FRANCHISE DISCLOSURE DOCUMENT

BODYBAR FRANCHISING, LLC
A Texas Limited Liability Company
~~3236~~3100 West 7th Street
Suite ~~B~~310
Fort Worth, TX 76107
(817) ~~862-9550~~381-2135
www.bodybarpilates.com

We offer a franchise for the establishment and operation of studios offering Pilates-inspired classes and other fitness-related services under the BODYBAR trade name and business system.

The total investment necessary to begin operation of a single BODYBAR Pilates Studio ~~range~~ranges from $~~389,964~~431,425 to $~~759,356~~756,035. This amount includes $~~77~~78,500 that must be paid to the franchisor or its affiliate prior to opening.

We also offer an area development program for the establishment and operation of multiple BODYBAR Pilates Studios in a specified development area. The total investment necessary under our area development program depends on the number of franchises we grant you the right to open. The total investment necessary to enter into a development agreement for the right to develop three (3) BODYBAR Pilates Studios is between $~~484,964~~526,425 to $~~854,356. This amount~~851,035 which includes (a) a development fee amounting to $155,000 payable ~~to us~~ at the time you enter into an area development agreement with us, along with ~~an additional $17,500 that is paid to us under~~(b) the total investment necessary disclosed above to establish your initial ~~franchise agreement~~BODYBAR Pilates Studio.

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 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document**.

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact us at ~~3236~~3100 West 7th Street, ~~Suite B~~Ste. 310, Fort Worth, TX 76107, Attn: ~~Matt McCollum~~Compliance Administration via telephone at (817) ~~862-9550~~381-2135, or by emailing franchising@bodybarpilates.com.

The terms of your contract will govern your franchise relationship. Do not 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 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Date of Issuance: April ~~14, 2025~~10, 2026

How to Use This Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Development Agreement require you to resolve disputes with the franchisor by mediation and/or litigation only in Texas. Out-of-state mediation and/or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and/or litigate with the franchisor in Texas than in your own state.

2. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

3. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

4. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

5. **Mandatory Minimum Payments**. You must make minimum advertising, and other payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.

6. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

~~7. **Supplier Control**: You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.~~

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

ADDENDUM TO BODYBAR FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MICHIGAN

NOTICE

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

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

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchises from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

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

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

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

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

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

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

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

Any questions regarding the notice should be directed to the Michigan Department of Attorney General, 670 Law Building, Lansing, MI 48913, (517) 373-7117.

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EXHIBITS

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

The Franchisor

The Franchisor is BODYBAR Franchising, LLC and is referred to in this Franchise Disclosure Document as "Franchisor", "we" or "us." "You" or "Your" means the corporation, partnership, limited liability company or other business entity which acquires the franchise from us and includes your owners, and principals and the managing shareholder, member or partner ("Operating Principal").

We were incorporated in Texas on December 16, 2014, and maintain our principal place of business at ~~3236~~3100 West 7th Street, Suite 310, Fort Worth, TX 76107. We do business under the name "BODYBAR", and "BODYBAR PILATES". Our telephone number is (817) 862-9550 and our website is www.bodybarpilates.com (the "Website"). Our agents for service of process in the states whose franchise laws require us to name an agent for service of process are shown on Exhibit H. We do not operate a business substantially similar to the franchise being offered here.

We are the exclusive franchisor of businesses offering Pilates-based classes and other fitness-related services as well as food and non-alcoholic beverages and other related items and conducting related business matters under the mark "BODYBAR" (the "Franchise" or "BODYBAR Studio").

We have not conducted business in any other line of business or offered franchises in any other line of business. We have no other business activities. We began offering franchises on February 23, 2015.

Our Parent, Predecessor and Affiliates

We have no parents or predecessors.

Our affiliate, BODYBAR Franchise IP Holding LLC ("IP Holding"), is a Texas limited liability company formed on July 4, 2019, with an address at ~~3236~~3100 West 7th Street, Suite 310, Fort Worth, TX 76107. IP Holding owns the Marks, confidential information, copyrights, and related intellectual property associated with the System. IP Holding does not own or operate a business of the type being franchised and has never offered franchises in this or any other line of business.

Other than as disclosed above, we have no parents, predecessors, or affiliates that offer franchises in this line or any line of business or that provide goods or services to franchisees.

The Franchise Offered

We offer qualified applicants the right to establish and operate Franchises using our proprietary system, the characteristics include distinctive exterior and interior design, décor, and color scheme; furnishings; uniform standards, specifications, policies, and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management, and financial control; training and assistance; proprietary fitness instruction methods and techniques and advertising and promotional programs, all of which may be changed, improved, and further developed by us from time to time (the "System").

The BODYBAR System standards, specifications and procedures (collectively, the "System Standards") are described in our confidential operations manuals (collectively, the "Manuals"). The BODYBAR System and the Manual may be changed, improved and further developed by us.

Each Studio will offer Pilates and other exercise programs through live instructional group and individual classes, including, but not limited to, Reformer Pilates exercises, EXO Chair, and other Pilates' apparatuses; strength training; stretching exercises; a teacher training program; and any other services that we authorize (collectively, the "Approved Services"). All classes will be paid for and scheduled online via the Internet and taught by highly trained instructors who have completed the customized BODYBAR Pilates training.

You will operate your BODYBAR Franchise under the marks "BODYBAR", "BODYBAR Pilates" and other trade names, service marks, trademarks, logos, and other symbols we designate (or may later designate) in writing for use in the System (collectively, the "Marks").

If we award you a franchise, you will sign a franchise agreement ("Franchise Agreement") in the form attached to this Disclosure Document as Exhibit B granting you the right to operate a Franchise at a specified fixed location (the "Studio") ~~within a designated area~~ as described on Schedule I to the Franchise Agreement.

Development Agreement

We also offer qualified applicants the right to enter into a development agreement (the "Development Agreement"), the form of which is attached as Exhibit C, to develop multiple Franchises within a specifically described geographic area (the "Development Area"). For each Franchise developed under the Development Agreement, you will sign a separate franchise agreement in the form that we are then offering to new franchisees except that the initial franchise fees will be as provided in the Development Agreement and the royalty and advertising expenditure percentages for the first Studio will be the same as those in the Franchise Agreement attached as Exhibit C.

Any reference to the "Agreements" means the Development Agreement and the Franchise Agreement, as applicable.

Competition

The market for fitness-related services is well-established and highly competitive. There is active price competition among providers of fitness services, as well as competition for management personnel and for attractive commercial real estate sites suitable for Franchises. You must expect to compete with other franchises offering Pilates and fitness services and other competing concepts. Competitors may be locally owned or regional or national chains and franchises. The Franchise business is also affected by changes in consumer taste, demographics, traffic patterns, and economic conditions.

Industry Specific Regulation

There are currently no federal laws specifically regulating the health club or fitness industry, but consumer protection laws exist in several states that regulate the offering and selling of memberships for health clubs or fitness centers. In some states and localities there are licensing and bonding requirements before a health club or fitness center can open for business. Some states have defibrillator laws that require a health club or fitness center to have a defibrillator and staff members qualified to operate one at all times. Some states prescribe the term of memberships that can be sold, the escrowing of membership fees before a health club or fitness center opens for business and terminology that can be used in selling memberships.

You should independently research and review the legal requirements of the health club or fitness industry with your own attorney before you sign any binding documents or make any investments.

ITEM 2
BUSINESS EXPERIENCE

Kamille McCollum – Founder, President and Chief Brand Officer

Kamille McCollum is our President and Chief Brand Officer and has served in such position ~~in Fort Worth, Texas~~ since June 1, 2019. Since August 2016, Ms. McCollum has owned Speak Light, LLC, which operates BODYBAR franchises located in Fort Worth and Plano, Texas.

Matt McCollum – Founder and Chief Executive Officer

Matt McCollum is our Chief Executive Officer and has served in this position ~~in Fort Worth, Texas~~ since June 1, 2019. Since August 2016, Mr. McCollum has co-owned Speak Light, LLC, which operates BODYBAR franchises located in Fort Worth and Plano, Texas. From March 2017 until March 2024, Mr. McCollum served as the Managing Partner and Owner of MA3K Management, LLC of Fort Worth, Texas.

Michael Piermarini – Chief Operations Officer

Michael Piermarini is our Chief Operations Officer and has served in this position ~~in Fort Worth, Texas~~ since July 2024. Prior to joining BODYBAR, Michael was the Chief Operating Officer of Maverick Fitness Holdings of Frisco, Texas from December 2019 to July 2024, a franchisee of Orange Theory Fitness.

Stephen Gatlin – Founder and Director

Stephen A. Gatlin is one of our founders and has served as a Director since our formation in December 2014~~ and is located in Fort Worth, Texas.~~. Since 2011, Mr. Gatlin has ~~owned BODYBAR~~co-owns BODY BAR, LLC, which ~~operates~~operated two BODYBAR Studios in Plano, Texas and Dallas, Texas until they were sold in 2020 and ~~Plano, Texas~~2023 respectively. Since 1995, Mr. Gatlin has served as the CEO of Gatlin International of Fort Worth and Dallas, Texas.

Laurie Gatlin – Founder and Director

Laurie P. Gatlin is one of our founders and has served as a Director since our formation in December 2014~~ and is located in Fort Worth, Texas.~~. Along with Steve Gatlin, Mrs. Gatlin co-owns BODY BAR, LLC, which operated two BODYBAR Studios in Plano, Texas and Dallas, Texas until they were sold in 2020 and 2023 respectively.

Kyle Engelbrecht – Vice President of Learning and Development

Kyle Engelbrecht has served as our Vice President of ~~Learning~~Training and Development ~~in Fort Worth, Texas~~ since 2024. Prior to this role Kyle ~~served as our~~held the roles of Vice President of Operations and/or Director of Franchise Operations ~~in Fort Worth, Texas from~~since July 2022~~ to January~~ ~~,2024.~~ He served as our Franchise Training and Development Coach ~~in Fort Worth, Texas~~ from October 2020 to July 2022. ~~Before joining BODYBAR, Mr. Engelbrecht worked as an Independent Business Consultant from February 2018 to October 2020 in both Washington, D.C. and Austin, Texas.~~

Jill Drummond – Vice President of Fitness

Jill Drummond ~~has served~~serves as our Vice President of Fitness~~ in Fort Worth, Texas since February 2025.~~. Prior to this role Jill served as ~~our~~the Director of Programming and Education ~~in Fort Worth,~~ since ~~Texas from~~ May 2022~~ to January 2025~~. From September 2019 to March 2023, Ms. Drummond served as the Global Education & Program Manager for Freemotion Fitness of Logan, Utah.

Brittany Granby – Vice President, Marketing

Brittany Granby has served as ~~our~~the VP of Marketing ~~in Fort Worth, Texas~~ since October 2024. Before joining BODYBAR, Brittany served as Director of Field Marketing for Chuy's OPCO Inc. of________ Austin, Texas from June 2015 to October 2024.

Heath Ellenberger – Director, Strategic Growth

Heath Ellenberger is our Director of Strategic Growth and has served in this position ~~in Fort Worth, Texas~~ since January 2025. From 2019 to 2025, he was an operational partner for Fenfit ~~in~~out of Jacksonville, Florida, an Orangetheory Fitness franchisee.

Nicholas Larocco – Director, Studio Development

Nick LaRocco is our Director of Studio Development and has served in this position ~~in Fort Worth, Texas~~ since March 2025. From 2023 to March 2024, he served as Director of Operations of Extraordinary Brands of Charlottesville, Virginia. From December 2021 to April 2023, he served as Director of New Studio Openings for L5 Be Well LLC (d/b/a Restore Hyper Wellness) of Austin, Texas. He served as the Vice President of Franchise Operations for Options Medical Weight Loss of Chicago, Illinois from August 2020 to November 2021. From October 2016 to August 2020, Mr. LaRocco held various roles with Orangetheory Fitness of Boca Raton, Florida, including Director of North America Studio Operations.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Agreement

Initial Franchise Fee

You must pay us a lump sum initial franchise fee of $60,000 (the "Initial Franchise Fee") when you sign a Franchise Agreement. The Initial Franchise Fee shall be fully earned upon payment and is not refundable, in whole or in part, under any circumstance. Except as described in this Item, initial franchise fees are calculated uniformly for all franchisees. We do not offer financing for the Initial Franchise Fee.

Veteran's Discount in Connection with Initial Franchise Fee

We offer franchisees that are actively serving in the military and/or military veterans that have been honorably discharged from duty a reduced Initial Franchise Fee of $55,000, representing a $5,000 discount on the Initial Franchise Fee. This discount will only apply to the initial BODYBAR franchised Studio that such a prospect is awarded the right to develop. We may change or discontinue this discount at any time in our sole discretion.

Initial Inventory Kit

Prior to opening your BODYBAR Studio, you must purchase from us our proprietary opening inventory ("Initial Inventory Kit"), which includes BODYBAR apparel, including leggings, t-shirts, tank tops, outerwear, bags, grip socks, promotional items, giveaway items, and studio accessories. The current cost of the Initial Inventory Kit ~~is~~ ranges between $10,000 and ~~is~~$15,000, with the lower amount representing the minimum inventory requirement and the higher representing a large initial inventory order. The Initial Inventory Kit is fully earned upon payment and not refundable ~~upon payment~~ under any circumstances.

Founding Instructor Training Program

Prior to opening your first BODYBAR Studio, all instructors must satisfactorily complete the Comprehensive BODYBAR Pilates Instructor Training Program. Your Studio will host one Comprehensive BODYBAR Pilates Instructor Training on-site to train instructor candidates prior to opening (the "Founding Instructor Training"). The cost of this training is currently $~~7~~8,500, which includes the cost of a BODYBAR Master Trainer to conduct the training. You are responsible for any costs incurred to train instructors outside of this pre-opening Instructor Training, including instructor registration fees, travel, and lodging.

Development Agreement

In addition to our single unit offering, we grant qualified individuals the right to own and operate multiple BODYBAR Pilates Studios in a designated territory through an "Area Development Agreement". Upon signing the Area Development Agreement, you will pay us an area development fee depending on the number of BODYBAR Studios we grant you the right to open within the Development Area (the "Area Development Fee"). The Area Development Fee is as follows

Number of Units to be Developed	Total Area Development Fee
2	$110,000
3	$155,000
4	$200,000
5	$240,000
6	$275,000
10	$400,000
11+	+$40,000 per Unit

You will be required to enter into our then-current form of franchise agreement for each BODYBAR Studio you wish to open under the Area Development Agreement, but you will not be required to pay any additional Initial Franchise Fee at the time you execute an additional franchise agreement. If you enter into a Development Agreement, you must concurrently execute our current Franchise Agreement for the first BODYBAR Studio to be opened within your Development Area.

Except as otherwise noted above, all fees stated in this Item 5 are fully earned and non-refundable upon payment.

ITEM 6
OTHER FEES

Type of Fee(1)	Amount	Due Date	Remarks
Royalty(2)	7% of Gross Sales	Payable weekly by Mariana Tek/Stripe.	You will be required to start paying your Royalty once your Franchised Business begins collecting revenue from operations. We reserve the right to collect your Royalty on a different interval (for example, daily).
Marketing Fund Fee(3)	2% of Gross Sales	Payable weekly via Mariana Tek/Stripe.	See Note 3.
Grand Opening Marketing and Promotions	$20,000	Prior to Opening	These funds are expected to be allocated across a variety of marketing channels, including, but not limited to, digital marketing, community engagement, referral programs, hosted and attended events, and business-to-business outreach. You may spend more than

			the $20,000 minimum
Local Advertising Requirement~~(4)~~(4)	A minimum average spend of $3,000 ~~per~~a month ~~on average~~ over a 12-month period, exclusive of any agency, management, or service fees.	As Incurred	Local advertising, marketing and promotional expenditures are paid to third parties or to vendors we designate for customer acquisition, social media, and customer retention. ~~See Item 11.~~Agency or management fees are not to be included in the spend measurement and may range between $400 and $1,500 per Studio depending on the vendor.

Type of Fee(1)	Amount	Due Date	Remarks
Technology Fee	Currently $500 per month, subject to change~~.~~	Monthly via Mariana Tek/Stripe	You will be required to pay us a monthly service fee to cover the increasing cost of supplying technology solutions to the network and/or to fund the continued development of new and innovative features for the System support site(s). The current Technology Fee covers the cost of the franchise management software, marketing management software, applicant tracking system, website hosting and e-commerce platform, email and communication tools, financial and operational benchmarking software, content creation and digital publishing tools, client engagement and instructor performance analytics software, and our online learning management system (LMS). After the first ~~three~~four email addresses, you will be required to pay the then-current fee for any additional email addresses. The current fee for each additional email address is $~~135~~150/year. These fees are subject to change at any time~~.~~ provided that this fee will not increase more than 30% on an annual basis
Virtual Additional Training Fee	At our option, our then current per diem or hourly rate plus out-of-pocket costs and expenses. Our current hourly rate is $150.	Due upon receipt of invoice.	If we determine additional training is needed for any one of your current instructors, managers or Operating Principal, you must also pay the expenses of your personnel attending additional training and the fees and expenses of our personnel providing the training at your Studio, as applicable. We may increase this fee in our discretion, provided it will not exceed $600 per hour.
On-site Additional Training and refresher training	The then-current per diem fee or hourly rate for remedial training, plus out-of-pocket costs and expenses. Our current rate is $1,000 per day.	Due upon receipt of invoice.	If you ask or if we believe it is appropriate, we will (subject to availability) provide trained representatives to conduct on-site additional training at your Studio. We may increase this fee in our discretion, provided it will not exceed $2,000 per day
~~Business~~New Franchisee Training Program for additional or replacement personnel	$1,500 per person, plus expenses.	Prior to training.	You must pay this amount for any additional or replacement personnel who are required to attend the ~~Business~~New Franchisee Training Program. You must also pay all expenses your trainee incurs, including travel, lodging, meals and applicable wages.

Type of Fee[(1)]	Amount	Due Date	Remarks
Studio Manager Training for additional or replacement personnel	Currently, we do not charge a fee for Studio Manager Training for replacement or additional manager but reserve the right to. You are responsible for all travel, meals and lodging expenses incurred by attendees.	As incurred	You must have your initial Studio Manager, Assistant Studio Manager, and/or General Manager satisfactorily complete our Studio Manager training program at the first available scheduled training. Self-paced online training is required for replacement Managers.
Fitness Manager Training for additional or replacement personnel	Currently, we do not charge a fee for Fitness Manager Training for replacement or additional managers but reserve the right to. You are responsible for all travel, meals and lodging expenses incurred by attendees.	As incurred	All Studios must be under the supervision of a Fitness Manager (the "Fitness Manager") that will oversee recruitment of instructors, quality assurance, and scheduling of all classes amongst other things. All Fitness Managers must satisfactorily complete our Fitness Manager Training program at the first available scheduled training. ~~Self-paced online training is required for replacement Managers.~~
Instructor Training Program for additional or replacement personnel	Billed at our then current rate, which is currently $~~5~~6,500. Additional fees may apply.	Prior to training.	After opening, all instructors must complete and successfully pass the BODYBAR Instructor Training Program to be eligible to teach at a BODYBAR studio. The BODYBAR Instructor Training Program can only be administered by an official BODYBAR Master Trainer as designated by BODYBAR Franchising. Instructor candidates have up to one year to complete all final course work hours to earn their BODYBAR Instructor Certificate. Additional fees may be charged for replacement or make-up trainings.
Annual Conference	Will vary based on our costs of establishing and running the conference. Billed at our then current rate, which is currently $1,~~000~~199.	As incurred	We may, in our discretion, hold an Annual Franchise Meeting at a location we select and require you or your Operating Principal to attend. We encourage the Studio Manager and/or Fitness Manager to also attend the Annual Franchise Meeting. We charge a registration fee for the Annual Franchise Meeting which all System Franchisees are required to attend and pay. Additional travel costs may be applicable as well.

Type of Fee[1]	Amount	Due Date	Remarks
Transfer Fee – Franchise Agreement	If transferring to a third party, the transfer fee is 50% of our then-current initial franchise fee. If transferring to an existing BODYBAR franchisee, then the transfer fee is $10,000.	With transfer application.	In addition to the Transfer Fee, the transferring Franchisee may also incur broker or sales agent fees that must be paid as a condition of the transfer. There are additional conditions for transfer. See Item 17. Subject to additional fees.
Transfer Fee – Development Agreement	If transferring to a third party, the transfer fee is equal to 50% of the Initial Fee for each Studio~~..~~.	With transfer application.	In addition to the Transfer Fee, the transferring Franchisee may also incur broker or sales agent fees that must be paid as a condition of the transfer There are additional conditions for transfer. See Item 17.
Renewal Fee	$10,000	Signing of renewal Franchise Agreement	There are additional conditions for renewal. See Item 17.
Interest upon Nonpayment	The lesser of 12% per annum or the maximum rate allowed by law	When billed.	Payable upon a failure to pay any amounts owed to use in the time period required by the Franchise Agreement.
Indemnification	All losses, liabilities, costs and expenses including attorneys' fees	On demand.	You must defend and indemnify us against certain losses relating to your actions.
Audit Fee[5]	Cost of audit (including legal and accounting fees) and understated amounts plus interest.	When billed.	Payable only if audit shows an understatement.
Insurance Fee	Reimbursement of our costs plus an administrative fee equal to 10% of the insurance premium.	On demand.	If you fail to maintain the required insurance, we may, but are not obligated to, obtain this insurance for you.
Proof of Insurance Certificates Non-Compliance Fee	$500	On demand.	You must pay us $500 per certificate if you fail to submit to us certificates of insurance in the time period we specify, and you will continue to be required to obtain the required insurance coverage.
Operating Days	$500 per day each day Franchise is closed without permission.	On demand.	You must open and operate the Franchise 360 days a year; except, you may elect to close the Franchise on New Year's Day, Easter, Fourth of July, Thanksgiving, and Christmas Day; all other closings require our prior written permission.

Enforcement Costs	Will vary.	As incurred.	You must pay our costs of enforcement (including attorneys' fees and costs) if you do not comply with the Franchise Agreement.

Type of Fee[1]	Amount	Due Date	Remarks
De-identification Fee	Will vary.	On demand.	We have the right upon termination or expiration, at our option and at your expense, to enter the Franchise premises and take all actions necessary to de- identify the premises as a Franchise. Such costs incurred due to our de-identification efforts must be paid by you immediately upon notice.
Unauthorized Advertising	$250 per occurrence.	When billed.	Without limiting our rights to any other damages, we have the right, at our option, to assess you a $250 fee per occurrence for the use of any unauthorized marketing ~~and advertising~~or advertising materials, communications, or content, whether digital, electronic, online, printed, physical, or otherwise, including but not limited to websites, social media, email marketing, digital ads, print ads, signage, flyers, or promotional materials.
Management Fee	15% of Gross Sales plus expenses.	Payable weekly out of Franchise proceeds.	The Management Fee is paid to us in the event we exercise our right to step in and operate your Studio in certain circumstances, including your default, death, disability or prolonged absence. The reimbursable expenses include travel, lodging and meals.
Business Management Software Fee[6]	Then-current fee charged by our Approved Supplier, which is currently $~~425~~424 per month	Currently charged directly by Approved Supplier.	Please see Items 8 and 11 of this Disclosure Document for additional information on Approved Suppliers and this fee. We or our vendor reserve the right to increase this fee, provided it will not be increased by more than 40% in any given year.
Music Licensing Software	Then-current fee charged by our Approved Supplier~~,~~ which ~~currently ranges between $40 – $80~~presently is $480 if paid annually or $50 per month	Currently charged directly by Approved Supplier; or franchisee may pay the applicable performing rights organizations directly.	This service helps you to maintain music licensing requirements ~~with~~. Franchisees have two options (i) we have a ~~single~~preferred vendor~~.~~ you can utilize to meet licensing requirements OR (ii) franchisees can pay for an appropriate music service and the performing rights organization (PRO's) directly to maintain coverage.
~~Merchant Services~~	~~Then-current fee charged by our Approved Supplier, currently ranging between 2.8% + $0.20 per transaction.~~	~~Payable at time of transaction.~~	~~Our designated Merchant Services provider is required to accept credit card payments.~~

~~Document Processing Fee~~	~~Hourly Rate of General Counsel which are presently $500/hour.~~	~~Payable upon receipt of invoice~~	~~If we are required to amend your franchise agreement and ancillary documents to account for name changes, address changes, corporate or other modifications (other than a transfer), we reserve the right to require you to reimburse us for our costs, including are legal fees.~~

Type of Fee(1)	Amount	Due Date	Remarks
Merchant Services	Then-current fee charged by our Approved Supplier, currently ranging between 2.78% + $0.20 per transaction (domestic cards); 3.9% on all transactions + $0.30 /transaction (international cards), with a chargeback fee of $15 and a 2% currency conversion fee.	Payable at time of transaction.	Our designated Merchant Services provider is required to accept credit card payments.
Document Processing Fee	Hourly Rate of General Counsel which are presently $550/hour.	Payable upon receipt of invoice	If we are required to amend your franchise agreement and ancillary documents to account for name changes, address changes, corporate or other modifications (other than a transfer), we reserve the right to require you to reimburse us for our costs, including are legal fees.
Relocation Fee	$5,000 plus our costs and expenses on account of the relocation	Payable upon receipt of invoice	You shall not relocate the Studio without our prior written approval of Franchisor. We shall have the right, in our sole discretion, to withhold approval of relocation. In such circumstance, you must procure a site acceptable to us at least 90 days prior to closing operations at your current Studio, and open for business at the new approved location within 30 days of closing business at the current Studio. You are responsible for paying Royalty and other fees due under this Agreement, as calculated on a rolling 12-month basis, during any transitional period.
Bookkeeper Fee;	Then current fee, currently $350 to $400 per month.	Payable upon receipt of invoice	You must select your bookkeeping agency from one of our Approved Suppliers. The current fee for the bookkeeping agency ranges between $350 to $400 per month, which is subject to change. If you do not wish to work with one of our Approved Suppliers for bookkeeping services, you must request in writing to utilize a different bookkeeper. We are not required to approve your request, but if we do you must pay a one-time fee of $1,000 to have the alternative bookkeeper trained on how to properly closeout your books to ensure accuracy in meeting system standards

Notes:

(1) All fees and expenses described in this Item 6 are nonrefundable. Except as otherwise indicated in this Item 6, we uniformly impose all fees and expenses listed and they are payable to us and are fully earned upon receipt by us. Mariana Tek, our designated vendor, will automatically draft Royalty Fees, Marketing Fund Contributions, Technology Fees and any additional fees or amounts owed to us from your bank account according to the terms of the Franchise Agreement. You must sign the forms we, our bank and/or your bank require to set up electronic funds transfer, and you must make sure that there is a sufficient balance in your account to make payments of Royalty Fees, Marketing Fund Contributions, Technology Fees and other continuing fees payable to us and/or our affiliates.

