Clubs. The per-unit Development Fee ranges from \$50,000.00 to \$59,000.00 for an Outpost, and is \$198,700 ~~154,000.00 for a Clubhouse, \$263,700 and \$164,000.00 for a~~

Brick & Mortar, and \$628,700.00 for a Floating Platform. For an eight-unit Development Agreement, the Development Fee ranges from \$1,589,600.00 (eight Clubhouse Outpost units) to \$5,029,600.00 (eight Floating Platform Brick & Mortar units). See Item 5 for complete terms.

1716. Cost of First Development Club. This amount is the estimated initial investment for your first Development Club less the Initial Franchise Fee, Logistics Fee, Activation Fee, and Marketing Fund Growth System Contributions that are subsumed in the Development Fee.

17. Furnishings and Locker Package. This estimate applies to Outpost configurations that include a check-in and changing area container or a bathrooms-with-showers container with a check-in and changing area. This estimate includes the cost of lockers, benches, seating, hooks, and related furnishings required to meet our brand standards and System specifications. Actual costs will vary depending on the container configuration you select and the specific furnishings required.

ITEM 8 **RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS**

Approved Suppliers and Specifications

You will establish and operate your Portal Club in compliance with your Franchise Agreement and the Operations Manual. Unless we direct you otherwise, you will purchase all goods, products, services, supplies, inventory, equipment, and materials required for the operation of your Portal Club including, without limitation, all or part of the Services and Products from manufacturers, suppliers, or distributors we approve or from other manufacturers, suppliers, or distributors that meet our specifications and standards for quality, appearance, and service. Some approved manufacturers, suppliers, or distributors may be affiliated with us. We may designate ourselves and our affiliates as exclusive suppliers of source-restricted goods and services. The items we currently require to be purchased through us or our designated suppliers are described below in this Item 8. If we do not designate a supplier for a particular item or service, you will purchase the item or service from suppliers who meet our general standards. We impose these requirements to ensure quality and uniformity.

Alternative Suppliers

We may designate approved manufacturers, suppliers, distributors, goods, products, services, supplies, inventory, equipment, and materials in the Operations Manual. You must request and obtain our prior written approval if you want to use an alternative supplier. We have the sole discretion to approve or reject an alternative supplier. We may condition our approval on criteria we reasonably deem appropriate including, without limitation, the alternative supplier's capacity, quality, financial stability, reputation, and reliability, our inspections, product testing, and performance reviews, or other criteria. Our criteria for approving alternative suppliers are not available to you. We may require you to submit sufficient photographs, drawings, or other information and samples to determine whether these goods, products, services, supplies, inventory, equipment, materials, non-designated manufacturers, suppliers, and distributors meet our general standards. We may charge a reasonable fee for this review process. We will provide you with written notification of our approval or disapproval of any proposed alternative supplier within ten days after our receipt of your request. If we fail to notify you of approval within the ten-day period, the proposed alternative supplier will be deemed unapproved. We may grant approvals of new suppliers or revoke approvals of current suppliers by written notice to you or through Operations Manual updates at our discretion. Except as described below and as further disclosed in Item 1 of this Franchise Disclosure Document, which identifies our affiliated entities including Portal Mobile Clubhouse LLC, Portal Real Estate LLC, Portal Insight LLC, Portal Plunge LLC, and Portal Saunas LLC, each of which may serve as a designated or approved supplier to franchisees, neither we nor any of our officers own an

interest in or are presently affiliated with any approved or designated manufacturers, suppliers, or distributors. We may change our standards and specifications, or manufacturers, suppliers, or distributors who have our authorization at any time.

Optional Management Engagement

If you elect to not actively manage the day-to-day operations of your Portal Club, you may, but are not required to, engage us, Portal One, or another affiliate to perform management services on your behalf. You will pay us the Management Fee described in Item 6. Any obligation to provide management services is subject to the terms and conditions of your Franchise Agreement.

Required Purchases

We may receive consideration from our approved or designated suppliers for purchases made by our franchisees.

Cold Plunge Equipment

You will purchase the Cold Plunge Equipment directly from Portal Mobile Clubhouse. We may change our designated supplier for Cold Plunge Equipment at any time upon written notice to you. You will purchase and maintain your Cold Plunge Equipment as we direct in the Operations Manual.

Sauna Equipment

You will purchase the Sauna Equipment directly from Portal Mobile Clubhouse. We may change our designated supplier for Sauna Equipment at any time upon written notice to you. You will purchase and maintain your Sauna Equipment as we direct in the Operations Manual.

Container Assets

For Outpost and Clubhouse franchisees, you will purchase ~~or lease~~ your Portal Club container asset directly from Portal Mobile Clubhouse. Portal Mobile Clubhouse is currently the sole approved supplier for container assets. For Outpost franchisees, the container asset is purchased ~~at~~ when you sign your Franchise Agreement as described in Item 5. For Clubhouse franchisees, you will ~~either purchase or lease~~ the container asset from Portal Mobile Clubhouse as described in Items 5 ~~and 6~~. ~~The Container Purchase Fee and Container Lease Prepayment Fee are mutually exclusive.~~

For Brick & Mortar franchisees, Portal Mobile Clubhouse is currently the designated exclusive supplier of all Sauna Equipment and Cold Plunge Equipment.

~~For Floating Platform franchisees, the floating platform structure is procured from third party marine architects, engineers, and contractors subject to our approval. Portal Mobile Clubhouse is not the supplier of the floating platform structure itself.~~

You will purchase and maintain all container assets and thermal equipment as we direct in the Operations Manual.

Promotional Materials

You will purchase certain promotional materials (the “**Promotional Materials**”) directly from us or our approved or designated suppliers. We may change our approved or designated suppliers for the

3. At our discretion, promote the System at selected industry events and franchise expositions (Franchise Agreement, Section 10);

4. At our discretion, provide you with advice and direction pertaining to the operation of your Portal Club through, without limitation, scheduled consultations and reviews (Franchise Agreement, Section 10);

5. At our discretion, conduct a conference for the benefit of the System. You may be required to pay a fee for any conference we conduct whether or not you attend the conference (Franchise Agreement, Section 10);

6. At our discretion, provide you with public relations release formats, local marketing plans, and materials including, without limitation, components of the Promotional Materials, newspaper advertisements, radio commercials, sales aids, and other promotional and marketing materials. We may charge you a reasonable fee for the provision of these materials (Franchise Agreement, Section 10);

7. At our discretion, provide you with additional or remedial training as you request or we determine is necessary from time to time at our corporate headquarters, other locations, or virtually. You may be required to pay a fee to participate in any additional or remedial training (Franchise Agreement, Section 10); and

8. At our discretion, develop new services and products that may be used by you in your Portal Club including, without limitation, modifications to the Services and Products (Franchise Agreement, Section 10).

Advertising and Marketing

We may make components of the Promotional Materials, advertising, marketing, signage, and other promotional materials available for your Portal Club that are used by us and our other franchisees from time to time. As part of your advertising and marketing efforts, you will purchase and use these materials from us or our approved suppliers. As they become available, you will use and display all (i) product identification materials, (ii) point-of-purchase promotional materials, (iii) promotional memorabilia, merchandise, and prizes, and (iv) other advertising and marketing materials we create or authorize. If not provided to you as part of your contribution to the MarketingGrowth System Fund, you will purchase these materials from us or a source we designate or approve. You may be required to purchase certain proprietary marketing, advertising, and promotional materials from us from time to time.

You may develop advertising and marketing materials for your own use at your own expense provided that the materials are prepared in accordance with our standards and specifications and you obtain our approval of the materials in writing at least ten days before actual use. We will notify you of our approval or disapproval of the materials within five business days after you submit the materials for our review. If we fail to respond to you within the five-day period, we are deemed to have withheld our approval. You will obtain our prior written approval for all promotions, special events, sales promotion materials, marketing, and advertising you use including, without limitation, on-site, Internet, social media, direct mail, newspaper, radio and television advertising, and advertising by third parties. You will not use the name of a public figure or celebrity in your promotional efforts without our prior written approval.

You will actively participate in and cooperate with any required national, regional, and local advertising, marketing, and sales promotion campaigns. You will display all advertising and marketing materials we provide to you in your Portal Club, conduct any promotions and special events we designate,

offer local and national promotional items, accept any coupons, gift cards, or certificates we designate, and advertise and display any advertisements and solicitations on your vehicles to attract potential franchisees to the System we may require.

In addition to any Marketing Growth System Contributions you make, you will use your best efforts to promote and advertise your Portal Club and conduct any local marketing, advertising, and promotional programs we may require.

Client Loyalty, Gift Certificate, Gift Card, and Other Promotional Programs

We may establish and you will fully participate in advertising, sales, and promotional events and marketing programs that we, our affiliates, or our designees organize or conduct as developed from time to time including, without limitation, your participation in and acceptance of all client loyalty and reward programs, contests, sweepstakes, and other prize promotions, warranty programs, and such credit cards, courtesy cards, and other credit devices, programs, and plans as may be issued or approved by us from time to time. Any reasonable and customary service charges or discounts from reimbursements will be at your sole expense. You will honor any promotional materials issued by other franchisees presented to you for redemption and any coupons or similar promotional materials we prescribe. We will communicate to you in writing the details of any promotion and you will promptly display all point-of-sale advertising, marketing, and promotion-related information at the places we designate including, without limitation, on any vehicles you operate. You will purchase and distribute all coupons, clothing, and other collateral merchandise we designate.

To the extent that we develop or authorize the sale of gift cards, gift certificates, or stored value cards, you will acquire and use all computer software and hardware necessary to process their sale and to process purchases made using them at your expense. All proceeds from the sale of all gift cards, gift certificates, and stored value cards belong exclusively to us and you will remit the sales proceeds to us according to the procedures we prescribe. We will reimburse or credit you (at our option) for the redeemed value of gift cards or certificates and stored value cards you accept as payment for the Services and Products sold or offered by your Portal Club.

Grand Opening

We will assist you with your Grand Opening. You will provide us with a summary of your anticipated Grand Opening expenditures at least 30 days before your Portal Club opens to the general public. In connection with your Grand Opening, you will obtain appropriate third party services and purchase the necessary materials in consultation with us as we determine and approve.

Marketing Growth System Fund

We will administer the Marketing Growth System Fund. The Marketing Growth System Fund may be used for, without limitation, production and placement of media advertising, media relations salaries, administrative costs, and creating and testing direct response literature, social media, direct mailings, brochures, collateral material, advertising, surveys, or other public relations expenditures including agency costs, commissions, and other similar expenses. Advertising may be placed in local, regional, or national media of our choice including, without limitation, social media, online media, print, direct mail, e-mail messaging, or television. The Marketing Growth System Fund may be used to solicit franchisees. If you request, we will send you an unaudited statement describing Marketing Growth System Fund expenditures during the previous fiscal year. The Marketing Growth System Fund will not be audited and audited financial statements will not be available. We assume no direct or indirect liability or obligation to collect

Marketing Fund Growth System Contributions or to maintain, direct, or administer the Marketing Growth System Fund.

We may be reimbursed from the Marketing Growth System Fund for reasonable administrative costs, salaries, and overhead expenses related to the administration and operation of the Marketing Growth System Fund and its programs. We may self-reimburse for certain Marketing Growth System Fund-related expenses including, without limitation, employee salaries.

In any fiscal year, an amount greater or less than the aggregate contribution of all franchisees to the Marketing Growth System Fund may be spent during that fiscal year. The Marketing Growth System Fund may borrow from us or other lenders to cover deficits or invest any surplus for future use on any terms that we determine. We may reimburse the loans from the Marketing Growth System Fund. Any amounts that remain in the Marketing Growth System Fund at the end of each fiscal year will accrue and we may apply them toward the next fiscal year's expenses. We may borrow excess funds from the Marketing Growth System Fund to support other efforts to develop the System.

We do not guarantee that advertising expenditures from the Marketing Growth System Fund will benefit you or any other franchisee directly or on a *pro rata* basis. We undertake no obligation to ensure that Marketing Growth System Fund expenditures in or affecting any geographic area are proportionate or equivalent to the contributions of franchisees operating in that geographic area or that any franchisee will benefit directly or in proportion to its contribution to the Marketing Growth System Fund from the development of advertising and marketing materials or the placement of advertising. Some participants in the Marketing Growth System Fund may contribute different amounts than other participants with our permission. Our company-owned Portal Clubs are not required to contribute to the Marketing Growth System Fund.

Computer System

We will designate the Computer System. The Computer System presently requires a minimum of one dedicated Apple iPad and one dedicated Apple iPhone. Your Computer System will be used for general business purposes such as preparing financial reports, tracking sales information, and storing client information such as treatment and transaction history. We will have independent unlimited access to the data collected by your Computer System. You will use the credit card processing devices that we specify. You may incur maintenance and upgrade expenses for your Computer System as required.


Except as described above, neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades, or updates to your Computer System. We are not aware of any optional or required maintenance, updating, upgrading, or support contracts relating to your Computer System. You will maintain your Computer System in good working order at your expense. During the term of your Franchise Agreement, you may be required to update your Computer System to conform to our then-current specifications. There are no contractual limitations on the frequency or cost of these updates. We may change the software ~~of~~ technology that you must use or add new software or technology at any time. We may charge you for any software or technology that we license or sublicense to you.

Club Location and Construction Assistance

We will assist you with selecting a location for your Club Location and the construction of your approved Club Location. Unless we otherwise direct you in writing, you assume all cost, liability, expense, and ultimate responsibility for locating, securing, developing, constructing, and equipping a site for your Club Location within your Territory that meets our specifications. You must obtain our approval of your proposed Club Location within 180 days of the date you sign your Franchise Agreement. You will not

pursuant to the terms of your Franchise Agreement. You may not use the Trademarks in the name of any business entity you establish.

Your Franchise Agreement grants you the nonexclusive right to use the Trademarks in your Portal Club. Portal One owns the Trademarks and has registered or applied for registration of the following principal Trademarks with the United States Patent and Trademark Office (the “USPTO”) on the Principal Register:

Mark	Serial Number	Application or Registration Date
Chill Sweat Connect	98863792	Registered on August 5, 2025
Neighborhood Sauna	99277801	Applied for registration on July 10, 2025 Registered on June 2, 2026
Portal	98413587	Registered on February 4, 2025
Portal	98867719	Registered on January 20, 2026
	98864992	Registered on August 5, 2025

~~We do not yet have a federal registration for our “Neighborhood Sauna” trademark. Therefore, this trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use this trademark is challenged, you may have to change to an alternative trademark which may increase your expenses.~~

There are no currently effective material determinations by the USPTO, the Trademark Trial and Appeal Board, any court, or the trademark administrator of any state with respect to our principal trademarks. There are no pending infringement, opposition, or cancellation proceedings and no pending litigation involving our principal trademarks. We know of no superior rights or infringing uses that could materially affect your use of our principal trademarks or other related rights in any state.

You will provide us with written notice of any claims that you may become aware of regarding the Trademarks including, without limitation, your use of the Trademarks and any claim associated with a third party’s use of a trademark that is identical or confusingly similar to the Trademarks. We have the sole discretion to take any actions or refrain from taking any action that we believe appropriate in response to any trademark infringement, challenge, or claim. As between us, we possess the sole right to exclusively control any litigation, legal proceedings, administrative proceedings, or settlements involving any actual or alleged infringement, challenge, or claim relating to the Trademarks. You will execute all documents, instruments, or agreements and undertake the actions that we determine to be necessary or advisable for the protection or maintenance of our interests in the Trademarks in any legal proceeding or administrative proceeding as we may determine. As to the foregoing, we will reimburse you for your reasonable out-of-pocket administrative expenses that you pay to comply with our written instructions.

We will protect your right to use the Trademarks and other related rights, protect you against claims of infringement and unfair competition related to the Trademarks, and indemnify you against direct damages for trademark infringement in a proceeding arising from your use of the Trademarks provided that you use the Trademarks in accordance with the terms of your Franchise Agreement, as designated by us in the Operations Manuals, or otherwise as we direct and you timely notify us of any claim, give us sole control of the defense and settlement of such claim, and are in compliance with your Franchise Agreement. If we defend any claim, we have no obligation to indemnify or reimburse you for the fees or disbursements of any attorney that you retain.

If any third party establishes to our satisfaction and in our discretion that its rights to the Trademarks are superior to any of our rights and we believe in our discretion that it is advisable to discontinue the use of or modify any part of the Trademarks, we will modify or replace the Trademarks and you will use the substitutions, replacements, or variations of or to the Trademarks and use those trademarks, service marks, logos, and trade names we designate. Our sole liability and obligation in such event will be to reimburse you for your direct out-of-pocket costs of compliance which you must document to our reasonable satisfaction.

ITEM 14 **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

Patents

We do not have any patents or pending patent applications that are material to your Portal Club. Portal One holds a pending patent application relating to its proprietary cold plunge technology.

Copyrights

The Operations Manual and all other manuals, systems, binders, logos, designs, marketing materials, layouts of advertising materials, books, writings, recordings, videos, software, web content, electronic files, printed materials, and licensed methods, and all revisions, modifications, changes, and derivatives of these materials that we provide to you for use in your Portal Club (collectively, the “**Copyrighted Materials**”) are protected by copyright and other laws. Although we have not filed an application for copyright registration for any part of the Copyrighted Materials, we claim common law and federal copyrights and trade secret rights in the Copyrighted Materials. We grant you the right to use the Copyrighted Materials in the operations of your Portal Club, but such Copyrighted Materials remain our sole property. There are no currently effective material determinations of the United States Copyright Office or any court of competent jurisdiction regarding the Copyrighted Materials. There are no agreements that limit the use of the Copyrighted Materials. You will use copyright, confidentiality, or other proprietary notices on all the Copyrighted Materials.

Proprietary Information

We own the Operations Manual, electronic information and communications, marketing, advertising and related information and materials, data bases (whether in print, electronic, or other form), our methodology, and other written or oral information developed and used in connection with the System are. These materials constitute our confidential information and trade secrets (collectively, the “**Confidential Information and Trade Secrets**”). We may use or transfer the Confidential Information and Trade Secrets in any way we elect at any time. We may contact any of your clients, suppliers, and other service providers for quality control, market research, and such other purposes as we deem appropriate in our discretion.