(2) Gross Sales means the total revenue generated from the sale of all services and products and all income of every other kind and nature related to the Franchise, whether for cash or credit (treated as a sale when the charge is made and regardless of collection in the case of credit), sales in kind from barter and/or exchange, as well as business interruption insurance proceeds. Gross Sales does not include (i) sales (or similar) taxes that you collect from your customers if you transmit them to the appropriate taxing authority; (ii) proceeds from isolated sales of trade fixtures that are not part of the products and services you offer and that do not have any material effect on the operation of your Franchise; (iii) tips or gratuities paid directly by members or customers to your employees, teachers or instructors or paid to you and then turned over to these employees by you in lieu of direct tips or gratuities; or (iv) returns to shippers or manufacturers. Gross Sales also does not include proceeds from the sale of gift certificates or stored value cards (all proceeds from the sale of gift certificates and stored value cards belong to us), but it does include the redemption value of gift certificates and stored value cards at the time purchases are made.

(3) We have established a National Marketing Fund ("Marketing Fund") for the common benefit of System Franchisees. Currently, you are required to contribute 2% of your weekly Gross Sales to the Marketing Fund ("Marketing Fund Contribution"). The Marketing Fund Contribution is paid along with the Royalty. Please see Item 11 for more information regarding the Marketing Fund.

(4) You must spend a minimum of $3,000 per month on average over a 12-month period, exclusive of any agency, management, or service fees on local advertising, marketing and promotional programs ("Local Marketing Requirement"), to be paid to third parties. These funds may be used to acquire or retain customers for your studio. To be clear, agency, management, and/or service fees are not included in this requirement.

(5) We reserve the right to collect our costs (including our travel and other out-of-pocket expenses) to audit your Franchise if you understate the reporting of your Gross Sales by 3% or more or if the audit is done because you did not send us or keep required records. Otherwise, we will pay the cost of the audit. You must also immediately pay us the additional amounts owing plus interest described above commencing from the original date owed to us. You must cooperate fully in the audit process. If you understate your Gross Sales by 3% or more a second time for any Franchise, we may terminate your Agreement.

(6) We will make available to you a business management software program that you

will use in the operation of your Studio. Currently, the approved and required software for use in the Studio is “Mariana Tek,” an online/web-based business management program. You will pay the third- party vendor directly for all fees associated with the use of the software. We have the right to access any and all information stored in the program that pertains to the Studio through file transfer protocol or polling through the Internet, at our discretion.

ITEM 7
ESTIMATED INITIAL INVESTMENT

A. YOUR ESTIMATED INITIAL INVESTMENT UNDER THE FRANCHISE AGREEMENT

Category of Investment	Low Amount	High Amount	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee[1]	$60,000	$60,000	Lump Sum	Upon execution of Franchise Agreement	Us
Travel and Living Expenses While Training[2]	$~~1~~2,500	$~~7,125~~10,000	As Arranged	As incurred	Transportation, Carriers, Hotel Facilities, Etc.
BODYBAR ~~Pilates~~Founding Instructor Training Program[3]	$~~7~~8,500	$~~9,000~~11,150	As Arranged	As incurred	Us
Real Estate/Lease[4]	$~~13,500~~5,200	$~~17,500~~20,000	As Arranged	As Arranged	Lessor, Site Consultant
Leasehold Improvements[5]	$~~99,444~~120,000	$~~311,951~~275,000	As Arranged	As Arranged	Approved Suppliers, Contractors,
Pilates Equipment Package[6]	$~~124,300~~105,000	$128,~~700~~660	Lump Sum	Before Opening	~~Us or Approved Suppliers~~Designated Supplier
~~Category of Investment~~	~~Low Amount~~	~~High Amount~~	~~Method of Payment~~	~~When Due~~	~~To Whom Paid~~
Audio/Visual ~~Items~~& Computer Systems [7]	$~~23,830~~25,225	$~~39,730~~32,225	As Arranged	As Incurred	~~Us or Approved suppliers~~Designated Supplier
Signage[8]	$~~9,750~~10,000	$~~11,525~~22,000	As Arranged	As incurred	Approved Suppliers
~~Computer System and Equipment~~ ~~[9]~~	~~$1,600~~	~~$3,825~~	~~As Arranged~~	~~As Arranged~~	~~Suppliers~~
Initial Inventory Kit [~~10~~9]	$10,000	$~~10~~15,000	Lump Sum	Before Opening	Us

Advertising/Marketing (including Grand Opening Program costs)[(~~11~~10)]	$~~16,500~~20,000	$~~17,500~~30,000	As Arranged	As Arranged	Approved Suppliers
Insurance[(~~12~~11)]	$~~3,540~~4,000	$~~6~~8,000	As Arranged	As Arranged	Insurance Broker
Shipping[(~~13~~12)]	$~~1~~5,000	$~~1,500~~12,000	As arranged	Before Opening	Our suppliers
Professional Fees[(~~14~~13)]	$~~3,500~~26,000	$~~45~~42,000	As Incurred	As Incurred	Lawyers, CPAs, Architects, Construction Management
Additional Funds – 3 Months from Opening[(15)]	$~~14.~~30,000	$90,000	As Arranged	As Incurred	Employees, Vendors, Utilities
Category of Investment	**Low Amount**	**High Amount**	**Method of Payment**	**When Due**	**To Whom Paid**
TOTAL ESTIMATED INITIAL INVESTMENT[(16)]	**$~~389,964[(17)]~~431,425**	**$~~759,356[(19)]~~756,035**			

Unless otherwise noted, all amounts listed in the tables above are non-refundable. Amounts payable to suppliers/vendors are refunded according to arrangements you make with the vendor, if any. These figures are estimates of the range of your initial costs in the first three (3) months of operation only. Financing is available for many of the above expenses. If you finance your costs, lenders will generally finance up to 80% of the initial cost and require a borrower to put down at least 20% of the total loan amount. We do not offer direct or indirect financing~~ for any part of your initial investment. We do not guarantee your note, lease or obligation. ~~, but we may assist you in obtaining financing through other sources, as described in Item 10 below.

Notes to Table(s) A.

1. Initial Franchise Fee. We describe the initial franchise fee in Item 5. The amount above reflects the Initial Franchise Fee for a single Studio. ~~The Franchise Fee was increased from 2024 to 2025 by $11,500.~~

2. Travel and Living Expenses While Training. You will incur expenses associated with our training program. Included in the Initial Franchise Fee is our ~~Business~~ New Franchisee~~Owner~~ Training Program, Studio Manager Training Program and Fitness Manager Training Program for up to two attendees. You must pay all expenses you and your employees incur in attending these Programs, including travel, lodging, meals, and wages. These costs will vary depending upon your selection of salary levels, lodging and dining facilities, and mode and distance of transportation. The amount you will spend while training will depend on several factors, including the number of persons attending, the distance you must travel and the type of accommodations you choose, if any are needed. The low estimate assumes that your studio is located in fairly close proximity to one

of our designated training facilities, and that the two individuals attending our Training Program(s) will not be required to incur airfare or lodging costs. The high estimate assumes that the two individuals will need airfare for both the Business Owner, Studio Manager, and Fitness Manager Training Programs (coach class) and lodging while attending the program.

3. Founding Instructor Training. Your Fitness Manager and all Instructors must complete the BODYBAR Pilates Founding Instructor Program. Your Fitness Manager will attend Instructor Training at an existing BODYBAR Pilates location in advance of hosting your Founding Instructor Training. The cost for your Fitness Manager to attend will be $1,500 plus travel expenses. The High Amount assumes you pay for your Fitness Manager to attend training in advance of your Founding Instructor Training. Your Founding Instructor Training will then be scheduled to take place at your studio prior to opening. The cost of this training is currently $~~7~~8,500 for up to 10 attendees. Additional participants, up to the number of Reformers in your studio may attend, provided you pay a fee of $300 per person. The Founding Instructor Training fee includes expenses and compensation for a BODYBAR Master Trainer to conduct the Module 1 in-person training at your studio and the Module 2 remote trainings. Any instructors unable to attend this training must attend and pay for instructor training at another BODYBAR location or one you choose to host on a future date.

4. Real Estate/Lease. A Studio will typically be located in a retail shopping center with at least 2,100 to 2,500 square feet of space. We may, however, consider alternative sites, on a case-by-case basis. The estimates above are based on a typical landlord's requirement that a lessee pay the first month's rent, the last month's rent and/or a security deposit equal to one month of rent upon execution of the lease. Real estate costs vary considerably according to real estate values in your area, your real estate interest (leasehold or ownership), location, size of the site, code requirements and other factors. Factors that typically affect your real estate costs include your cost to negotiate your lease (or buy the property), fair market lease values and lease terms in your area, how the costs to renovate or develop the land, building and other site improvements are allocated between landlord and tenant and interest costs, among others. Lease terms are individually negotiated and may vary materially from one location or transaction to another. Additionally, the low estimates assume that you do not utilize the services of our preferred real estate service or construction management company for assistance in negotiating the lease, in which scenario your construction plans must be reviewed by our designated vendor to ensure compliance with brand standards, the cost of which is approximately $100 per hour.

5. Leasehold Improvements. The premises for Studios are generally leased. The amounts above assume that you will lease the premises and do not include costs of land acquisition and construction of a building. The leasehold improvements estimate is based on the cost of adapting our prototypical architectural and design plans to a facility containing 2,~~375~~325 square feet, which is the average size for a BODYBAR Pilates studio built in 2025. The amounts also include the Furniture, Fixtures and Equipment (FFE) generally sourced by your general contractor or yourself from one of our Approved Suppliers. The low figure assumes that you will either be converting an existing Pilates studio to a Franchise facility or improving a site in an area where existing labor and supply chains are more readily available. The high figure assumes that you will be a first-generation tenant and that you will be responsible for providing connections to adequate electrical, gas, water, and sewage services. The low and high amounts assume a tenant improvement allowance ("TI Allowance") of $~~27~~55 per sq. ft. and $0 per sq. ft. respectively. The systemwide range

of ~~tenant improvement~~TI allowance during the 2025~~2024~~ calendar year ranged between $0 to $~~131,370~~127,875 with a Median TI Allowance of $~~46,800~~66,205. If you are unable to secure a tenant improvement allowance or you receive a lower allowance, the cost of leasehold improvements will likely be higher than the above stated ranges. Your actual costs for leasehold improvements also will be affected by various other factors like the location of the Studio, local market conditions, and whether or not union fees are imposed upon construction costs. Your actual costs may or may not include site preparation and finish-out costs, depending on the arrangements you negotiate with your landlord. These estimates may vary substantially based on your ability to negotiate with your landlord and your financial strength, as well as on local commercial leasing and labor rates and other local conditions.

6. Pilates Equipment Package. Prior to opening your BODYBAR Studio, you must purchase our required initial package of Pilates and other exercise equipment (the "Pilates Equipment Package"). The Pilates Equipment Package includes 12 to 14 Pilates Reformers with springs, 12 to 14 jump boards, 12 to 14 Allegro II Towers, 12 to 14 EXO Chairs, and smaller pieces of related exercise equipment (e.g., Pilates balls, weights, magical circles and other related items.). The cost of the Pilates Equipment Package ranges between $~~96,639~~104,177 (for 12 reformers) and $~~112,650~~128,660 (for 14 reformers), plus applicable sales tax and shipping costs, depending on whether you purchase the standard set of 14 or the reduced set of 12. The cost of the Pilates Equipment Package is not refundable under any circumstances. You will purchase the Pilates Equipment Package from our designated third-party vendor following the ordering process as prescribed by us. There are no exceptions to this. You may be able to finance some or all of your equipment package through a third-party vendor.

~~7.~~ Audio/Visual ~~Items.~~& Computer Systems. This amount reflects the cost ~~of our required~~ for the audio and visual items, including two mic packs, headsets, surveillance cameras, one receiver, eight speakers and ~~one surveillance camera you must install at the~~ the required low voltage cabling and installation for your Studio by our required AV Vendor. The camera(s) must be web accessible. You will use the camera to monitor instructor performance, quality assurance and safety. We have an absolute right to also review and monitor the camera(s) for the same purposes as you, and to ensure compliance with the BODYBAR System. You are responsible for ensuring customer consent ~~and for any failure to obtain such consent. items).~~

~~8.~~1. ~~Signage. You will need to purchase appropriate signage for your Studio that we approve. The cost of your signage may be more or less than this estimate, and depends on the size, type and method of installation you choose. Each landlord has different restrictions it places and exterior signage that may affect your costs. You may purchase your signage with installation from an Approved Supplier (see item 8 of this Disclosure Document).~~

~~9.~~7. ~~Computer System and Equipment.~~ You must acquire a personal computer and at least ~~one (1~~two (2) Apple ~~iPad~~iPads for use in the operation of the Studio. Your computer system ~~must be equipped~~will be provided by our Required AV Vendor along with a ~~high-speed connection to the Internet and must include~~ printer/scanner combo, label printer, and a ~~local area network with a dedicated server~~barcode reader. We will make available to you a certain business management software program specific for the Studio to be loaded on ~~to~~ your system. You will pay the required third-party vendor directly for all fees associated with the use of the software. (Please see Item 6 of this Disclosure Document for the fee amount and more details on the software.) ~~You can expect initial cash outlays to be lower if the items can be leased rather than purchased.~~ These costs are paid to suppliers, when incurred, before beginning business and are usually ~~not~~ non-refundable. A copy of the agreement you must entered into with our required vendor is attached at Exhibit J. Please see Item 11 of this Disclosure Document for more information on the Computer System. In addition, this estimate includes certain related equipment (e.g., tablets, etc.) recommended for use in your Studio.

8. Signage. You will need to purchase appropriate signage for your Studio that we approve. The cost of your signage may be more or less than this estimate, and depends on the size, type and method of installation you choose. Each landlord has different restrictions it places and exterior signage that may affect your costs. You may purchase your signage with installation from an Approved Supplier (see item 8 of this Disclosure Document).

~~10.~~9. Initial Retail Inventory Kit. Prior to opening your BODYBAR Studio, you must purchase from us our required proprietary Initial Inventory Kit, the total cost of which is ~~$10~~up to $15,000~~.~~ based on the amount and type of products selected. The Initial Inventory Kit includes a minimum of $~~2~~3,000 (not including shipping) of BODYBAR apparel (leggings, t-shirts, tank tops, outerwear, and bags) and other items we require to be ordered prior to the start of membership presale, including grip socks, promotional items, giveaway items, and studio accessories worth approximating $10,000. You may choose to purchase more items in excess of the requirement.

~~11.~~10. Grand Opening Advertising/Marketing. You will be required to spend a minimum of $~~15~~20,000 on advertising and promotion prior to the grand opening of your Studio, as described more fully in Items ~~5~~6 and 11 of this Disclosure Document. These funds are expected to be allocated across a variety of marketing channels, including, but not limited to, digital marketing, community engagement, referral programs, hosted and attended events, and business-to-business outreach. We may require that you expend all or some portion of these funds on materials or services that are provided by our then-current Approved Supplier(s) for the Opening Support Program components and or any other advertising or marketing, and we expect that you will typically expend these amounts primarily in the month(s) immediately preceding and following the soft opening of your Studio. You may spend more than the $~~15~~20,000 minimum.

~~12.~~11. Insurance. This amount represents the payment of your annual insurance premiums. You must obtain the insurance coverage described in the Agreements. We must be named as an additional insured on these policies. Your cost of insurance may vary depending on the insurer, the location of your Franchise, your claims history and other factors.

~~13.~~12. Shipping. We reserve the right to arrange for the shipping of all of your equipment and furniture/fixtures, which will be paid to the supplier. These amounts will vary based upon your Studio's location.

~~14.~~13. Professional Fees. You may incur certain professional fees as you seek legal, financial, real estate, construction management or other advice in the process of opening your studio. The low figure assumes you will use our required vendor for site due diligence, design of construction drawings, and permitting only. The high figure ~~also~~ assumes that you will utilize our ~~recommended architect or~~ required vendor for the aforementioned services as well as construction management

~~company to develop necessary plans as well as management of the overall construction, the cost of which ranges between $37,000 to $42,000~~services.

~~15.~~14. Additional Funds. You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and other expenses. The start-up phase begins about one month from beginning your presale until you have been open for business 3 months. Your presale will commence ~~12~~16 to ~~16~~20 weeks before opening your Studio. This total amount is based upon our experience in offering and selling franchises since 2015 and information provided to us by our franchisees.

~~16.~~15. Total Estimated Initial Investment. In preparing the figures in Item 7, we relied upon our experience in the industry, including information we gather from our franchisees that opened Studios in 2025~~2024~~.

B. YOUR ESTIMATED INITIAL INVESTMENT UNDER THE AREA DEVELOPMENT AGREEMENT [1]

Category of Investment	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Area Development Fees [2]	$155,000	$155,000	Lump Sum	Upon execution of Area Development Agreement	Us
Initial Investment for the First Studio[3]	$~~329,964~~371,425	$~~699,356~~696,035	See Charts in Item 7(A) above.		
Total Estimated Initial Investment[4]	**$~~484,964~~526,425**	**$~~854,356~~851,035**	**This is the total estimated initial investment to enter into a Development Agreement for the right to own a total of 3 Studios, as well as the costs to open and commence operating your initial Studio for the first 3 months (as described more fully in Chart A of this Items 7).**		

1. General. All fees and payments are non-refundable, unless otherwise stated herein. We do not offer direct or indirect financing, but we may assist you in obtaining working capital through other sources. See Items 5 and 6, and other parts of this Disclosure Document, for more information regarding initial fees and other costs.

~~2.~~ Development Fee. Upon signing the Development Agreement, you will pay us an area development fee depending on the number of BODYBAR Studios we grant you the right to open within the Development Area (the "Area Development Fee"). The Development Fee is described in greater detail in Item 5 of this Disclosure Document. The above amounts represent the Development Fee to open and operate a total of three Studios (provided you comply with your development obligations under the Development Agreement). If you choose to open less than

three or more than three Studios, your Development Fee will be calculated as per the schedule in Item 5 of this Disclosure Document.
~~Upon signing the Area Development Agreement, you will pay us an area development fee depending on the number of BODYBAR Studios we grant you the right to open within the Development Area (the "Area Development Fee").~~

You will be required to enter into our then-current form of franchise agreement for BODYBAR Studio you wish to open under the ~~Area~~ Development Agreement, but you will not be required to pay any additional Initial Franchise Fee at the time you execute each of these franchise agreements. If you enter into a Development Agreement, you must execute our current form of Franchise Agreement for the first BODYBAR Studio we grant you the right to open within your Development Area concurrently with the ~~Area~~ Development Agreement.

~~3.~~2. Initial Investment for First Studio. This figure represents the total estimated initial investment required to open the first BODYBAR Studio under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for BODYBAR Studio you wish to open under the ~~Area~~ Development Agreement, but you will not be required to pay any additional Initial Franchise Fee at the time you execute each of these franchise agreements. The range includes all the items outlined in Charts 7A of this Item, except for the $60,000 Initial Franchise Fee (because you are not required to pay any initial Franchise Fee for those Franchised Businesses you open under the ~~Area~~ Development Agreement). It does not include any of the costs you will incur in opening any additional BODYBAR Studio(s) that you are granted the right to open and operate under your ~~Area~~ Development Agreement.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Our methods, standards and specifications (the "System Standards") are prescribed in our confidential operations manuals and various other confidential manuals and communications prepared by us for your use in operating the Franchise, which may be amended, supplemented and revised from time to time in our discretion (together, the "Manuals").

Currently, except as described below, you have no obligation to purchase or lease from us, our affiliates or other designated third-party suppliers any of the products, services, supplies, fixtures, equipment (including computer hardware and software), inventory or real estate used in establishing or operating the Studio, but we reserve the right to do so at any time in the future.

Required Purchases and Approved Suppliers

You must comply with all of our standards and specifications relating to the purchase of all Pilates and fitness equipment, food and beverage items, ingredients, supplies, apparel, merchandise, materials, fixtures, furnishings, other equipment (including computer hardware and software), signs, advertising, graphics, vehicle wraps, and other products used or offered for sale at the Studio. You must purchase certain items from suppliers or designated sources that we approve, including manufacturers, distributors and other providers of goods and services ("Approved Suppliers").

If we have Approved Suppliers for any Pilates and fitness equipment, food and beverage items, supplies, materials, fixtures, furnishings, other equipment (including computer hardware and software), apparel, merchandise, services, and other products used or offered for sale at the Franchise, you must obtain these items from those suppliers. Approved Suppliers are those who we believe have demonstrated the ability to meet our then-current standards and specifications, in our discretion, whom we have approved in writing, and whom we have not later disapproved. We may designate ourselves or our affiliates as Approved Suppliers of any item. We do not provide material benefits to you for your use of designated or Approved Suppliers.

We have negotiated an arrangement with Consolidated Development Services (“CDS”) to be the required vendor to perform due diligence of your proposed premises for the studio as well as design and architectural services for the System. You are required to use the services of CDS, who will prepare site specific scaled architectural, mechanical, electrical and plumbing drawings necessary for (i) obtaining building permits from local authorities; (ii) obtaining landlord approval; and (iii) construction and/or build out of the Studio.

Currently, you must purchase the Pilates Equipment Package from our designated vendor. You must purchase the Initial Inventory Kit from us but reserve the right to designate another approved supplier in our sole discretion. See Item 5 for more information on these required purchases.

Prior to opening your BODYBAR Studio, you must purchase and install our required audio/visual and technology infrastructure package (the "AV & Technology Package") from our required vendor. The AV & Technology Package includes, at a minimum: an in-studio audio system (speakers, amplifier, and microphone); video display and digital signage systems; a minimum of two (2) web-accessible surveillance cameras; network infrastructure equipment; and any other technology integration components we designate in the Manuals or in writing. All cameras must be web-accessible. You will use the cameras to monitor instructor performance, quality assurance, and safety. We have an absolute right to review and monitor the cameras for the same purposes, and to ensure compliance with the BODYBAR System. You are responsible for ensuring customer consent and for any failure to obtain such consent. The cost of the AV & Technology Package will vary based on the size and configuration of your Studio and is paid to our designated vendor. You may not purchase or install alternative equipment in substitution for the AV & Technology Package without our prior written consent. We reserve the right to modify the designated vendor at any time.

None of our officers own an interest in any approved suppliers as of the issuance date of this disclosure document.

If we require that an item be purchased from an Approved Supplier, and you wish to purchase it from a supplier we have not approved, you must submit to us a written request for approval. You may not purchase or lease the item from the supplier unless we have approved the supplier in writing. We have the right to inspect the supplier’s facilities and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may re-inspect the facilities and products of any approved supplier and may revoke our approval if the supplier fails to meet and maintain any of our then-current criteria. You must reimburse us for the costs that we incur in the supplier approval process.

Nothing requires us to approve any particular supplier, and we are not required to notify you of our approval or disapproval within any specified period of time. Our specifications and standards are listed in the Manuals or through written communications and are available to franchisees and Approved Suppliers upon written request. We have the right to revoke approval of a supplier or items commissioned at any time.