You will not use, publish, disclose, divulge, or in any manner communicate the Confidential Information and Trade Secrets to any person or other entity in any manner other than as we permit. You will not use, copy, or imitate, or allow any other person or other entity to use, copy, or imitate, any of the Confidential Information and Trade Secrets or any materials confusingly similar to the Confidential Information and Trade Secrets in any manner other than we permit. You and each of your officers, owners, directors, employees, other beneficial owners, your immediate family members, and your employees who have access to the Confidential Information and Trade Secrets must execute a non-disclosure and non-competition agreement.

Provision	Section in Franchise Agreement	Summary
		<p>fees and disbursements we incur, (vi) you complete any additional or remedial training to our reasonable satisfaction that we require, (vii) you execute and deliver a release of us, our affiliates, and their respective officers, directors, agents, and employees of all claims to the extent permitted by law, (viii) you complete all renovations, refurbishment, or repairs of your Portal Club as we reasonably require, (ix) you provide us with a complete set of financial statements and reports for your Portal Club for the last two fiscal years immediately preceding the date of renewal, (x) the lease for your <u>Club Location</u> contemplates a renewal term and the landlord of your Club Location consents to a renewal term, and (xi) you are otherwise able to maintain possession of your Club <u>L</u>ocation pursuant to a lease directly with the landlord or a sublease from us or our affiliate in our then-current standard form.</p>
(d) Termination by Franchisee	None.	Not applicable.
(e) Termination by Franchisor Without Cause	None.	Not applicable.
(f) Termination by Franchisor with Cause	Section 12.	Each of your obligations under your Franchise Agreement is a material and essential obligation, the breach of which may result in a termination.
(g) "Cause" Defined – Curable Defaults	Section 12.	Your failure to (i) promptly remove any involuntary lien upon any of your business assets or property, (ii) transfer or attempt to transfer any of your rights or obligations under your Franchise Agreement in accordance with the terms and conditions of your Franchise Agreement or to obtain our prior written consent prior to any purported transfer, (iii) comply with your Franchise Agreement's requirements upon your death or permanent disability of the death or

Provision	Section in Franchise Agreement	Summary
		<p>disability of your controlling interest holder if you are a business entity, (iiiiv) secure and maintain required insurance after three days' written notice requiring the deficiency to be cured, (ivv) supply us with reports regarding Gross Revenues receipts and business activities or other financial or other information required by your Franchise Agreement, (vvi) accurately report your Gross Revenues so that they have been understated in any report delivered by you to us by more than 5%, (vii) use the techniques, training, and methods promulgated by the Operations Manual, (viii) apply your full efforts to the performance of your duties under your Franchise Agreement, (iiiiix) keep true and accurate business records and books in accordance with our procedures or to make available those items deemed necessary for our inspection, (ixx) maintain the standards of good conduct and appearance we designate by Portal, (xxi) complete our initial training program on the earlier of (yi) 30 days prior to opening or (zi) ii) 180 days after the date of your Franchise Agreement, (xii) comply with the restrictions against competition or solicitation set out in your Franchise Agreement, (xiii) obtain and maintain all required licenses or governmental approvals and to cure the default within five days following written notice from us or any governmental authority, (xiiiv) comply with any law or regulation applicable to the operation of your Portal Club and to observe the requirements within five days of written notice from us or any governmental authority without respect to the standard 30-day cure period, (xiv) renovate or refurbish your Portal Club in accordance with our standards and specifications, and</p>

Provision	Section in Franchise Agreement	Summary
		(xvi) comply with any requirement imposed by your Franchise Agreement or to carry out the terms of your Franchise Agreement in good faith except as otherwise provided in Section 12.2 of your Franchise Agreement.
(h) "Cause" Defined – Non-Curable Defaults	Section 12.	(i) You fail to make timely payment to us of any sums payable to us pursuant to your Franchise Agreement or any other agreement between you and us after five days' written notice to you of the failure to pay, (ii) you fail to cure a default under your Franchise Agreement within ten business days after receipt of notice that materially impairs the System's goodwill, (iii) you or your Portal Club are declared or judicially determined to be insolvent, you commit an act of bankruptcy, all or a substantial part of your assets or the assets of your Portal Club are assigned to or for the benefit of any creditor, you admit your inability to pay your debts as they become due, or a liquidator, trustee in bankruptcy, custodian, receiver, receiver, manager, sheriff, constable, or any other officer with similar powers is temporarily or permanently appointed by a court of competent jurisdiction with authority over your Portal Club's operations, (iv) your Portal Club is seized, taken over, or foreclosed upon by a governmental official in the exercise of its duties, or seized, taken over, or foreclosed upon by a creditor, lien holder, or lessor, a final judgment against you remains unsatisfied for 30 days, or a levy of execution is made you're upon your Portal Club or upon any property used in your Portal Club that is not discharged within five days of the levy, (v) a bankruptcy order is made against you by a court of competent jurisdiction, (vi) you abandon your Portal Club by

Provision	Section in Franchise Agreement	Summary
		Agreement, and (xxv) your lease is terminated for any reason or you otherwise lose the right of possession of your Club Location.
(i) Franchisee’s Obligations on Termination/Non-Renewal	Sections 12 and 15.	(i) Cease operating your Portal Club, (ii) cease using all of the Trademarks, the System, the Operations Manual, your telephone number, and any other property connected with your Portal Club, (iii) transfer any ownership rights that you or your employees, agents, or contractors may have developed in relation to the System and your Portal Club, (iv) return the Operations Manual and all other confidential or proprietary material to us, pay us the greater of (y) any amounts due or owing to us or our affiliates by you or (z) liquidated damages, (v) assign all right, title, and interest to all of your Portal Club’s business telephone numbers, (vi) acknowledge that you have no interest in your Portal Club and that all of your rights and privileges under your Franchise Agreement are terminated, (vii) remove all identification of the System from your Club Location and make any other modifications we specify at your sole expense, (ix) cancel any business names, trade names, or any other similar registrations that contain any of the Trademarks and provide us with evidence of cancellation, (x) dismantle any social media site, blog, or similar Internet webpage you control that contains any of the Trademarks, (xi) assign your remaining interest in any lease then in effect for your Club Location (although we will not assume any past due obligations) to us or our assignee upon demand, and (xii) lose all of your rights to use of the Trademarks and all other rights and licenses granted in your Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
(j) Assignment of Contract by Franchisor	Section 13.	No restrictions.
(k) "Transfer" by Franchisee – Defined	Section 1.	Any (i) sale, transfer, assignment, pledge, mortgage, encumbrance, or other conveyance of any part of your interest in your Franchise Agreement or the assets of your Portal Club (including by operation of law), (ii) sale, transfer, assignment, pledge, mortgage, encumbrance, or other conveyance of any interest in you, or (iii) change in the composition of your Owners whether by operation of law or otherwise, or any amalgamation that results or could result in a change of control of you.
(l) Franchisor's Approval of Transfer by Franchisee	Section 13.	We must approve all transfers.
(m) Conditions for Franchisor's Approval of Transfer	Section 13.	(i) The transferee is of good moral character and reputation, has adequate financial strength, and possesses appropriate business and other qualifications required for franchisees joining the System at that time and you provide us with any information we reasonably request to make a determination, (ii) the transfer will provide the proposed transferee with an economically viable business opportunity, the transferee otherwise meets Portal's then-current criteria for a franchisee of the System, (viii) the transferee enters into our then-current form of Franchise Agreement as the franchisee, (xiv) if the transferee is a business entity, the transferee's owners jointly and severally guarantee the transferee's obligations by entering into a guarantee in a form satisfactory to us, (xv) you <u>pay</u> us a non-refundable transfer fee equal to \$10,000.00 plus legal fees and disbursements, (vi) the transferee does not have debt of more than 40% of the purchase price and is not otherwise undercapitalized in our reasonable opinion, (vii) if you or

Provision	Section in Franchise Agreement	Summary
		<p>any Owner finances any portion of the sale price, then all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Portal Club are subordinate to the transferee's obligations to pay royalties, Marketing Fund <u>Growth System</u> Contributions, and all other amounts owing to us, our affiliates, or third party vendors, (xixviii) the transferee's key personnel successfully complete a training program we determine, (xix) you and each of your Owners enter into a release in a form permitted by law of all claims against us, our affiliates, our franchisees, and our and their respective officers, directors, shareholders, and employees, (xix) the transferee agrees to bring its operations and your Portal Club into full compliance with the specifications and standards then applicable for new or renewing franchisees including, without limitation, new signage, computer hardware and software, and methods of operation and to make all capital expenditures we request to modernize your Portal Club to reflect our then-current standards and image at your or the transferee's sole expense within a reasonable timeframe we establish, (xii) in the case of an asset sale, the transferee purchases all of your assets used in your Portal Club in accordance with all applicable bulk sales legislation and assumes all of your business liabilities including all tax liabilities, (xiii) the transferee expressly assumes all of your obligations to us and our affiliates, (xivii) you submit all required reports, financial statements, and other documents due to us under your Franchise Agreement up to the effective date of the transfer, (xv) <u>at the time of the</u></p>

Provision	Section in Franchise Agreement	Summary
		<p>proposed transfer or within three months thereafter, there is not another suitable Portal Club that the proposed transferee may purchase from us, (xvixiv) we do not reasonably determine, by written notice to you identifying the specific available Portal Club location delivered within 10 business days of our receipt of your transfer application, that there is a substantially similar Portal Club available for purchase from us within the same metropolitan statistical area as your Club Location, (xv) there are at least twelve months remaining in the then-current term of your Franchise Agreement, (xvii) you remain liable for all of your obligations to us and our affiliates in connection with the operation of your Portal Club prior to, through, and after the effective date of the transfer and you execute any instruments reasonably required by us to evidence liability, (xviii) you return the Operations Manual and all confidential or proprietary material to us within 24 hours of the transfer, (xix) you provide us with a copy of the agreement of purchase and sale between you and the transferee, and (xi) there are no other reasonable grounds for us to withhold our consent.</p>
(n) Franchisor’s Right of First Refusal to Acquire Franchisee’s Business	Section 13.	We can match any offer.
(o) Franchisor’s Option to Purchase Franchisee’s Business	None.	Not applicable.
(p) Death or Disability of Franchisee	Section 14.	Your Franchise Agreement must be transferred to a third party we approve within 180 days.
(q) Non-Competition Covenants During the Term of the Franchise	Section 15.	You will not (i) be a member of or otherwise be associated with any organization directly or indirectly engaged in the purchase or arranging for the purchase of a competitive

Provision	Section in Franchise Agreement	Summary
		<p>business, (ii) directly or indirectly maintain any ownership or leasehold interest in or business affiliation with any franchised system other than a franchise operated under a direct agreement with us, (iii) authorize or allow independent contractors or any third party with whom you transacts business to use or have access to our Confidential Information and Trade Secrets, (iv) carry on, be engaged in, be concerned with, be interested in, or advise, lend money to, guarantee the debts or obligations of, or permit any part of your name to be used or employed in a competitive business individually, in partnership, jointly, or in conjunction with any related party or person, firm, association, syndicate, or corporation, as principal, agent, shareholder, advisor, consultant, or in any manner whatsoever, or (vi) directly or indirectly engage in any activities that would be detrimental to or interfere with our operation, reputation, or goodwill or that of your Portal Club or the System.</p>
(r) Non-Competition Covenants After the Franchise is Terminated or Expires	Section 15.	<p>(i) yYou, your guarantors, and each of your respective related parties, officers, directors, shareholders, partners, employees, consultants, distributors, agents, or the members of your or their immediate families or households who have access to or knowledge of the System or the Operations Manual will not have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative, adviser or agent in a competitive business within 20ten miles of your Club Location or the Club Location of any other Portal Club, and (ii) you will not on your own behalf or on behalf of or in connection with any person or entity directly or indirectly interfere or attempt to interfere with</p>

the information, and if the information is included in the Franchise Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if (i) a franchisor provides the actual records of an existing outlet you are considering buying, or (ii) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following chart discloses the Gross Revenues, operating expenses, and Unit EBITDA of our company-owned ClubhouseOutpost (Modified, Fully Loaded) from January ~~16~~, 2024, through ~~December 31, 2024~~January 2025.

Boulder, Colorado - <u>ClubhouseOutpost (Modified, Fully Loaded)</u>	
Gross Revenue	\$860,252.00
Total Operating Expenses	(\$300,973.00)
Unit EBITDA	\$559,279.00
Imputed Franchise Fee Schedule	
Imputed Royalty Fee	(\$45,2350.00)
Technology Fee	(\$5,7506,000.00)
Estimated Net After Fees	\$508,294553,279.00

The following chart discloses the Gross Revenues, operating expenses, and Unit EBITDA of our company-owned ClubhouseOutpost (Modified, Fully Loaded) from February ~~15~~, 2025, through ~~March 31~~,February 2026.

Denver, Colorado - <u>ClubhouseOutpost (Modified, Fully Loaded)</u>	
Gross Revenue	\$1,038,149956,657.00
Total Operating Expenses	(\$646,743535,371.00)
Unit EBITDA	\$391,406421,286.00
Imputed Franchise Fee Schedule	
Imputed Royalty Fee	(\$55,3490.00)
Technology Fee	(\$6,750000.00)
Estimated Net After Fees	\$329,307415,286.00

The following chart discloses the Gross Revenues, operating expenses, and Unit EBITDA of our company-owned Brick & Mortar from May ~~21~~, 2025, through ~~March 31~~,May 2026.

Minneapolis, Minnesota – Brick & Mortar	
Gross Revenue	\$1,043,994376,335.00
Total Operating Expenses	(\$684,273822,000.00)
Unit EBITDA	\$359,721554,335.00
Imputed Franchise Fee Schedule	
Imputed Royalty Fee	(\$53,931.00)
Technology Fee	(\$5,250.00)
Estimated Net After Fees	\$300,540.00

The following chart discloses the Gross Revenues, operating expenses, and Unit EBITDA of our company-owned Outpost from November 11, 2025, through March 31, 2026.

<u>Emerald City, Boulder, Colorado – Outpost</u>	
Gross Revenue	\$110,058.00
Total Operating Expenses	(\$74,320.00)
Unit EBITDA	\$35,738.00
Imputed Franchise Fee Schedule	

Emerald City, Boulder, Colorado—Outpost	
Imputed Royalty Fee	\$(0.00)
Technology Fee	(\$2,3506,000.00)
Estimated Net After Fees	\$33,388548,335.00

Notes:

1. The foregoing information shows historical financial performance and is not a projection of future performance.

2. All financial figures presented in this Item 19 have been rounded to the nearest dollar. Rounding differences are not material and do not affect the representativeness of the data presented.

3. The units disclosed above were owned and operated by Portal One. This Item 19 reflects the specific reporting period for each unit and may not be representative of results over a full calendar year or a stabilized operating period.

4. “Gross Revenue” means all amounts generated by the unit whether for cash, check, credit, gift cards, barter, or any other means of exchange. Gross Revenue does not include *bona fide* refunds to customers, sales taxes collected, proceeds from the sale of used equipment not in the ordinary course of business, or sales of prepaid gift cards or similar products.

5. “Total Operating Expenses” means all operating expenses associated with operating and managing the day-to-day business of the unit, including payroll and payroll taxes, occupancy, local marketing, insurance, supplies and maintenance, and administrative and software costs. Total operating expenses exclude franchise fees, corporate overhead, interest, depreciation, amortization, taxes, and owner or operator compensation.

6. “Unit EBITDA” means Gross Revenue less Total Operating Expenses without regard to amounts that would otherwise have been due to us if the unit had been operated as a franchised location.

7. “Imputed Royalty Fee” means the royalty fee the unit would have paid if it had been operated as a franchised Portal Club ~~calculated at 6% of Gross Revenues. For the first six months of operation of each Portal Club, the Imputed Royalty Fee is imputed only on Gross Revenues exceeding \$60,000.00 per month consistent with the royalty progression described in Item 6. In months where Gross Revenues did not exceed \$60,000.00 during the ramp up period, no royalty is imputed. For the Emerald City Outpost, the entire 4.7 month reporting period falls within the initial six month ramp up period. Average monthly Gross Revenues during this period were approximately \$23,417.00, which did not exceed the \$60,000.00 monthly threshold in any month. Accordingly, no Imputed Royalty Fee was incurred during the reporting period and the \$0.00 figure reflects this outcome rather than an omission. Royalty fees are not imputed in any period where application would result in negative Unit EBITDA solely for illustrative purposes. The company-owned units presented in this Item 19 were operated as purchase-path equivalents and are therefore imputed at the standard royalty rate of 5% of Gross Revenues. Under the royalty structure described in Item 6, the Royalty Fee is waived for the first twelve months of operation. Accordingly, no Imputed Royalty Fee has been applied for any unit, as each unit’s reporting period falls within the first twelve months of operation, during which the Royalty Fee is waived.~~

8. “Technology Fee” means the fixed monthly fee of \$500.00 applicable to all Portal Clubs.

9. The ~~Marketing Fund~~Growth System Contribution is reflected within Total Operating Expenses for all of the units. ~~For the Boulder and Denver Clubhouse units and the Minneapolis Brick &~~

~~Mortar units, the Marketing Fund based on actual amounts paid by Portal One during each reporting period at an average of \$5,000.00 per month. The total Growth System Contribution is \$6,850.00 per month. The total marketing fund contribution reflected in Total Operating Expenses is \$78,77560,000.00 for each of the Boulder, Denver, and Minneapolis units over the 11.5-month reporting period, \$92,475.00 for Denver over the 13.5-month reporting period, and \$71,240.00 for Minneapolis over the 10.4-month reporting period. For the Emerald City Outpost, the marketing fund contribution reflected within Total Operating Expenses is \$19,000.00 over the 4.7-month reporting period. The Marketing Fund Contribution is optional for Outpost franchisees; the amount reflected for Emerald City represents actual amounts spent and is less than the standard \$6,850.00 per month applicable to other Portal Club formats. For franchisees, marketing and software costs are provided through the Marketing Fund Growth System Contribution and Technology Fee.~~

10. All figures are presented on a cash basis and have not been audited. Results may differ from those prepared in accordance with GAAP.

~~11. The reporting periods presented are not uniform and do not represent the same timeframes across units. Comparisons between units may not be meaningful and should not be interpreted as indicative of performance over a consistent period. The Emerald City Outpost reporting period of approximately 4.7 months reflects initial operations only and is not representative of stabilized performance.~~

~~12~~ 11. The units presented reflect multiple operating Portal Club formats and geographic markets and are intended to demonstrate historical performance across the affiliate-operated platform rather than the performance of any single standardized Portal Club format.