You must purchase all BODYBAR branded items and other marketing materials that contains our Mark or branding, including clothing, Studio accessories, point of sale displays, or other merchandise, as well as all interior and exterior signage, interior and exterior graphics, vehicle wraps, and promotional materials from us or a supplier or vendor that we designate.

You are required to pay us a monthly Technology Fee to cover the increasing cost of supplying technology to the network and/or to fund the continued development of new and innovative features for the System. The current Technology Fee covers the cost of the franchise management software, marketing management software, applicant tracking system, ~~website hosting and~~ e-commerce platform, email and communication tools, financial and operational benchmarking software, content creation and digital publishing tools, client engagement and instructor performance analytics software, and our online learning management system (LMS). After the first ~~three (3~~four (4) email addresses, you will be required to pay the then- current fee for any additional email address(es).

You must purchase our then-current software, which is currently Mariana Tek, from a source we designate. See Item 11 for more information on these required purchases.

You must select your bookkeeping agency from one of our Approved Suppliers. If you do not wish to work with one of our Approved Suppliers for bookkeeping services, you must request in writing to utilize a different bookkeeper. We are not required to approve your request, but if we do you must pay a one-time fee of $1,000 to have the alternative bookkeeper trained on how to properly close out your books to ensure accuracy in meeting system standards.

We have the right to make available to you for resale merchandise identifying the System. This may include BODYBAR memorabilia, grip socks, t-shirts, tank-tops, leggings, cups and mugs and other collateral merchandise. If we make this type of merchandise available, we may require you to purchase it from a supplier or vendor that we designate in amounts necessary to meet your customer demand.

All other supplies, equipment, furnishings, fixtures, materials, décor, signs and materials of your Franchise and services to your Franchise which we do not require you to purchase from our Affiliates or Approved Suppliers must meet our specifications, standards, and requirements. Our standards and specifications are formulated and modified according to information we obtain from our Affiliates and our franchisee.

Site Selection and Construction Management

You must locate a site for the Studio that satisfies our site selection requirements. You are required to obtain our written approval before entering into a lease or real estate purchase agreement for the Franchise premises. See Item 11 for additional information on site selection.

We have ~~negotiated arrangements with preferred real estate vendors~~an internal team that will assist you, at your option, in locating a site and will provide ~~System franchisees~~ certain services including, without limitation: attending an initial kickoff call with your representative; conducting a market tour to review potential sites, prescreening of sites for conformity to our site criteria, submit sites to us for initial review and preapproval and monitoring the lease negotiation process. ~~If you choose not to use the preferred vendor, we reserve the right to select who represents the BODYBAR Pilates brand in your market and would require any representative to be introduced and approved by us.~~

~~We~~As noted above, we have ~~also~~ negotiated an arrangement with ~~a variety of construction management firms~~CDS to be the ~~preferred~~required vendor ~~of~~ to perform due diligence of your proposed premises for the studio as well as design~~,~~ and architectural ~~and construction management~~ services for the System. ~~The preferred vendor~~You are required to use the services of CDS, who will prepare site specific scaled architectural, mechanical, electrical and plumbing drawings necessary for (i) obtaining building permits from local authorities; (ii) obtaining landlord approval; and (iii) construction and/or build out of the Studio. ~~They will also assist in identifying and selecting a qualified general contractor for the construction and/or build out of the Studio.~~ They will assist in adapting our prototypical architectural and design plans for the construction or remodeling of the Studio including requirements for dimensions, design, furnishings, signs, fixtures, interior layout, décor, accents and color scheme and provide them to us within 30 days after a franchisee acquires the site for the Studio. ~~If~~ They will also assist in identifying and selecting a qualified general contractor for the construction and/or build out of the Studio. A copy of the agreement you will enter with CDS is attached at Exhibit J.

You will have the option to utilize CDS for Construction Management services, but you are not required to do so. If you choose to engage our preferred vendor for Construction Management services, or source one on your own that we approve, you must pay the respective firms fees as outlined in your agreement with the vendor. If we allow you ~~chose not~~ to ~~engage~~deviate from using our ~~preferred~~required vendor, which we are not obligated to do, your construction plans must be reviewed by ~~our designated vendor~~CDS to ensure compliance with brand standards, the cost of which is approximately $100 per hour.

We must review and approve all final plans and specifications before you begin constructing the Studio and all revised plans during construction to ensure they comply with our System Standards. We will use commercially reasonable efforts to either approve or reject the plans within 15 business days after we receive the plans. If we reject the plans, you must submit revised plans, and we will use commercially reasonable efforts to either approve or reject the revised plans within 15 business days after we receive the revised plans. You may not use any plans until we have approved them in writing, and our silence with respect to approval or rejection of the plans will not be deemed to be approval of the plans. You must provide written notice to us, and must obtain our prior written approval of any proposed changes to the final plans that we previously approved. Our review is only to ensure your compliance with our design requirements and/or System Standards. We may inspect the Studio during its development to ensure compliance with our System Standards.

~~You must affix a decal or placard to an exterior window or display containing the following statement "An Independently Owned and Operated Franchise". If we request, you will display~~

~~prominently a "franchise opportunity" display to promote awareness of BODYBAR franchises.~~

Advertising and Promotional Materials

All of your advertising and promotions must conform to our System Standards as described in the Manuals and brand guidelines, as they may be amended from time to time. We must approve all advertising and promotional plans and materials before you use them if we have not prepared them or previously approved them during the three months preceding the date of their proposed use. You must submit any unapproved plans and materials to us, and we will approve or disapprove them within 20 business days after we receive them. You may not use the plans or materials until we have approved them, and you must promptly discontinue using any advertising or promotional plans or materials, whether or not we have previously approved them, if we notify you to do so.

You may not use any advertising or promotional materials and social networking sites that we have not approved~~ or disapproved.~~. All advertising or promotions made online must conform to our social media policy and such standards and requirements as we specify from time to time. We have the right to use, copyright and provide franchisees the use of any marketing, promotional, or advertising materials developed by you. Additionally, you must affix a decal or placard to an exterior window or display containing the following statement "An Independently Owned and Operated Franchise". If we request, you will prominently display a "franchise opportunity" display to promote awareness of BODYBAR franchises.

Insurance

You must obtain and maintain insurance policies protecting you and us and various related parties against any demand or claim with respect to personal injury, death or property damage or any loss, liability or expense related to or connected with the operation of the Franchise. These policies must be written by responsible insurance carriers rated "A" or better by the A.M. Best Company, Inc. and that are acceptable to us.

We may periodically change the amounts of coverage required under the insurance policies and require different or additional kinds of insurance at any time, including excess liability and/or umbrella insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each certificate of insurance must include a statement by the insurer that the policy will not be canceled, subject to nonrenewal or materially altered without at least 30 days written notice to us. All insurance policies, with the exception of workers' compensation and disability insurance, must name us and our affiliates, any area representatives, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds and you must provide us with certificates of insurance, endorsements and declaration pages to each policy evidencing that we were named an additional insured under any policy we require you to name us an additional insured. At our request, you must provide us with copies of all insurance policies together with proof of payment for insurance. You must send to us current certificates of insurance and copies of all insurance policies and endorsements for the Franchise on an annual basis. The insurance policies must provide for a waiver of subrogation.

Our current insurance requirements are as follows:

(1) Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability, and fire damage coverage in the amount of One Million Dollars ($1,000,000) combined single limit per occurrence, Two Million Dollars ($2,000,000) general aggregate.

(2) "All Risks" coverage for the full cost of replacement of the Studio premises and all other property in which Franchisor may have an interest with agreed amount endorsement for the premises naming Franchisor as a loss payee.

(3) Business interruption insurance covering at least twenty-four (24) months' loss of profits and necessary continuing expenses for interruptions caused by any occurrence covered by the insurance and (2) your royalty and Marketing Fund contribution calculated based on the Gross Sales used as the basis for calculation of the business interruption insurance award. Such business interruption insurance shall be written on an all-risk form, either as an endorsement to the policies described in (1) and (2) above, or on a separate policy.

(4) Worker's compensation insurance in amounts required by applicable law.

(5) Such other insurance as may be required by the landlord of the premises and by the state or locality where the Studio is located.

Purchasing Arrangements

We may negotiate purchasing terms from Approved Suppliers. We cannot guarantee, promise, represent, state or warrant that any Approved Supplier will offer or continue any particular pricing, warranty or other terms of sale. We are not under any obligation to you with respect to the terms negotiated or any supplier's terms. We are not responsible for any delays, damages, acts of God, or defects relating to your purchases from approved or designated suppliers or vendors. We also are not responsible for any cost increases related to increases in material costs, commodity prices, shipping and transportation costs, or other costs.

We and/or our affiliates have the right to derive revenue from your purchases of required products and/or services if purchased from us, our affiliates or approved vendors. Generally, any payments made to us by suppliers based upon your purchases may be based on a ~~% margin~~percentage of the cost. We currently earn rebate income from our designated third~~-~~-party supplier of the Pilates Equipment Package, which ranges between 7% and ~~10~~15%, as well as from our audio/visual set-up vendor, which ranges between 7.5% to 8% of all amounts invoiced to franchisees for qualifying purchases. We also earn revenue from the sale of the Initial Inventory Kit~~.~~ as well as clothing and branded items. We have no restriction on our use of this money. In the last fiscal year ending December 31, 2025~~2024~~, we earned $1,~~821,639~~045,838 or ~~34.1~~15% of our total revenue of $~~5,339,382~~7,085,756 from the sale of required goods and services to franchisees. None of our affiliates received any revenue from required franchisee purchases and lease in the prior fiscal year.

We do not provide you with any material benefits based on your use of Approved Suppliers, but you must purchase those goods and services we require from Approved Suppliers to comply with your Franchise Agreement. There are no purchasing or distribution cooperatives in which you must participate, though we reserve the right to require them -in the future.

We estimate that your purchases from us or Approved Suppliers, or that must conform to our specifications, will represent between approximately ~~15~~20% and ~~25~~30% of your total purchases in establishing the Franchise, and approximately 10% to ~~15~~20% of your total purchases in the continuing operation of the Franchise.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreements	Disclosure Document Item
a. Site selection and acquisition/lease	Section II of Franchise Agreement; Section VI.G of Development Agreement	Items 8 and 11
b. Pre-opening purchases/leases	Sections II., VII., VIII., and XII. of Franchise Agreement; Section VI.G. of Development Agreement	Items 5, 6, 7, 8, and 11
Obligation	**Section in Agreements**	**Disclosure Document Item**
c. Site development and other pre- opening requirements	Section II. of Franchise Agreement; Section III of Development Agreement	Items 1, 7, 8, and 11
d. Initial and ongoing training	Section VI.G. of Franchise Agreement~~; Section VI.F. of Development Agreement~~	Items 6, 7, and 11
e. Opening	Sections II., VIII. E., Schedule I and Attachment C of Franchise Agreement; Section III of Development Agreement	Items 7 and 11
f. Fees	Sections IV., VII and VIII. of Franchise Agreement; Section II. of Development Agreement	Items 5 and 6
g. Compliance with standards and policies/Manuals	Sections II., III., VI., VII., VIII., IX., X., XI., and XII. of Franchise Agreement; Sections III. and IX. of Development Agreement	Items 8, 11, 14, and 16

h. Trademarks and proprietary information	Sections IX. and X. and Attachment B of Franchise Agreement; Section IX. and Attachment B of Development Agreement	Items 11, 13, and 14
i. Restrictions on products/services offered	Section VII. of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section VII. of Franchise Agreement	Item 16
k. Territorial development and sales quotas	Section I.C of the Franchise Agreement; Section III. of Development Agreement	Item 12
l. Ongoing product/service purchases	Sections VII. and VIII. of Franchise Agreement	Items 8, 11, and 16
m. Maintenance, appearance and remodeling requirements	Sections III. and VII. of Franchise Agreement	Item 8
n. Insurance	Section XII. of Franchise Agreement	Items 7 and 8
~~Obligation~~	**~~Section in Agreements~~**	**~~Disclosure Document Item~~**
o. Advertising	Section VIII. of Franchise Agreement	Items 6, 8, and 11
p. Indemnification	Section XV. of Franchise Agreement; Section XI. of Development Agreement	Item 6
q. Owner's participation/ management/staffing	Sections VI. and VII. Of Franchise Agreement; Section VI. of Development Agreement	Items 1, 11, and 15
Obligation	**Section in Agreements**	**Disclosure Document Item**
r. Records and reports	Sections IV., VI, VIII., and XI. of Franchise Agreement	Item 11
s. Inspections and audits	Sections II., VII. and XI. of Franchise Agreement	Items 6 and 11
t. Transfer	Section XIV. of Franchise Agreement; Section VIII. of Development Agreement	Items 6, 12, and 17
u. Renewal or extension of rights	Section III. of Franchise Agreement; Section III. of Development Agreement	Items 6, 12, and 17

v. Post-termination obligations	Section XVIII. of Franchise Agreement; Section VII.F. of Development Agreement	Item 17
w. Noncompetition covenants	Section X. and Attachment B of Franchise Agreement; Section IX. and Attachment B to Development Agreement	Item 17
x. Dispute resolution	Section XIX of Franchise Agreement; Section XII.F. of Development Agreement	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your ~~note, lease~~notes, leases, or ~~obligation~~obligations.

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

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

Pre-Opening Assistance: Before you open your Studio, we or our designee will:

(1) Designate your Protected Area and if applicable, your Development Area. (Development Agreement, Section V.A.; Franchise Agreement Section I.B.)

(2) Provide you with site selection guidelines and site selection assistance as we deem necessary. (Development Agreement, Section V.A.; Franchise Agreement Section II.A.)

(3) Provide you with a ~~list of~~ preferred ~~vendors~~vendor for site selection services, as well as review your proposed site for compliance with our site selection guidelines and approve or not approve the site and your proposed lease or contract of sale. (Franchise Agreement Section II.A.)

(4) Provide you access to our prototypical architectural and design plans for the Franchise, as well as a list of preferred vendors of construction management services. Your plans will be approved or not approved prior to moving into permitting. (Franchise Agreement, Section V.A.) (See Items 5 and 7.)

(5) Provide you with access to our Manuals. (Franchise Agreement, Section V.B.)

(6) Provide you a list of any Approved Suppliers and/or preferred or required vendors for the purchase of the Pilates Equipment Package, furniture, fixtures and related supplies and the Initial Inventory Kit, and any System Standards for signs, equipment, fixtures, furnishings, improvements and other products and services for your Franchise. (Franchise Agreement, Section

V.H and V.G)

(7) Conduct an initial training program as described below. (Franchise Agreement, Sections V.I. and VI.G.)

(8) Provide you with on-site and/or virtual pre-opening and opening assistance, subject (as to scheduling) to the availability of our personnel. (Franchise Agreement, Section V.J.)

Continuing Assistance: During the operation of your Franchise, we will:

(1) In our sole discretion, conduct periodic evaluations of your operations. (Franchise Agreement, Section V.D.)

(2) Administer the Marketing Fund and, periodically and in our sole discretion, provide any advertising and promotional materials we develop for local advertising. (Franchise Agreement, Sections V.E. and VIII.)

(3) Periodically and in our sole discretion, give you any advice and written materials we may develop on the techniques of managing and operating Franchises. (Franchise Agreement, Section V.F.)

(4) Periodically and in our sole discretion, make available for you to purchase any merchandise we develop or approve for resale. (Franchise Agreement, Section V.G.)

(5) Give you any updated lists of Approved Suppliers, as we deem appropriate. (Franchise Agreement, Section V.H.)

(6) Periodically and in our sole discretion, provide additional training programs, ~~seminars~~summits, ongoing support and training for Owners, Operations, Studio, and/or Fitness Managers. (Franchise Agreement, Sections V.I. and VI.G.)

(7) Periodically and in our sole discretion, invite you to attend any meetings or conferences with our personnel and other franchisees; when and if these meetings occur. Attendance at any meeting or conference may or may not be required and such requirement will be communicated to you in writing. (Franchise Agreement, Section VI.G.)

(8) Provide you access to proprietary software programs (if any) as may be developed by us or on our behalf for use in the System for a fee. (Franchise Agreement, Section V.C.)

We are not required to provide any other service or assistance to you for the continuing operation of your Franchise.

Site Selection

You must submit site information within 60 days of signing your Franchise Agreement. If applicable, for subsequent Franchises under the Development Agreement, you must submit site information before you sign the lease ~~and Franchise Agreement~~ for each Studio. (Development Agreement, Section VI.G; Franchise Agreement Section II.A.(1)).

When you identify a proposed site, you must submit to us in writing a description of the site and evidence that the site satisfies our site selection guidelines as described in our Manuals and any other information we may require. We will review your proposed site for compliance with our then-current site selection guidelines and approve or not approve the site within ~~14~~10 days after receiving your site information. (Development Agreement, Section VI.G; Franchise Agreement Section II.A.2.). Some of the factors we consider when deciding whether or not to approve a site include size, traffic, co-tenancy, exposure and visibility, parking, and the trade area. If you fail to purchase or lease a suitable site within 120 days of signing the Franchise Agreement, then we have the option to terminate the Agreement. (Development Agreement, Section VI.G; Franchise Agreement Section II.A.).

As stated in Item 8, we have ~~negotiated~~ an ~~arrangement with a preferred real estate vendor~~internal team that will assist you, at your option, in locating a site and will provide certain services including, without limitation: attending an initial ~~market~~ kickoff call with your representative; conducting a market tour to review potential sites, prescreening of sites for conformity to our site criteria, submit sites to us for initial review and preapproval and monitoring the lease negotiation process. ~~If you choose not to use the preferred vendor, we reserve the right to select who represents the BODYBAR Pilates brand in your market and would require any representative to be introduced and approved by us.~~

Lease Approval and Buildout

Promptly following our approval of the site, but ~~in~~ no ~~event~~ later than 120 days after the execution of the Franchise Agreement, you must enter into a lease or contract of sale for the site. Generally, we will not own the premises leased to our franchisees. Any lease or sublease for the site must meet our criteria. We require certain specific conditions prior to approving your site, including provisions relating to subleasing, rental terms, signage, default notice, and our rights upon default and lease assumption. Unless you negotiate these provisions into your real estate lease, you must obtain an executed lease rider from your landlord substantially in the form attached to the Franchise Agreement as Attachment C. You must deliver a copy of the signed lease or sublease to us within three days of your signing. You agree not to sign or agree to any modification of the lease or sublease that would adversely affect our rights without our written approval. We have 14 days after we receive this information to review and approve or not approve the lease or contract of sale. If we approve multiple sites, you must notify us within 14 days of our approval of the sites of the site that you intend to acquire for the Franchise. (Development Agreement, Section VI.G; Franchise Agreement Section II.A.2).

You must obtain all zoning classifications, clearances, and approvals relating to the site and all required permits, licenses, and certifications. (Franchise Agreement, Section II.)

You are responsible for obtaining, at your expense, any architectural, engineering, design, construction, and other services it deems necessary for the construction of the Studio. As stated in Item 8, we have negotiated an arrangement with ~~a construction management firm~~Consolidated

Development Services ("CDS") to be the ~~preferred~~required vendor to perform site due diligence of the proposed premises for your studio, as well as design~~,~~ and architectural ~~and construction management~~ services for the System.

~~They~~ You are required to use the services of CDS, who will prepare site specific scaled architectural, mechanical, electrical and plumbing drawings necessary for (i) obtaining building permits from local authorities; (ii) obtaining landlord approval; and (iii) construction and/or build out of ~~your~~the Studio. They will ~~also assist you in identifying and selecting a qualified general contractor for the construction and/or buildout of your Studio. They will assist you~~assist in adapting our prototypical architectural and design plans for the construction or remodeling of ~~your~~the Studio including requirements for dimensions, design, furnishings, signs, fixtures, interior layout, décor, accents and color scheme and provide them to us within 30 days after ~~you acquire~~a franchisee acquires the site for the Studio. ~~If you choose to engage our preferred vendor, or source one on your own that we approve, you must pay~~They will also assist in identifying and selecting a qualified general contractor for the ~~respective firms fees as outlined in your~~construction and/or build out of the Studio. A copy of the agreement you will enter with ~~the vendor.~~CDS is attached as Exhibit J.

Additionally, you will have the option to utilize CDS for construction management services, but you are not required to do so. If you choose to engage CDS, or source one on your own that we approve, you must pay the respective firms fees as outlined in your agreement with the vendor. If we allow you to deviate from using our required vendor, which we are not obligated to do, your construction plans must be reviewed by CDS to ensure compliance with brand standards, the cost of which is approximately $100 per hour.

We will make reasonable efforts to notify you of any objections to the plans within ~~15~~10 business days of receiving such plans. If we object to any portion of the plans or request changes to the plans, then you shall submit revised plans within ~~15~~10 business days after our rejection. We shall notify you within ~~15~~10 business days of receiving revised plans incorporating the changes as to whether the revised plans are acceptable. You acknowledge that our review of such plans is only for purposes of determining compliance with System standards and that acceptance of such plans by us does not constitute a representation, warranty, or guarantee, express or implied, by us that such plans are accurate or free of error concerning their structural application. We shall not be responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances, or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor shall we be responsible for any errors, omissions, or discrepancies of any nature in the plans. (Franchise Agreement, Section II.C.)

We also have a required vendor to support your audio/visual and information technology needs as noted in Item 8, and a copy of the vendor's contracts you will be required to enter into is attached hereto at Exhibit J.

Time to Open

We estimate that it will be approximately ~~240~~270 to ~~300~~330 days from the time you sign the Franchise Agreement to the time you begin operations. This~~ time~~ period may be shorter or longer depending on the modifications that must be made to the site to accommodate your

Franchise. Your Studio must be open for business within 365 days after signing the Franchise Agreement, unless we give you a written extension; otherwise, we have the right to terminate the Franchise Agreement. (Franchise Agreement, Section II.D.)

Advertising

Unless we provide you an option to opt-out, which we may do for certain promotions, you must participate in all marketing and sales promotion programs that we may authorize or develop for the Studios. All marketing and promotions you place in any medium must be conducted professionally and must conform to our System Standards. (Franchise Agreement, Section VIII.A.)

Grand Opening Promotion

You must spend at least $~~15~~20,000 on a grand opening promotional campaign to promote the opening of your Franchise in accordance with our standards, including those related to the type and size of the grand opening promotion. You must spend this amount beginning ~~prior to the opening of your Franchise and through no later than 60 days after~~20 to 16 weeks prior to the opening of your Franchise. We must approve the grand opening advertising campaign before you conduct it, and you must

obtain our approval of all marketing items, methods and media you use in connection with such grand opening promotion. We reserve the right to require you to submit expenditure reports to us, accurately reflecting your grand opening expenditures. (Franchise Agreement, Section VIII.E.)

Among other activities, we will require you to place digital media advertisements and utilize the services of our designated third-party vendors. We reserve the right to approve all digital media advertisements, but our 3rd party vendors will assist in ad placement and demographics.

Local Advertising

~~Local Advertising~~

We require you to spend a minimum of $36,000 per year on local advertising (in addition to the grand opening promotion expenditures) (the "Local Advertising Requirement"). Agency or Management fees are not to be included in the spend measurement. At your option, you may choose to spend more on local advertising than the amount we require. (Franchise Agreement, Section VIII.B.)~~). At your option, you may choose to spend more on local advertising than the amount we require. (Franchise Agreement, Section VIII.B.)~~ In connection with your local advertising, we will require you to place digital media advertisements and utilize the services of our designated third-party vendors. We reserve the right to approve all digital media advertisements, but our third-party vendors will assist in ad placement and demographics.

Upon ~~our~~ request, you must give us a quarterly report of your local advertising ~~expenditures~~expenditure within 15 days following the end of each calendar quarter. You cannot include expenditures for any of the following to satisfy your Local Advertising Requirement: (i) incentive programs for your employees or agents; (ii) charitable, political or other contributions or donations; (iii) Studio fixtures or equipment; (iv) paid website listings; (v) grand opening expenses; or (vi) Social Media Platform and Social Media Materials described below~~.~~ (vii) third party agency or management fees. (Franchise Agreement, Section VIII.B.)

~~We will require you to place digital media advertisements and utilize the services of our designated third-party vendors. We reserve the right to approve all digital media advertisements, but our 3rd party vendors will assist in ad placement and demographics.~~

You are prohibited from using any Social Media Platforms (defined as web based platforms such as Facebook, X, LinkedIn, Instagram, Snapchat, BeReal., TikTok, blogs and other networking and sharing sites currently in existence or that may come into existence at a later date) or use Social Media Materials (defined as any material on any Social Media Platform that makes use of or contains our Marks, name, brand, products or your Franchise whether created by us, you or a third-party) without our prior written consent and without granting us primary administrative rights to such account, site or page if we require you to do so. We do not have to agree to any use of Social Media Platforms by you. We may, in our sole discretion, prohibit the use of any Social Media Platforms by you or all System franchisees. (Franchise Agreement, Section IX.F.)