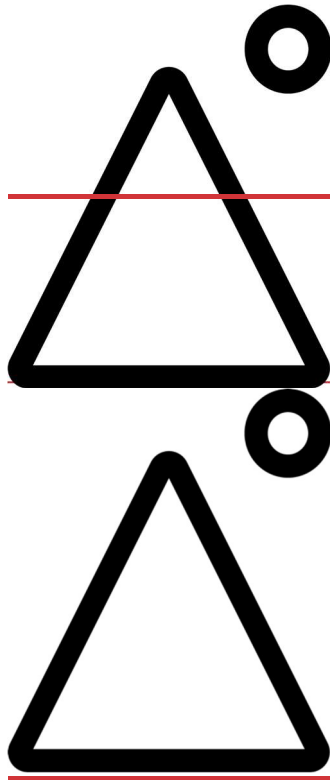
1312. No adjustments have been made for owner or operator compensation. Franchisees who elect to manage their own locations should account for the economic value of their labor. The unit financials presented reflect a staffing level of two to five full-time employees depending on the Portal Club format and operating model.

1413. The Boulder, Colorado ClubhouseOutpost (Modified, Fully Loaded) location operated by Portal One was a pilot pop-up location operated on a temporary basis to test the ClubhouseOutpost format and ceased operations on January 1, 2025. Accordingly, no financial performance data is available for this location beyond December 31, 2024. The 2024 figures presented above reflect the unit's full period of operation. This unit is reflected as a closed outlet in Item 20, Table 4.

Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Will Drescher, 4949 Broadway Street, Suite 113, Boulder, Colorado 80304, (920) 858-1090, and the appropriate state regulatory agencies.



**PORTAL FRANCHISING LLC
FRANCHISE AGREEMENT**

Summary

Franchisee (see Preamble): _____, a[n]
[jurisdiction] [entity form]

Premises (see Section 1.1): _____

Territory (see Section 1.1): _____

“Activation Fee” means a ~~\$30,000.00~~ fee paid by Franchisee for the services provided by Portal before Franchisee’s Portal Club opens for business that are not related to the construction or delivery of Franchisee’s Portal Club. The Activation Fee is \$10,000.00 for an Outpost and \$30,000.00 for a Clubhouse and Brick & Mortar.

“**Addendum to Lease**” means the addendum to lease in the form attached as Schedule F.

“**Additional Services**” means additional services in addition to the services approved by Portal from time to time.

“**Affiliate**” means individually or collectively any entities or individuals controlling, controlled by, or under common ownership with Portal including, without limitation, Portal Thermaculture LLC, Portal Consulting LLC, Portal Denver LLC, Portal Dry Goods LLC, Portal Emerald City LLC, Portal Events LLC, Portal Insight LLC, Portal Minnesota LLC, Portal Mobile Clubhouse LLC, Portal Plunge LLC, Portal Real Estate LLC, and Portal Saunas LLC.

“**Agreement**” means this Portal Franchising LLC Franchise Agreement.

“**Applicable Laws**” means all applicable local, municipal, state, or federal laws, regulations, by-laws, codes, orders, rulings, ordinances, and permits governing the establishment and operation of Franchisee’s Portal Club including, without limitation, all laws existing as of the Effective Date as amended from time to time or similar laws enacted in the future.

“**Auto-Debit Authorization Agreement**” means the agreement in the form attached as Schedule C.

“**Bona Fide Offer**” means an offer in writing from a third party to purchase Franchisee’s Portal Club pursuant to which:

(i) Transferee accepts a transfer or assignment of all or substantially all of the assets then used in connection with Franchisee’s Portal Club and receives an assignment of Franchisee’s rights under the Agreement, any leases of equipment used in connection with Franchisee’s Portal Club, or any ownership interests in Franchisee’s Portal Club;

(ii) The Purchase Price is expressed solely as a monetary sum payable in cash, certified check, or wire transfer;

(iii) Not less than 60% of the Purchase Price is payable at closing and any remainder is paid in equal periodic installments over the lesser of three years or the remaining Term;

(iv) The sole security for payment of the Purchase Price is a purchase money security interest in the tangible assets being purchased and sold or a pledge of ownership interests by Transferee in Franchisee’s favor; provided, however, that Franchisee does not directly, indirectly, voluntarily, involuntarily, by operation of law, or otherwise sell, assign, transfer, donate, pledge, mortgage, or otherwise encumber any such assets or ownership interests or offer or attempt to do so or permit the same to be done without first obtaining Portal’s prior written consent;

(v) The underlying terms and conditions are *bona fide* and not so unique or unusual as to render it impossible for Portal to perform and observe them on a commercially reasonable basis; and

(vii) Transferee agrees in writing to pay all applicable taxes with respect to the *Bona Fide Offer*.

“**Brick and Mortar Club**” means a Portal Club that is a permanent land-based traditional structure.

“Clubhouse” means a Portal Club that is a semi-permanent land-based structure consisting of multi-unit modular containers.

“**Competitive Business**” means any business that (i) is engaged or will be engaged in the offer or sale of Services or Products or similar services or products, or (ii) directly or indirectly competes with Franchisee’s Portal Club.

“**Conference**” means Portal’s annual or regional conference if Portal conducts a conference.

“**Confidential Information**” means any confidential information, knowledge, know-how, or trade secrets utilized by or incorporated into the System or concerning the methods of operation of Franchisee’s Portal Club including, without limitation, (i) all elements of the System and the System’s products, programs, services, and practices, (ii) the Manual, (iii) specifications for and suppliers of certain goods, services, equipment, materials, supplies, product costs, and accounting methods including, without limitation, paper and electronic spreadsheets, (iv) the operating results and financial performance of Portal Clubs including Franchisee’s Portal Club, (v) Franchisee’s customer lists, customer accounts, and customer information whether developed or maintained by Franchisee, Portal, or with Portal’s assistance, (vi) any management tools or advertising that may be communicated to Franchisee or of which Franchisee may be apprised of by virtue of Franchisee’s operation of Franchisee’s Portal Club, (vii) all procedures, systems, techniques, and activities employed by Portal or Franchisee in connection with the offer and sale of Services and Products at or from Franchisee’s Portal Club, (viii) Portal’s specifications for the build-out of the Premises, (ix) additions to, deletions from, modifications to, and variations of the components of the System and the other systems and methods of operations which Portal employs now or in the future, (x) all other information, knowledge, and know-how concerning the past, present, and contemplated services and procedures relating to Franchisee’s Portal Club including, without limitation, intellectual property and any customer, supplier, financial, or marketing information pertaining to the System, and (xi) all other information, knowledge, and know-how that Portal or Affiliates reasonably designates as confidential.

“**Corporate Office**” means Portal’s corporate office located at 4949 Broadway Street, Suite 113, Boulder, Colorado 80304 or any other location Portal designates. “Container Asset Trust Agreement” means the written agreement between Portal Franchising LLC and Portal Mobile Clubhouse LLC pursuant to which Container Purchase Fee funds are deposited into a segregated bank account maintained at JPMorgan Chase Bank, N.A. and held pending commencement of construction of Franchisee’s container asset. “Container Purchase Fee” means a non-refundable fee paid by an Outpost or Clubhouse franchisee to Portal Mobile Clubhouse LLC for the purchase of the container asset associated with Franchisee’s Portal Club. For an Outpost, the Container Purchase Fee ranges from \$100,000.00 to \$280,000.00. For a Clubhouse, the Container Purchase Fee is \$750,000.00 paid to Portal Mobile Clubhouse LLC and applied toward either (i) a purpose-built, turn-key container asset delivered to the Club Location, or (ii) the design-build budget for a ground-up Clubhouse constructed on a vacant lot, with Portal Mobile Clubhouse LLC serving as design-build manager. The Container Asset Trust Agreement governs disbursement of the Container Purchase Fee.

“**Disclosure Document**” means Portal’s franchise disclosure document that was provided to Franchisee.

“**Effective Date**” means the date the Agreement becomes effective as described in the Preamble.

“**Evaluation**” means the photographing or videoing of the interior and exterior of the Premises and any portion of the Premises for any purpose.

~~“**Floating Club**” means a Portal Club that is a permanent floating structure.~~

“**Franchise Assets**” means all improvements, furniture, inventory, fixtures, and equipment of Franchisee’s Portal Club and all of Franchisee’s accounts, contract rights, customer information, vendor lists, works-in-progress, and other business assets.

“**Franchisee**” means _____.

“**General Security Agreement**” means a general security agreement in the form attached as Schedule E.

“**Gross Revenues**” means all gross sums collected or billed by Portal or Franchisee for all goods and services sold in connection with Franchisee’s Portal Club and any other revenue related to or derived from the provision of the Services and Products or the sale of any services or products in connection with the conduct and operation of Franchisee’s Portal Club whether for cash, check, credit, gift certificates, coupons, barter, or any other means of exchange ~~including, without limitation, the proceeds of any business interruption insurance policies and all revenues derived from Franchisee’s tenants or subtenants including, without limitation, rent and any other lease payment.~~ Gross Revenues do not include any sales, use, excise, license, or similar taxes separately billed, charged, and collected by Franchisee for remittance to the appropriate governmental authorities, ~~proceeds from any business interruption insurance policy, or revenues derived from the subletting of any portion of Franchisee’s Premises.~~ Any installment or credit sale will be treated as a cash sale for the full price in the month during which the sale is made regardless of the time payment is received.

“**Guarantee**” means a guarantee agreement in the form attached as Schedule A.

“**Guarantor**” means Franchisee’s guarantor if Franchisee is a business entity.

“**Initial Franchise Fee**” means ~~an \$85,000.00~~ a fee paid by Franchisee for the right to operate Franchisee’s Portal Club. The Initial Franchise Fee is \$25,000.00 for an Outpost and \$45,000.00 for a Clubhouse and Brick & Mortar.

“**Insufficient Funds Fee**” means a \$100.00 fee paid by Franchisee if any payment to Portal is returned for insufficient funds.

“**Interim Operation**” means the use of one or more of Portal’s employees, contractors, or agents to operate Franchisee’s Portal Club on Franchisee’s behalf if Franchisee is in default of (i) Section 12.1 and Franchisee has failed to cure the default within the applicable time period, or (ii) Section 12.2.

“**Interim Period**” means any period following expiration of the Term or any renewal term during which Franchisee continues to operate Franchisee’s Portal Club until one Party provides the other Party with written notice of intent to terminate the Interim Period in which case the Interim Period will terminate 30 days after the non-terminating Party’s receipt of notice.

“**Key Persons**” means Franchisee’s key personnel including, without limitation, Franchisee’s Portal Club’s managers and Managing Party.

“Lease” means the lease for the Premises.

“Listing Assignment Agreement” means the agreement in the form attached as Schedule G.

“Logistics Fee” means a fee paid by Franchisee for the services provided by Portal before Franchisee’s Portal Club opens for business that are related to the construction or delivery of Franchisee’s Portal Club. The Logistics Fee is ~~\$15,000.00 for an Outpost, \$70,000.00 for a Mobile Club, \$135,000.00 for a Clubhouse, and \$80,000.00 for a Brick and Mortar Club, and \$735,000.00 for a Floating Club.~~

“Manual” means Portal’s operations manual and any other written materials or directions provided to Franchisee containing mandatory specifications, standards, or procedures applicable to the System whether in hard copy or electronic format as Portal may develop, revise, withdraw, or replace them.

“Marketing Campaigns” means marketing programs, advertising programs, promotional programs, consumer relations programs, general publicity programs, and any other similar programs determined by Portal.

~~“Marketing FundGrowth System Contribution” means the continuing monthly marketing and advertising contribution Franchisee makes to the MarketingGrowth System Fund. The Marketing FundGrowth System Contribution is the greater of (i) 5,000.00 per% of Gross Revenues for the preceding month for a Mobile Club, \$5,000 or (ii) \$4,500.00 per month for a BrieksClubhouse and a Brick & Mortar Club, and \$25,000.00 per month. The Growth System Contribution is optional for a Floating Club. Outpost franchisees.~~

“MarketingGrowth System Fund” means a fund maintained and administered by Portal where all ~~Marketing FundGrowth System~~ Contributions are deposited for the benefit of the System.

“Managing Party” means the natural person designated by Franchisee to provide binding, formal communications to Portal. ~~“Management Fee” means a monthly fee equal to 2.5% of Gross Revenues payable by Franchisee to Portal if Franchisee elects to engage Portal or an Affiliate to manage the day-to-day operations of Franchisee’s Portal Club. For the first 6 months of operation of Franchisee’s Portal Club, the Management Fee applies only to Gross Revenues exceeding \$60,000.00 per month.~~

~~“Minimum Royalty Fee” means \$7,500.00 for a Mobile Club, \$11,250.00 for a Brick and Mortar Club, and \$15,000.00 for a Floating Club.~~

~~“Mobile Club” means a Portal Club that is a relocatable, land-based structure purpose-built on gooseneck trailers off site before deployment.~~

~~“Non-Urban Market” means a location within the boundaries of a “Metropolitan Statistical Area” as defined by the U.S. Office of Management and Budget with a population of more than 500,000 persons.~~

“Note” means any promissory note or similar instrument issued to and in favor of Portal or Affiliates.

“Notice of Intent” means a notification of Portal’s intention to exercise its rights to purchase the Franchise Assets pursuant to Section 12.7.

“Opening Date” means the date Franchisee opens Franchisee’s Portal Club for business to the general public.

“**Option Period**” means the 60-day period following an event described in Section 12.7(a) during which Portal may provide Franchisee with a Notice of Intent.

“**Other Channels**” means the sale of Services or Products anywhere in the world by or through other channels of trade including, without limitation, electronic, computerized, or other remote entry ordering systems like the Internet, direct mail, mail order catalogs, telemarketing, infomercials, airports, bus and railroad terminals, shopping malls, hotels, hospitals, universities, schools, convention centers, casinos, military bases, office buildings, business complexes, apartment buildings, condominiums, dormitories, other high density locations and similar locations, sales to wholesalers, distributors, or retailers for resale in locations such as supermarkets, convenience stores, department stores or other retail stores, co-branding relationships, and any similar outlets or distribution methods determined by Portal, and sales of the Services or Products to customers when the customers specifically request that the Services or Products be provided by one of Portal’s representatives.

“**Outpost**” means a Portal Club that is a semi-permanent land-based structure consisting of stand-alone modular containers.

“**Permanent Disability**” means any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set out in the Agreement or in the Guarantee for at least 90 consecutive days and from which condition recovery within 90 days from the date of determination of Permanent Disability is unlikely. Permanent Disability will be determined by a licensed practicing physician Portal selects. If a person refuses to submit to an examination, then the person will automatically be deemed permanently disabled as of the date of refusal for the purpose of Section 14.1.

“**Plans**” means Portal’s architectural and design plans and specifications for the construction of a Portal Club.

“**Portal**” means Portal Franchising LLC, a Colorado limited liability company.

“**Portal Club**” means a service-based wellness business providing sauna services, cold plunge services, other wellness offerings, and related amenities and products operated using the System.

“**POS System**” means the point of sale system, credit and debit card processing system, associated software, and related services Portal designates for the operation of Franchisee’s Portal Club.

“**Premises**” means the premises upon which Franchisee operates Franchisee’s Portal Club identified on the Summary.

“**Prime Rate**” means the then-current prime rate of interest charged by Portal’s bank to its most creditworthy commercial customers.

“**Privacy Laws**” means any relevant privacy laws and regulations relating to the operation of Franchisee’s Portal Club.

“**Products**” means any products, goods, merchandise, supplies, and other items used or sold by Franchisee’s Portal Club including, without limitation, branded products and other promotional items designated and authorized by Portal.

“**Purchase Price**” means the purchase price for the Franchise Assets in connection with the Termination or Transfer of the Agreement or as otherwise described in the Agreement.

“**Rebate**” means a referral payment, benefit, allowance, credit, fee, commission, discount, bonus, or other benefit or consideration received by Portal from product suppliers or service suppliers if Franchisee opts to retain services from the suppliers.

“**Related Party**” means Guarantors and Franchisee’s affiliates individually, in partnership, jointly, or in conjunction with any person or entity as principal, agent, shareholder, interest owner, or other similar role.

“**Released Persons**” means Portal, Affiliates, related subsidiaries, and each of their respective officers, directors, shareholders, agents, employees, and any person for whom Portal or Affiliates are legally responsible.

“**Releasers**” means Franchisee, Related Parties, and each of their respective officers, directors, owners, agents, employees, and any person for whom Franchisee or Franchisee’s affiliates are legally responsible.

“**Royalty**” means the continuing weekly/monthly royalty fee payable by Franchisee pursuant to Section 7.4.

“**Security Interest**” means a share certificate, security interest, chattel mortgage, debenture, mortgage, or similar encumbrance of any nature whatsoever.

“**Services**” means, without limitation, sauna services, cold plunge services, other wellness offerings, and all other related services as Portal designates and authorizes in writing.

“**Sublandlord**” means Portal, Affiliates, or any party Portal grants the ability to enter into a binding sublease under the Lease.

“**Summary**” means the informational summary on the cover page of the Agreement.

“**System**” means Portal’s unique and distinctive system relating to the establishment and operation of Portal Clubs including, without limitation, the preparation, merchandising, distribution, or sale of the Services or Products in accordance with a standard, unique, and uniform system involving the use of special methods of achieving quality and quantity controls, confidential training, proprietary instruction materials, and operating manuals as described in the Manual.

“**System Goodwill**” means all goodwill or going concern value created by the Trademarks and the System.

“**Tax Indemnified Parties**” means parties indemnified by Franchisee with respect to claims arising from Franchisee’s alleged nonpayment of any applicable taxes including, without limitation, Portal, Affiliates, and Portal’s and Affiliates’ respective shareholders, owners, managers, directors, officers, agents and employees.

“**Technology Fee**” means a monthly \$500.00 fee paid by Franchisee for expenses incurred by Portal to offer Franchisee various technologies including, without limitation, the cost of providing Franchisee with access to Portal’s designated customer relationship management software. The Technology Fee may be increased by Portal at Portal’s discretion, but in no event will an increase exceed CPI plus 10%.

“**Term**” means the initial term of the Agreement specified in Section 11.1.

“**Termination**” means the Transfer, termination, or expiration of the Agreement for any reason.

“**Territory**” means the territory from which Franchisee operates Franchisee’s Portal Club identified on the Summary.

“**Trademarks**” means the trademark “Portal®” and any other trade names, trademarks, insignias, and logos as presently exist or may be determined that Portal authorizes for use in conjunction with the System including, without limitation, any domain names that identify such trademarks.

“**Transfer**” means any (i) sale, Transfer, assignment, pledge, mortgage, encumbrance, or other conveyance of any part of Franchisee’s interest in the Agreement or the assets of Franchisee’s Portal Club (including by operation of law), (ii) sale, Transfer, assignment, pledge, mortgage, encumbrance, or other conveyance of any interest in Franchisee, or (iii) change in the composition of Franchisee’s owners whether by operation of law or otherwise, or any amalgamation that results or could result in the change of control of Franchisee.

“**Transferee**” means the party receiving assets or interests as part of a Transfer.

~~“**Urban Market**” means a location not within the boundaries of a “Metropolitan Statistical Area” as defined by the U.S. Office of Management and Budget with a population equal to or more than 500,000 persons.~~

1.2 Construction of Agreement. The provisions of the Agreement will be construed as a whole according to their common meaning and not strictly for or against either Party. Except as otherwise expressly provided or unless the context otherwise requires, the following provisions govern the interpretation of the Agreement:

- (a) The terms “Agreement,” “hereof,” “herein,” “hereunder,” or similar expressions refer to the Agreement as a whole and not to any particular section, paragraph, or clause unless otherwise specified;
- (b) All references to sections refer to sections, paragraphs, or clauses of the Agreement unless otherwise specified;
- (c) All references to Schedules refer to Schedules to the Agreement unless otherwise specified;
- (d) Words and terms denoting inclusiveness including, without limitation, “include,” “includes,” and “including” are not limited by and do not imply limitation of their context or the words or phrases that precede or succeed them;
- (e) The captions, section numbers, article numbers, and the table of contents appearing in the Agreement are inserted only as a matter of convenience and do not affect the interpretation or substance of the Agreement;
- (f) All references to time in the Agreement refer to the time in the jurisdiction in which the Premises is located unless otherwise stated;
- (g) All dollar amounts in the Agreement are in United States dollar amounts unless otherwise stated and are exclusive of any applicable taxes; and

(h) All references to local, municipal, state, or federal statutes and regulations in the Agreement include amendments, successors, or replacements unless otherwise stated.

SECTION 2 LICENSE OF RIGHTS

2.1 Licensed Rights. Subject to the terms and conditions of the Agreement, Portal hereby grants Franchisee during the currency of the Agreement:

- (a) The right to establish and operate Franchisee's Portal Club solely at the Premises; and
- (b) A non-exclusive license to use the System and the Trademarks in relation to the operation of Franchisee's Portal Club.

During the Term and any renewal term, as long as Franchisee is not in default under the Agreement, Portal will not directly or indirectly establish, operate, or grant the license or right to any other entity to establish or operate any other franchised business identified with the Trademarks inside of the Territory except as otherwise provided for pursuant to Section 2.2. Portal's approval of the site of the Premises is not an assurance that Franchisee's Portal Club will achieve a certain sales volume or level of profitability and only indicates that the proposed site meets Portal's minimum site selection criteria. If the site of the Premises or the Territory is not known as of the Effective Date, Franchisee will propose a site for the Premises that meets Portal's site selection criteria, and if Portal approves of the site, Portal will designate the Premises and the Territory on the Summary by providing Franchisee with written notice within 30 days of approval. If Portal does not define the Territory on the Summary within 30 days of approval, the Territory will be a geographic area within a circle having a radius of three miles from the Premises ~~in Urban Markets and five miles from the Premises in Non-Urban Markets~~.

2.2 Reserved Rights. Notwithstanding anything in the Agreement to the contrary, Portal and Affiliates expressly reserve the right without compensation to Franchisee to:

- (a) Establish, operate, or license to any other franchisee, person, or entity a franchised business identical or similar to Franchisee's Portal Club at any location outside of the Territory;
- (b) Develop, use, or license the use of proprietary marks other than the Trademarks in connection with the operation of a program or system that offers services or products that are the same as or similar to those offered by Franchisee's Portal Club that may compete with Franchisee's Portal Club anywhere in the world;
- (c) Develop, market, own, operate, or participate in any business other than a franchised business using the Trademarks or any other trademarks anywhere in the world;
- (d) Offer, distribute, or sell by Portal or Affiliates or other persons including, without limitation, other franchised businesses, services and products including, without limitation, the Services and Products through Other Channels and any similar outlets or distribution methods Portal determines anywhere in the world regardless of the proximity of the Other Channels to Franchisee's Portal Club;
- (e) Acquire the assets or ownership interests of one or more businesses providing Services and Products similar to those provided by Franchisee's Portal Club, and franchise, license, or create similar arrangements with respect to these businesses once acquired wherever these businesses (or the franchisees or licensees of these businesses) are located;

4.9 Proprietary Rights. An Affiliate has a pending patent application that is material to Portal Clubs. Portal or Affiliates presently have proprietary rights in numerous items including, without limitation, the Manual, the System, advertising designs, and the like relating to the operation of Portal Clubs which are suitable for copyright protection. Portal, Affiliates, and Portal's designees reserve all rights which Portal or Affiliates have to these items. Portal may obtain copyright registration for the Manual and any other materials as they presently exist or may exist in the future.

4.10 Acknowledgement. Franchisee acknowledges that (i) Portal or Affiliates own all intellectual property rights in the Manual, (ii) these rights are protected by copyright laws and international treaty provisions, and (iii) Portal or Affiliates retain all rights in the Manual not expressly granted under the Agreement.

4.11 Trade Practices. Portal has the sole rights to certain trade practices pertaining to Portal's business practices and procedures and no goodwill associated with any of the trade practices inures to Franchisee. The items of this trade practice constitute Portal's trade secrets which are revealed to Franchisee in confidence and Franchisee will not at any time attempt to use the trade practices in connection with any other entity or business in which Franchisee has a direct or indirect interest. Franchisee will not disclose, duplicate, reveal, sell, or sublicense any part of the trade practices or any way transfer any rights in the trade practices except as authorized by Portal.

4.12 Improvements. Ownership of all improvements, concepts, materials, ideas, techniques, or information with respect to the System developed by Franchisee or Franchisee's employees, agents, contractors, or affiliates, whether developed separately or with Portal, are deemed to be granted to Portal immediately upon the improvement being made or developed. Franchisee will disclose any System improvements to Portal as soon as they are made or developed. 4.14 Trademark License. The Trademarks are owned by Portal Thermaculture LLC ("Portal One"). Portal One has granted Portal a license to use the Trademarks and to sublicense Portal's franchisees to use the Trademarks (the "Trademark License"). The Trademark License is perpetual and irrevocable except upon the mutual written agreement of both parties and Portal One has no unilateral right to terminate the Trademark License. The Trademark License expressly provides that any sublicense granted by Portal to Franchisee in good standing under the Agreement will survive any expiration or termination of the Trademark License, and that in such event Portal One will either assume Portal's obligations to Franchisee with respect to the Trademarks for the remaining Term or grant Franchisee a direct license to use the Trademarks on substantially the same terms. Franchisee will not question Portal One's ownership of the Trademarks or Portal's right pursuant to the Trademark License to sublicense the Trademarks to Franchisee or other parties.

4.13 Confidential Information.

(a) Franchisee will treat all information Franchisee receives that comprises part of the System as Confidential Information and Franchisee will not use the information in an unauthorized manner or disclose the information to any unauthorized person without first obtaining Portal's written consent. Franchisee acknowledges that (i) the Trademarks and the System have valuable goodwill attached to them, (ii) the protection and maintenance of the Trademarks and the System is essential to Portal, and (iii) any unauthorized use or disclosure of the Trademarks and the System will result in irreparable harm to Portal.

(b) The Confidential Information is a valuable asset of Portal or Affiliates and includes Portal's or Affiliates' trade secrets. The Confidential Information is disclosed to Franchisee on the express condition that Franchisee and Franchisee's officers, directors, shareholders, members, partners, Key Persons, Managing Party, and employees who have access to the Confidential Information irrevocably agree that during and after the Term and any renewal term that Franchisee and they will (i) not use the Confidential Information in any other business or capacity, (ii) maintain the absolute confidentiality of the

6.4 Failure to Complete Initial Training or to Commence Operations. If Franchisee or any of Franchisee's Key Persons fails to complete the initial training program to Portal's reasonable satisfaction at least 30 days before Franchisee's Portal Club opens to the public, Portal may require Franchisee to substitute any of Franchisee's Key Persons with another person and arrange for the substitute Key Person to complete the initial training to Portal's reasonable satisfaction or terminate the Agreement upon written notice to Franchisee. If Franchisee's Portal Club fails to commence operations within 240 days after the Effective Date, Portal may terminate the Agreement upon written notice to Franchisee.

6.5 Conferences. Portal may host a Conference from time to time and Franchisee will attend the Conference at a location determined by Portal. Portal may charge a fee for any Conference at Portal's discretion. Franchisee will be responsible for all associated travel, accommodation, transportation, living, salary, and miscellaneous expenses.

6.6 Additional, Supplementary, and Special Training. Portal or Franchisee may determine that any of Franchisee's Key Persons or other personnel are required to undergo additional, supplementary, or special training at any time during the Term or renewal term. If a determination is made, Portal may charge Franchisee a reasonable fee and require Franchisee to reimburse Portal for Portal's associated travel, food, and lodging expenses.

6.7 Franchisee's Expenses. Franchisee will pay for related expenses incurred by Franchisee, Franchisee's Key Persons, and other personnel in connection with all training programs including, without limitation, travel, accommodation, entertainment, meal, and wage expenses associated with any training.

6.8 Language. All assistance and training provided by Portal will be conducted in English.

SECTION 7 INITIAL FRANCHISE FEE, OTHER PAYMENTS, AND REPORTING

7.1 Initial Franchise Fee. As consideration for Portal's grant of a license for the operation of Franchisee's Portal Club to Franchisee, Franchisee will pay Portal the Initial Franchise Fee by electronic funds transfer, bank draft, or certified check upon execution of the Agreement. The Initial Franchise Fee is fully earned upon receipt and non-refundable in whole or in part.

7.2 Activation Fee. Franchisee will pay Portal the Activation Fee by electronic funds transfer, bank draft, or certified check upon execution of the Agreement. The Activation Fee is fully earned upon receipt and non-refundable in whole or in part.

7.3 Logistics Fee. Franchisee will pay Portal the Logistics Fee by electronic funds transfer, bank draft, or certified check upon execution of the Agreement. The Logistics Fee is fully earned upon receipt and non-refundable in whole or in part.

7.4 Royalty. Franchisee will pay Portal the Royalty by electronic funds transfer, bank draft, or certified check in an amount equal to ~~the greater of (i) 7.5% of Gross Revenues from the preceding calendar month during the Term, or (ii) the Minimum.~~ The Royalty Fee is waived for the first 12 months of operation of Franchisee's Portal Club. Beginning with the 13th month of operation, the Royalty rate of 5% applies to all Gross Revenues. Royalties are due and payable ~~every week~~ monthly and based on Gross Revenues of the preceding ~~week~~ calendar month. Royalties are non-refundable. If Franchisee's records and procedures are insufficient to substantiate Franchisee's Gross Revenues to Portal, Portal may ~~(i)~~ estimate Franchisee's Gross Revenues for the applicable period pursuant to Section 7.416 and Franchisee will immediately pay Portal in accordance with that section any amount Portal determines to be owing by Franchisee for any

Royalties due to Portal from Franchisee's understatement of Gross Revenues, ~~or (ii) charge Franchisee the Minimum Royalty Fee at Portal's discretion.~~

7.5 ~~Marketing FundGrowth System Contribution.~~ Franchisee will pay a ~~Marketing FundGrowth System~~ Contribution each month. ~~Marketing FundGrowth System~~ Contributions are payable by the seventh calendar day after the end of the previous month. ~~Marketing FundGrowth System~~ Contributions are non-refundable. In addition to any ~~Marketing FundGrowth System~~ Contributions that Franchisee makes, Franchisee will:

~~(i) Use use~~ Franchisee's best efforts to promote and advertise Franchisee's Portal Club and conduct any local marketing, advertising, and promotional programs as Portal determines; ~~and,~~

~~(ii) Contribute the amount determined collectively by the members of any local advertising cooperative approved by Portal which cooperative will consist of all franchised and company owned units within a designated area. Without limitation, on receipt of notice from Portal that a cooperative has been formed which includes the Territory, Franchisee will participate as a member of such cooperative; provided, however, that any required contribution exceeding 2% of Gross Revenues for any specified period must be approved by the affirmative vote of two thirds of the cooperative members attending in person or voting by proxy at a duly constituted meeting.~~

~~7.67.6 Management Fee. If Franchisee elects to engage Portal or an Affiliate to manage the day-to-day operations of Franchisee's Portal Club, Franchisee will pay Portal the Management Fee by electronic funds transfer, bank draft, or certified check monthly based on Gross Revenues from the preceding calendar month. For the first 6 months of operation of Franchisee's Portal Club, the Management Fee applies only to Gross Revenues exceeding \$60,000.00 per month. During this ramp period, no Management Fee is due in any month when Gross Revenues do not exceed \$60,000.00. Franchisee's election to engage management services is optional and subject to the terms and conditions Portal establishes. The Management Fee is non-refundable.~~

~~7.7 Container Purchase Fee. If Franchisee operates an Outpost or a Clubhouse, Franchisee will pay Portal Mobile Clubhouse LLC the Container Purchase Fee by electronic funds transfer, bank draft, or certified check upon execution of this Agreement. The Container Purchase Fee is deposited into a segregated bank account maintained at JPMorgan Chase Bank, N.A. and held pursuant to the Container Asset Trust Agreement. The Container Purchase Fee will not be commingled with Portal Mobile Clubhouse LLC's other funds and may be used solely for the acquisition, construction, and delivery of Franchisee's container asset. Portal Mobile Clubhouse LLC serves as trustee and Portal serves as trust administrator under the Container Asset Trust Agreement. Funds will be released to Portal Mobile Clubhouse LLC upon commencement of construction of Franchisee's container asset. If Portal Mobile Clubhouse LLC is unable to deliver Franchisee's container asset, the Container Purchase Fee will be refunded to Franchisee in full within 30 days of written notice of non-delivery. If Portal Mobile Clubhouse LLC becomes insolvent, any funds then held in the segregated account will not constitute property of Portal Mobile Clubhouse LLC's estate and will be refunded to Franchisee. A copy of the Container Asset Trust Agreement is available for Franchisee's review upon request. The Container Purchase Fee is fully earned upon receipt and non-refundable except as provided in this section.~~

~~7.8 Setoff and Deduction. All the foregoing payments payable to Portal or Affiliates will be paid to Portal or Affiliates without any prior demand, setoff, compensation, or deduction whatsoever.~~

~~7.79 Telephone Equipment, Internet Access, and Appearance. Franchisee will pay for all associated costs for the set up, maintenance and ongoing use of Franchisee's telephone equipment and Internet access. While working in Franchisee's Portal Club, all of Franchisee's employees will be neat and clean in~~

appearance and wear clothing that meets the specifications laid out in the Manual for the purpose of presenting a uniform image.

~~7.8~~10 Transfer Fee. Franchisee will pay Portal a non-refundable transfer fee in accordance with Section 13.3(f).

~~7.9~~11 Renewal Fee. Franchisee will pay Portal a non-refundable renewal fee in accordance with Section 11.2(e).

~~7.10~~12 Technology Fee. Franchisee will pay the Technology Fee every month during the Term or any renewal term after Franchisee's Portal Club is open for business. The Technology Fee is due and payable on the seventh day of the month immediately following the Effective Date and on the seventh day of each month thereafter. The Technology Fee is non-refundable. Portal may increase the Technology Fee ~~or institute an additional reasonable fee for support services related to technology~~ upon giving Franchisee 30 days' advance written notice, but in no event will any increase exceed CPI plus 10% per year. Routine technological support neither include support for any hardware or software obtained by Franchisee from third party suppliers (whether or not required for use in Franchisee's Portal Club) nor the replacement or upgrading of Franchisee's computer hardware or software.

~~7.11~~13 Insufficient Funds Fee. Portal may charge Franchisee the lesser of (i) \$100.00 or (ii) the maximum amount allowed by law for any payment returned for insufficient funds.

~~7.12~~14 Electronic Withdrawals and POS System. Franchisee will:

(a) Pay all fees Franchisee owes pursuant to the Agreement in the manner Portal determines including, without limitation, payment by bank draft, certified check, credit card, automatic electronic bank account withdrawal (otherwise known as electronic funds transfer or EFT), or as Portal may otherwise direct in writing. Franchisee will execute all documents and consents including, without limitation, Portal's then-current form of Auto-Debit Authorization Agreement for payments to be made by electronic funds transfer to enable Portal to automatically withdraw money from Franchisee's bank account to remit any amounts Franchisee owes to Portal pursuant to the Agreement or any other agreement. A copy of the current form is attached as Schedule C;

(b) Participate in any other preauthorized payment plans, computerized point of sale systems, credit verification systems, electronic funds transfer systems, automatic banking systems, or other similar plans or systems as Portal may from time to time require to facilitate Franchisee's payment of all amounts owing to Portal pursuant to the Agreement by automatic bank transfer or similar process or procedure. In order to participate in these plans or systems, Franchisee will take any action necessary to implement and maintain the plans or systems at Franchisee's sole expense; and

(c) Install and maintain the POS System at Franchisee's sole expense. Franchisee will pay any amounts to Portal or third parties reasonably required to maintain the POS System and any associated administrative costs not otherwise included as part of the Technology Fee. Franchisee will purchase, install, maintain, and keep in continuous operation at Franchisee's sole expense any telephone, Internet, or other connections and communications devices Portal designates to permit the POS System to operate and allow Portal to monitor sales and other activities at the Premises. Franchisee will upgrade and update the POS System at Franchisee's sole expense to remain in compliance with Portal's specifications. Portal will have the right to engage in any electronic or manual monitoring and related activities to ensure that Franchisee is in conformance with Portal's requirements and the requirements of the Agreement. Franchisee will comply with all relevant privacy laws including, without limitation, by obtaining all required consents from

Franchisee's customers to allow Franchisee to transmit or otherwise share personal information obtained from the customers with Portal.