You may be asked to participate in marketing tests, pilots and surveys. If you are approved to participate, you may be required to enter into an agreement that outlines all the requirements for marketing tests and surveys. All test and survey requirements, processes and procedures must be adhered to, and any applicable costs will be your responsibility. You must provide complete data statistics on the tests or surveys for our review and evaluation. Since such tests and surveys involve the evaluation and analysis of product pricing in a test environment, we will recommend pricing to effectively evaluate the full scope of the test.

Marketing Fund

We have established a Marketing Fund for the common benefit of System Franchisees which you must participate in. Your Marketing Fund Contribution is currently 2% of your weekly Gross Sales. We reserve the right to increase the Marketing Fund Contributions to ~~3~~4% of your weekly Gross Sales upon written notice (Franchise Agreement, Section VIII.D.)

We or our designee may administer the Marketing Fund at any time at our discretion. We will direct all marketing programs, including the creative concepts, materials and media used in the programs. We may seek your advice either formally or informally regarding the creative concepts and media used for initiatives financed by the Marketing Fund, but it is not binding on us, and we are not required to follow any advice we seek. We may use the Marketing Fund to satisfy the costs of maintaining, administering, directing, preparing and producing marketing and advertising materials. This includes the cost associated with developing, maintaining and updating our website, of preparing and producing television, radio, magazine and newspaper marketing campaigns; direct mail and outdoor billboard advertising; public relations activities; social media activities; developing promotional materials; employing advertising agencies; and costs of our personnel and other departmental costs for advertising that we administer or prepare internally. Marketing Fund contributions will not be deemed to be trust funds and we have no obligation to spend on advertising, marketing, or promotions amounts in excess of those funds actually collected from franchisees. We are not required to make expenditures for you that are equivalent or proportionate to your Marketing Fund Contribution or to ensure that any particular franchisee or any particular geographic region benefits directly or pro rata from the placement of advertising. Except for a portion of the Marketing Fund spent on website development and maintenance (a portion of which may include soliciting the sale of franchises using the website), the Marketing Fund is not used to solicit the sale of franchises although we reserve the right to include "Franchises Available" or similar language with our contact information on any advertising purchased or created with Marketing Fund monies. (Franchise Agreement, Section VIII.D.)

We will not use your Marketing Fund contributions to defray any of our operating expenses, except for any reasonable administrative costs and overhead that we may incur in administering or directing the Marketing Fund~~.~~, including the proportionate compensation of our employees and other designees who devote time and render services to the activities of the Marketing Fund. We will prepare an annual statement of the Marketing Fund's operations and will make it available to you upon written request. We are not required to have the Marketing Fund statements audited. In the fiscal year ending December 31, 2025~~2024~~, the Marketing Fund contributions were expended as follows: ~~Media placement 25%; ~~Website Enhancement~~ and~~, Functionality ~~13%;~~and Search Engine Optimization ~~34~~29%; Public Relations & Media Placement 68%; Administrative expenses ~~28~~3%.

Any unspent accrued Marketing Fund fees for any calendar year will be used in the next calendar year. If we advance any amount to the Marketing Fund, we will be entitled to be reimbursed for any such advances. Although the Marketing Fund is intended to be perpetual, we may terminate it at any time. We will not terminate the Marketing Fund, however, until all money in the Marketing Fund has been spent for advertising or promotional purposes or returned to the contributors on the basis of their respective contributions over the previous two years. (Franchise Agreement, Section VIII.D.)

We and our affiliate's company-owned studios are not required to contribute to the Marketing Fund on the same basis as you will for your Franchise.

Marketing Cooperatives

We can designate any geographic area in which two or more company-owned or franchised Studios are located as a region for a marketing cooperative ("Cooperative"). If we do, the Cooperative must be organized and governed as we determine. Any Cooperatives we authorize will be for the exclusive purpose of administering marketing programs, regional advertising and developing promotional materials for members in local marketing. If a Cooperative is established for an area that includes your Protected Area (defined in Item 12 below), you must execute the Cooperative documents promptly upon our request and participate as a member of the Cooperative by contributing the amounts required by the Cooperative's governing documents. ~~However, you will not be required to contribute more than the amount you would otherwise be required to spend on local marketing and your Cooperative contribution will be applied toward satisfaction of your local marketing requirement.~~Your required contribution to the Cooperative will be determined in accordance with the Cooperative's governing documents and will be credited towards your Local Advertising Requirement. The Cooperative shall have the right to require members to contribute amounts above the minimum Local Advertising Requirement. You must also submit to the Cooperative and to us all statements and reports that we or the Cooperative may require. Cooperative contributions will be maintained and administered under the Cooperative's governing documents and the Cooperative will be operated solely as a conduit for the collection and expenditure of marketing contributions. (Franchise Agreement, Section VIII.C.) The Cooperative's governing documents and annual unaudited financial statements will be provided upon written request.

Advisory Council

We currently have an advisory council composed of franchisees that assist us with various components of our System, including products and services offered by Studios, marketing and promotion, training, and other aspects of the System. The advisory council acts in an advisory capacity only and does not have decision-making authority; our decisions are final, and we have no liability to the advisory council or any franchisee with respect to any decision we make. We have the right to form, change, merge and dissolve any advisory council at any time in our sole discretion.

Members of the advisory council include our representatives and franchisee representatives. The franchisee representatives may be chosen by us or may be elected by other franchisees in the System, at our sole discretion. If you are chosen and agree to participate on an advisory council, you will pay all costs and expenses you incur related to your participation, including travel, lodging and meals expenses for attending council meetings.

Confidential Operations Manuals, Guides, and Playbooks

After you sign the Franchise Agreement, we will loan you a copy of our Manuals, Guides, and Playbooks. A copy of the table of contents of the Manuals, Guides, and Playbooks and the total number of pages of the Manuals is attached as Exhibit F.

Currently, there are 64 pages in the Systems Standards Manual, 48 pages in the Design Manual, 204 pages in the Studio Manager Manual, ~~52~~80 pages in the Fitness Manager Manual, 48 pages in Module 1 of the Instructor Training Manual and 61 pages in Module 2 of the Instructor Training Manual, plus all accompanying exercise libraries Additionally, there are 54 pages in the Hiring Guide, 25 pages in the Financial Management Guide, 41 pages in the Retail Playbook, and ~~110~~114 pages in the Presale Playbook.

We consider the contents of the Manuals, Guides, and Playbooks to be proprietary, and you must treat them as confidential, and may not make any copies or reproductions of the Manuals, Guides, or Playbooks.

Computer and Tablet Systems

You ~~are~~must use our required vendor to install and maintain at least one laptop or desktop computer (Windows or Apple) and ~~an~~two (2) Apple ~~iPad~~iPads to serve as a Point-of-Sale (POS) computer system ("POS System") for each Studio approved by us and which meets our then-current specifications and standards. The main functions of the POS System are to check clients in and collect and manage information about the various sales transactions at your Franchise location. You are required to install and maintain a second Apple iPad to serve as a music playing device within the studio.

The computer must be equipped with computer hardware components and peripherals, such as a printer and scanner that we require (the "Computer System"). We estimate that the Computer System will have an initial cost between $1,000 and $3,000~~.~~

~~You are~~ as noted in Item 7 under the Computer Systems note. You are also required to maintain your credit card processing hardware and software in compliance with the Payment Card Industry (PCI) Data Security Standard. We estimate that the initial cost for the POS System will ~~be~~range between $300 and $1000.

You must pay us a monthly ~~technology fee~~Technology Fee, currently $500 per month ~~($6,000 annually),~~, which covers the cost of the franchise management software, marketing management software, applicant tracking system, ~~website hosting, three (3~~four (4) email addresses, financial and operational benchmarking software(s), and our online learning systems. Such fees are subject to change at any time. Additionally, you must obtain a subscription to Mariana Tek business management software and any other software we may require. Mariana Tek currently charges a monthly fee of $~~400 ($4,800 annually)~~424 plus tax, which is subject to change at any time.~~.~~

We have no obligation to provide any maintenance, repairs, upgrades or updates to you. ~~The Monthly Technology Fee and the management software fee noted above include all software maintenance, updating and support and there are no other support contracts that you must enter. There are no other~~There may be additional fees ~~currently~~ associated with ~~maintenance, support or~~ upgrades to the POS System~~,~~ and Computer System ~~or software, but we our designated vendors reserve the right to implement such fees in the future.~~ . You are contractually required at your expense to ~~implement such upgrades and updates to comply~~upgrade and update the POS System and Computer System to remain in compliance with our standards and specifications. You must replace, upgrade and maintain the POS System and Computer System at your sole expense. There are no contractual limitations on the frequency and cost of this requirement.

We have the right to electronically and manually access the information that the POS System and Computer System generates. You must cooperate with us in helping us access this information. We may have independent access to your sales information and data produced by your POS System and Computer System. There are no contractual limitations on our right to access this information and data.

You must also maintain Internet service that allows an unlimited Internet connection, email and online communication abilities as we require. You must also install a telephone system at the Franchise that meets our specifications. Except for providing you with a list of our Approved Suppliers and any applicable specifications and standards, we are not obligated to provide or assist you in obtaining any of the above items or services.

Additionally, prior to opening your BODYBAR Studio, you must purchase and install our required audio/visual and technology infrastructure package (the "AV & Technology Package") from our designated Approved Supplier. The AV & Technology Package includes, at a minimum: an in-studio audio system (speakers, amplifier, and microphone); video display and digital signage systems; a minimum of two (2) web-accessible surveillance cameras; network infrastructure equipment; and any other technology integration components we designate in the Manuals or in writing. All cameras must be web accessible. You will use the cameras to monitor instructor performance, quality assurance, and safety. We have an absolute right to review and monitor the cameras for the same purposes, and to ensure compliance with the BODYBAR System. You are responsible for ensuring customer consent and for any failure to obtain such consent. The cost of the AV & Technology Package will vary based on the size and configuration of your Studio and is paid to our designated Approved Supplier. You may not purchase or install alternative equipment in substitution for the AV & Technology Package without our prior written consent.

Website

You will not have any right to update, upgrade, amend or host the Website. The Website and its content are updated based upon our judgment of what is appropriate; all changes, deletions and additions are at our sole discretion. We may restrict, limit, control or designate nearly every aspect of your use of websites, the Internet, intranets, worldwide web home pages or e-mail, and require you to participate in a centralized website. You may not establish any website, blog, Instagram account, Snapchat account, Facebook page, X account, TikTok account, BeReal. account, Google Business Profile account, Apple business account, email distribution list, or other World Wide Web or Internet-based presence which uses or displays any of our intellectual property without our prior written consent, and, at our sole option, you will take such action necessary to cause certain websites, including, but not limited to, Facebook, Instagram, X and other such mediums, currently in existence or developed in the future, to assign primary administrative rights to us for your Franchise. We will then, at our sole discretion, provide you with subordinate administrative access to, and guidelines for your use of, such mediums, so that you may promote your business locally. We also have the right to request that you turn over all passwords to any social media websites or similar internet-based mediums immediately upon creation. Upon termination or expiration of the Franchise Agreement, we will remove your administrative access, and we retain ownership and control of all content created during the franchise term.

Training

No later than 125 days prior to opening your Studio, (i) you or your Operating Principal must have attended and satisfactorily completed ~~our business owner training~~New Franchisee Training, which consists of (a) online learning modules, and (b) classroom training, typically taking ~~2~~ 3-4 business days. Our ~~business owner training~~New Franchisee Training can be summarized as follows:

~~BUSINESS OWNER~~

NEW FRANCHISEE TRAINING

Subject	Hours of Classroom or Online Training	Hours of On-the-Job Training	Location
BODYBAR Mission & Philosophy	2	0	At our corporate headquarters in Fort Worth, Texas, or online/remote

Customer Service	2	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Class Principles_ BODYBAR Method	1.5	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
BODYBAR Class	1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote

~~Subject~~	~~Hours of Classroom or Online Training~~	~~Hours of On-the-Job Training~~	~~Location~~
Staffing & HR Support	~~4~~6	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Operations & Sales	~~4~~5	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Studio Mgmt. Software	1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Retail Sales	1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Marketing	4	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Finance	1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Presale - Staffing & Ops	3	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Presale - Sales & Marketing	4	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Training Summation	1.5	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
TOTAL	**~~30~~33**	**0**	

Additionally, you and/or your Studio Manager must attend and satisfactorily complete our Studio Manager Training no later than ~~60~~120 days prior to the opening of your Studio. (Franchise Agreement, Section VI.G. and Development Agreement, Section VI.F.) Our Studio Manager Training can be summarized as follows:

STUDIO MANAGER TRAINING

Subject	Hours of Classroom or Online Training	Hours of On-the-Job Training	Location
BODYBAR Mission & Philosophy	1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
BODYBAR Method	1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote

BODYBAR System Standards	1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
BODYBAR Business Acumen	1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Sales Process: Intro Class & Memberships	~~3~~2.5	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Overcoming Sales Objections & Role Plays	1.5	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Lead Management	3.5	0	At our corporate headquarters in Fort Worth, Texas, or online/remote

~~Subject~~	~~Hours of Classroom or Online Training~~	~~Hours of On-the-Job Training~~	~~Location~~
~~Overcoming Sales Objections & Role Plays~~	~~2~~	~~0~~	~~At our corporate headquarters in Fort Worth, Texas, or online/remote~~
~~Lead Management~~	~~1.5~~	~~0~~	~~At our corporate headquarters in Fort Worth, Texas, or online/remote~~
Studio Mgmt. Software	1.5	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Marketing	~~3~~1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Member Engagement	1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Member Retention & Referrals	1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Retail Sales	~~.5~~1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Goal Setting	~~.5~~1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
~~Time Management~~Hiring and Recruiting	~~.5~~1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Presale Marketing & Sales	~~4~~3.5	0	At our corporate headquarters in Fort Worth, Texas, or online/remote

Subject	Hours of Classroom or Online Training	Hours of On-the-Job Training	Location
Training Summation	.5	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
TOTAL	~~20~~23	**0**	

Additionally, your Fitness Manager must attend and satisfactorily complete our Fitness Manager Training no later than ~~60~~90 days prior to the opening of your Studio. (Franchise Agreement, Section VI.G. and Development Agreement, Section VI.F.) Moreover, the Fitness Manager must successfully complete prescribed elements of our Founding Instructor Training Program ~~21~~within 30 days prior to the opening of your Studio. Our Fitness Manager Training can be summarized as follows~~:~~

FITNESS MANAGER TRAINING

Subject	Hours of Classroom or Online Training	Hours of On-the-Job Training	Location
BODYBAR Mission & Philosophy	1	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
The BODYBAR Method & Experience	3	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
~~Subject~~	~~Hours of Classroom or Online Training~~	~~Hours of On-the-Job Training~~	~~Location~~
BODYBAR Leadership	2	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Sales & Retention	2	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Studio Programming	4	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
Instructor Team Management	4	0	At our corporate headquarters in Fort Worth, Texas, or online/remote
TOTAL	**16**	**0**	

Prior to opening your BODYBAR Studio, all instructors must satisfactorily complete Module 1 of the BODYBAR Pilates Founding Instructor Training Program including completion of all online course work, the Module 1 in-person training, and pass the Module 1 test outs. Completion of Module 1 qualifies instructors to teach BODYBAR formats on the Reformer only. After opening, instructors will progress to Module 2 in which they must complete all online course work, attend 2 apparatus trainings, and pass the Module 2 test outs. Completion of Module 2 qualifies instructors to teach all remaining BODYBAR formats. Instructors then have up to one year to complete all final course work hours to earn their BODYBAR Instructor Certificate. Instructors who do not complete the BODYBAR Instructor Training Program within one year of enrolling in the program may no longer instruct at a BODYBAR studio. One Instructor Training Program will be scheduled to take place at your studio prior to opening. The cost of this training is currently $~~7~~8,500, for up to 10 people. Additional participants, up to the number of Reformers in your studio, may attend provided you pay a fee of $300 per person. The Instructor Training Program fee includes expenses and compensation for a BODYBAR Master Trainer to conduct the Module 1 in-person training at your studio and the Module 2 remote training.

Any instructors unable to attend this training must attend and pay for instructor training at another BODYBAR location. (Franchise Agreement, Section VI.G. and Development Agreement, Section VI.G.) Our Founding Instructor Training Program can be summarized as follows:

~~Franchisees may host future trainings at their studio location in order to train new or replacement instructors brought on after opening or can pay for and attend a training at another BODYBAR studio. All instructors must attend and complete our BODYBAR Instructor Training Program summarized as follows:~~

FOUNDING INSTRUCTOR TRAINING

Subject	Hours of Classroom or Online Training	Hours of On-the-Job Training	Location
BODYBAR Mission, Program Objectives, Expectations, Completion Requirements	1	0	At a BODYBAR studio and / or online
~~**Subject**~~	~~**Hours of Classroom or Online Training**~~	~~**Hours of On-the-Job Training**~~	~~**Location**~~
History, Benefits & Principles of Pilates	1.5	0	At a BODYBAR studio and / or online
Basic Anatomy & Movement Science	1.5	0	At a BODYBAR studio and / or online
BODYBAR Method & Class Formats	1.5	0	At a BODYBAR studio and / or online
Equipment & Safety	.5	0	At a BODYBAR studio and / or online
Signature Exercise Library: Upper Body, Lower Body, Core, Athletic Exercises	12	0	At a BODYBAR studio and / or online

Programming: Exercise Flow, Supersetting, Timing	1.5	0	At a BODYBAR studio and / or online
Teaching Skills: Cueing Roadmap and the BODYBAR Experience	1.5	0	At a BODYBAR studio and / or online
BODYBAR 101: Cueing, Programming, and Teaching Practice	4	0	At a BODYBAR studio and / or online
Advanced Blocking & Cueing	1.5	0	At a BODYBAR studio and / or online
Subject	**Hours of Classroom or Online Training**	**Hours of On-the-Job Training**	**Location**
Special Populations & Considerations	1.5	0	At a BODYBAR studio and / or online
Apparatus Exercise Library: Chair, Jumpboard, Tower, Mat, and Stretch	12	0	At a BODYBAR studio and / or a remote location
Test Out Procedures, Observation, Programming, Self-Practice	7	0	At a BODYBAR studio and / or online/remote
Test Out Preparation and Practice	0	18	At a BODYBAR studio
Test Outs: Reformer, Mixed Equipment, Power Tower	0	3	At a BODYBAR studio
~~**Subject**~~	~~**Hours of Classroom or Online Training**~~	~~**Hours of On-the-Job Training**~~	~~**Location**~~
Level 2 Exercise Library	2	0	At a BODYBAR studio and/or online/remote
Mixed Abilities and Mastery Cues	6	0	At a BODYBAR studio and/or online/remote
Final Hours: Observation	25 (Reduced to 10 hours for Bridge Program)	0	At a BODYBAR studio and / or online

Final Hours: Self Practice	100 (Reduced to 20 hours for Bridge Program)	0	At a BODYBAR studio and / or a remote location
Final Hours: Teaching	0	75 (Reduced to 35 hours for Bridge Program)	At a BODYBAR studio
TOTAL: ~~275~~276 hours	**~~179~~180**	**96**	

The ~~Business~~New Franchisee Training Program, Studio Manager Training Program, and Fitness Manager Training Program are currently free of charge for up to two attendees, but you must pay all expenses you and your attendees incur in attending initial training, including costs of travel, lodging, meals, and wages.

~~Our Business Owner~~New Franchisee Training is predominantly administered by Kyle Engelbrecht, whose biography is listed in Item 2. Kyle has over 15 years' experience in training and development and has been with us since October 2020. Our Instructor Training Program is currently supervised by Jill Drummond, BODYBAR Vice President of Fitness, and conducted by the BODYBAR Master Trainer Team who have completed extensive training. Studio Manager Training is predominantly administered by Kim Fairchild Barry, who serves as our Franchise Performance Manager and has over 20 years of experience in training and development..

~~All instructors will receive the Founding Instructor Training.~~ Our Instructor Training Programs are offered at various BODYBAR Pilates Studios throughout the year. Studios may request to host an instructor training at their studio by contacting the BODYBAR ~~education team.~~Fitness Team. Our initial training programs are subject to change, without notice, to reflect updates in the materials, methods, and Manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the trainees. Instruction materials consist of our Manuals and instruction given by our certified trainers and managers. We will conduct periodic quality assurance checks to ensure the highest quality of instruction.

We also reserve the right to require your Operating Principal, Developer, or a designated representative from your organization to attend additional and refresher training programs and seminars each year as we may require in our sole discretion. The programs may include online training, regional meetings or seminars, traditional classroom training, and programs offered at any annual franchise meeting or conference. We have the right to charge a reasonable fee for these additional training programs and seminars. You must pay all expenses you or your personnel incur in any training program or seminar, including the cost of travel, lodging, meals, and wages. (Franchise Agreement, Section VI.G. and Development Agreement, Section VI.F.)

You must pay all expenses you or your personnel incur in attending any annual franchise meeting or conference, including the cost of travel, lodging, meals, wages, and registration fees, if we choose to charge registration fees but such registration fees shall not exceed our costs per attendee.

ITEM 12
TERRITORY

Franchise Agreement

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

The Franchise Agreement gives you the right to operate a Franchise at a fixed location (the "Location"). If ~~you do not sign a Development Agreement, you must select~~ the ~~site for your Studio from within~~Location is unknown at the ~~designated area~~time of the execution of the Franchise Agreement, we will designate a nonexclusive "Designated Area" identified on Schedule I to your Franchise Agreement~~.~~

~~We~~ in which you will search for a premises to serve as the Location. Once the Location is secured, we will grant you a protected area ~~within which we will not open another Studio under the Marks and System~~around your Location (the "Protected Area"), ~~as identified in Data Sheet to the Franchise Agreement. The Protected Area's~~the boundary ~~around your Location~~of which will depend on your market area, including population density, drive times, and similar factors. There is no set minimum or maximum radius~~. We~~ and we do not guarantee a certain population density in your Protected Area. Your Protected Area may overlap with the Protected Areas of other System franchisees. Depending on the site of your Location and your specific market and circumstances, the radius will be measured in terms of miles or number of blocks from the Location. The franchise grant does not, either directly or by implication, grant any other area, market, DMA or other territorial rights.

If you are in compliance with the Franchise Agreement and any other agreement you have with us or our affiliates, we and our affiliates will not establish or authorize anyone except you to establish a BODYBAR Studio, with the exception of any Reserved Venue, ~~in~~located at a premises within your Protected Area during the term of the Franchise Agreement. A "Reserved Venue" is any self-contained facility or area including shopping malls, hotels, corporate facilities, schools or recreation center located within or outside the Protected Area. We may open other fitness centers under different marks that do not emphasize or focus on Pilates within or outside your Protected Area.

Minimum Performance Criteria

Your BODYBAR Studio must meet the following minimum annual Gross Sales requirements within the time frames specified below (the "Minimum Gross Sales Requirements"):

Performance Period	Minimum Gross Sales Requirement

~~2nd~~1st Year of Operations	$30,000 per month or $360,000 annually
~~3rd~~2nd Year of Operations	$~~37,500~~40,000 per month or $~~450~~480,000 annually
~~4th~~3rd and Subsequent Years of Operation	$~~45~~50,000 per month or $~~540~~600,000 annually

If you do not meet these Minimum Gross Sales Requirements, we have the right to terminate your Protected Area or otherwise terminate your Franchise Agreement. Except as described above, there are no circumstances that would permit us to modify your territory rights during the term of the Franchise Agreement, but we may modify your Protected Area upon renewal. You do not receive the right to acquire additional franchises within or outside of your Protected Area unless you sign a Development Agreement or another Franchise Agreement with us.

You must operate the Franchise only at the approved site. You may not actively solicit business from consumers located outside your Protected Area through any medium or method of distribution~~,~~ including ~~alternative~~digital, electronic, online, mobile, or physical channels such as ~~the Internet, catalog sales~~websites, social media, email, or text marketing, online or mobile advertising, telemarketing, ~~or other~~ direct mail, or any other form of direct or indirect marketing. You cannot relocate the Franchise without our consent~~.~~, which we may withhold in our discretion.

If you lose possession of the site through no fault of your own, you must apply to us within 30 days for our approval to relocate your Studio. You must relocate to another site in the Protected Area. If we approved a relocation, you must pay us a relocation fee of Five Thousand Dollars ($5,000) and shall also be responsible for all costs and expenses incurred by us as a result of your relocation. In such circumstance, you must procure a site acceptable to us at least 90 days prior to closing operations at your current location, and open for business at the new approved location within 30 days of closing business at the current location. You are responsible for paying Royalty and other fees due under the Franchise Agreement, as calculated on a rolling 12-month basis, during any transitional period. If you relocate the Franchised Business without our prior written consent, we will have the right to immediately terminate the Franchise Agreement.