7.415 Financial Statements and Reports. Franchisee will keep all books and records and submit all statements and reports to Portal as specified in the Agreement or as Portal otherwise requires. Any statements and reports will be prepared in the form Portal designates. Without limiting the generality of the foregoing, Franchisee will submit to Portal by electronic or other means:

(a) A written report of the Gross Revenues for each calendar month within five days of the end of the calendar month;

(b) A written report of profit and loss for each calendar quarter within 15 days of the end of the calendar quarter;

(c) A financial statement for each fiscal year that includes, without limitation, a detailed balance sheet, a statement of profit and loss, and a statement of cash flows showing the results of Franchisee's Portal Club's operations during the fiscal year within 90 days of the end of the fiscal year. Franchisee will certify to Portal that all such submitted information is true and accurate;

(d) A copy of all financial and other reports and statements required to be provided under the Lease including, without limitation, a copy of all rental statements and related communications received by Franchisee from the landlord upon Portal's written request;

(e) Such other forms, reports, records, information, or data as Portal reasonably requires including, without limitation, completed labor schedules, payroll records, and inventory purchase invoices upon Portal's written request;

(f) Any information Portal requests in order to prepare a financial performance representation for Portal's franchise disclosure document; and

(g) A report detailing Franchisee's investment costs to develop and open Franchisee's Portal Club within 120 days following the opening of Franchisee's Portal Club with costs allocated to the categories Portal directs and any other information Portal requests.

Notwithstanding the foregoing, Portal has the right to change the reporting periods or the times within which Franchisee must submit the required financial information statements and records as specified above. The reports and information described above are only for Portal's information and Portal has no obligation to review them or to report back to Franchisee.

7.416 Failure to Report Gross Revenues. If Franchisee fails to report Franchisee's previous month's Gross Revenues, Franchisee authorizes Portal to estimate the Gross Revenues and deduct an amount from Franchisee's bank account for the relevant month together with applicable taxes. The estimated Gross Revenues for any particular month will be equal to the previous month's Gross Revenues as reported or estimated plus 10%. If the actual Gross Revenues for any month differ from the estimated Gross Revenues, the correct fees based on actual Gross Revenues will be adjusted as soon as the actual Gross Revenues are known. If the amount paid is less than the amount owing, Portal may withdraw the difference with interest from the due date from Franchisee's bank account. If the amount paid exceeds the amount owing, the difference without any interest will be credited to the amount owing by Franchisee for fees for the following month. If Franchisee fails to report actual Gross Revenues for the first month in which Franchisee conducts business at the Premises, the estimated Gross Revenues for the month will be an amount Portal reasonably determines.

Portal may levy a reasonable administrative fee upon Franchisee if Franchisee does not provide Portal with all required financial and other reports set out in this Section 7.4416 including, without limitation, the financial statements and reports referred to in Section 7.4315, and all information regarding the Royalties, ~~Marketing Fund~~Growth System Contributions and local marketing and advertising with the fee to be paid via electronic withdrawal as set out in Section 7.4214. If any of the reports or other information required to be given to Portal or Affiliates in accordance with the Agreement or any other agreement between Portal, Affiliates, and Franchisee are not received by Portal or Affiliates by the required deadline, Portal may charge Franchisee a \$250.00 late submission fee per occurrence for Portal's administrative cost and not as a penalty.

Notwithstanding the payment of Royalties and ~~Marketing Fund~~Growth System Contributions, Franchisee's failure to report Gross Revenues in accordance with the Agreement or to provide the financial statements or reports referred to in Section 7.4416 will constitute a default under the Agreement entitling Portal to take any action under Section 12 or otherwise as Portal deems appropriate. The remedies contained in this Section 7.4416 will be in addition to any other remedies Portal or Affiliates may have at law or in equity.

7.4517 Fiscal Year End. Franchisee's fiscal year end will fall on December 31 of each calendar year. If requested by Portal at any time during the Term or any renewal term, Franchisee will take any action as may be necessary to change Franchisee's fiscal year end to the year end Portal specifies.

7.4618 Maintenance of Financial Records and Record Keeping Systems. Franchisee will maintain and keep at the Premises all books and records for Franchisee's Portal Club for at least six years following the end of the fiscal year to which the books and records relate. Franchisee will use accounting, recordkeeping, and reporting systems with any computer or communications equipment and software Portal specifies at Franchisee's sole expense. Franchisee acknowledges that these systems may permit Portal to directly access Franchisee's accounting and reporting data and any other related information.

7.4719 Examination of Records. Portal or Portal's authorized representatives may examine, audit, and make copies of all financial books, records, statements, accounts, documents, and other material maintained by Franchisee in connection with Franchisee's Portal Club at Portal's cost and expense. Portal may enter the Premises or any other premises where such records are kept without notice to Franchisee. Notwithstanding the foregoing, if any such examination or audit discloses that:

(a) Gross Revenues have been understated in any report delivered by Franchisee to Portal by more than 3% or if an examination or audit determine that Franchisee's accounts and records are not in compliance with the terms of the Agreement, then Franchisee will bear all of the costs of such examination or audit. Upon notification of the Royalties and ~~Marketing Fund~~Growth System Contributions owing as determined on the basis of the examination or audit, Franchisee will pay to Portal an amount equal to any deficiency in the Royalties and ~~Marketing Fund~~Growth System Contributions actually paid to Portal with any interest due and payable to Portal; or

(b) Any other accounts have been misstated by more than 3% in any report delivered by Franchisee to Portal, then Franchisee may be required to conduct a review or audit of the financial statements for Franchisee's Portal Club by a firm of independent chartered professional accountants (or their equivalent) at Portal's discretion and Franchisee's expense.

7.4820 Delinquent Payments and Fees. Franchisee will pay all fees payable to Portal or Affiliates in a timely manner. Any payment or fee not received on time will bear interest at a rate equal to ~~the greater of~~

~~1810%~~ per annum ~~or the highest rate permitted by Applicable Laws~~ from the due date until the date received by Portal or Affiliates.

7.1921 Cost of Accounting and Bookkeeping Services. The cost of accounting and bookkeeping services required for Franchisee's Portal Club is Franchisee's responsibility and may vary substantially depending upon various factors including, without limitation, Franchisee's need for the services.

7.2022 Use of Franchisee's Financial Statements and Records. Notwithstanding anything to the contrary in the Agreement, Franchisee irrevocably authorizes Portal to use any information, statement, report, or other material provided by Franchisee to Portal pursuant to the Agreement or otherwise obtained by Portal regarding Franchisee's Portal Club for any purposes Portal may reasonably require including, without limitation, the disclosure of the information to governmental authorities to satisfy the statutory disclosure requirements of any jurisdiction and to other franchisees and prospective franchisees of the System.

7.2423 Taxes. Prior to opening Franchisee's Portal Club to the public, Franchisee will obtain all required federal, state, municipal, and other required government certifications, permits, and licenses, and furnish to Portal copies of any required permits and licenses with evidence of registration for applicable taxes. Any amounts expressed as being payable by Franchisee pursuant to the Agreement are exclusive of any applicable taxes. Franchisee will promptly pay and remit to Portal when due all taxes levied or assessed by reason of Franchisee's operation and performance under the Agreement or that may now or hereafter be payable in connection with the Initial Franchise Fee, Activation Fee, Logistics Fee, Royalties, ~~Marketing Fund~~Growth System Contributions, or any other payment required by the Agreement. The term "taxes" in this Section 7.2423 means any present or future taxes, levies, imposts, duties, or other charges of whatever nature including any value-added, sales, goods and services tax, state sales tax, harmonized sales tax, any other tax required by law, and all other taxes and expenses of operating Franchisee's Portal Club and any interest or penalties thereon imposed by any government or political subdivision of such government on or relating to the operation of Franchisee's Portal Club, the payment of monies, or the exercise of rights granted pursuant to the Agreement.

The Parties will use their mutual best efforts to secure any exemption from or reduced rate of withholding or other tax (whether available under a tax treaty, statute, or regulation) with respect to any payments to Portal or Affiliates and to provide the other Party or governmental authority any information on tax forms or other filings required to secure any exemption or reduced rate of withholding tax. If any withholding or other Tax is applicable and lawfully imposed by any governmental authority, Franchisee will timely (i) pay the applicable withholding or other taxes on the fees on Portal's behalf in a timely manner, (ii) file the required tax reporting forms and returns, (iii) provide Portal with tax receipts for the tax payments and true copies of the forms filed, and (iv) and remit the net amount of the fees to Portal or Affiliates as appropriate.

Franchisee is responsible for and will indemnify, defend, and hold the Tax Indemnified Parties harmless from and against any penalties, interest, costs, and expenses (including reasonable legal fees) incurred by or assessed against the Tax Indemnified Parties as a result of any failure or breach of Franchisee's obligations under this Section 7.2423. Franchisee will fully and promptly cooperate with Portal to provide any information or records any Tax Indemnified Party requests in connection with any application or filing by any Tax Indemnified Party to any governmental authority or any information request, inquiry, or tax audit from a governmental authority with respect to the Agreement or the relationship between Franchisee and the Tax Indemnified Parties.

7.2224 Withholding Payment and Set Off. Franchisee will not withhold payment of any amount due to Portal or Affiliates whatsoever on the grounds of alleged non-performance on Portal's part of any of Portal's obligations or any other reason. No endorsement or statement on any check or payment of any sum less

than the full sum due to Portal will be construed as an acknowledgment of payment in full or an accord and satisfaction and Portal may accept and negotiate any check or payment without prejudice to Portal's right to recover the balance due or pursue any other remedy provided in the Agreement or by law. Portal has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Portal deems appropriate. Portal may set off against any of Franchisee's outstanding debts any payment due to Franchisee hereunder and may pay Franchisee's trade creditors out of any sum otherwise due to Franchisee at Portal's discretion.

7.2325 Legal Fees. If Portal is required to enforce any provision of the Agreement against Franchisee at any time or if any amounts due from Franchisee to Portal or Affiliates are at any time collected by or through legal action, Franchisee will be liable to Portal for all associated costs and expenses of enforcement and collection including, without limitation, court costs, legal fees, and disbursements. If Portal or Affiliates are made a party to any litigation commenced by or against Franchisee, Franchisee will indemnify and hold Portal and Affiliates harmless against any related losses, damages, or claims and pay all associated costs and expenses including, without limitation, court costs, legal fees and disbursements, accountant and expert witness fees, costs of investigation, and travel and living expenses incurred or paid by Portal in connection with the litigation.

7.2426 Privacy Laws. Franchisee will comply with all Privacy Laws by:

- (a) Obtaining all required consents from Franchisee's customers to allow Franchisee to transmit and share personal information obtained from the customers with Portal;
- (b) Cooperating with Portal to ensure Portal's access to this information as Portal may request;
- (c) Complying with all of Portal's requirements regarding Privacy Laws as required by the Manual;
- (d) Refraining from putting Portal or Affiliates in breach of any of the Privacy Laws;
- (e) Doing and executing any act, document, or thing necessary or desirable to keep Portal and Affiliates in compliance with any of the Privacy Laws; and
- (f) Permitting Portal and Affiliates to use any data or other information in compliance with the Privacy Laws gathered concerning Franchisee and Franchisee's affiliates in connection with the establishment and operation of Franchisee's Portal Club.

SECTION 8 SITE SELECTION, CONSTRUCTION, AND LEASING

8.1 Use of Premises. Franchisee will operate Franchisee's Portal Club only from the Premises. Franchisee will not use the Premises for any other purpose than those expressly permitted by the Agreement.

8.2 Site Selection and Approval. Franchisee assumes all cost, liability, expense, and sole responsibility for locating, securing, developing, constructing, and equipping a site for the Premises unless Portal otherwise directs in writing. Franchisee's proposed site for the Premises must meet Portal's specifications and then-current site selection criteria. If the Parties agree upon the location of the Premises or Territory on or before the Effective Date, the location will be described on the Summary. If the location of the Premises is not determined on or before the Effective Date, Franchisee must obtain Portal's approval of the proposed site within 180 days of the Effective Date. Franchisee acknowledges that:

uniforms and other supplies and services only from Portal or from suppliers approved or designated by Portal. The suppliers may include any Affiliate that demonstrates the ability to meet Portal's then-current standards and specifications. Franchisee may only sell the Services and Products according to the standards and specifications set out in the Manual;

(b) Sell or offer for sale all Services and Products that have been approved for sale by Portal in writing. Portal may make any modifications to those items from time to time and Franchisee will immediately comply with the modifications. If Franchisee desires to sell an unauthorized item, Franchisee will not do so until Portal has given Franchisee written authorization to do so. This authorization may be arbitrarily withheld by Portal, withdrawn on 30 days notice, or withdrawn immediately if any health issue relating to the item arises. When authorization is given by Portal offer services other than the Services or to sell products other than the Products, the other services or products will not be used or associated with any Trademarks unless Franchisee obtains specific written authorization to do so in advance from Portal;

(c) Maintain at the Premises at all times a sufficient inventory of all Products to ensure that the Products are available to customers at all times. Franchisee will place all orders for supplies with Portal or suppliers that Portal designates with sufficient time to enable the orders to be filled within a reasonable time without detriment to the operation of Franchisee's Portal Club. Franchisee's orders will be made and filled on the terms including, without limitation, price as Portal or Portal's designated suppliers designate from time to time. Neither Portal nor Portal's designated suppliers will be liable for any delay in or failure to deliver supplies resulting from any cause beyond their reasonable control;

(d) Immediately discontinue selling and offering for sale any Services or Products that Portal may disapprove of at any time;

(e) Not solicit or provide Services or Products to customers outside of the Territory provided that Franchisee may respond to any communications from any prospective customers from outside of the Territory; and

(f) Subject to the requirements of Applicable Laws, sell or offer for sale all Services and Products at the specified retail price or in accordance with the minimum or maximum retail prices established by Portal. Where no retail price or maximum or minimum price has been specified or established by Portal with respect to a particular Service or Product, Franchisee may sell the Service or Product at any reasonable price. Franchisee will offer and participate in any retail program advertised by Portal to the public as available at other Portal Club locations including, without limitation, those retail programs that specify one or more Services or Products at a particular price. Retail prices and specified maximum or minimum prices for Services or Products may vary from region to region to the extent deemed necessary by Portal in order to reflect differences in costs and other factors applicable to the regions. Notwithstanding the foregoing, any promotional discounts that Franchisee desires to offer must be approved by Portal before being put into effect.

(g) If Franchisee desires to use an alternate supplier that has not been approved for use by Portal, Franchisee will submit a request to use the alternative supplier to Portal. Portal has sole discretion to approve or reject an alternative supplier. Portal may require Franchisee to submit sufficient photographs, drawings, or other information and samples to determine whether the goods, products, services, supplies, inventory, equipment, materials, non-designated manufacturers, suppliers, and distributors meet Portal's general standards. Portal does not currently charge a fee for this review process, but may do so in the future. Portal will provide Franchisee with written notification of approval or disapproval of any proposed alternative supplier within 410 days after Portal's receipt of Franchisee's request. If Portal fails to notify Franchisee of approval within the 410-day period, the proposed alternative supplier will be deemed

unapproved. Portal may grant approvals of new suppliers or revoke approvals of current suppliers upon written notice to Franchisee or Manual updates at Portal's discretion.

9.3 Standards of Operation. Franchisee will at Franchisee's sole cost and expense:

- (a) Follow only Portal's practices as described in the Manual or as Portal designates;
- (b) Meet and observe Portal's quality controls and specifications with respect to the Services and Products and will maintain Portal's standards as required by Portal's operating procedures set out in the Manual or as Portal otherwise directs in writing;
- (c) Honor all credit card services that Portal authorizes in the Manual;
- (d) Conform to Portal's methods and standards regarding safety, sanitation, maintenance, cleanliness, function, and appearance with respect to the Premises and Franchisee's Portal Club;
- (e) Use and retain Portal's standard forms;
- (f) Purchase and use illuminations, signage, posters, and displays that comply with Portal's standards and specifications;
- (g) Not pledge, mortgage, hypothecate, give, create as security for an obligation, or in any manner encumber the Agreement, Franchisee's assets, or Franchisee's Portal Club except with Portal's express prior written consent; and
- (h) Maintain a smoke-free environment within the Premises at all times and display such non-smoking signs in any places Portal designates.

In addition to the standards explicitly referenced above, Franchisee will not deviate from any of Portal's other standards as determined by Portal at Portal's discretion.

9.4 Full Time Effort and Supervision. At least one Guarantor will devote full time, attention, and best efforts to the management and operation of Franchisee's Portal Club except to the extent that Portal specifically agrees otherwise in writing: or Franchisee has engaged Portal or an Affiliate to perform management services pursuant to Section 7.6. Franchisee may hire a manager from one of Franchisee's Key Persons to assist in managing the day-to-day operations of Franchisee's Portal Club. Any Key Person or replacement Key Person whom Franchisee hires must be approved by Portal and complete Portal's training as described in Section 6. The use of a manager in no way relieves Franchisee of Franchisee's obligations to comply with the Agreement and ensure that Franchisee's Portal Club is properly operated in accordance with the Agreement. Franchisee may appoint a Managing Party to formally communicate with Portal.

9.5 Hours of Operation. Franchisee will keep Franchisee's Portal Club open for business on the days and during hours that Portal designates in the Manual or otherwise subject to Applicable Laws and provisions of the Lease. Any variation from these days or hours must be approved in advance by Portal in writing.

9.6 Media Communications. Franchisee will not make any television, radio, or other media appearance or make any statement to any media in connection with the System, the Trademarks, or Franchisee's Portal Club, hold itself out to be Portal's representative or agent, or indicate that Franchisee is expressing any views on the behalf of Portal or the System without obtaining Portal's written consent.

9.7 Advertising and Marketing.

(a) Portal may make available to Franchisee all advertising, marketing, signage, and promotional materials for Franchisee's Portal Club that are used by Portal or other franchisees.

(b) Franchisee will use and display in Franchisee's Portal Club all (i) product identification materials, (ii) point-of-purchase promotional materials, (iii) promotional memorabilia, merchandise, and prizes, and (iv) other advertising and marketing materials Portal creates or authorizes for use. If not provided to Franchisee by the MarketingGrowth System Fund, Franchisee will purchase these materials from Portal or a source designated or approved by Portal.

(c) Franchisee may develop advertising and marketing materials for Franchisee's own use at Franchisee's expense provided that the materials are prepared in accordance with Portal's standards and specifications and that Franchisee obtains Portal's approval of the advertising and marketing materials in writing at least ten days prior to use. Portal will notify Franchisee of Portal's approval or disapproval of such advertising and marketing materials within five working days after submission by Franchisee for Portal's review. If Portal fails to respond to Franchisee within the five-working day period, approval will be deemed to have been withheld.

(d) Franchisee will obtain Portal's prior written approval of all promotions, special events, sales promotion materials, marketing, or advertising used by Franchisee including, without limitation, on-site, Internet, social media, direct mail, newspaper, radio and television advertising, and advertising disseminated by third parties at Franchisee's direction.

(e) Franchisee may be required to purchase certain proprietary marketing, advertising, and promotional materials from Portal from time to time.

(f) Franchisee will actively participate in and cooperate with all of Portal's national, regional and local advertising, marketing, and sales promotion campaigns and, without limiting the generality of the foregoing, will:

(i) Display in Franchisee's Portal Club advertising and marketing material provided to Franchisee by Portal in the manner Portal specifies;

(ii) Conduct any promotions and special events, offer promotional items, and accept any coupons, gift cards, or certificates Portal requires;

(iii) Advertise and display such advertisements and solicitations on Franchisee's vehicles to attract potential franchisees to the System as Portal may require; and

(iv) Not use the name of a public figure or celebrity in Franchisee's promotional efforts or advertising or marketing without Portal's express written approval.

(g) Recognizing the value of uniform advertising, marketing, and promotion to the System Goodwill and public image of the System, Portal has maintains a MarketingGrowth System Fund. Franchisee acknowledges that:

(i) The MarketingGrowth System Fund will be used for Marketing Campaigns and other promotional purposes;

(ii) Portal will deposit all ~~Marketing Fund~~Growth System Contributions paid by Franchisee together with amounts contributed by Portal's other franchisees into the ~~Marketing~~Growth System Fund;

(iv) Portal may ~~increase Franchisee's Marketing Fund~~change the Growth System Contribution requirement if a simple majority of the combination of Portal's franchisees, Portal's corporate-owned operations, and Portal's affiliated-owned operations ~~vote to increase the Marketing Fund Contribution;~~discretion, but in no event will an increase exceed CPI plus 10%;

(v) ~~Marketing Fund~~Growth System Contributions will be applied for the purpose of advertising, marketing, and promoting Portal's franchised and corporate-owned operations associated with the Trademarks. Portal cannot and does not ensure that any particular franchisee will benefit directly or in proportion to the franchisee's ~~Marketing Fund~~Growth System Contributions;

(vi) Portal may consult with Portal's franchisees from time to time concerning the Marketing Campaigns to be established by Portal and for that purpose may invite Franchisee and other franchisees to participate in an advisory board or association. The cost of establishing and maintaining any advisory board or association may be charged to the ~~Marketing~~Growth System Fund;

(vii) Notwithstanding any consultation with franchisees, Portal may make all decisions concerning the nature and content of Marketing Campaigns as Portal reasonably deems appropriate;

(viii) Portal may determine how and what the ~~Marketing~~Growth System Fund monies will be utilized for including, without limitation, (q) broadcast or print advertising, (r) the creation, development, and production of advertising, marketing, and promotional materials including, without limitation, ad slicks, radio, film, and television commercials, videotapes, direct mail pieces, Internet marketing and promotion, and print advertising, (s) any marketing or related research and development, (t) developing, enhancing, and maintaining Portal's website, intranet, or extranet, (u) vehicle advertising, point-of-sale advertising, retaining public relations firms, and uniform design, (v) advertising and marketing expenses, services provided by advertising agencies, public relations firms, or other marketing, research, or consulting firms or agencies, customer incentive programs, customer satisfaction surveys, sponsorships, marketing meetings, sales incentives, development of the Internet, Internet access provider costs, subscriptions to industry newsletters or magazines, and administrative costs, (w) expenses Portal incurs in connection with the general promotion of the Trademarks and the System, (x) providing Rebates and the like to promote and enhance the Trademarks and customer loyalty, (y) the cost of managing and administering the ~~Marketing~~Growth System Fund including, without limitation, the cost of employing advertising agencies to assist Portal, legal and accounting fees and expenses, and the actual costs of salaries and fringe benefits paid to Portal's employees engaged in managing and administering the ~~Marketing~~Growth System Fund, and (z) the cost of preparing an unaudited annual statement of funds received by the ~~Marketing~~Growth System Fund and expenditures made from the ~~Marketing~~Growth System Fund;

(ix) Portal is not obligated to expend Portal's own funds or resources for any Marketing Campaign; and

(x) Portal may at any time reorganize the ~~Marketing~~Growth System Fund as a separate non-profit corporation or other entity as Portal deems appropriate and transfer the ~~Marketing~~Growth System Fund's assets to the entity. If Portal establishes a separate entity to administer the ~~Marketing~~Growth System Fund, Portal may require Franchisee to become a member of the entity, sign a participation agreement, or take any other action Portal reasonably requires.

(h) Portal will provide Franchisee with an unaudited annual statement of funds received by the MarketingGrowth System Fund and expenditures made from the MarketingGrowth System Fund for the previous fiscal year upon Franchisee's written request. The cost of preparing the statement will be paid by the MarketingGrowth System Fund. The reporting period used for the purpose of this accounting will coincide with Portal's fiscal year.

(i) Portal has the right, but not the obligation, to use collection agents and institute legal proceedings at the MarketingGrowth System Fund's expense to collect Marketing FundGrowth System Contributions due and payable by Franchisee or other franchisees. Portal may forgive, waive, settle, and compromise all claims by or against the MarketingGrowth System Fund.

(j) Portal assumes no direct or indirect liability to Franchisee with respect to the maintenance, direction, or administration of Marketing FundGrowth System Contributions or the MarketingGrowth System Fund.

(k) Although Portal intends the MarketingGrowth System Fund to be of perpetual duration, Portal has the right to terminate the MarketingGrowth System Fund. Portal will not terminate the MarketingGrowth System Fund until all monies in the MarketingGrowth System Fund have been expended for advertising, marketing, and promotional purposes or returned to Franchisee (provided that Franchisee is current in Franchisee's payments to Portal, is otherwise not in breach of the Agreement, and is a current Portal franchisee) and to each other existing franchisee and corporate-owned operation at that time on a *pro rata* basis.

9.8 Employees. Franchisee will use Franchisee's best efforts to procure qualified and competent personnel in accordance with Applicable Laws, the standards established by Portal through the Manual, the Agreement, or as Portal may otherwise direct Franchisee in writing and properly train all personnel. Franchisee will have sole authority and control over the day-to-day operations of Franchisee's Portal Club and Franchisee's employees. Franchisee will be solely responsible for recruiting and hiring Franchisee's employees. Franchisee will be responsible for their training, wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline, and termination and for compliance with all workplace-related laws. At no time will Franchisee or Franchisee's employees be deemed to be Portal's employees or Portal's affiliates. Portal has no right or obligation to control or direct Franchisee's employees.

(a) Franchisee will ensure that Franchisee and Franchisee's employees comply with the Agreement, the Manual, and Applicable Laws.

(b) Franchisee's employees are not permitted to receive or request payment, monies, or payment in kind directly from customers in their personal capacities.

(c) Franchisee is responsible for:

(i) Obtaining all relevant insurances including, without limitation, liability, employment, automotive, and workers' compensation insurance for all employees in the amounts and coverages specified by Portal in the Manual or otherwise in writing, the Lease for the Premises or as otherwise required by law; and

(ii) Franchisee's employees' strict adherence to the terms and conditions of the Agreement, the standards specified in the Manual, and all other policies and procedures which Portal may specify from time to time.

TERM AND RENEWAL

11.1 Term. The Term of the Agreement is the lesser of (i) ten years from the Opening Date, or (ii) the term of the Lease (or sublease less one day) and any exercised extensions of the Term thereunder unless terminated sooner in accordance with the terms and conditions of the Agreement.

11.2 Renewal. Subject to Franchisee's compliance with all covenants, obligations, and provisions in the Lease and the Agreement (including, without limitation, this Section 11.2, Franchisee may renew the Term for two additional renewal terms equal to the lesser of (i) a period of five years commencing on the expiration of the initial Term or then-current renewal term or (ii) the term renewal of the Lease (or sublease less one day) and any exercised extensions of the term thereunder. Franchisee may only exercise this renewal right if each of the following conditions are satisfied:

(a) Franchisee gives Portal written notice exercising this renewal right and the notice is given during the 60-day period immediately preceding Term or the then-current term expiration;

(b) Franchisee substantially observed and performed all of the terms, covenants, conditions and agreements on Franchisee's part under the Agreement during the Term or then-current term and is in full compliance with the Agreement and all other agreements between Franchisee, Portal, or Affiliates at the expiration of the Term or then-current term;

(c) Franchisee satisfied all monetary obligations owed to Portal and Affiliates under the Agreement and all other agreements during the Term or then-current term in a timely manner between Franchisee, Portal, or Affiliates;

(d) Franchisee and Guarantors enter into Portal's then-current form of Franchise Agreement (which form of Franchise Agreement may differ substantially from the Agreement and which Franchise Agreement will supersede the Agreement) before the expiration of the Term or then-current term. Franchisee will not be obligated to pay an additional initial franchise fee under this form of Franchise Agreement, but Franchisee will pay to Portal all other amounts provided for in this form of Franchise Agreement including, without limitation, higher Royalties, ~~Marketing Fund~~Growth System Contributions, or other fees required by the form of Franchise Agreement;

(e) Franchisee pays a renewal fee equal to \$10,000.00 plus legal fees and disbursements incurred by Portal in connection with the renewal before the expiration of the Term or then-current term;

(f) Franchisee completes any additional or remedial training to Portal's reasonable satisfaction that Portal requires;

(g) Each of Franchisee and Guarantors execute and deliver a release of Portal, Affiliates, and their respective officers, directors, agents, and employees of all claims to the extent permitted by law;

(h) Franchisee completes all renovations, refurbishment, or repairs of Franchisee's Portal Club as Portal reasonably requires to meet Portal's then-current standards and image using providers previously approved by Portal;

(i) Franchisee provides Portal with a complete set of financial statements and reports for Franchisee's Portal Club for the last two fiscal years immediately preceding the date of renewal;

(j) The Lease contemplates a renewal term and the landlord of the Premises consents to a renewal or extension of the Lease if the landlord's consent is required; and

(t) Franchisee interferes or attempts to interfere with Portal's contractual relations with other franchisees, customers, employees, advertising agencies, or any third parties;

(u) Franchisee fails to maintain the confidentiality of any information designated by Portal as confidential;

(v) Franchisee's or Franchisee's employees' conduct materially and adversely affects the System, the Trademarks, Portal's goodwill, or Portal's reputation;

(w) Franchisee or Franchisee's employees knowingly maintain false books or records or submit any false reports to Portal;

(x) Franchisee fails to execute and deliver back to Portal the Lease or the Addendum to Lease on the earlier of Portal's execution of the Addendum to Lease or 210 days following the Effective Date; or

(y) The Lease is terminated for any reason or if Franchisee otherwise loses the right of possession of the Premises.

If any valid Applicable Laws or regulations of a competent governmental authority with jurisdiction over the Agreement or the Parties limit Portal's rights of termination under the Agreement or requires longer notice or cure periods than those set out above, then the Agreement is considered modified to conform to the minimum notice, cure periods, or restrictions upon Termination required by the laws and regulations. Portal is not precluded from contesting the validity, enforceability, or application of the laws or regulations in any action, proceeding, hearing, or dispute relating to the Agreement or Termination.

12.3 Obligations of the Franchisee After Termination. Upon Termination for any reason, Franchisee will immediately:

(a) Cease operating Franchisee's Portal Club;

(b) Cease using all of the Trademarks, the System, the Manual, Franchisee's telephone number, and any other property connected with Franchisee's Portal Club;

(c) Transfer any ownership rights that Franchisee or Franchisee's employees, agents, or contractors may have developed in relation to the System and Franchisee's Portal Club;

(d) Return the Manual and all other confidential or proprietary material to Portal;

(e) Pay Portal the greater of (i) any amounts due or owing to Portal or Affiliates by Franchisee including, without limitation, unpaid accrued and future Royalties, ~~Marketing Fund~~ Growth System Contributions, or any other fees payable by Franchisee under the Agreement, Lease, or otherwise, or (ii) liquidated damages of \$100,000.00 for an Outpost, \$120,000.00 for a Mobile Club, Clubhouse, or \$180,000.00 for a Brick and Mortar Club, or \$240,000.00 for a Floating Club. Liquidated damages are payable in addition to any other remedies Portal may have at law or equity;

(f) Assign all right, title, and interest to all of Franchisee's business telephone numbers pursuant to the Listing Assignment Agreement and execute any further documents or instruments or instructions necessary to further effect the assignment;

(g) Acknowledge that Franchisee has no interest in Franchisee's Portal Club and that all of Franchisee's rights and privileges under the Agreement are terminated;

from the date of acquisition of the Franchise Assets calculated monthly at the rate of 20% per year on the declining balance, (y) consideration allocated to System Goodwill, and (z) amounts due from Franchisee to Portal under the Agreement including any interest and Portal's legal fees and disbursements (including, without limitation, the cost of Portal's appraisal of the Franchise Assets); and

(ii) Portal may set off all amounts due from Franchisee under the Agreement, the Lease, or any other agreement between Portal or Affiliates and Franchisee including any interest.

(c) Portal will provide Franchisee with a Notice of Intent during the Option Period. The Notice of Intent will identify the assets to be purchased and the fair market value as determined by Portal. Franchisee has 14 days following receipt of Portal's Notice of Intent to object to any of the prices specified therein and any disputes over pricing must be resolved through appraisal as specified by Section 12.7(b)(i). If Portal declines to exercise Portal's rights under this Section 12.7 before the expiration of the Option Period, Franchisee may thereafter sell or dispose of Franchisee's improvements, furniture, fixtures, and equipment to a third party on any terms acceptable to Franchisee, but Franchisee will not sell or dispose of Franchisee's accounts, contract rights, customer lists, or vendor lists.

(d) The purchase and sale contemplated in this Section 12.7 must be consummated as soon as practicable. Following the delivery of a Notice of Intent as specified in Section 12.7(c), Portal or Portal's designee have the right to take possession of the Franchise Assets and to carry on and develop the Franchise Assets for Portal's exclusive benefit or for the benefit of Portal's designee.

12.8 No Participation When in Default. If Franchisee is in default of any of Franchisee's obligations under the Agreement, Portal may prevent Franchisee, Franchisee's Key Persons, or any other of Franchisee's personnel from attending any Conference or any convention, program, seminar, or any other meetings held for the benefit of Portal's franchisees and Franchisee may not stand for election for or serve as a member of any committee of franchisees formed by Portal without Portal's prior approval. If the default occurs during a period when Franchisee is a member of a committee, Portal may suspend Franchisee from serving on the committee until the default is cured, appoint another franchisee to serve on the committee during the default period in Franchisee's stead, or terminate Franchisee's position altogether at Portal's option.

12.9 Interim Operation of Franchisee's Portal Club by Portal. Franchisee will pay Portal a reasonable management fee not to exceed our then-current Management Fee rate and reimburse Portal for Portal's reasonable expenses incurred including, without limitation, any related travel costs and accommodation costs for Portal's employees, contractors, and agents upon receipt of Portal's written demand for payment if Franchisee is in default of the Agreement and subject to Interim Operation. Franchisee will indemnify Portal and Portal's employees, contractors, and agents for any claims arising from Interim Operation. During Interim Operation, Portal may exclude Franchisee and any of Franchisee's owners, Key Persons, or other personnel from entering the Premises or being involved in the operations of Franchisee's Portal Club.

SECTION 13 TRANSFER

13.1 No Transfer Unless Permitted.

(a) Franchisee will not Transfer any of Franchisee's rights (i) under the Agreement or (ii) with respect to Franchisee's Portal Club except in accordance with this Section 13.

(b) Notwithstanding anything in the Agreement to the contrary but subject to this Section 13, neither Franchisee nor any of Franchisee's owners or Guarantors may Transfer any rights they may have for a period of 24 months from the Effective Date.

(c) Notwithstanding anything in the Agreement to the contrary but subject to this Section 13, there will not be any change, pledge, or seizure of any ownership interest in Franchisee.

13.2 Transfer Under Bona Fide Offer. Franchisee may Transfer Franchisee's rights under the Agreement pursuant to a *Bona Fide Offer* provided that Franchisee first obtains Portal's written approval and complies with all applicable Transfer requirements. Any actual, attempted, or purported Transfer occurring without Portal's prior written consent is a default of the Agreement and the actual, attempted, or purported Transfer will be null and void.