We retain all other rights. Among other things, this means we can:

(i) Develop, establish and operate, and ~~licenses~~license others the right to operate other businesses within and outside the Protected Area using our trademarks, or other names or marks, and grant licenses to use those systems without providing any rights, provided that such locations within the Protected Area do not focus on Pilates;

(ii) Advertise and promote the System within and outside the Protected Area;

(iii) Operate, and license others to operate, Studios at any location outside the Protected Area, or in any Reserved Venue within or outside the Protected Area. We or our affiliates may operate in any Reserved Area on temporary, seasonal or permanent basis;

(iv) Within and outside the Protected Area, offer and sell, and authorize others to offer and sell, any similar or dissimilar products and services, (under the trademarks or under other names or marks) through any channel or by any method of distribution other than a BODYBAR Studio on any terms and conditions we deem appropriate, including through alternative channels of distribution (for example, catalogues, Internet websites, telemarketing, mail order, direct-order techniques or specialty stores) as well as special events like street fairs, parades, sporting events and similar occasions; and

(v) Acquire, be acquired by, or merge with other competitive businesses and operate them anywhere and, at our option, convert them to businesses operating under the Marks or any other name.

Currently, we and our affiliates do not plan to operate, and grant franchises or licenses to others to operate, Pilates studios and other businesses offering similar services in your Protected Area under trademarks other than the Marks, although we reserve the right to do so ~~in the future~~, as noted above. The Franchise Agreement grants you no rights to: (i) distribute the services as described ~~in this paragraph~~above; or (ii) share any of the proceeds from our activities through our reserved rights or alternate channels of distribution, even when those actions take place inside your Protected Area.

There are no restrictions on our right to solicit or accept business from consumers inside the Protected Area without paying any compensation to you.

Development Agreement

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

If you sign a Development Agreement, we will grant you a Development Area which will be described in Schedule I to the Development Agreement. We determine the Development Area before you sign the Development Agreement based on various market and economic factors like market demographics, the penetration of BODYBAR Pilates studios and similar businesses in the market, the availability of appropriate sites and growth trends in the market. You must develop Studios in the Development Area under the Development Schedule in Schedule I of the Development Agreement. We must agree to the Development Schedule before signing the Development Agreement. If you stop operating any Franchise during the term of the Development Agreement, you must develop a replacement Franchise within a reasonable time (not to exceed 120 days) after you stop operating the original Franchise. If you transfer your interest in a Franchise during the term of the Development Agreement, in compliance with the related Franchise Agreement and Development Agreement for the Franchise, we will continue to count the transferred Franchise when determining whether you have complied with the Development Schedule, unless the transferred Franchise is no longer operating as a BODYBAR Pilates studio. In that case, you must develop a replacement Franchise within a reasonable time (not to exceed 120 days) after the transferred Franchise ceases to be operated as a BODYBAR Pilates studio.

If you comply with the Development Agreement and all other agreements that you and your affiliates have with us and our affiliates, then we and our affiliates will not establish, or authorize anyone except you~~,~~ to establish, any Studios ~~within~~in the Development Area during the term of the Development Agreement.

We retain all other rights~~. Among other things, this means we~~ and can otherwise conduct activities in the Development Area like those described above in relation to the Protected Area. ~~You may not actively solicit business from consumers located outside your Development Area through any method of distribution, including alternative channels such as the Internet, catalog sales, telemarketing, or other direct marketing.~~

If you fail to comply with the Development Schedule, or otherwise materially default under the Development Agreement, then we may (in addition to our other remedies) terminate the Development Agreement, terminate or modify your territorial rights, reduce your Development Area, or reduce the number of Studios that you may establish. When the Development Agreement expires or is terminated, you cannot develop additional Studios in the Development Area (but may complete development of and/or operate Studios under then existing Franchise Agreements) and we may develop or authorize others to develop Studios in the Development Area and exercise all rights not expressly granted to you under your Franchise Agreements.

ITEM 13
TRADEMARKS

The Franchise Agreement gives you a license to operate a Franchise under the mark "BODYBAR FITNESS", "BODYBAR PILATES" and future trademarks we designate to operate your Studio. The term "trademark" includes service marks, trade names, slogans, insignia, logos, labels and trade dress.

Our Affiliate, Bodybar Franchise IP Holdings LLC ("IP Holdings") is the owner of the following trademark, which is associated with the System and registered on the Principal Register of the United States Patent and Trademark Office ("USPTO") and has filed all required affidavits:

Mark	Register	Registration Number	Registration Date
BODYBAR PILATES	Principal	6,001,823	March 3, 2020
~~BODYBAR PILATES~~ BODYBAR PILATES	Principal	6,236,357	January 5, 2021

There is no presently effective determination of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Mark which is relevant to its ownership, use, or licensing. We know of no superior prior rights or infringing use that could materially affect your use of the Mark, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Mark in any manner material to the franchise. The Marks will be renewed at the appropriate time.

Our rights to the Marks and the proprietary System know-how are derived from a nonexclusive, perpetual license between us and IP Holdings (the "Intercompany License"). The Intercompany License grants us the right to use the Marks and the know-how for the purpose of licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is terminable only for material breach of the Intercompany License agreement and only if we do not cure or begin to cure the breach after notice. If the Intercompany License is terminated, IP Holdings will allow existing franchisees to continue to use the Marks in connection with their Franchised Businesses. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Mark in any manner material to you.

You must immediately notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Principals must agree not to communicate with any person other than us, any designated affiliate, and our or their counsel about any infringement, challenge, or claim. We, or our affiliates, have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation or Patent and Trademark Office (or other) proceeding from any infringement, challenge, or claim concerning any of the Marks.

In the event of any litigation relating to your use of the Intellectual Property or Marks, you will execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution or to otherwise protect and maintain our interest in the Marks including, without limitation, becoming a nominal party to any legal action. If we, in our sole discretion, determine that you have used our Marks in accordance with the Franchise Agreement, we will bear the cost of such defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Marks in accordance with the Franchise Agreement, you will bear the cost of such defense, including the cost of any judgment or settlement. Except to the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we shall reimburse you for your out-of-pocket costs in performing such acts. You are not entitled to any compensation as a result of the discontinuation or modification of any of the Marks as a result of any proceeding or settlement. If you elect to be represented by personal legal counsel in connection with any proceeding involving the Marks, you will bear the fees, expenses, and other costs associated with such personal legal counsel.

You may not use any of the Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must execute any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your principals may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

We have the right to substitute different trade names, service marks, trademarks, and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your expense.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Copyrights

We or our affiliates claim copyrights in the Manuals, service brochures, the Website, product and service materials, advertising materials and related items used in operating the franchise (the "Copyrighted Materials"). We may further register, develop, change, cancel, enhance or modify Copyrighted Materials at any time. We have not registered any Copyrighted Materials with the United States Registrar of Copyrights.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the Copyrighted Materials. There are no agreements currently in effect which significantly limit our right to use or authorize franchisees to use the Copyrighted Materials. Furthermore, there are no infringing uses actually known to us which could materially affect a franchisee's use of the Copyrighted Materials in any state. We are not required by any agreement to protect or defend Copyrighted Materials or confidential information, although we intend to do so if this action is in the best interests of the System.

If we decide to add, to modify or to discontinue the use of a copyrighted item, you must also do so. We are not obligated to reimburse you for any cost of complying with this obligation. You do not have the right to take any action to enforce or defend any rights associated with copyrighted materials. However, you must promptly notify us in writing if you become aware of any infringement of our copyrights, or if any infringement claims are made against you in connection with your use of the copyrighted materials or for expenses, costs and damages in actions involving copyrighted materials. We will then decide, in our sole discretion, what action, if any, will be taken. In the event that we engage in any litigation in the defense or prosecution of the copyrighted materials, we will bear all costs and expenses incident to such litigation, unless the litigation involves your violation of the Agreements' restrictions on the use of the copyrighted materials. Except for the costs and expenses incident to litigation just described, we have no obligation under the Agreements to protect you against, participate in your defense of, or reimburse you for, any damages for which you are held liable in any proceeding arising out of your use of the copyrighted materials. You agree to execute any and all documents and do such acts and things as may be necessary or desirable, in the sole opinion of our legal counsel, to carry out such defense or prosecution. You are not entitled to any compensation as a result of the discontinuation or modification of any of the copyrighted materials as a result of any proceeding or settlement. If you elect to be represented by personal legal counsel in connection with any proceeding involving the copyrighted materials, you will bear the fees, expenses, and other costs associated with such personal legal counsel.

Confidential Information

Our confidential information will include all non-public information about us, or affiliates, our franchisees, our suppliers and the System, including but not limited to, our technology stack; the Manuals; System Standards; Guides; services; methods for operating, managing, developing or coordinating services, marketing, distribution, performance, provision or rendering methods, techniques, equipment or supplies; recruitment, training, marketing or compensation methods; customer and member lists; referral sources; billing and collection methods; financial information; and other information about us and information about our Approved Suppliers; strategic partners, business plans, franchisees, employees and independent contractors (collectively, the "Confidential Information").

You are strictly prohibited, during the initial term, any renewal term, or after the Agreements expires or is terminated, from disclosing any of our Confidential Information to another person or use it for any purpose other than to operate your Franchise. You may not copy any of our Confidential Information or give it to a third party except as we authorize. All persons affiliated with or employed by you and to whom you grant access to Confidential Information or who attend training must sign a confidentiality agreement as well as all officers, directors and equity holders.

All ideas, concepts, techniques (including Pilates and other fitness instructions, techniques, methods and practices) and other newly developed information or materials relating to a Franchise, whether ~~or not~~ constituting protectable Intellectual Property, and whether created by or on behalf of you or your Principals, managers or employees, must be promptly disclosed to us, will be

considered our property and part of the System and will be ~~considered to be~~ works made-for-hire for us. You and your Principals must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in these ideas, concepts, techniques or materials. You will not receive any form of compensation or consideration in exchange for ideas, concepts, techniques, and other newly developed information or materials relating to the Franchise which you develop.

Patents

We do not own any rights in, or licenses to, any patents. We do not have any pending patent applications that are material to the franchise.

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

When you sign the Franchise Agreement(s), you must designate an individual to serve as your "Operating Principal." The same person must ~~act~~serve as ~~your~~the Operating Principal under any and all Franchise Agreements with us and, if applicable, the Development Agreement. Your Operating Principal must maintain a direct or indirect ownership interest in your entity of not less than 25% unless we consent otherwise. This interest may not be pledged, mortgaged, hypothecated, or be subject to any lien, charge, or encumbrance, voting agreement, proxy, security interest, or purchase right or option, without our consent.

Unless a Manager is appointed, as discussed below, ~~your~~the Operating Principal must personally devote his or her full time and best efforts to the supervision of ~~your~~the Studio's operations under the Franchise Agreement~~ and~~, may not engage in any other business. He or she must also satisfy our training requirements and our other standards and must guarantee your performance under the Agreements.

You may, at your option and subject to our written consent, designate a Studio Manager and/or Fitness Manager to supervise your operations under each Franchise Agreement. The Studio Manager and/or Fitness Manager need not own an equity interest in the Franchise but must satisfy our educational and business criteria and must be acceptable to us. ~~The~~If the Studio Manager and/or Fitness Manager is responsible for the daily operation and management of the Franchise~~. He~~, he or she also must satisfy the training requirements in the Franchise Agreement. Even if we permit you to designate a Studio Manager and/or Fitness Manager to supervise your operations under the Franchise Agreement, which we recommend, your Operating Principal ultimately remains responsible for the Studio Manager's and/or Fitness Manager's performance. The Studio Manager and/or Fitness Manager must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement~~.~~ and follow all brand operations standards, as they may change from time to time. If you operate a single Studio, then the Studio Manager may, but need not, be the Operating Principal. If the Studio is one of several to be opened under a Development Agreement or if you (or your affiliates) operate more than one Studio, then you must designate a separate Studio Manager and Fitness Manager for each Studio.

You must form a corporation, limited liability company, limited partnership or limited liability partnership to own your development rights (if applicable) and each Franchise and we may require that each of your Principals and their spouses personally guarantee your obligations under the Agreements, and that they also agree to be personally bound by, and personally liable for the breach of, every provision of the Agreements, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. You may not use the Marks, or any abbreviation or acronym of the Marks, in the name of the corporation, limited liability company, limited partnership or limited liability partnership you form to own your franchised business.

All Principals and their spouses, managers, and any personnel completing our training must sign our form Confidentiality and Non-Competition Agreement which is attached as Attachment B to the Franchise Agreement. These requirements apply whether or not an equity owner is involved in the Franchise operation or management. No Operating Principal of the Entity owning the Franchise Agreement may require a Studio Manager, Fitness Manager, Instructor, Sales Associate or other member of staff to sign a Confidentiality and Non-Competition Agreement, Non-disparagement Agreement, or any other form of confidential agreement that has not been pre-approved by us.

We restrict all employees and personnel from disclosing Confidential Information, and you must have all staff sign ~~a~~the approved confidentiality agreement to protect the Marks, the Intellectual Property, the Manuals and other information concerning the System.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All ~~service~~services you provide and all products you use or sell at the Franchise must conform to System Standards. (See Item 8.) These specifications are described in our Manuals and other writings. You must not deviate from System Standards unless we first give you our written consent. You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the Franchise.

You must offer and sell all services, items, and products we require. We may, in our discretion, change the types of authorized goods and services you provide. You must sell only the services, items, and products that we have expressly approved in writing. You must stop selling any services, items, and products that we disapprove in writing. There are no limits on our right to change the types of authorized goods and services. You must not use or offer ~~nonconforming~~non-conforming items, unless we first give you our written consent. You must open and operate the Franchise during the hours we specify in the Manuals or otherwise in writing.

We have the right to control retail prices, and we may, in our discretion, set minimum and maximum prices for the services, items, and products we require you to sell. We may make available to you and may require you to purchase from us for resale to your customers certain merchandise, like BODYBAR memorabilia, in amounts necessary to meet your customer demand.

You may not advertise, promote, post or list information relating to the Franchise on the Internet (through the creation of a website or otherwise), unless we decide to include information about your Franchise on our Website. Although you are only granted the right to operate a Franchise at the site, you must use the method, manner, and style of distribution that we may in the future prescribe in writing, in the Manuals or otherwise. We do not impose any other restrictions in the Franchise Agreement or otherwise on the goods or services that you may offer or sell or the customers to whom you may offer or sell.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this Franchise Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provisions	Section in Franchise Agreement	Summary

a. Length of the franchise term	Section III.A	10-year initial term from the date your studio opens for business.
b. Renewal or extension of the term	Section III.B	If you are in good standing, upon expiration of your original Franchise Agreement, you will have the right to renew your franchise for 2 additional 5-year terms.
c. Requirements for franchisee to renew or extend	Section III.B	Requirements to renew for an additional 5-year term include: (i) you provide us the required notice at least 180 days but not more than 360 days prior to expiration; (ii) you complete, to our satisfaction all refurbishment, maintenance and upgrading necessary we require; (iii) you are in good standing; (iv); you satisfy all monetary obligations you owe us, our affiliates, and our Approved Suppliers and vendors; (v) you execute our then-current form of Franchise Agreement, the terms and conditions of which may materially differ from the terms and conditions of your original franchise agreement; (vi) you satisfy our then-current training requirements;(vii) you and your Principals sign a general release; (viii) you obtain an extension or renewal of your lease (if applicable); (ix) you pay our required renewal fee of $10,000; and (x) you agree to our reasonable proposed modification of your Protected Area, if any.
d. Termination by franchisee	None	None.
Provisions	**Section in Franchise Agreement**	**Summary**
e. Termination by franchisor without cause	None	We may not terminate the Franchise Agreement without cause.
f. Termination by franchisor with cause	Section XVII.	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.

~~Provisions~~	~~Section in Franchise Agreement~~	~~Summary~~
g. "Cause" defined – curable defaults	Section XVII.D.	Curable defaults include any of the following which are not cured within the time period specified in the Franchise Agreement: (i) failure to maintain required insurance; (ii) failure to obtain required confidentiality and non-compete agreements; (iii) failure to promptly pay any amounts due to us; (iv) failure to observe System Standards; (v) failure to comply with any other requirement in the Franchise Agreement; and (vi) or failure to designate a qualified Operating Principal replacement.
h. "Cause" defined – non-curable defaults	Sections XVII.B. and XVII.C.	Non-curable defaults include: (1) operating at an unauthorized location; (2) failure to obtain approval of Location in time specified; (3) failure to construct Studio in accordance with plans; (4) failure to open in time specified; (5) abandonment of Studio; (6) conviction of felony or crime of moral turpitude; (7) if Studio causes a danger to public health or safety; (8) unauthorized transfers; (9) disclosure of Confidential Information; (10) knowingly maintaining false records; (11) breach of representations and warranties in Franchise Agreement; (12) uncured failure to comply with Manuals; (13) uncured failure to comply with terms of Franchise Agreement; (14) repeated defaults whether cured or not; (15) unauthorized use of the Marks or Intellectual Property; (16) failure to comply with non-compete; (17) failure to obtain or maintain licenses or authorizations necessary to operate the Studio; (18) Franchisee or any Principal made any material misrepresentation or omission in its application for the Franchise or otherwise to us in the course of entering into the Franchise Agreement or fails to deal honestly and fairly with the us and the public in the operation of the Franchised Business; and (19) any other default of the Franchise Agreement which does not provide for cure period.
~~i. Franchisee's obligations on termination/nonrenewal~~	~~Section XVIII.~~	~~You must: (i) immediately cease to use any of the Confidential Information, the Intellectual Property and the Marks; (ii) immediately return to us (or destroy upon our request) all of your copies of any materials containing any of the Confidential Information or any materials bearing the Intellectual Property or the Marks and all copies and records of any customer or other similar lists; (iii) upon our request, cooperate in assigning to us or to a person or entity designated by us any and all vendor agreements or sales or service contracts; (iv) immediately cease all use of our Intellectual Property and stop holding yourself out to~~

Provisions	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination/nonrenewal	Section XVIII.	You must: (i) immediately cease to use any of the Confidential Information, the Intellectual Property and the Marks; (ii) immediately return to us (or destroy upon our request) all of your copies of any materials containing any of the Confidential Information or any materials bearing the Intellectual Property or the Marks and all copies and records of any customer or other similar lists; (iii) upon our request, cooperate in assigning to us or to a person or entity designated by us any and all vendor agreements or sales or service contracts; (iv) immediately cease all use of our Intellectual Property and stop holding yourself out to the public as associated with us in any way including remove all trade dress; (v) immediately terminate your access to the e-commerce activities we designate and assign to us all telephone numbers, e-name and directory listings associated in any way with BODYBAR and our Marks, and direct the telephone company to transfer all such numbers and listings to us or our designee; (vi) immediately pay us all unpaid fees and pay us, our affiliates, and our approved and designated suppliers and vendors, all other monies owed; (vii) comply with the post-termination covenants; and (viii) cease any and all contact with suppliers, vendors, employees or our agents without our prior written consent.
j. Assignment of contract by franchisor	Section XIV.A.	We may transfer our rights without restriction.
k. "Transfer" by franchisee – defined	Sections XIV.B. and XIV.D.	Voluntary or involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in the Franchise Agreement or the assets of or ownership interest in the Franchise.
l. Franchisor approval of transfer by franchisee	Section XIV.B.	We must consent to any transfer, and you must meet conditions before transferring.

Provisions	Section in Franchise Agreement	Summary
m. Conditions for franchisor approval of transfer	Section XIV.B.	Conditions include: (i) the transferee and its principals meet or exceed the approval criteria including passing a background check all at our sole discretion; (ii) you pay all amounts owed to us or to third-party creditors and have submitted all required reports and statements; (iii) if applicable, the new Operating Principal, Director of Operations and Studio Manager of transferee completes our required training program; (iv) transferee enters into our then-current form of Franchise Agreement and any required related agreements; (v) the transferee agrees to upgrade the Studio to conform to our then-current System Standards; (vi) the transfer fee is paid; (vii) you and all transferring Principals have signed a general release; (viii) we approve the material terms and conditions of such transfer; (ix) if you or your Principals finance any part of the sale price of the transferred interest, you and/or your Principals subordinate transferee's obligation to pay to our right to Royalty Fees, Marketing Fund Fees and other amounts due to us and otherwise to comply with the Franchise Agreement; and (x) upon our request, you have agreed that you will provide guidance and support for a period of no less than 30 days from the day the transferee satisfactorily completes all training.

~~Provisions~~	~~Section in Franchise Agreement~~	~~Summary~~
n. Franchisor's right of first refusal to acquire franchisee's business	Section XIV.D.	On 30 days written notice, we have the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
o. Franchisor's option to purchase your business	Sections XVIII.A(8) and (9) and XVIII.B.	If the Franchise Agreement is terminated by either party or you cease to do business for any reason, then we have the right to purchase your assets at book value (cost less depreciation).

p. Death or disability or franchisee	Section XIV.E.	On death or permanent disability of Franchisee or a Principal, Franchisee or Operating Principal's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed 15 days from the date of death or disability, appoint a new Operating Principal to operate the Franchise. Upon the death of any Principal who is a natural person, the executor, administrator, or other personal representative shall transfer such interest to a third party approved by us within 6 months after the date of death . Upon the permanent disability of any Principal who is a natural person, we may, in its sole discretion, require such interest to be transferred to a third party within 6 months after notice to you.
q. Non-competition covenants during the term of the franchise	Section X.C.(1)	Franchisee may not operate or have an interest in a business which is similar to the franchised business~~.~~ (including, without limitation, a fitness location teaching Pilates).
Provisions	**Section in Franchise Agreement**	**Summary**
r. Non-competition covenants after the franchise is terminated or expires	Sections X.C.(2)	For a period of 2 years, Franchisee may not divert any of its business or customers to a competitor or have an interest in any business that is similar to the franchised business (including, without limitation, a fitness location teaching Pilates) and at the site within a 15-mile radius of the former Franchise site or the location of any Franchise then in existence or under construction.
s. Modification of the agreement	Sections X.A. and XIX.B.	You must comply with the Manuals as periodically amended. The Franchise Agreement may only be modified or amended in writing signed by all parties.
t. Integration/merger clause	Section XIX.B.	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section XIX.G. and XIX.H.	You must bring all disputes before our President or Chief Operating Officer before bringing a claim before a third party. After exhausting this internal dispute resolution procedure, at our option, all claims or disputes between you and us must be submitted first to mediation in Fort Worth, Texas in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect.

~~**Provisions**~~	~~**Section in Franchise Agreement**~~	~~**Summary**~~
		~~Mediation Rules then in effect.~~
v. Choice of forum	Section XIX.H. Section XIX.I.	All claims not subject to mediation must be brought before a court of general jurisdiction in Fort Worth, Texas, or the United States District Court for the Northern District of Texas. You consent to the exclusive personal jurisdiction and venue of any court of general jurisdiction in Fort Worth, Texas and the United States District Court for the Northern District of Texas, with a jury trial waiver. Please see the State- Specific Addenda attached as Exhibit H to this Disclosure Document for further details. (subject to applicable state law).
w. Choice of law	Section XIX.I.	Texas (subject to applicable state law)

This table lists certain important provisions of the Development Agreement. You should read these provisions in the Development Agreement attached to this Franchise Disclosure Document.

Provisions	Section in Development Agreement	Summary
a. Length of the franchise term	Section IV.	The earlier of the date Developer's development obligations are complete or 12:00 midnight on the last day of the Development Schedule.
b. Renewal or extension of the term	Section III.B.	Franchisor may extend the term of the Development Agreement to allow Developer to develop a replacement Franchise.
Provisions	**Section in Development Agreement**	**Summary**
c. Requirements for franchisee to renew or extend	Section III.B	If the extension is to permit Developer to develop a replacement Franchise, Developer must develop the replacement.
d. Termination by franchisee	None	None
e. Termination by franchisor without cause	None	None
f. Termination by franchisor with cause	Section VII.	Franchisor may terminate on Developer's default.

g. "Cause" defined – curable defaults	Section VII.C.	For any default, except those specified as noncurable, Developer has 30 days to cure (five days for failure to submit a required report or pay monies; 24 hours for misuse of the Marks; seven days if Developer fails to obtain the required insurance coverages).