13.3 Conditions for Consent. Portal will be deemed to be acting reasonably by withholding consent to any Transfer if Franchisee fails to fulfill any of the following conditions to Portal's satisfaction:

(a) Franchisee complies with the applicable provisions of Section 15 and Portal's then-current transfer policies;

(b) Franchisee is not in default under the Agreement, the Lease, or any other agreement between Portal or Affiliates and Franchisee on the date of the Transfer;

(c) Portal is reasonably satisfied that:

(i) Transferee is of good moral character and reputation, has adequate financial strength, and possesses appropriate business and other qualifications required for franchisees joining the System at that time and Franchisee provides Portal with any information Portal reasonably requests to make a determination;

(ii) The Transfer will provide the proposed Transferee with an economically viable business opportunity; provided, however, that no judgment on Portal's part will be deemed to be a representation or guarantee upon which Franchisee or the proposed Transferee may rely;

(iii) Transferee otherwise meets Portal's then-current criteria for a franchisee of the System;

(d) Transferee enters into Portal's then-current form of Franchise Agreement as the franchisee, which agreement may contain provisions substantially different from those contained in the Agreement including higher Royalties and ~~Marketing Fund~~Growth System Contributions, and any other documents then customarily used by Portal to grant franchises as Portal reasonably requests. The term of the new Franchise Agreement will not be greater than the remaining Term or renewal term unless Portal agrees in writing to extend the Term or then-current term;

(e) If Transferee is a business entity, Transferee's owners jointly and severally guarantee the obligations of Transferee by entering into a guarantee in a form satisfactory to Portal. Any owners with a proprietary interest in Transferee must not own or engage in any Competitive Business;

(f) On the earlier of the (i) date of Franchisee's application for approval of the Transfer or (ii) date upon which Transferee's Key Persons begin Portal's training program, Franchisee pays Portal a non-refundable transfer fee equal to \$10,000.00 plus legal fees and disbursements;

(g) Transferee does not have debt of more than 40% of the Purchase Price and is not otherwise undercapitalized in Portal's reasonable opinion;

(h) If Franchisee or Franchisee's owners finance any portion of the sale price, then all of Transferee's obligations under promissory notes, agreements, or security interests reserved in Franchisee's Portal Club are subordinate to Transferee's obligations to pay Royalties, ~~Marketing Fund~~Growth System Contributions, and all other amounts owing to Portal, Affiliates, or third party vendors. Any payment due from Transferee to Franchisee relating to the purchase of Franchisee's Portal Club will be subordinate to Transferee's obligations to Portal and Affiliates;

(i) Transferee's Key Persons successfully complete a training program determined by Portal;

(j) Each of the Releasors enter into a release in a form permitted by law of all claims against Portal, Affiliates, Portal's franchisees, and Portal's and their respective officers, directors, shareholders, and employees but excepting any claims under Applicable Laws that cannot be released;

(k) Transferee agrees to bring its operations and Franchisee's Portal Club into full compliance with the specifications and standards then applicable for new or renewing franchisees including, without limitation, new signage, computer hardware and software, and methods of operation and to make all capital expenditures Portal requests to modernize Franchisee's Portal Club to reflect Portal's then-current standards and image at Franchisee's or Transferee's sole expense within a reasonable timeframe established by Portal;

(l) In the case of an asset sale, Transferee purchases all of Franchisee's assets used in Franchisee's Portal Club in accordance with all applicable bulk sales legislation and assumes all of Franchisee's business liabilities including all tax liabilities unless the liabilities have been paid prior to the closing of the transaction of purchase and sale;

(m) Transferee expressly assumes all of Franchisee's obligations to Portal and Affiliates;

(n) Franchisee submits all required reports, financial statements, and other documents due to Portal under the Agreement up to the effective date of the Transfer;

~~(o) At the time of the proposed Transfer or within three months thereafter, there is not another suitable Portal Club that the proposed Transferee may purchase from Portal;~~

(o) Portal does not reasonably determine, by written notice to Franchisee identifying the specific available Portal Club location delivered within 10 business days of Portal's receipt of Franchisee's transfer application, that there is a substantially similar Portal Club available for purchase from Portal within the same metropolitan statistical area as Franchisee's Premises;

(p) There are at least twelve months remaining in the Term or then-current term;

(q) Franchisee remains liable for all of Franchisee's obligations to Portal and Affiliates in connection with the operation of Franchisee's Portal Club prior to, through, and after the effective date of the Transfer and Franchisee executes any instruments reasonably required by Portal to evidence liability;

(r) If Portal is prepared to consent to a Transfer and the Transfer is not completed for any reason, Franchisee will reimburse Portal for Portal's reasonably incurred legal and administrative expenses;

(s) Portal's consent to any given Transfer is not considered a waiver of the requirement for Portal's consent to a subsequent Transfer;

(d) Carry on, be engaged in, be concerned with, be interested in, or advise, lend money to, guarantee the debts or obligations of, or permit any part of Franchisee's name to be used or employed in a Competitive Business individually, in partnership, jointly, or in conjunction with any Related Party or person, firm, association, syndicate, or corporation, as principal, agent, shareholder, advisor, consultant, or in any manner whatsoever; or

(e) Directly or indirectly engage in any activities that would be detrimental to or interfere with Portal's operation, reputation, or goodwill or that of Franchisee's Portal Club or the System including, without limitation, by making, posting, or transmitting disparaging comments about Portal, Affiliates, the Trademarks, Franchisee's Portal Club, other of Portal's franchisees, or the System in an advertisement, letter, e-mail, Internet chat room, teleconference, website, social or professional networking site, or any other similar medium.

15.2 Post-Term Covenants. Upon Termination and for a period of two years after the date of Termination:

(a) Franchisee, Guarantors, and each of their respective Related Parties, officers, directors, shareholders, partners, employees, consultants, distributors, agents, or the members of Franchisee's or their immediate families or households who have access to or knowledge of the System or the Manual will not have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative, adviser or agent in a Competitive Business within ~~20~~10 miles of the Premises or any other Portal Club; and

(b) Franchisee will not on Franchisee's own behalf or on behalf of or in connection with any person or entity directly or indirectly interfere or attempt to interfere with the System or persuade or induce or attempt to persuade or induce any of Portal's or Affiliates' franchisees, prospective franchisees, customers, prospective customers, employees, or suppliers to discontinue or alter such person's relationship with Portal or otherwise denigrate Portal's reputation or undermine Portal's goodwill or the Trademarks in any manner whatsoever.

If any person restricted by this provision refuses to voluntarily comply with the foregoing obligations, the two-year period referred to in this Section 15.2 will commence with the entry of any order of a court enforcing this provision. FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT FRANCHISEE AND FRANCHISEE'S GUARANTORS POSSESS SKILLS AND ABILITIES OF A GENERAL NATURE AND HAVE OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET OUT ABOVE WILL NOT DEPRIVE FRANCHISEE OR FRANCHISEE'S GUARANTORS OF THE ABILITY TO EARN A LIVING.

15.3 Severability. Portal has attempted in Section 15.2 above to limit Franchisee's right to compete only to the extent necessary to protect Portal from unfair competition. If any provision of Section 15.2 is determined by a court of competent jurisdiction to exceed any lawful scope or limit with respect to duration, geographic coverage, or otherwise, then the maximum limit allowed by law or a court of competent jurisdiction will apply. Portal may unilaterally reduce the scope of any covenant without Franchisee's consent at any time effective immediately upon notice to Franchisee.

15.4 Exception. Nothing in this Section 15 will prevent any of Franchisee's active officers or Related Parties to individually or collectively own up to a total of 5% of the issued capital stock of any public company.

the Agreement. Without limiting the generality of the foregoing, the provisions of this Section 18.8 do not in any way operate to excuse Franchisee from the prompt payment of any fees, Royalties, **Marketing FundGrowth System** Contributions, or other sums required to be paid to Portal or Affiliates by the terms of the Agreement or from the prompt performance of any of Franchisee's other obligations under the Agreement when the prompt performance is delayed, hindered, or prevented by reason of lack of funds.

18.9 Entire Agreement. There are no terms and conditions on the Effective Date that are additional or supplemental to those set out in the Agreement. The Agreement and attached Schedules contain the entire agreement between the Parties with respect to the subject matter of the Agreement and supersede all prior agreements. No other representations have induced either Party to execute the Agreement. Franchisee covenants that Franchisee has not relied upon any statements, representations, agreements, or warranties made by Portal except as set out in the Agreement. Nothing in this Section 18.9 is intended as nor will be interpreted to be a disclaimer by Portal of any representation made in the Disclosure Document.

18.10 No Implied Surrender or Waiver. No provision of the Agreement is deemed to have been waived by Portal unless the waiver is in writing signed by Portal. Portal's waiver of a breach of any term or condition of the Agreement does not prevent a subsequent act that would have originally constituted a breach from having all the force and effect of an original breach. Portal's receipt of any payment from Franchisee with knowledge of a breach by Franchisee of any term or condition of the Agreement is not deemed a waiver of any term or condition. No act by Portal, Portal's agents, or employees during the Term or then-current term is valid unless in writing and signed by Portal. No payment by Franchisee or receipt by Portal of a lesser amount than the amounts payable by Franchisee to Portal is deemed to be other than on account of the earliest stipulated payment, nor is any endorsement or statement on any check or any letter accompanying any check deemed an accord and satisfaction. Portal may accept any payment without prejudice to Portal's right to recover the balance of the payment obligation or pursue any other remedy available to Portal.

18.11 Joint and Several Liability. If there is more than one person or entity named as Franchisee, they are bound jointly and severally by the terms, covenants, and agreements contained on Franchisee's part under the Agreement. Any notice required or permitted by the terms of the Agreement may be given by or to any one of them and has the same force and effect as if given by or to all of them.

18.12 Power, Capacity, and Authority. Franchisee covenants, represents, and warrants that Franchisee has the power, capacity, and authority to enter into the Agreement and perform Franchisee's obligations under the Agreement and that there are no covenants, restrictions, or commitments given by Franchisee that prevent or inhibit Franchisee from entering into the Agreement.

18.13 Drafting of the Agreement. Franchisee covenants that Franchisee has had ample opportunity to participate in drafting or modifying the form and content of the Agreement during negotiations prior to execution and delivery by Franchisee and agrees that any rule of law which provides that ambiguities are construed against the "drafting party" are of no force or effect.

18.14 No Offer. Notwithstanding the submission of a copy of the Agreement in either blank form or with the particulars inserted or receipt of a deposit or the first payment by Franchisee to Portal when the Agreement is received by Portal for execution from Franchisee, no contractual or other right exists in Franchisee's favor with respect to Franchisee's Portal Club until both Parties have executed the Agreement.

18.15 Set Off. If Portal is liable for any payment or reimbursement to Franchisee, Portal has the right to set off the reimbursement or liability against Franchisee's liabilities to Portal or Affiliates unless otherwise prohibited by the Agreement.

18.27 Consent to Disclosure of Personal and Confidential Information. Franchisee hereby expressly permits Portal to disclose in Portal's Disclosure Document (whether required by law or made available on a voluntary basis) personal and confidential information related to Franchisee's Portal Club, Franchisee, Franchisee's officers, directors, and shareholders including, without limitation, Franchisee's and their names, addresses, telephone numbers, and facsimile numbers, the sales, revenues, expenses, costs, results of operations, and similar information regarding Franchisee's Portal Club, and any information regarding non-renewal, closure, expiration, or Termination. Franchisee will obtain the consent of Franchisee's officers, directors, and shareholders necessary to permit the disclosure of their personal information as contemplated under this Section 18.27. Without limiting the generality of the foregoing, Portal has the right to make available for inspection by any of Franchisee's intended transferees any part of Portal's records relating to the Agreement, Franchisee's Portal Club, or Portal's relationship with Franchisee. Franchisee hereby consents to such disclosure by Portal and will release and hold Portal, Affiliates, and their respective officers, directors, agents, and employees harmless from and against any claim, loss, or injury resulting from an inspection of Portal's records or release of such information.

18.28 No Representation of Uniformity. Portal makes no warranty or representation that all Franchise Agreements issued by Portal do or will contain terms substantially similar to those contained in the Agreement. Portal may waive or modify comparable provisions of other Franchise Agreements granted to other franchisees in a non-uniform manner including any increase or decrease to the initial franchise fee, Royalties, ~~Marketing Fund~~Growth System Contributions, or other payments made to Portal or Affiliates under the Agreement in Portal's reasonable business judgment.

18.29 Notice of Potential Profit. Portal or Affiliates:

(a) May make available to Franchisee or require Franchisee to purchase Services or Products for use in Franchisee's Portal Club from which Portal may make a profit on the sale;

(b) May receive Rebates from suppliers or manufacturers for the sale of equipment, Products, or Services to Franchisee or in consideration of services rendered or rights licensed whether or not on account of purchases made (i) by Portal for Portal's own account or for Franchisee's account, Portal's franchisees generally, or other brands now or ever owned by Portal or Affiliates, or (ii) by Franchisee directly for Franchisee's own account. Franchisee acknowledges that Portal's designated suppliers may not offer the lowest prices for every item, but for the sake of group buying, consistency, and other benefits to the System, Franchisee will buy from only these suppliers;

(c) Are entitled to retain or distribute the whole or any part of benefits to partially compensate Portal or Affiliates for Portal's for their ongoing efforts in establishing and maintaining quality sources of supply, in evaluating potential new suppliers, and in monitoring and evaluating approved suppliers and upstream manufacturers to ensure that those suppliers and manufacturers meet Portal's quality and performance standards; and

(d) If applicable, may derive a profit from the design and construction of Franchisee's Portal Club or as a result of tenant inducements or tenant allowances, all of which Portal or Affiliates are entitled to retain.

18.30 Cumulative Remedies. No reference to or exercise of any specific right or remedy including any termination rights by Portal will prejudice or preclude Portal from exercising or invoking any other remedy whether allowed under the Agreement or generally at law or in equity and the express provisions of the Agreement as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to Portal generally at law or in equity.

(a) All proceeds of the Collateral are held in trust by Franchisee for Secured Party;

(b) Provisions of this General Security Agreement bind and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties;

(c) If more than one person executes this General Security Agreement as Franchisee, their obligations under this General Security Agreement are joint and several;

(d) This General Security Agreement is governed by the laws of ~~New York~~Colorado;

(e) Franchisee will receive an executed copy of this General Security Agreement upon execution; and

(f) This General Security Agreement becomes effective as of the Effective Date.

IN WITNESS WHEREOF, the parties have signed this General Security Agreement effective as of the Effective Date.

SECURED PARTY:

FRANCHISEE:

PORTAL FRANCHISING LLC,
a Colorado limited liability company

_____,
a(n) _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

OR

By: _____,
individually

Name: _____

Date: _____

[INSTRUCTIONS: INSERT FRANCHISEE’S ADDRESS AND ADDRESS WHERE COLLATERAL IS LOCATED HERE. IF MORE THAN ONE LOCATION, STATE HERE AND ATTACH LIST OF ALL LOCATIONS.]

EXHIBIT E

FRANCHISEES AND FRANCHISEES WHO HAVE LEFT THE SYSTEM

FRANCHISEES

Portal Bozeman LLC
660 ~~N~~North Ida Avenue
Bozeman, Montana 59715
(406) 600-4193

FRANCHISEES WHO HAVE LEFT THE SYSTEM

None.

**MINNESOTA RIDER TO THE
PORTAL FRANCHISING LLC FRANCHISE AGREEMENT**

This Minnesota Rider to the Portal Franchising LLC Franchise Agreement (the “**Rider**”) is effective on _____ (the “**Effective Date**”), and made by and between PORTAL FRANCHISING LLC, a Colorado limited liability company located at 4949 Broadway Street, Suite 113, Boulder, Colorado 80304 (“**Portal**”), and _____, a _____ located at _____ (“**Franchisee**”).

1. BACKGROUND. Franchisee and Portal are parties to that certain Portal Franchising LLC Franchise Agreement dated _____, that has been signed concurrently with the Rider (the “**Franchise Agreement**”). The Rider is annexed to and forms part of the Franchise Agreement. The Rider is being signed because (i) the franchised business that Franchisee will operate under the Franchise Agreement will be located in Minnesota, or (ii) any of the franchise offering or sales activity occurred in Minnesota.

2. DEFINITIONS AND CONSTRUCTION OF AGREEMENT. The definition of “Insufficient Funds Fee” in Section 1.1 of the Franchise Agreement (Definitions) is deleted and replaced with the following:

“**Insufficient Funds Fee**” means a \$30.00 fee paid by Franchisee if any payment to Portal is returned for insufficient funds.

3. TRADEMARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS. Section 4 of the Franchise Agreement (Trademarks and Other Intellectual Property Rights) is amended by the addition of the following:

4.14 Indemnification by Portal. Portal will indemnify Franchisee for any loss, costs, or expenses arising out of any third party claim, suit or demand that the Trademarks infringe the trademark rights of a third party or cause unfair competition to a third party to the extent required by Minn. Stat. Sec. 80C.12, Subd.1(g). Portal will control any administrative proceeding or litigation involving the Trademarks.

4. INITIAL FRANCHISE FEE, OTHER PAYMENTS, AND REPORTING. Section 7.~~4~~13 of the Franchise Agreement (Insufficient Funds Fee) is deleted and replaced with the following:

7.11 Insufficient Funds Fee. Portal may charge Franchisee \$30.00 for any payment returned for insufficient funds.

5. TERM AND RENEWAL. Section 11.2(g) of the Franchise Agreement (Renewal) is amended by the addition of the following:

Notwithstanding any other provision of this Agreement, no release to be signed by Franchisee will apply to claims under the Minnesota Franchises Law.

6. DEFAULT AND TERMINATION. Section 12 of the Franchise Agreement (Default and Termination) is amended by the addition of the following:

12.10 Cure Period. With respect to franchises governed by Minnesota law, Portal will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 that require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Agreement.

7. GENERAL PROVISIONS. Section 18.5 of the Franchise Agreement (Governing Law and Choice of Forum) is amended by the addition of the following:

HOWEVER, NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF FRANCHISEE'S RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80 CONCERNING FRANCHISEE'S RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE. WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, ~~TAB~~PORTAL WILL COMPLY WITH MINN. STAT. SEC. 80C.14, SUBDS. 3, 4, AND 5 THAT REQUIRE, EXCEPT IN CERTAIN SPECIFIED CASES, THAT FRANCHISEE BE GIVEN 90 DAYS' NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS' NOTICE OF NON-RENEWAL OF THE AGREEMENT.

8. ACKNOWLEDGMENT. Schedule B of the Franchise Agreement (Acknowledgment) is deleted and replaced with the following:

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

IN WITNESS WHEREOF, the parties have executed and delivered this Minnesota Rider to the Portal Franchising LLC Franchise Agreement effective as of the Effective Date.

FRANCHISEE:

a(n) _____

By: _____

Name: _____

Title: _____

Date: _____

PORTAL:

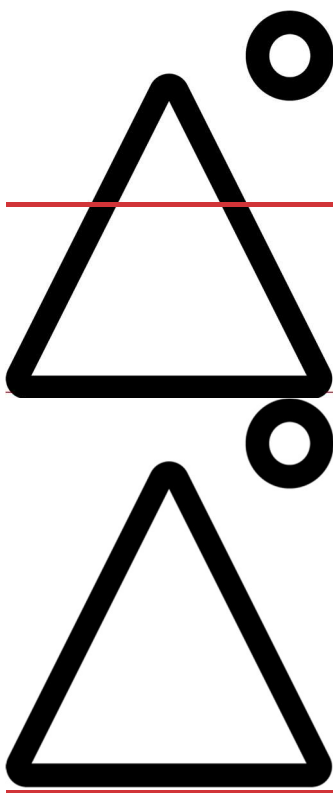
PORTAL FRANCHISING LLC,
a Colorado limited liability company

By: _____

Name: _____

Title: _____

Date: _____
(Effective Date)



**PORTAL FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT**

Summary

Developer (see Preamble): _____, a[n]
[jurisdiction] [entity form]

Territory (see Section 1.1): _____

Table of Contents

<u>Section</u>	<u>Page</u>
1. DEFINITIONS.....	1
2. DEVELOPMENT RIGHTS.....	4
3. TERM AND TERMINATION	5
4. DEVELOPMENT FEE AND DEVELOPMENT SCHEDULE	56
5. OBLIGATIONS OF DEVELOPER	6
6. TRANSFER OF INTEREST	7
7. ENFORCEMENT AND CONSTRUCTION	78
8. NOTICES.....	11

Schedule

Schedule A Development Information Sheet

**PORTAL FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT**

This PORTAL FRANCHISING LLC MULTI-UNIT DEVELOPMENT AGREEMENT (the “**Agreement**”) is entered into effective as of _____ (the “**Effective Date**”), by and between PORTAL FRANCHISING LLC, a Colorado limited liability company located at 4949 Broadway Street, Suite 113, Boulder, Colorado 80304 (“**Portal**”), and _____, a _____ located at _____ (“**Developer**”). Portal and Franchisee will sometimes be referred to individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, all capitalized terms contained in the Agreement have the meanings ascribed to the terms on the Summary or in Section 1 of the Agreement;

WHEREAS, Portal has developed a distinctive and proprietary system (the “**System**”) for the establishment and operation of a four-wall, service-based wellness business providing sauna services, cold plunge services, other wellness offerings, and related amenities and products (each, a “**Portal Club**”) using Portal’s proprietary methodology under certain trademarks (the “**Trademarks**”).

WHEREAS, the System and each Portal Club is identified by the Trademarks and distinctive trade dress, service offerings, business formats, equipment, products, supplies, operating procedures, programs, methods, procedures, and marketing and advertising standards;

WHEREAS, Developer has requested the right to develop and operate multiple Portal Clubs (each, a “**Development Club**”) to be located with a defined geographical area (the “**Development Territory**”) in accordance with a schedule (the “**Development Schedule**”) with each Development Club within the Development Territory being opened and operating pursuant to the terms and conditions set forth in a separate form of Portal’s then-current form of Portal Franchising LLC Franchise Agreement (each, a “**Franchise Agreement**”);

WHEREAS, simultaneous with or prior to the execution of the Agreement, the Parties have entered into a Franchise Agreement for Developer’s development and operation of a Development Club (the “**First Development Club**”) to be located within the Development Territory; and

WHEREAS, Developer acknowledges that adherence to the terms of the Agreement, each Development Club’s individual Franchise Agreement, Portal’s operations manual, and Portal’s System standards and specifications are essential to the operation of all Portal Clubs and the System as a whole.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties agree as follows:

SECTION 1
DEFINITIONS

“**AAA**” means the American Arbitration Association.

“Gross Revenues” means all gross sums collected or billed by Portal or franchisees for all goods and services sold in connection with the franchisee’s Portal Club and any other revenue related to or derived from the provision of the Services and Products or the sale of any services or products in connection with the conduct and operation of the franchisee’s Portal Club whether for cash, check, credit, gift certificates, coupons, barter, or any other means of exchange ~~including, without limitation, the proceeds of any business interruption insurance policies and all revenues derived from the franchisee’s tenants or subtenants including, without limitation, rent and any other lease payment.~~ Gross Revenues do not include any sales, use, excise, license, or similar taxes separately billed, charged, and collected by the franchisee for remittance to the appropriate governmental authorities, proceeds from any business interruption insurance policy, or revenues derived from the subletting of any portion of the franchisee’s premises.

“Initial Franchise Fee” means a fee paid to Portal for the right to operate a Portal Club.

“Initial Training Fee” means a fee paid to Portal for Portal’s initial training program for the operation of a Portal Club.

“Logistics Fee” means a fee paid by franchisees for the services provided by Portal before the franchisee’s Portal Club opens for business that are related to the construction or delivery of the franchisee’s Portal Club.

“Management Fee” means a monthly fee equal to 2.5% of Gross Revenues payable by a franchisee to Portal if the franchisee elects to engage Portal or an Affiliate to manage the day-to-day operations of the franchisee’s Portal Club. For the first 6 months of operation, the Management Fee applies only to Gross Revenues exceeding \$60,000.00 per month.

“Manual” means Portal’s operations manual and any other written materials or directions provided to Developer containing mandatory specifications, standards, or procedures applicable to the System whether in hard copy or electronic format as Portal may develop, revise, withdraw, or replace them.

~~**“Marketing**~~

~~**“Growth System Fund”** means a fund maintained and administered by Portal where all **Marketing Fund-Growth System** Contributions are deposited for the benefit of the System.~~

~~**“Marketing FundGrowth System Contributions”** means the continuing monthly ~~marketing and advertising~~ contributions franchisees make to the ~~MarketingGrowth System~~ Fund ~~during~~ equal to the first three months ~~greater~~ of a Portal Club’s operation (i) 5% of Gross Revenues for the preceding month or (ii) \$4,500.00 per month for Clubhouse and Brick & Mortar franchisees. The Growth System Contribution is optional for Outpost franchisees.~~

“Newly Opened Development Club” means Developer’s second Development Club and all future Development Clubs.

“Owner” means (i) an officer or director of Developer (including the officers and directors of any general partner of Developer) who holds an ownership interest in Developer, and (ii) all holders of a 5% or more direct or indirect ownership interest in Developer or any entity directly or indirectly controlling Developer.

“Portal” means Portal Franchising LLC, a Colorado limited liability company.

“**Portal Club**” means a four-wall, service-based wellness business providing sauna services, cold plunge services, other wellness offerings, and related amenities and products operated using the System including, without limitation, Development Clubs.

“**Royalty**” means the continuing weekly/monthly royalty fee payable by franchisees to Portal.

“**Services and Products**” means the services and products that Portal authorizes for sale at Portal Clubs.

“**System**” means (i) the services, procedures, and systems designated by Portal for use in connection with the development, establishment, marketing, promotion, and operation of a Portal Club, (ii) the Trademarks, (iii) other trade names, service marks, signs, logos, copyrights, and trade dress designated by Portal for use in connection with the development, establishment, marketing, promotion, and operation of a Portal Club, and (iv) the Operations Manual.

“**Term**” means the term of the Agreement described in Section 3.1.

“**Territory Fee**” means a non-refundable fee of \$65,000.00 per Development Club paid by Developer to Portal for county-level territorial exclusivity for each county in which a Development Club is designated under the Agreement. The Territory Fee for an eight-unit Development Agreement is \$520,000.00. The Territory Fee is paid in addition to the Development Fee and is uniform and fully earned upon receipt.

“**Total Development Clubs**” means the aggregate number of Development Clubs described on the Development Information Sheet.

“**Trademarks**” means the trademark “Portal®” and any other trade names, trademarks, insignias, and logos as presently exist or may be determined that Portal authorizes for use in conjunction with the System including, without limitation, any domain names that identify the trademarks.

“**Trademark License**” means the license agreement between Portal ThermaCulture LLC (“Portal One”) and Portal pursuant to which Portal One, as owner of the Trademarks, grants Portal the right to use the Trademarks and to sublicense Portal’s franchisees to use the Trademarks. The Trademark License is perpetual and irrevocable except upon the mutual written agreement of both parties and Portal One has no unilateral right to terminate it. The Trademark License expressly provides that any sublicense granted by Portal to a franchisee in good standing will survive any expiration or termination of the Trademark License.

“**Transfer**” means, without limitation, the following, whether voluntary, involuntary, conditional, unconditional, direct, or indirect: (i) an assignment, sale, gift, transfer, pledge, or sub-franchise, (ii) the grant of a mortgage, charge, lien, or security interest including, without limitation, the grant of a collateral assignment, (iii) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests, (iv) a sale or exchange of voting interests or securities convertible to voting interests or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Developer, or (v) the legal or equitable transfer or sale of an Owner’s interests or voting rights in Developer.

SECTION 2 DEVELOPMENT RIGHTS

2.1 Development Grant and Development Obligation.

(a) Portal grants to Developer the right, and Developer accepts the right and undertakes the obligation, to develop and operate Development Clubs, provided that Developer develops and operates each Development Club in strict accordance with the Development Schedule and the terms and provisions of each Development Club's respective Franchise Agreement. Each Development Club must be a Clubhouse, Brick & Mortar, or Outpost.

(b) The Total Development Clubs are authorized by the Agreement as described in the Development Information Sheet. The Development Territory is the geographic area described in the Development Information Sheet. To be effective, the Development Information Sheet must be signed by Portal.

(c) Developer will (i) open and commence the operation of each new Development Club in accordance with the Development Schedule for each respective Development Period and (ii) maintain in operation the minimum number of Cumulative Development Clubs in accordance with the Development Schedule for each respective Development Period. Time is of the essence with respect to Developer's development obligations under the Agreement. Developer's failure to comply with the Development Schedule is grounds for immediate termination of the Agreement and any future development rights granted by the Agreement.

(d) During the Term, provided that Developer is in compliance with the terms and provisions of the Agreement and any other agreement between the Parties including, without limitation, the Development Schedule and each Development Club's respective Franchise Agreement, Portal will not open, operate, or license any third party the right to open or operate Portal Clubs within the Development Territory. The operating territory for each Development Club will be determined by the Development Club's respective Franchise Agreement. The operating territories in the aggregate for Developer's Development Clubs may be smaller than the Development Territory.

2.2 Limited Exclusivity and Reserved Rights. Except as provided in Section 2.1(d), the rights granted in the Agreement are non-exclusive. Portal reserves all other rights not expressly granted to Developer in the Agreement on Portal's own behalf and on behalf of Portal's Affiliates, successors, and assigns.

2.3 Personal Rights. Developer may not franchise, sub-franchise, license, sublicense, or otherwise Transfer Developer's rights pursuant to the Agreement. The rights and privileges granted and conveyed to Developer in the Agreement relate only to the Development Territory and are subject to the terms and conditions of each Development Club's respective Franchise Agreement.

SECTION 3 TERM AND TERMINATION

3.1 Term. The Term will be a period commencing on the Effective Date and automatically ending on the earliest of (i) the last day of the calendar month during which the final Development Club is required to be opened and operating under the Development Schedule, (ii) the day the final Development Club is open, or (iii) the termination date of the Agreement. Upon expiration or termination of the Agreement for any reason, Developer will not have any rights within the Development Territory other than territorial rights that may have been granted to Developer pursuant to the terms of any Franchise Agreement. The Term may not be renewed or extended.

3.2 Termination by Portal. Portal may terminate the Agreement and all rights granted to Developer under the Agreement without affording Developer with any opportunity to cure a default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) Abandonment, (ii) if

Developer indicates an intent by Developer to discontinue Developer's development of Development Clubs within the Development Territory for three consecutive months or any shorter period, (iii) if Developer becomes insolvent or is adjudicated bankrupt or any action is taken by Developer or by others against Developer under any insolvency, bankruptcy, or reorganization act, or if Developer makes an assignment for the benefit of creditors or a receiver is appointed by Developer, (iv) if Developer fails to meet Developer's development obligations under the Development Schedule for any single Development Period including, without limitation, Developer's failure to establish, open, or maintain the required number of Cumulative Development Clubs in accordance with the Development Schedule, or (v) if a Franchise Agreement for any Development Club or any other Franchise Agreement between Portal and Developer is terminated.

SECTION 4 DEVELOPMENT FEE AND DEVELOPMENT SCHEDULE

4.1 Development Fee. Developer will pay the Development Fee to Portal when Developer executes the Agreement. The Development Fee is non-refundable. The Development Fee is equal to the sum of the Initial Franchise Fees, ~~Marketing Fund~~Growth System Contributions, Activation Fees, and Logistics Fees for the Development Clubs. The amount of the Development Fee is set forth in the Development Information Sheet. The Development Fee is not an Initial Franchise Fee, ~~Marketing Fund~~Growth System Contribution, Activation Fee, or Logistics Fee, but is paid in lieu of the Initial Franchise Fees, ~~Marketing Fund~~Growth System Contributions, Activation Fees, and Logistics Fees for the Development Clubs. Developer will pay Portal other fees for each Development Club in accordance with the terms and conditions of each Development Club's respective Franchise Agreement when the Franchise Agreement is signed.

4.2 Development Schedule. Developer will develop, establish, and operate Development Clubs in strict accordance with the Development Schedule. The Development Schedule sets forth the Development Periods and the Cumulative Development Clubs that must be open and in operation as of the last day of each applicable Development Period. The Development Schedule is set forth in the Development Information Sheet. Developer will meet the requirements of the Development Schedule including, without limitation, requirements regarding the number of Development Clubs that must be timely developed, established, open, and in operation by Developer within the Development Territory during each Development Period.

4.3 Reasonableness of Development Schedule. Developer represents that Developer has conducted an independent investigation and analysis of the prospects for the establishment of Portal Clubs within the Development Territory. Developer approves of the Development Schedule as being reasonable and viable and recognizes that failure to achieve the results described in the Development Schedule will constitute a material breach of the Agreement.

4.4 Territory Fee. Developer will pay the Territory Fee to Portal when Developer executes the Agreement. The Territory Fee is non-refundable and is paid in addition to the Development Fee. The Territory Fee secures county-level territorial exclusivity for each county in which a Development Club is designated under the Agreement in lieu of the standard protected territory granted to single-unit franchisees. County-level exclusivity will terminate upon the termination or expiration of the Agreement or Developer's failure to meet the Development Schedule, in which case Developer's territorial protection will revert to the standard territory described in the applicable Franchise Agreement for each Development Club then operating.

SECTION 5 OTHER OBLIGATIONS OF DEVELOPER

5.1 Franchise Agreement Execution. Developer will sign Portal's then-current Franchise Agreement for each Newly Opened Development Club on or before the earliest of (i) the date Developer (subject to Portal's approval of the Portal Club Location) executes a lease for the Portal Club Location for each Newly Opened Development Club, (ii) the date Developer (subject to Portal's approval of the Portal Club Location) enters into a purchase agreement for the real estate of the Portal Club Location for each Newly Opened Development Club, or (iii) six months prior to the date that each Newly Opened Development Club must be open and in operation pursuant to the Development Schedule.

5.2 Royalty Fees and Other Franchise Agreement Fees Acknowledgment.

(a) If the Development Schedule contains at least eight Development Clubs, the Royalty obligation for each Development Club will be equal to 2.5% of the Development Club's Gross Revenues. If the Development Agreement is terminated for cause, Developer will remit the standard Royalty for the Development Clubs going forward from the date of termination and pay the difference between Royalties paid for the Development Clubs and the amount that would otherwise have been due if the Development Clubs were not developed pursuant to the Agreement.

(b) Nothing contained in the Agreement will reduce Developer's obligations set forth in each Development Club's respective Franchise Agreement including, without limitation, Developer's obligations to pay all other fees in accordance with the Franchise Agreement except for Initial Franchise Fees, ~~Marketing Fund~~Growth System Contributions, Activation Fees, and Logistics Fees. Except as described in the foregoing, nothing contained in the Agreement will modify, reduce, or mitigate Developer's obligations to Portal pursuant to any Franchise Agreement.

5.3 Modifications to Franchise Agreement. What constitutes Portal's then-current form of Franchise Agreement will be determined by Portal in Portal's discretion. The then-current form of Franchise Agreement may be modified from time to time by Portal and the modifications will not alter Developer's obligations pursuant to the Agreement.

5.4 Compliance With Franchise Agreements. Developer will operate the Development Clubs in strict compliance with the terms and conditions of each Development Club's respective Franchise Agreement.

5.5 Site Selection. Developer will be solely responsible for selecting Portal Club Location sites. In accordance with the terms and conditions of each Development Club's respective Franchise Agreement, Developer must obtain Portal's prior written approval for each potential Portal Club Location site selected by Developer. Developer will retain an experienced commercial real estate broker or salesperson who has sufficient experience to locate, acquire, purchase, or lease appropriate Portal Club Location sites. No provision of the Agreement will be construed or interpreted to impose any obligation upon Portal to find Portal Club Location sites, assist Developer with the selection of Portal Club Location sites, or provide any other assistance to Developer related to the purchase or lease of Portal Club Location sites.

5.6 Site Selection Criteria. Developer will not lease, purchase, or otherwise acquire a Portal Club Location site for a Development Club until any information Portal requires regarding the proposed Portal Club Location site has been provided to Portal by Developer and the proposed Portal Club Location site has been approved by Portal. Information requested by Portal may include, without limitation, information regarding accessibility, visibility, potential traffic flows, lease terms, and other relevant information. Developer will not enter into any lease or purchase agreement for any proposed Portal Club Location site without Portal's prior approval.

SECTION 6 TRANSFER OF INTEREST

SCHEDULE A
DEVELOPMENT INFORMATION SHEET

This Development Information Sheet is attached to, incorporated into, and forms a part of the Portal Franchising LLC Multi-Unit Development Agreement (the “**Agreement**”) between Portal Franchising LLC (“**Portal**”) and _____ (“**Developer**”). Defined terms will have the meanings set forth in the Agreement and are further defined in this Development Information Sheet.

The Development Clubs developed under this Agreement may be of the following formats: Clubhouse, Brick & Mortar, or Outpost. The per-unit Development Fee is \$50,000.00 to \$59,000.00 for an Outpost, \$154,000.00 for a Clubhouse, and \$164,000.00 for a Brick & Mortar.

If Developer is a Corporate Entity, Developer represents and affirms to Portal that the following is a complete, accurate list of Developer’s Owners:		
Owner Name	Owner Address	Ownership Interest Percentage

Development Fee

Development Territory

Development Schedule		
Development Period	Newly Opened Development Clubs	Cumulative Development Clubs
Development Period 1:		
[----- to -----]	[-----]	[-----]
Development Period 2:		
[----- to -----]	[-----]	[-----]
Development Period 3:		
[----- to -----]	[-----]	[-----]
Development Period 4:		
[----- to -----]	[-----]	[-----]
Development Period 5:		
[----- to -----]	[-----]	[-----]