~~**Provisions**~~	~~**Section in Development Agreement**~~	~~**Summary**~~
h. "Cause" defined – non-curable defaults	Section VII.A. and VII.B.	Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; failure to qualify for grant of license, comply with development schedule, to develop replacement Franchise and to execute Franchise Agreement; conviction of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations; failure to effect approved transfer upon death or permanent disability; misuse of the Marks; repeated defaults whether or not cured. Franchisor also can terminate the Development Agreement if Franchisor terminates any Franchise Agreement signed pursuant to the Development Agreement on account of Developer's default.
i. Franchisee's obligations on termination/nonrenewal	Section VII.F.	Developer will have no right to establish or operate any Franchise for which a Franchise Agreement has not been executed; Developer must pay amounts due and Franchisor's damages and enforcement costs; comply with confidentiality and non-competition covenants.
j. Assignment of contract by franchisor	Section VIII.A.	Franchisor may transfer our rights without restriction.
k. "Transfer" by franchisee – defined	Sections VIII.B. and VIII.D	Developer must not transfer any direct or indirect interest in Developer, the Development Agreement, or the assets of the business without Franchisor's consent.
Provisions	**Section in Development Agreement**	**Summary**
l. Franchisor approval of transfer by franchisee	Sections VIII.B.	Franchisor must consent and Developer must meet conditions before transferring.

m. Conditions for franchisor approval of transfer	Section VIII.B.	Developer must: pay all amounts due; not be in default; execute a general release; pay transfer fee; remain liable for pre- transfer obligations. Transferee must meet Franchisor's criteria, complete required training, guaranty obligations; enter into then-current development agreement; and pay training, legal and accounting costs associated with transfer.
n. Franchisor's right of first refusal to acquire franchisee's business	Section VIII.C.	On 30 ~~days~~days' written notice, Franchisor has the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
~~**Provisions**~~	~~**Section in Development Agreement**~~	~~**Summary**~~
		~~party.~~
o. Franchisor's option to purchase your business	N/A	N/A
p. Death or disability or franchisee	Section VIII.F.	On death or permanent disability of Developer or a Principal, the person's interest must be transferred to someone Franchisor approves within six months.
q. Non-competition covenants during the term of the franchise	Section IX.B.(1)	Developer may not operate or have an interest in a business which is similar to the franchised business.
r. Non-competition covenants after the franchise is terminated or expires	Section IX.B.(2)	For two (2) years, Developer may not divert any of Developer's business or customers to a competitor or have an interest in any business that is similar to the franchised business within the Development Area or within a fifteen (15)-mile radius of the location of any Franchise or Studio then in existence or under construction.
s. Modification of the agreement	Section XII.B.	You must comply with the Manuals as periodically amended. The Development Agreement may only be modified or amended in writing signed by all parties.
t. Integration/merger clause	Section XII.B.	Only the terms of the Development Agreement and other related written agreements are binding. No other representations or promises are binding (subject to state law). Any representations or promises outside of the disclosure document and Development Agreement may not be enforceable.

Provisions	Section in Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section XII.F. Section XXII.G.	You must bring all disputes before our President or Chief Operating Officer prior to bringing a claim before a third party. After exhausting this internal dispute resolution procedure, at our option, all claims or disputes between you and us must be submitted first to mediation in Fort Worth, Texas in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect.
v. Choice of forum	Sections XII.F. and XII.G.	All claims not subject to mediation must be brought before a court of general jurisdiction in Fort Worth, Texas, or the United States District Court for the Northern District of Texas. You consent to the personal jurisdiction and venue of any court of general jurisdiction in Fort Worth, Texas, and the United States District Court for the Northern District of Texas. Please see the State-Specific Addenda attached as Exhibit I to this Disclosure Document for further details. (Subject to applicable state law).

~~Provisions~~	~~Section in Development Agreement~~	~~Summary~~
		~~Document for further details. (Subject to applicable state law).~~
w. Choice of law	Section XI.H.	Texas (subject to applicable state law)

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

BACKGROUND

As of December 31, 2025~~2024~~, there were ~~46~~73 open BODYBAR Pilates Studios. This Item sets forth historical profit and loss and membership information of ~~21~~38 of the ~~46~~73 BODYBAR Pilates Studios (the "Included Studios") that were open for the duration of the calendar year January 1, 2025~~2024~~ through December 31, 2025~~2024~~ (the "Measurement Period~~")~~"), and who ~~maintained the same~~had not completed a transfer or entered into a letter of intent to transfer ownership for the duration of the Measurement Period. Your Studio will be substantially similar to the Included Studios.

Excluded from this Item are twenty-~~one~~seven Studios that opened after January 1, 2025~~2024~~ and otherwise were not open for business for the duration of the twelve-month Measurement Period, ~~one Studio~~two Studios that ~~sold~~transferred to a new owner(s) in ~~June~~February and November of 2025, one studio that entered into an agreement to transfer in November of 2025, two Studios who failed to timely report their financial statements causing them to fail to meet minimum compliance requirements,~~2024~~ and three Studios operated by Speak Light, LLC, which is owned by our co-founders and executive officers Matt and Kamille McCollum. We have not audited or independently verified this information; however, it is all reported through ~~a~~ third-~~party~~ party financial benchmarking software to ensure uniformity and consistency of the data. We will provide you with written substantiation for the financial performance representation upon reasonable written request.

TABLE 1.1- AVERAGE GROSS SALES, COST OF GOODS SOLD, GROSS PROFIT, NORMALIZED EXPENSES AND NET REVENUES.

Table 1 discloses the average Gross Sales, average Cost of Goods Sold, average Gross Profit, average Normalized Expenses and average Net Income of the Included Studios during the Measurement Period. Also profiled are the top 3rd and bottom 3rd of the Included Studios. ~~18~~35 of the ~~21~~38 Included Studios operate 14 Pilates Reformers, and the other three operate with 12 Reformers. As a franchisee, your Studio will be required to operate either 12 or 14 Reformers. ~~20 of the 21 studios have been opened for an average of 2.25 years, ranging between a little over one year in operation to four years in operation to. The other studio is the legacy location in Uptown Dallas and has been open for 12.75 years as of December 31, 2024.~~

P&L Category	Average	No. of Included Studios Above/Below	Percentage (%) Above/Below %	Median[6] ~~Median~~	~~High~~High[7]	~~Low~~Low[7]	Top ~~3rd~~[6]3rd[8]	Bottom ~~3rd~~[6]3rd[8]
Gross Sales[1]	~~$751,000~~ $ 766,821	~~9/12~~18/20	~~43/57~~47/53	~~$733,106~~ $ 756,694	$ $ 1,~~141,265~~054,516	~~$451,753~~ $ 420,002	~~$953,668~~ $ 939,878	~~$564,808~~ $ 597,451
Cost of Goods Sold [2]	~~$31,484~~ $ 30,513	~~9/12~~14/24	~~43/57~~37/63	~~$28,402~~ $ 24,347	~~$100,842~~ $ 83,122	~~$8,385~~ $ 7,205	~~$52,525~~ $ 43,556	~~$13,533~~ $ 21,693
Gross Profit[3]	$~~719,516~~ 736,426	~~10/11~~19/19	~~48/52~~50/50	$~~689,561~~ 737,077	$ 1,~~107,158~~010,655	$~~443,369~~ 410,908	$~~918,020~~ 896,322	$~~531,632~~ 575,758
Normalized Expense[4]	$~~537,372~~ 553,780	~~10/11~~22/16	~~48/52~~58/42	$~~536,840~~ 566,469	$~~777,669~~ 711,341	$~~402,500~~ 387,593	$~~634,212~~ 598,646	$~~447,195~~ 480,047
Net Income[5]	$ 182,~~143~~646	~~11/10~~19/19	~~52/48~~50/50	$~~206,105~~ 177,297	$~~444,989~~ 389,940	~~$16,700~~$ 1,802	$~~315,131~~ 293,255	$~~42,171~~ 95,712

Notes to Table 1.1

1. Gross Sales is defined as all revenues from the sale of memberships, late/cancel no-show fees, instructor training fees and retail sales. The average is calculated by dividing the sum of Gross Sales by ~~21~~38.

2. Cost of Goods Sold is the cost of goods purchased to sell in the studio. The average is calculated by dividing the sum of Cost of Goods Sold by ~~21~~38.

3. Gross Profit is the difference between Gross Sales and Cost of Goods Sold. ~~The average is calculated by dividing the sum of Gross Profit by 21.~~

4. Normalized Expenses are certain common expenses shared by the Included Studios comprised of accounting fees, advertising and promotion costs, labor, independent contractor fees, insurance, marketing fund contributions, merchant services, office and general administrative, rent, repairs and maintenance, royalty, sales tax, supplies, technology fees, telephone expense and utilities. The average is calculated by dividing the sum of Normalized Expenses by ~~21~~38. It doesn't include debt payments, interest payments and uncommon expenses, such as charitable giving,

meals, entertainment and travel.

5. Net Income is defined as the difference between Gross Profit less Normalized Expenses.

6. The median is the middle value in an ordered dataset, separating the higher half from the lower half.

7. The High shows the highest value disclosed by a Studio for each respective category. The Low is the lowest value disclosed by a Studio for each respective category. These will not add-up as each category may have had a different Studio disclose the High or Low for the respective categories.

~~6.~~8. Top 3rd is defined as the ~~6~~13 Studios with the highest for each row being described (Gross Sales~~.~~, COGS, Gross Profit, NE, NI). Bottom 3rd is defined as the ~~6~~12 Studios with the lowest ~~Gross Sales~~for each row being described.

TABLE 1.2 – BREAKDOWN OF REVENUE BY INCOME CATEGORY

Table 1.2 provides a breakdown of revenue by Income Category as a percentage of Gross Sales for the Included Studios over the Measurement Period. This table shows the average, high, median and low percentage for each Income Category.

Income Category	Average % of ~~total income[1]~~ Total Income[1]	Low	Median	High
Membership Revenue	~~77.3~~76.1%	~~61~~66.1%	~~78.1~~76.0%	~~86.6~~84.4%
Credit Packages	~~9.5~~11.0%	~~5.0~~4.9%	~~8.4~~10.3%	~~21.6~~22.1%
Retail	5.~~2~~6%	2.~~7~~2%	~~5.1~~4.8%	~~8.1~~15.7%
Fees	5.~~0~~4%	2.~~7~~9%	~~4.9~~5.3%	7.6%
Training	~~2.0~~1.7%	0.~~2~~0%	1.~~9~~5%	~~6.4~~5.0%
Other Income	~~1.~~0.2%	0.~~2~~0%	0.~~8~~2%	~~2.9~~0.5%

Notes to Table 1.2

1. Total Income is the sum of all money received by the Franchisee from all sources before taxes, deductions, or exemptions are taken out. The Average, Low, Median, and High for each Income Category is determined by dividing Gross Sales for Included Studios over the Measurement Period.

2. Membership Revenue is the income derived from the sale of recurring memberships.

3. Credit Packages is the income derived from selling class packages that typically have a 6-month expiration and may be a single, five, 10 or 20 class package.

4. Retail is the income derived from selling clothing, merchandise, or other approved items from the boutique.

5. Fees are income derived from late cancellations, no-shows, or early contract terminations.

6. Training is income derived from sales of the BODYBAR Pilates Instructor Training program.

7. Other Income is income derived from miscellaneous items such as charity events.

TABLE 2.1- AVERAGE MEMBERSHIP AND REVENUE PER MEMBER PER MONTH

Table 2.1 displays the relationship of revenue per member per month to overall Total Income for the Included Studios over the Measurement Period. This shows you the Average Membership number per month for ~~All~~all Included Locations and for the top and bottom 3rds. It further shows the average revenue per member per month for all Included Locations and for the top and bottom 3rds.

	Average for All Included Studios	No. Above/Below Average	Percentage (%) Above/Below %	Median	High	Low	Average Top 3rd	Average Bottom 3rd
Total Members	~~282~~269	~~9/12~~17/21	~~43/57~~45/55	~~276~~265	~~428~~435	~~180~~149	~~360~~327	~~212~~215
Revenue per Member per Month	$~~223~~237	~~11/10~~20/18	~~52/48~~53/47	$~~223~~234	$~~292~~296	$~~170~~195	$~~225~~268	$~~193~~213

Notes to Table 2.1

1. Number of Members is defined as the total number of members. The Average is calculated by adding the Membership totals up for each month of the twelve-month Measurement Period and dividing by 12.

2. Revenue Per Member Per Month is defined as ~~income per member.~~Gross Sales received by a Studio during any given month divided by the total number of members. The Average is calculated by dividing Average Gross Sales from Table 1 by the Average Number of Members then dividing by 12.

TABLE 2.2 – PRESALE FOUNDING MEMBERSHIPS

Table 2.2 shows the number of Founding Memberships sold for ~~15~~27 studios that completed their presale membership drive during the Measurement Period. ~~This table excludes Franchisees who opened a subsequent location and only includes those opening their original studio.~~ Beginning ~~12~~16 to ~~16~~12 weeks prior to the opening of your Studio, you will conduct a presale membership drive offering "Founding Members" a discounted Studio membership, so that when you begin operating you have membership revenue from the day you open for business. The table below discloses the total number of Founding Membership sold during the presale period by Franchisees opening ~~their first~~a new studio, located in the particular state referenced.

Studio Location	Opening Month	# of Founding Memberships Sold
TX	~~01/~~25-Jan~~2024~~	~~231~~137
~~KS~~	~~03/2024~~	~~163~~
TX	~~04/~~25-Jan~~2024~~	~~187~~150
~~CA~~AL	~~04/~~25-Jan~~2024~~	~~191~~155
~~AZ~~IL	~~05/~~25-Jan~~2024~~	~~156~~171
~~CA~~FL	~~05/~~25-Feb~~2024~~	~~236~~230

Studio Location	Opening Month	# of Founding Memberships Sold
AL	25-Feb	292
TX	25-Feb	237
TX	25-Mar	264
CA	~~06/~~25-Mar~~2024~~	~~271~~149
FL	~~06/~~25-Jun~~2024~~	~~212~~178
~~KS~~GA	~~07/~~25-Jul~~2024~~	~~360~~204
~~MI~~	~~07/2024~~	~~271~~
CA	~~07/~~25-Jul~~2024~~	~~139~~78
~~SC~~GA	~~08/~~25-Jul~~2024~~	~~182~~235
WV	25-Jul	309
TX	~~09/2024~~25-Aug	~~393~~111
~~VA~~	~~09/2024~~	~~138~~
~~CA~~KS	~~11/2024~~25-Sep	187
KS	25-Sep	252
FL	25-Oct	160
NY	25-Oct	86
OH	25-Oct	172
FL	25-Oct	266
TX	25-Oct	155
AZ	25-Nov	125
FL	25-Nov	181
NC	25-Nov	146
TX	25-Nov	180
IA	25-Dec	139
	Average	**~~221~~183**
	High	**~~393~~309**
	Low	**~~139~~78**
	Median	**172**

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

The figures above do not include certain costs associated with the establishment and operation of a Studio, including initial franchise fees; build-out and equipment costs; technology and other studio costs able to be capitalized. There may be other costs and other expenses not identified in this Item 19. You should conduct an independent investigation of the costs and expenses you will incur in operating your Studio. Franchisees or former franchisees listed in the disclosure document may be one source of that information

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting ~~Matt McCollum~~Compliance Administrator at ~~3236~~3100 West 7th Street, Suite ~~B~~310 Fort Worth, TX 76107, telephone (817) 862-9550, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years ~~2022~~2023 to ~~2024~~2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023~~2022~~	~~8~~14	~~14~~25	+~~6~~11
	~~2023~~2024	~~14~~25	~~25~~46	+~~11~~21
	2025~~2024~~	~~25~~46	~~46~~73	+~~21~~27
Company-Owned	2023~~2022~~	0	0	0
	~~2023~~2024	0	0	0
	2025~~2024~~	0	0	0
Total Outlets	2023~~**2022**~~	~~**8**~~14	~~**14**~~25	+~~6~~11
	~~**2023**~~2024	~~**14**~~25	~~**25**~~46	+~~**11**~~21
	2025~~**2024**~~	~~**25**~~46	~~**46**~~73	+~~**21**~~27

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years ~~2022~~ 2023 to ~~2024~~2025

State	Year	Number of Transfers
Florida	2023	0
	2024	0
	2025	2
Missouri	2023~~2022~~	0
	~~2023~~	~~0~~
	2024	1
	~~2022~~2025	0

~~Texas~~		
Texas	2023	1
	2024	0
~~Total~~	~~2022~~2025	0
Total	**2023**	**1**
	2024	**1**
	2025	**2**

Table No. 3
Status of Franchised Outlets for years 2022 2023 to 20242025

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nationsTerminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	20232022	0	01	0	0	0	0	01
	20242023	01	10	0	0	0	0	1
	20242025	1	02	0	0	0	0	13
Arizona Arizona	20232022	0	0	0	0	0	0	0
	20242023	0	01	0	0	0	0	01
	20242025	01	1	0	0	0	0	12
California California	20232022	0	0	0	0	0	0	0
	20232024	0	05	0	0	0	0	05
	20242025	05	52	0	0	0	0	57
Florida	20232022	02	23	0	0	0	0	25
	20242023	25	34	01	0	0	0	58
	20242025	58	45	10	0	0	0	813
Georgia	20232022	2	01	0	0	0	0	23
	20242023	23	10	0	0	0	0	3
	20242025	3	02	0	0	0	0	35
Idaho	20232022	0	01	0	0	0	0	01
	20232024	01	1	0	0	0	0	12
	20242025	12	10	0	0	0	0	2
Illinois	20232022	0	01	0	0	0	0	01
	20242023	01	12	0	0	0	0	13
	20242025	13	21	0	0	0	0	34
IowaKansas	20222023	0	0	0	0	0	0	0
	20242023	0	10	0	0	0	0	10
	20242025	10	31	0	0	0	0	41
Kansas Michigan	20222023	01	0	0	0	0	0	01
	20242023	01	03	0	0	0	0	04
	20242025	04	12	0	0	0	0	16
Michigan Missouri	20222023	0	10	0	0	0	0	10
	20242023	10	01	0	0	0	0	1
	20242025	1	0	0	0	0	0	1
	20222023	01	0	0	0	0	0	01

Missouri ~~New Jersey~~	2024~~2023~~	~~0~~1	~~1~~0	0	0	0	0	1
	~~2024~~2025	1	0	0	0	0	0	1
New Jersey ~~S. Carolina~~	~~2022~~2023	0	~~0~~1	0	0	0	0	~~0~~1
	2024~~2023~~	~~0~~1	0	0	0	0	0	~~0~~1
	~~2024~~2025	~~0~~1	~~1~~0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	~~Termi-nations~~Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
~~Texas~~	~~2022~~	~~5~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~7~~
New York	2023	~~7~~0	~~2~~0	0	0	0	0	~~9~~0
	2024	~~9~~0	~~3~~0	0	0	0	0	~~12~~0
~~Utah~~	~~2022~~ 2025	~~1~~0	~~0~~1	0	0	0	0	1
North Carolina	2023	~~1~~0	~~1~~0	0	0	0	0	~~2~~0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Ohio	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
S. Carolina	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Texas	2023	7	2	0	0	0	0	9
	2024	9	3	0	0	0	0	12
	2025	12	7	0	0	0	0	19
Utah	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	~~2022~~ 2025	~~0~~2	0	0	0	0	0	~~0~~2
Virginia	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
~~**Total**~~	~~**2022**~~ 2025	~~8~~1	~~6~~0	0	0	0	0	~~14~~1
West Virginia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Total	2023	14	11	0	0	0	0	25
	2024	25	22	1	0	0	0	46
	2025	46	27	0	0	0	0	73

Table No. 4
Status of Company/Affiliate Owned Outlets For years ~~2022~~2023 to ~~2024~~2025

State	Year	Outlets Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold To Franchisee	Outlets at End of the Year
Total	~~2022~~2023	0	0	0	0	0	0
	2024~~2023~~	0	0	0	0	0	0
	~~2024~~2025	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, ~~2024~~2025

State	Franchise Agreements Signed but Not Opened (as of 12/31/~~24~~2025)	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
~~Alabama~~	~~2~~	~~2~~	~~0~~
~~California~~	~~2~~	~~2~~	~~0~~
~~Colorado~~	~~1~~	~~1~~	~~0~~
~~Florida~~	~~4~~	~~4~~	~~0~~
Arizona	5	5	0
California	3	3	0
Colorado	5	5	0
Florida	14	14	0
Georgia	2	2	0
~~Illinois~~Idaho	1	1	0
Illinois	2	2	0
Indiana	1	1	0
Iowa	1	1	0
Kentucky	1	1	0
Michigan	2	2	0
Missouri	3	3	0
New Hampshire	1	1	0
New Jersey	~~1~~2	~~1~~2	0
~~New Mexico~~	~~1~~	~~1~~	~~0~~
New York	1	1	0
~~State~~	~~Franchise Agreements Signed but Not Opened (as of 12/31/24)~~	~~Projected New Franchised Outlets In The Next Fiscal Year~~	~~Projected New Company-Owned Outlets In the Next Fiscal Year~~
North Carolina	~~1~~2	~~1~~2	0
Ohio	1	1	0

~~Texas~~Oklahoma	~~6~~1	~~6~~1	0
Oregon~~Virginia~~	1	1	0
Pennsylvania	2	2	0
Tennessee	2	2	0
Texas	5	5	0
~~West Virginia~~Wisconsin	1	1	0
~~**TOTALS**~~Total	~~**26**~~59	~~**26**~~59	0

There are no franchisees that have failed to communicate with the franchisor within the past 10 weeks of the issuance date. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the System. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations that require disclosure under this Item.

Exhibit D lists the names of all franchisees as of the end of our most recent fiscal year, with their addresses and telephone numbers as of the issuance date of this Disclosure Document. Exhibit E lists former franchisees and developers who have left the system as of the issuance date of this Disclosure Document~~ or who have failed to communicate with the franchisor within the past 10 weeks of the issuance date~~.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.
~~franchise system.~~

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit A are our audited financial statements for the years ending December 31, ~~2022,~~ 2023, 2024 and ~~2024~~2025. Our fiscal year end is December 31 of each year.

ITEM 22
CONTRACTS

Attached to this Franchise Disclosure Document are the following contracts and their attachments:

(1) Franchise Agreement (with state-specific amendments)

Schedule I	Franchise Information
Attachment A	Principal's Guaranty and Assumption Agreement
Attachment B	Confidentiality and Non-Competition Agreement
Attachment C	Lease Rider
Attachment D	Form of Release

(2) Development Agreement (with state-specific amendments).

Schedule I	Developer Information
Attachment A	Principal's Guaranty and Assumption Agreement
Attachment B	Confidentiality and Non-Competition Agreement

(3) Required Vendor Contracts (Exhibit J)

ITEM 23
RECEIPTS

The last two pages of this Franchise Disclosure Document are detachable duplicate Receipts. Please sign and date both copies of the Receipt. Keep one signed copy of the Receipt for your file and return to us the other signed copy of the Receipt.

EXHIBIT A
FINANCIAL STATEMENTS

BODYBAR FRANCHISING, LLC

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025 AND 2024

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Members of
Bodybar Franchising, LLC

Opinion

We have audited the financial statements of Bodybar Franchising, LLC, which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations and changes in members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bodybar Franchising, LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bodybar Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bodybar Franchising, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bodybar Franchising, LLC’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bodybar Franchising, LLC’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Gwynn CPAs

Dallas, Texas
April 9, 2026

BODYBAR FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 953,489	$ 351,785
Accounts receivable	219,620	85,640
Inventory	87,566	180,775
Prepaid expenses and other current assets	25,257	177,075
Total Current Assets	1,285,932	795,275
Property and Equipment, net	849,128	608,696
Operating Lease Right-of-Use Asset, net	412,902	379,149
Other Assets	26,138	16,482
Total Assets	$ 2,574,100	$ 1,799,602
LIABILITIES AND MEMBERS' DEFICIT		
Current Liabilities		
Accounts payable	$ 287,499	$ 125,548
Accrued liabilities	24,379	97,246
Deferred revenue, current	2,847,241	1,596,668
Current portion of notes payable	49,289	32,281
Current portion of operating lease liability	72,255	46,092
Line of credit, related party	200,000	200,000
Total Current Liabilities	3,480,663	2,097,835
Long-term Liabilities		
Deferred revenue, less current portion	1,867,138	768,246
Note payable, related party	-	40,000
Notes payable, less current portion	350,434	405,687
Operating lease liability, less current portion	795,147	563,925
Total Long-term Liabilities	3,012,719	1,777,858
Total Liabilities	6,493,382	3,875,693
Members' Deficit	(3,919,282)	(2,076,091)
Total Liabilities and Members' Deficit	$ 2,574,100	$ 1,799,602

The notes to financial statements are an integral part of these statements.

BODYBAR FRANCHISING, LLC
STATEMENTS OF OPERATIONS AND CHANGES IN MEMBERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	**2024**
Revenues		
Franchise	$ 5,673,464	$ 3,500,518
Equipment and retail	713,540	1,363,865
Instructor training	514,750	430,094
Other	184,002	44,905
Total Revenues	7,085,756	5,339,382
Cost of Goods Sold	2,426,224	1,714,799
Gross Profit	4,659,532	3,624,583
Operating Expenses		
Salaries and wages	2,634,495	1,606,550
Advertising and marketing	1,023,549	923,304
Professional fees	604,803	491,682
Operating lease costs	153,342	97,258
Depreciation and amortization	85,260	31,442
Other	767,770	450,323
Total Operating Expenses	5,269,219	3,600,559
Income (Loss) from Operations	(609,687)	24,024
Other Income (Expense)		
Interest expense	(46,321)	(32,882)
Interest income	29,610	862
Other income	83,207	-
Total Other Income (Expense)	66,496	(32,020)
Net Loss	(543,191)	(7,996)
MEMBERS' DEFICIT AT BEGINNING OF YEAR	(2,076,091)	(2,068,095)
DISTRIBUTIONS	(1,300,000)	-
MEMBERS' DEFICIT AT END OF YEAR	$ (3,919,282)	$ (2,076,091)

The notes to financial statements are an integral part of these statements.

BODYBAR FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows from Operating Activities		
Net loss	$ (543,191)	$ (7,996)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	85,260	31,442
Amortization of operating lease right-of-use asset	29,640	18,466
Tenant improvement allowance received	245,135	242,000
Change in operating assets and liabilities:		
Accounts receivable	(133,980)	(26,838)
Inventory	93,209	(46,674)
Prepaid expenses and other current assets	151,818	403,110
Other assets	(9,656)	(16,482)
Accounts payable	161,951	101,279
Accrued liabilities	(72,867)	20,867
Deferred revenue	2,349,465	(593,714)
Operating lease liability	(51,143)	(29,598)
Net cash provided by operating activities	2,305,641	95,862
Cash Flows from Investing Activities		
Purchases of property and equipment	(325,692)	(512,669)
Cash Flows from Financing Activities		
Payments on notes payable	(38,245)	(27,073)
Proceeds received from notes payable	-	96,800
Payments on note payable, related party	(40,000)	(125,000)
Proceeds received from notes payable, related party	-	165,000
Proceeds received from line of credit, related party	-	200,000
Distributions	(1,300,000)	-
Net cash provided by (used in) financing activities	(1,378,245)	309,727
Net Change in Cash and Cash Equivalents	601,704	(107,080)
Cash and Cash Equivalents, Beginning of Year	351,785	458,865
Cash and Cash Equivalents, End of Year	$ 953,489	$ 351,785
Supplemental Disclosures:		
Cash paid for interest	$ 54,585	$ 24,618
Non-cash Investing and Financing Transactions:		
Right-of-Use asset obtained in exchange for lease obligation	$ 308,528	$ 639,615
Purchase of equipment through issuance of note payable	$ -	$ 87,097

The notes to financial statements are an integral part of these statements.

NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS

Bodybar Franchising, LLC, formerly Body Bar Holdings, LLC, (the "Company") is a Texas Limited Liability Company formed on January 23, 2015, with headquarters in Dallas, Texas. The Company's planned principal operations are to offer, sell and service franchises for the establishment and operation of Pilates-based fitness studios under the Bodybar trade name. The Company has 73 and 46 franchises in operation as of December 31, 2025 and 2024, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The accompanying financial statements are presented in accordance with accounting principles generally accepted by the United States of America ("GAAP").

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Fair Value of Financial Instruments
The Company's financial instruments consist primarily of cash and cash equivalents and trade accounts receivable. The carrying amounts of cash and cash equivalents, accrued expenses and deferred franchise fees approximate their fair values because of the short-term maturities or expected settlement dates of these instruments.

Cash Equivalents
The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. At times, cash and cash equivalents held at a financial institution may be in excess of the Federal Deposit Insurance Corporation coverage limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable
Accounts receivable primarily represent royalties due less estimates made for credit losses. Management determines the allowance for credit losses by reviewing and identifying troubled accounts on a monthly basis and by using historical experience applied to an aging of account balances. The Company also considers broader factors in evaluating the sufficiency of its allowances, including the length of time receivables are past due, macroeconomic conditions, significant one-time events, and historical experience. When the Company determines that there are accounts receivable that are uncollectible, they are written off against the allowance. The Company estimated no allowance for expected credit losses for the years ended December 31, 2025 and 2024.

Inventory
Inventories consist of marketing materials sold at the franchise-level. Inventories are valued at the lower of cost or net realizable value using the first-in, first-out method. Management evaluates all inventories and estimates a reserve for excess or obsolete inventories based on historical trends. As of December 31, 2025, the Company determined there was no need to reserve for obsolete inventory.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets over three years. Amortization of leasehold improvements is computed using the straight-line method over the life of the lease or the useful lives of the assets, whichever is shorter. The cost and related accumulated depreciation and amortization of property and equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is reported as current period income or expense. The costs of repairs and maintenance are expensed as incurred.

Revenue Recognition

The Company's revenues are comprised of franchise revenue, equipment and retail revenue, instructor training, and other revenue.

Franchise revenues consist primarily of royalties and initial and successor franchise fees.

The Company's primary performance obligation under the franchise license is granting certain rights to use the Company's intellectual property, and all other services the Company provides under the franchise agreement, other than pre-opening services, are highly interrelated, not distinct within the contract, and therefore accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" as a single performance obligation, which is satisfied by granting certain rights to use our intellectual property over the term of each franchise agreement. Revenue from the franchise license is recognized on a straight-line basis over the term of the respective franchise agreement.

Pre-opening services provided to a franchisee are distinct from the franchise license and are recognized as revenue upon opening of the franchise. The Company has elected the FASB's practical expedient related to pre-opening activities and does not analyze each separate activity as its own distinct performance obligation.

When a franchise agreement is terminated voluntarily by the franchisee or due to the default of the franchisee, the Company recognizes the remaining initial franchise fee as revenue earned, as no further performance obligation needs to be satisfied and the initial franchise fee is not refundable per the franchise agreement.

Royalties are calculated as a percentage of franchise monthly dues over the term of the franchise agreement. The Company's franchise royalties represent sales-based royalties that are related entirely to the performance obligation under the franchise agreement and are recognized as franchise sales occur.

During 2024, the Company transitioned to having its franchisee-owned stores order the equipment directly from approved vendors. The Company receives a vendor rebate commission from vendors with whom the Company has negotiated system-wide pricing and are based on the volume of purchases by the franchisee-owned stores and earned as the underlying sales occur. The Company recognized $276,052 and $146,274 in vendor rebate revenues during the years ended December 31, 2025 and 2024, respectively, which is included in equipment and retail revenue on the accompanying statements of operations and changes in members' deficit.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from retail purchases are recognized upon shipment to the franchisee. Revenue from instructor training services are recognized once the services are performed for the franchisee.

Shipping and Delivery Costs
The Company records costs related to shipping and delivery in cost of goods sold.

Advertising Expense
Advertising costs are expensed as incurred and are classified under operating expenses. Advertising expense for the years ended December 31, 2025 and 2024 were $1,023,549 and $923,304, respectively.

Income Taxes
The Company is a limited liability company and is not required to pay federal income tax. Accordingly, no federal income tax expense has been recorded in the financial statements. The Company's federal taxable income or loss has been included in the members' respective income tax returns. The Company is subject to state income taxes as applicable.

The Company applies ASC 740-10, "Income Taxes" in establishing standards for accounting for uncertain tax positions. The Company evaluates uncertain tax positions with the presumption of audit detection and applies a "more likely than not" standard to evaluate the recognition of tax benefits or provisions. ASC 740-10 applies a two-step process to determine the amount of tax benefits or provisions to record in the financial statements. First, the Company determines whether any amount may be recognized and then determines how much of a tax benefit or provision should be recognized. As of December 31, 2025, the Company has no uncertain tax positions.

Reclassifications
Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported net loss, changes in total assets, liabilities, or equity.

NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of December 31:

	2025	2024
Equipment	$ 82,841	$ 68,354
Furniture and fixtures	28,784	28,784
Software	43,452	-
Leasehold improvements	830,986	563,233
Total Property and Equipment	986,063	660,371
Less accumulated depreciation and amortization	(136,935)	(51,675)
Total Property and Equipment, net	$ 849,128	$ 608,696

Depreciation and amortization expense associated with property and equipment amounted to $85,260 and $31,442 for the years ended December 31, 2025 and 2024, respectively.

NOTE 4 – RELATED PARTY TRANSACTIONS

Line of Credit
On July 30, 2024, the Company entered into a Revolving Line of Credit Agreement with a member of the Company. This agreement provides for advances of up to a total of $350,000, can be terminated by either party with 120 days notice, and bears interest at a rate of 10%. The outstanding principal balance as of December 31, 2025 and 2024 was $200,000.

Note Payable
On April 10, 2024, the Company entered into a Loan Agreement with a member of the Company in the amount of $165,000. The loan is unsecured, bears interest at 10%, and matures April 10, 2026. Accrued interest-only payments are due on the last day of each year until the loan ends or is repaid in full. The outstanding principal balance as of December 31, 2024 was $40,000. The loan was repaid in full during 2025.

NOTE 5 – NOTES PAYABLE

Notes payable consisted of the following as of December 31:

	2025	2024
Economic Injury Disaster Loan ("EIDL") originating in March 2021 from a lender in the amount of $282,200. The loan is secured by all tangible and intangible property that the Company now owns or shall acquire, bears interest at 3.75%, and is payable with monthly principal and interest payments of $1,384. The loan matures in March 2051.	$ 266,156	$ 274,122
Promissory note originating in October 2024 from a lender in the amount of $96,800. The loan is secured by certain assets of the Company, bears interest at 5.75%, and is payable with monthly interest-only payments beginning November 2024. Monthly principal and interest payments of $1,714 beginning May 2026. The loan matures in October 2031.	96,800	96,800
Equipment finance agreement originating in February 2024 from a lender in the amount of $87,097. The loan is secured by certain assets of the Company, bears interest at 9.50%, and is payable with monthly principal and interest payments of $2,790 beginning April 2024. The loan matures in April 2027.	36,767	67,046
	$ 399,723	$ 437,968

NOTE 5 – NOTES PAYABLE (CONTINUED)

Future aggregate maturities of notes payable as of December 31, 2025 are as follows:

Year Ending December 31,	
2026	$ 49,289
2027	28,221
2028	23,688
2029	24,667
2030	26,308
Thereafter	247,550
	$ 399,723

NOTE 6 – MEMBERS' DEFICIT

The Company is governed by investing equity members ("Members") who are authorized to exercise all powers of the Company. Members are entitled to vote on activity and transactions as necessary to carry out the purpose of the Company.

Any Member may elect to voluntarily make additional capital contributions to the Company after approval of a majority in interest of the voting members, and upon such contribution, such contributing Member's capital account shall be adjusted in accordance with the provisions set forth in the operating agreement.

NOTE 7 – REVENUE

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	2025	2024
Performance obligations satisfied at a point in time	$ 7,059,752	$ 5,323,279
Performance obligations satisfied over time	26,004	16,103
Total Revenues	$ 7,085,756	$ 5,339,382

Revenue from performance obligations satisfied at a point in time consists of royalties, pre-opening services, inventory and retail sales, and other revenue. These goods and services are sold and provided to U.S. based franchisee-owned stores.

Revenue from performance obligations satisfied over time consist of the franchise license by granting certain rights to use the Company's intellectual property. These services are provided to U.S. based franchisee-owned stores.

NOTE 8 – LEASE

The Company has an operating lease primarily for its office facility. The lease agreement contains renewal options and escalation clauses that are factored into the determination of lease payments when appropriate. The Company's lease has a remaining term through June 2034.

Total lease expense under ASC 842 was included in operating expenses in the accompanying statements of operations and changes in members' deficit and included operating lease expense of approximately $136,000 and $89,000 for the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025, the weighted-average remaining lease term was 8.5 years. The weighted-average discount rate used was 4.0%. Maturities of the operating lease liability are as follows as of December 31, 2025:

Year Ending December 31,	
2026	$ 96,568
2027	117,739
2028	119,968
2029	122,196
2030	124,425
Thereafter	453,128
Total minimum lease payments	1,034,024
Less imputed interest	(166,622)
Present value of operating lease liabilities	867,402
Less current portion of operating lease liabilities	(72,255)
Total long-term operating lease liabilities	$ 795,147

NOTE 9 – SUBSEQUENT EVENTS

The Company evaluated all material events or transactions that occurred after December 31, 2025 through April 9, 2026, the date these financial statements were available to be issued, and determined that there were no additional events or transactions which would impact these financial statements, except for the following:

In March 2026, the Company amended its Revolving Line of Credit Agreement with a member of the Company to increase its limit of advances to a total of $1,500,000. The Company drew an additional $500,000 on this line of credit.

BODYBAR FRANCHISING, LLC

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023

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GWYNN CPAs

INDEPENDENT AUDITORS' REPORT

To the Members of
Bodybar Franchising, LLC

Opinion

We have audited the financial statements of Bodybar Franchising, LLC, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and changes in members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bodybar Franchising, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bodybar Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bodybar Franchising, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bodybar Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bodybar Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Gwynn CPAs

Frisco, Texas
March 31, 2025

BODYBAR FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 351,785	$ 458,865
Accounts receivable	85,640	58,802
Inventory	180,775	134,101
Prepaid expenses and other current assets	177,075	580,185
Total Current Assets	795,275	1,231,953
Property and Equipment, net	608,696	40,372
Operating Lease Right-of-Use Asset, net	379,149	-
Other Assets	16,482	-
Total Assets	$ 1,799,602	$ 1,272,325
LIABILITIES AND MEMBERS' DEFICIT		
Current Liabilities		
Accounts payable	$ 125,548	$ 24,269
Accrued liabilities	97,246	76,379
Deferred revenue, current	1,596,668	1,630,340
Current portion of notes payable	32,281	6,079
Current portion of operating lease liability	46,092	-
Line of credit, related party	200,000	-
Total Current Liabilities	2,097,835	1,737,067
Long-term Liabilities		
Deferred revenue, less current portion	768,246	1,328,288
Note payable, related party	40,000	-
Notes payable, less current portion	405,687	275,065
Operating lease liability, less current portion	563,925	-
Total Long-term Liabilities	1,777,858	1,603,353
Total Liabilities	3,875,693	3,340,420
Members' Deficit	(2,076,091)	(2,068,095)
Total Liabilities and Members' Deficit	$ 1,799,602	$ 1,272,325

The notes to financial statements are an integral part of these statements.

BODYBAR FRANCHISING, LLC
STATEMENTS OF OPERATIONS AND CHANGES IN MEMBERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Revenues		
Franchise	$ 3,500,518	$ 1,768,954
Equipment and retail	1,363,865	1,587,152
Other	474,999	232,035
Total Revenues	5,339,382	3,588,141
Cost of Goods Sold	1,714,799	1,490,927
Gross Profit	3,624,583	2,097,214
Operating Expenses		
Professional fees	491,682	329,134
Salaries and wages	1,606,550	1,221,931
Advertising and marketing	923,304	552,988
Other	579,023	517,588
Total Operating Expenses	3,600,559	2,621,641
Income (Loss) from Operations	24,024	(524,427)
Other Income (Expense)		
Interest expense	(32,882)	(10,447)
Interest income	862	7,656
Other income	-	4,230
Total Other Income (Expense)	(32,020)	1,439
Net Loss	(7,996)	(522,988)
MEMBERS' DEFICIT AT BEGINNING OF YEAR	(2,068,095)	(1,445,107)
DISTRIBUTIONS	-	(100,000)
MEMBERS' DEFICIT AT END OF YEAR	$ (2,076,091)	$ (2,068,095)

The notes to financial statements are an integral part of these statements.

BODYBAR FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash Flows from Operating Activities		
Net loss	$ (7,996)	$ (522,988)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	31,442	12,754
Amortization of operating lease right-of-use asset	18,466	-
Tenant improvement allowance received	242,000	-
Change in operating assets and liabilities:		
Accounts receivable	(26,838)	6,662
Inventory	(46,674)	(37,064)
Prepaid expenses and other current assets	403,110	(23,989)
Other assets	(16,482)	-
Accounts payable	101,279	24,269
Accrued liabilities	20,867	18,253
Deferred revenue	(593,714)	536,791
Operating lease liability	(29,598)	-
Net cash provided by operating activities	95,862	14,688
Cash Flows from Investing Activities		
Purchases of property and equipment	(512,669)	(25,534)
Cash Flows from Financing Activities		
Payments on notes payable	(27,073)	(1,056)
Proceeds received from notes payable	96,800	-
Payments on note payable, related party	(125,000)	-
Proceeds received from notes payable, related party	165,000	-
Proceeds received from line of credit, related party	200,000	-
Distributions	-	(50,000)
Net cash provided by (used in) financing activities	309,727	(51,056)
Net Change in Cash and Cash Equivalents	(107,080)	(61,902)
Cash and Cash Equivalents, Beginning of Year	458,865	520,767
Cash and Cash Equivalents, End of Year	$ 351,785	$ 458,865
Supplemental Disclosures:		
Cash paid for interest	$ 24,618	$ 15,721
Non-cash Investing and Financing Transactions:		
Right-of-Use asset obtained in exchange for lease obligation	$ 639,615	$ -
Purchase of equipment through issuance of note payable	$ 87,097	$ -

The notes to financial statements are an integral part of these statements.

NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS

Bodybar Franchising, LLC, formerly Body Bar Holdings, LLC, (the "Company") is a Texas Limited Liability Company formed on January 23, 2015, with headquarters in Dallas, Texas. The Company's planned principal operations are to offer, sell and service franchises for the establishment and operation of Pilates-based fitness studios under the Bodybar trade name. The Company has 46 and 25 franchises in operation as of December 31, 2024 and 2023, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The accompanying financial statements are presented in accordance with accounting principles generally accepted by the United States of America ("GAAP").

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Fair Value of Financial Instruments
The Company's financial instruments consist primarily of cash and cash equivalents and trade accounts receivable. The carrying amounts of cash and cash equivalents, accrued expenses and deferred franchise fees approximate their fair values because of the short-term maturities or expected settlement dates of these instruments.

Cash Equivalents
The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. At times, cash and cash equivalents held at a financial institution may be in excess of the Federal Deposit Insurance Corporation coverage limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable
Accounts receivable primarily represent royalties due less estimates made for credit losses. Management determines the allowance for credit losses by reviewing and identifying troubled accounts on a monthly basis and by using historical experience applied to an aging of account balances. The Company also considers broader factors in evaluating the sufficiency of its allowances, including the length of time receivables are past due, macroeconomic conditions, significant one-time events, and historical experience. When the Company determines that there are accounts receivable that are uncollectible, they are written off against the allowance. The Company estimated no allowance for expected credit losses for the years ended December 31, 2024 and 2023.

Inventory
Inventories consist of marketing materials sold at the franchise-level. Inventories are valued at the lower of cost or net realizable value using the first-in, first-out method. Management evaluates all inventories and estimates a reserve for excess or obsolete inventories based on historical trends. As of December 31, 2024, the Company determined there was no need to reserve for obsolete inventory.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets over three years. Amortization of leasehold improvements is computed using the straight-line method over the life of the lease or the useful lives of the assets, whichever is shorter. The cost and related accumulated depreciation and amortization of property and equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is reported as current period income or expense. The costs of repairs and maintenance are expensed as incurred.

Revenue Recognition

The Company's revenues are comprised of franchise revenue, equipment and retail revenue, and other revenue.

Franchise revenues consist primarily of royalties and initial and successor franchise fees.

The Company's primary performance obligation under the franchise license is granting certain rights to use the Company's intellectual property, and all other services the Company provides under the franchise agreement, other than pre-opening services, are highly interrelated, not distinct within the contract, and therefore accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" as a single performance obligation, which is satisfied by granting certain rights to use our intellectual property over the term of each franchise agreement. Revenue from the franchise license is recognized on a straight-line basis over the term of the respective franchise agreement.

Pre-opening services provided to a franchisee are distinct from the franchise license and are recognized as revenue upon opening of the franchise. The Company has elected the FASB's practical expedient related to pre-opening activities and does not analyze each separate activity as its own distinct performance obligation.

When a franchise agreement is terminated voluntarily by the franchisee or due to the default of the franchisee, the Company recognizes the remaining initial franchise fee as revenue earned, as no further performance obligation needs to be satisfied and the initial franchise fee is not refundable per the franchise agreement.

Royalties are calculated as a percentage of franchise monthly dues over the term of the franchise agreement. The Company's franchise royalties represent sales-based royalties that are related entirely to the performance obligation under the franchise agreement and are recognized as franchise sales occur.

In 2023 and into 2024, the Company was generally responsible for assembly and placement of equipment it sells to franchisee-owned stores. Equipment revenue was recognized upon completion and acceptance of the services at the franchise location. During 2024, the Company transitioned to having its franchisee-owned stores order the equipment directly from approved vendors. The Company receives a vendor rebate commission from vendors with whom the Company has negotiated system-wide pricing and are based on the volume of purchases by the franchisee-owned stores and earned as the underlying sales occur. The Company recognized $146,274 in vendor rebate revenues during the year ended December 31, 2024, which is included in equipment and retail revenue on the accompanying statements of operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from retail purchases are recognized upon shipment to the franchisee.

Shipping and Delivery Costs
The Company records costs related to shipping and delivery in cost of goods sold.

Advertising Expense
Advertising costs are expensed as incurred and are classified under operating expenses. Advertising expense for the years ended December 31, 2024 and 2023 were $923,304 and $552,988, respectively.

Income Taxes
The Company is a limited liability company and is not required to pay federal income tax. Accordingly, no federal income tax expense has been recorded in the financial statements. The Company's federal taxable income or loss has been included in the members' respective income tax returns. The Company is subject to state income taxes as applicable.

The Company applies ASC 740-10, "Income Taxes" in establishing standards for accounting for uncertain tax positions. The Company evaluates uncertain tax positions with the presumption of audit detection and applies a "more likely than not" standard to evaluate the recognition of tax benefits or provisions. ASC 740-10 applies a two-step process to determine the amount of tax benefits or provisions to record in the financial statements. First, the Company determines whether any amount may be recognized and then determines how much of a tax benefit or provision should be recognized. As of December 31, 2024, the Company has no uncertain tax positions.

Recently Adopted Accounting Pronouncements
In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Company's adoption of FASB ASC 326 on January 1, 2023 did not have a material impact on its financial statements.

NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of December 31:

	2024	2023
Equipment	$ 68,354	$ 59,871
Furniture and fixtures	28,784	734
Leasehold improvements	563,233	-
Total Property and Equipment	660,371	60,605
Less accumulated depreciation and amortization	(51,675)	(20,233)
Total Property and Equipment, net	$ 608,696	$ 40,372

NOTE 3 – PROPERTY AND EQUIPMENT, NET (CONTINUED)

Depreciation and amortization expense associated with property and equipment amounted to $31,442 and $12,754 for the years ended December 31, 2024 and 2023, respectively.

NOTE 4 – RELATED PARTY TRANSACTIONS

Line of Credit
On July 30, 2024, the Company entered into a Revolving Line of Credit Agreement with a member of the Company. This agreement provides for advances of up to a total of $350,000, can be terminated by either party with 120 days notice, and bears interest at a rate of 10%. The outstanding principal balance as of December 31, 2024 was $200,000.

Note Payable
On April 10, 2024, the Company entered into a Loan Agreement with a member of the Company in the amount of $165.000. The loan is unsecured, bears interest at 10%, and matures April 10, 2026. Accrued interest-only payments are due on the last day of each year until the loan ends or is repaid in full. The outstanding principal balance as of December 31, 2024 was $40,000.

NOTE 5 – NOTES PAYABLE

Notes payable consisted of the following as of December 31:

	2024	2023
Economic Injury Disaster Loan ("EIDL") originating in March 2021 from a lender in the amount of $282,200. The loan is secured by all tangible and intangible property that the Company now owns or shall acquire, bears interest at 3.75%, and is payable with monthly principal and interest payments of $1,384. The loan matures in March 2051.	$ 274,122	281,144
Promissory note originating in October 2024 from a lender in the amount of $96,800. The loan is secured by certain assets of the Company, bears interest at 5.75%, and is payable with monthly interest-only payments beginning November 2024. Monthly principal and interest payments of $1,714 begin in May 2026. The loan matures in October 2031.	96,800	-
Equipment finance agreement originating in February 2024 from a lender in the amount of $87,097. The loan is secured by certain assets of the Company, bears interest at 9.50%, and is payable with monthly principal and interest payments of $2,790 beginning April 2024. The loan matures in April 2027.	67,046	-
	$ 437,968	$ 281,144

NOTE 5 – NOTES PAYABLE (CONTINUED)

Future aggregate maturities of notes payable as of December 31, 2024 are as follows:

Year Ending December 31,	
2025	$ 32,281
2026	49,024
2027	33,274
2028	24,259
2029	25,514
Thereafter	273,616
	$ 437,968

NOTE 6 – MEMBERS' DEFICIT

The Company is governed by investing equity members ("Members") who are authorized to exercise all powers of the Company. Members are entitled to vote on activity and transactions as necessary to carry out the purpose of the Company.

Any Member may elect to voluntarily make additional capital contributions to the Company after approval of a majority in interest of the voting members, and upon such contribution, such contributing Member's capital account shall be adjusted in accordance with the provisions set forth in the operating agreement.

NOTE 7 – REVENUE

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	2024	2023
Performance obligations satisfied at a point in time	$ 5,323,279	$ 3,579,547
Performance obligations satisfied over time	16,103	8,594
Total Revenues	$ 5,339,382	$ 3,588,141

Revenue from performance obligations satisfied at a point in time consists of royalties, pre-opening services, inventory and retail sales, and other revenue. These goods and services are sold and provided to U.S. based franchisee-owned stores.

Revenue from performance obligations satisfied over time consist of the franchise license by granting certain rights to use the Company's intellectual property. These services are provided to U.S. based franchisee-owned stores.

NOTE 8 – LEASE

The Company has an operating lease primarily for its office facility. The lease agreement contains renewal options and escalation clauses that are factored into the determination of lease payments when appropriate. The Company's lease has a remaining term through March 2034.

Total lease expense under ASC 842 was included in operating expenses in the accompanying statements of operations and included operating lease expense of approximately $89,000 and $30,000 for the years ended December 31, 2024 and 2023, respectively.

As of December 31, 2024, the weighted-average remaining lease term was 9.3 years. The weighted-average discount rate used was 4.5%. Maturities of the operating lease liability are as follows as of December 31, 2024:

Year Ending December 31,	
2025	$ 72,600
2026	75,827
2027	77,440
2028	80,666
2029	82,279
Thereafter	363,804
Total minimum lease payments	752,616
Less imputed interest	(142,599)
Present value of operating lease liabilities	610,017
Less current portion of operating lease liabilities	(46,092)
Total long-term operating lease liabilities	$ 563,925

NOTE 9 – SUBSEQUENT EVENTS

The Company evaluated all material events or transactions that occurred after December 31, 2024 through March 31, 2025, the date these financial statements were available to be issued, and determined that there were no additional events or transactions which would impact these financial statements.

~~**BODYBAR FRANCHISING, LLC**~~

~~**FINANCIAL STATEMENTS**~~
~~**AND INDEPENDENT AUDITORS' REPORT**~~

~~**DECEMBER 31, 2023 AND 2022**~~

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~~GWYNN CPAs~~

~~INDEPENDENT AUDITORS' REPORT~~

~~To the Members of~~
~~Bodybar Franchising, LLC~~

~~Opinion~~

~~We have audited the financial statements of Bodybar Franchising, LLC, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and changes in members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.~~

~~In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bodybar Franchising, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.~~

~~Basis for Opinion~~

~~We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bodybar Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.~~

~~Responsibilities of Management for the Financial Statements~~

~~Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.~~

~~In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bodybar Franchising, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.~~

~~Auditors' Responsibilities for the Audit of the Financial Statements~~

~~Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.~~

~~In performing an audit in accordance with GAAS, we:~~

- ~~Exercise professional judgment and maintain professional skepticism throughout the audit.~~
- ~~Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.~~
- ~~Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bodybar Franchising, LLC's internal control. Accordingly, no such opinion is expressed.~~
- ~~Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.~~
- ~~Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bodybar Franchising, LLC's ability to continue as a going concern for a reasonable period of time.~~

~~We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.~~

Gwynn CPAs

~~Frisco, Texas~~
~~April 5, 2024~~

~~BODYBAR FRANCHISING, LLC~~
~~BALANCE SHEETS~~
~~DECEMBER 31, 2023 AND 2022~~

	~~2023~~	~~2022~~
~~ASSETS~~		
~~Current Assets~~		
~~Cash and cash equivalents~~	~~$ 458,865~~	~~$ 520,767~~
~~Accounts receivable~~	~~58,802~~	~~65,464~~
~~Inventory~~	~~134,101~~	~~97,037~~
~~Other assets~~	~~580,185~~	~~556,196~~
~~Total Current Assets~~	~~1,231,953~~	~~1,239,464~~
~~Property and Equipment, net~~	~~40,372~~	~~27,592~~
~~Total Assets~~	~~$ 1,272,325~~	~~$ 1,267,056~~
~~LIABILITIES AND MEMBERS' DEFICIT~~		
~~Current Liabilities~~		
~~Accounts payable~~	~~$ 24,269~~	~~$ -~~
~~Accrued liabilities~~	~~76,379~~	~~8,126~~
~~Deferred revenue, current~~	~~1,630,340~~	~~1,326,776~~
~~Current portion of note payable~~	~~6,079~~	~~865~~
~~Total Current Liabilities~~	~~1,737,067~~	~~1,335,767~~
~~Long-term Liabilities~~		
~~Deferred revenue, less current portion~~	~~1,328,288~~	~~1,095,061~~
~~Note payable, less current portion~~	~~275,065~~	~~281,335~~
~~Total Long-term Liabilities~~	~~1,603,353~~	~~1,376,396~~
~~Total Liabilities~~	~~3,340,420~~	~~2,712,163~~
~~Members' Deficit~~	~~(2,068,095)~~	~~(1,445,107)~~
~~Total Liabilities and Members' Deficit~~	~~$ 1,272,325~~	~~$ 1,267,056~~

~~The notes to financial statements are an integral part of these statements.~~

~~**BODYBAR FRANCHISING, LLC**~~
~~**STATEMENTS OF OPERATIONS AND CHANGES IN MEMBERS' DEFICIT**~~
~~**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**~~

	~~2023~~	~~2022~~
~~Revenues~~		
~~Franchise~~	~~$ 1,768,954~~	~~$ 867,727~~
~~Equipment and retail~~	~~1,587,152~~	~~1,000,278~~
~~Other~~	~~232,035~~	~~-~~
~~Total Revenues~~	~~3,588,141~~	~~1,868,005~~
~~Cost of Goods Sold~~	~~1,490,927~~	~~559,214~~
~~Gross Profit~~	~~2,097,214~~	~~1,308,791~~
~~Operating Expenses~~		
~~Professional fees~~	~~329,134~~	~~432,068~~
~~Salaries and wages~~	~~1,221,931~~	~~777,258~~
~~Advertising and marketing~~	~~552,988~~	~~370,754~~
~~Other~~	~~517,588~~	~~347,073~~
~~Total Operating Expenses~~	~~2,621,641~~	~~1,927,153~~
~~Loss from Operations~~	~~(524,427)~~	~~(618,362)~~
~~Other Income (Expense)~~		
~~Interest expense~~	~~(10,447)~~	~~(11,981)~~
~~Interest income~~	~~7,656~~	~~150~~
~~Other income~~	~~4,230~~	~~-~~
~~Total Other Income (Expense)~~	~~1,439~~	~~(11,831)~~
~~Net Loss~~	~~(522,988)~~	~~(630,193)~~
~~MEMBERS' DEFICIT AT BEGINNING OF YEAR~~	~~(1,445,107)~~	~~(814,914)~~
~~DISTRIBUTIONS~~	~~(100,000)~~	
~~MEMBERS' DEFICIT AT END OF YEAR~~	~~$ (2,068,095)~~	~~$ (1,445,107)~~

~~The notes to financial statements are an integral part of these statements.~~

BODYBAR FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash Flows from Operating Activities		
Net loss	$ (522,988)	$ (630,193)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	12,754	5,479
Change in operating assets and liabilities:		
Accounts receivable	6,662	(43,505)
Inventory	(37,064)	(47,097)
Other assets	(23,989)	(381,290)
Accounts payable	24,269	(20,642)
Accrued liabilities	18,253	(5,273)
Deferred revenue	536,791	1,253,272
Net cash provided by operating activities	14,688	130,751
Cash Flows from Investing Activities		
Purchases of property and equipment	(25,534)	(33,071)
Cash Flows from Financing Activities		
Payments on note payable	(1,056)	-
Distributions	(50,000)	-
Net cash used in financing activities	(51,056)	-
Net Change in Cash and Cash Equivalents	(61,902)	97,680
Cash and Cash Equivalents, Beginning of Year	520,767	423,087
Cash and Cash Equivalents, End of Year	$ 458,865	$ 520,767
Supplemental Disclosures:		
Cash paid for interest	$ 15,721	$ 8,395
Cash paid for income taxes	$ -	$ -

The notes to financial statements are an integral part of these statements.

~~**BODYBAR FRANCHISING, LLC**~~
~~**NOTES TO FINANCIAL STATEMENTS**~~
~~**DECEMBER 31, 2023 AND 2022**~~

~~**NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS**~~

~~Bodybar Franchising, LLC, formerly Body Bar Holdings, LLC, (the "Company") is a Texas Limited Liability Company formed on January 23, 2015, with headquarters in Dallas, Texas. The Company's planned principal operations are to offer, sell and service franchises for the establishment and operation of Pilates-based fitness studios under the Bodybar trade name. The Company has 25 and 14 franchises in operation as of December 31, 2023 and 2022, respectively.~~

~~**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**~~

~~Basis of Accounting~~
~~The accompanying financial statements are presented in accordance with accounting principles generally accepted by the United States of America ("GAAP").~~

~~Use of Estimates~~
~~The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.~~

~~Fair Value of Financial Instruments~~
~~The Company's financial instruments consist primarily of cash and cash equivalents and trade accounts receivable. The carrying amounts of cash and cash equivalents, accrued expenses and deferred franchise fees approximate their fair values because of the short-term maturities or expected settlement dates of these instruments.~~

~~Cash Equivalents~~
~~The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. At times, cash and cash equivalents held at a financial institution may be in excess of the Federal Deposit Insurance Corporation coverage limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.~~

~~Accounts Receivable~~
~~Accounts receivable primarily represent royalties due less estimates made for credit losses. Management determines the allowance for credit losses by reviewing and identifying troubled accounts on a monthly basis and by using historical experience applied to an aging of account balances. The Company also considers broader factors in evaluating the sufficiency of its allowances, including the length of time receivables are past due, macroeconomic conditions, significant one-time events, and historical experience. When the Company determines that there are accounts receivable that are uncollectible, they are written off against the allowance. The Company estimated no allowance for expected credit losses for the years ended December 31, 2023 and 2022.~~

~~Inventory~~
~~Inventories consist of marketing materials sold at the franchise-level. Inventories are valued at the lower of cost or net realizable value using the first-in, first-out method. Management evaluates all inventories and estimates a reserve for excess or obsolete inventories based on historical trends. As of December 31, 2023, the Company determined there was no need to reserve for obsolete inventory.~~

~~NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)~~

~~Property and Equipment~~
~~Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The estimated useful lives for equipment and furniture and fixtures are 3 years.~~

~~Revenue Recognition~~
~~The Company's revenues are comprised of franchise revenue and equipment and retail revenue.~~

~~Franchise revenues consist primarily of royalties and initial and successor franchise fees.~~

~~The Company's primary performance obligation under the franchise license is granting certain rights to use the Company's intellectual property, and all other services the Company provides under the franchise agreement, other than pre-opening services, are highly interrelated, not distinct within the contract, and therefore accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" as a single performance obligation, which is satisfied by granting certain rights to use our intellectual property over the term of each franchise agreement. Revenue from the franchise license is recognized on a straight-line basis over the term of the respective franchise agreement.~~

~~Pre-opening services provided to a franchisee are distinct from the franchise license and are recognized as revenue upon opening of the franchise. The Company has elected the FASB's practical expedient related to pre-opening activities and does not analyze each separate activity as its own distinct performance obligation.~~

~~Royalties are calculated as a percentage of franchise monthly dues over the term of the franchise agreement. The Company's franchise royalties represent sales-based royalties that are related entirely to the performance obligation under the franchise agreement and are recognized as franchise sales occur.~~

~~The Company is generally responsible for assembly and placement of equipment it sells to franchisee-owned stores. Equipment revenue is recognized upon completion and acceptance of the services at the franchise location. Revenue from retail purchases are recognized upon shipment to the franchisee.~~

~~Shipping and Delivery Costs~~
~~The Company records costs related to shipping and delivery in cost of goods sold.~~

~~Advertising Expense~~
~~Advertising costs are expensed as incurred and are classified under operating expenses. Advertising expense for the years ended December 31, 2023 and 2022 were $552,988 and $370,754, respectively.~~

~~NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)~~

~~Income Taxes~~
~~The Company is a limited liability company and is not required to pay federal income tax. Accordingly, no federal income tax expense has been recorded in the financial statements. The Company's federal taxable income or loss has been included in the members' respective income tax returns. The Company is subject to state income taxes as applicable.~~

~~The Company applies ASC 740-10, "Income Taxes" in establishing standards for accounting for uncertain tax positions. The Company evaluates uncertain tax positions with the presumption of audit detection and applies a "more likely than not" standard to evaluate the recognition of tax benefits or provisions. ASC 740-10 applies a two-step process to determine the amount of tax benefits or provisions to record in the financial statements. First, the Company determines whether any amount may be recognized and then determines how much of a tax benefit or provision should be recognized. As of December 31, 2023, the Company has no uncertain tax positions.~~

~~Recently Adopted Accounting Pronouncements~~
~~In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)". ASU 2016-02 requires lessees to recognize most leases on their balance sheets for the rights and obligations created by those leases. The guidance requires enhanced disclosures regarding the amount, timing, and uncertainty of cash flows arising from leases. The Company's adoption of ASU 2016-02 on January 1, 2022 did not have a material impact on its financial statements.~~

~~In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Company's adoption of FASB ASC 326 on January 1, 2023 did not have a material impact on its financial statements.~~

~~NOTE 3 – PROPERTY AND EQUIPMENT, NET~~

~~Property and equipment consisted of the following as of December 31:~~

	~~2023~~	~~2022~~
~~Equipment~~	~~$ 59,871~~	~~$ 34,337~~
~~Furniture and fixtures~~	~~734~~	~~734~~
~~Total Property and Equipment~~	~~60,605~~	~~35,071~~
~~Less accumulated depreciation and amortization~~	~~(20,233)~~	~~(7,479)~~
~~Total Property and Equipment, net~~	~~$ 40,372~~	~~$ 27,592~~

~~Depreciation expense associated with property and equipment amounted to $12,754 and $5,479 for the years ended December 31, 2023 and 2022, respectively.~~

~~NOTE 4 – NOTES PAYABLE~~

~~On March 25, 2021, the Company obtained an Economic Injury Disaster Loan ("EIDL") from a lender in the amount of $282,200. The loan is secured by all tangible and intangible property that the Company now owns or shall acquire, bears interest at 3.75%, and is payable beginning September 28, 2022 in 355 equal monthly installments. Interest accrues during the deferment period. The loan matures on March 28, 2051. The outstanding principal balance as of December 31, 2023 and 2022 was $281,144 and $282,200, respectively.~~

~~Future aggregate maturities of notes payable as of December 31, 2023 are as follows:~~

~~Year Ending December 31,~~	
~~2024~~	~~$ 6,079~~
~~2025~~	~~6,403~~
~~2026~~	~~6,647~~
~~2027~~	~~6,901~~
~~2028~~	~~7,164~~
~~Thereafter~~	~~247,950~~
~~Total~~	~~$ 281,144~~

~~NOTE 5 – MEMBERS' DEFICIT~~

~~The Company is governed by investing equity members ("Members") who are authorized to exercise all powers of the Company. Members are entitled to vote on activity and transactions as necessary to carry out the purpose of the Company.~~

~~Any Member may elect to voluntarily make additional capital contributions to the Company after approval of a majority in interest of the voting members, and upon such contribution, such contributing Member's capital account shall be adjusted in accordance with the provisions set forth in the operating agreement.~~

~~NOTE 6 – REVENUE~~

~~The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:~~

	~~2023~~	~~2022~~
~~Performance obligations satisfied at a point in time~~	~~$ 3,579,547~~	~~$ 1,864,107~~
~~Performance obligations satisfied over time~~	~~8,594~~	~~3,898~~
~~Total Revenues~~	~~$ 3,588,141~~	~~$ 1,868,005~~

~~Revenue from performance obligations satisfied at a point in time consists of royalties, pre-opening services, inventory and retail sales, and other revenue. These goods and services are sold and provided to U.S. based franchisee-owned stores.~~

~~**BODYBAR FRANCHISING, LLC**~~
~~**NOTES TO FINANCIAL STATEMENTS**~~
~~**DECEMBER 31, 2023 AND 2022**~~

~~**NOTE 6 – REVENUE (CONTINUED)**~~

~~Revenue from performance obligations satisfied over time consist of the franchise license by granting certain rights to use the Company's intellectual property. These services are provided to U.S. based franchisee-owned stores.~~

~~**NOTE 7 – SUBSEQUENT EVENTS**~~

~~The Company evaluated all material events or transactions that occurred after December 31, 2023 through April 5, 2024, the date these financial statements were available to be issued, and determined that there were no additional events or transactions which would impact these financial statements.~~

EXHIBIT B
FRANCHISE AGREEMENT

BODYBAR FRANCHISING, LLC
FRANCHISE AGREEMENT

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Schedule I
State Specific Addenda

Attachments

BODYBAR FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on the Effective Date set forth on Schedule I by and between BODYBAR Franchising, LLC, a Texas limited liability company ("Franchisor") and the business entity identified on Schedule I ("Franchisee"). Certain capitalized terms used in this Agreement that are not otherwise defined herein are defined in Section XXI.

BACKGROUND

A. Franchisor and its affiliates have developed a system (the "System") licensing to franchisees a business model for the establishment and operation of studios (each, a "Studio") offering Pilates and other fitness-related services as well as offering food items and nonalcoholic beverages under the Marks (as defined below) (each, a "Franchise").

B. The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings; proprietary teaching, instructing and training methods; uniform standards, specifications, policies, and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management, and financial control; training and assistance; and advertising and promotional programs, all of which may be changed, improved, and further developed by Franchisor from time to time.

C. The System is identified by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the mark "BODYBAR", and "BODYBAR Pilates" and such other trade names, service marks, trademarks, logos, emblems, and indicia of origin as are now designated, and may hereafter be designated by Franchisor in writing, for use in connection with the System (collectively, the "Marks").

D. Franchisee wishes to obtain the right to use the System for the operation of a Studio at the location specified or to be specified in accordance with the terms of this Agreement if not known on the Effective Date, on Schedule I (the "Location") as well as to receive the training and other assistance provided by Franchisor and acknowledges the importance of operating the Studio in conformity with Franchisor's high standards of quality and service.

E. Franchisor wishes to grant Franchisee a franchise for the operation of a Studio upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

I. GRANT

A. Grant of Rights. Franchisor hereby grants Franchisee the right and license, and Franchisee hereby accepts the right and obligation, to establish and operate a Studio under the Marks and the System in accordance with this Agreement at the Location, which if not known at the execution of this Agreement shall be within the nonexclusive "Designated Area" described on Schedule I.

B. Reservation of Rights. The rights granted under this Franchise shall only include the right to provide certain approved and specified (i) services ("Services") and (ii) products ("Products") from the Location. ~~This Franchise does not, in any way, either directly or by implication, grant any other area, market or territorial rights to Franchisee, including any rights to the geographical area defined as the Designated Area, except that, subject to the terms of~~Once the Location is secured, Franchisor will grant Franchisee a protected area around Franchisee's Location (the "Protected Area"), the boundary of which will depend on Franchisee's market area, including population density, drive times, and similar factors. The Protected Area will be documented in a separate addendum to this Agreement, if unknown at the time of executing this Agreement. Subject to the terms of this Agreement and provided Franchisee is in compliance with this Agreement, Franchisor will not operate or license or grant franchises to third parties for the right to operate other Pilates focused fitness studios ~~located within the protected geographical area described on Schedule I ("Protected Area").~~ from a premises located within the Protected Area. There is no set minimum or maximum radius and Franchisor does not guarantee a certain population density in the Protected Area. Franchisee acknowledges that the Protected Area may overlap with the Protected Areas of other System franchisees. This Franchise does not, in any way, either directly or by implication, grant any other area, market or territorial rights to Franchisee, including any rights to the geographical area defined as the Designated Area.

~~B.~~ Franchisor reserves and retains all rights that this Agreement does not expressly grant to Franchisee, including but not limited to~~:~~ the right to:

(1) Develop and establish and operate, and licenses others the right to operate other businesses within and outside the Protected Area using our trademarks, or other names or marks, and grant licenses to use those systems, including open other fitness centers provided that such locations within the Protected Area do not focus on Pilates;

(2) Advertise and promote the System within and outside the Protected Area;

(3) Operate, and license others to operate, Studios at any location outside the Protected Area and in any Reserved Venue within or outside the Protected Area~~;~~, on temporary, seasonal or permanent basis;

(4) Within and outside the Protected Area, offer and sell, and authorize others to offer and sell, any similar or dissimilar products and services, (under the trademarks or under other names or marks) through any channel or by any method of distribution other than a BODYBAR Studio on any terms and conditions Franchisor deems appropriate, including through alternative channels of distribution (for example, catalogues, Internet websites, telemarketing, mail order, direct-order techniques or specialty stores) as well as special events like street fairs, parades, sporting events and similar occasions; and

(5) acquire, be acquired by, or merge with other competitive businesses and operate them anywhere and, at Franchisor's option, convert them to businesses operating under

the Marks or any other name.

This Agreement grants Franchisee no rights to: (i) distribute the services as described in this paragraph; or (ii) share in any of the proceeds from Franchisor's activities through our reserved rights or alternate channels of distribution, even when those actions take place inside the Protected Area.

C. Minimum Performance Requirement. Franchisee's Studio must meet the following minimum annual Gross Sales requirements within the time frames specified below (the "Minimum Gross Sales Requirement"):

Performance Period	Minimum Gross Sales Requirement
~~2nd~~1st Year of Operations	$30,000 per month or $360,000 annually
~~3rd~~2nd Year of Operations	~~$37,500~~$40,000 per month or $~~450~~480,000 annually
~~4th~~3rd and Subsequent Years of Operation	$~~45~~50,000 per month or $~~540~~600,000 annually

If Franchisee does not meet these Minimum Gross Sales Requirements, Franchisor has the right to terminate Franchisee's Protected Area or otherwise terminate this Agreement.

D. Relocation. Franchisee shall not relocate the Studio without the prior written approval of Franchisor. Franchisor shall have the right, in its sole discretion, to withhold approval of relocation. If relocation is approved by Franchisor, Franchisee must pay to Franchisor a relocation fee of Five Thousand Dollars ($5,000) and shall also be responsible for all costs and expenses incurred by Franchisor as a result of Franchisee's relocation. In such circumstance, Franchisee must procure a site acceptable to Franchisor at least ninety (90) days prior to closing operations at Franchisee's current Franchised Business, and open for business at the new approved location within 30 days of closing business at the current Franchised Business. Franchisee is responsible for paying Royalty and other fees due under this Agreement, as calculated on a rolling twelve (12~~-~~) month basis, during any transitional period. If Franchisee relocates its Franchised Business without Franchisor's prior written consent, Franchisor will have the right to immediately terminate this Agreement.

II. LOCATION, PLANS, CONSTRUCTION, AND OPENING DATE

A. Approval of Location.

(1) If the address of the Studio is not known at the time of execution of this Agreement, Franchisee shall be responsible for purchasing or leasing a suitable site for the Studio within the Designated Area within ninety (90) days of the Effective Date or Franchisor may terminate the Agreement pursuant to Section XVII.C. Within thirty (30) days of the Effective Date, Franchisee shall submit a description of the proposed site which meets the site criteria set forth in the Manuals. Franchisor shall provide Franchisee with written notice of approval or

disapproval of the proposed site within fourteen (14) days after receiving Franchisee's written proposal.

(2) If the Studio Location is not designated, Franchisor shall use reasonable efforts to help analyze the Designated Area and determine site feasibility; provided, however, that Franchisor will not conduct site selection activities on Franchisee's behalf and nothing contained herein shall be interpreted as a guarantee of success for any location nor shall any site recommendation or approval made by Franchisor be deemed a representation that any particular site is available for the Studio. It shall be Franchisee's sole responsibility to undertake site selection activities and otherwise secure premises for the Studio. Franchisor requires certain specific conditions prior to approving Franchisee's site, including provisions relating to subleasing, rental terms, signage, default notice, and our rights upon default and lease assumption. Unless Franchisee negotiate these provisions into the real estate lease, Franchisee must obtain an executed lease rider from Franchisee's landlord substantially in the form attached to the Franchise Agreement as Attachment C.

(3) Franchisor will provide Franchisee with a list of preferred vendors for site selection services. Franchisee must use the services of Franchisor's designated third party vendor for site due diligence services, as well as design and architectural services for the buildout of the Franchised Business.

B. Licenses; Permits. Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the premises of the Studio. Before beginning construction of the Studio, Franchisee shall: (i) obtain all approvals, clearances, permits, licenses, and certifications required for the lawful construction or remodeling and operation of the Studio; and (ii) certify in writing to Franchisor that all such items listed in this Section II.B~~.(i)~~ have been obtained and that the insurance coverage specified in Section XII of this Agreement is in full force and effect. At Franchisor's request, Franchisee shall provide Franchisor copies of all such approvals, clearances, permits, licenses, and certifications.

C. Construction and Finish Out. Franchisee shall obtain, at its expense, any architectural, engineering, design, construction, and other services it deems necessary for the construction of the Studio. Franchisee must use the services of Franchisor's designated third party vendor, who will prepare site specific scaled architectural, mechanical, electrical and plumbing drawings necessary for (i) obtaining building permits from local authorities; (ii) obtaining landlord approval; and (iii) construction and/or build out of the Studio.

(1) Franchisee shall adapt Franchisor's prototypical architectural and design plans and specifications for a Studio as necessary for the construction of the Studio licensed under this Agreement and shall submit such adapted plans to Franchisor for review within thirty (30) days after it acquires the Location. Franchisor will make reasonable efforts to notify Franchisee of any objections to the plans within fifteen (15) business days of receiving such plans. Franchisee is responsible for the Franchisor's costs or its third-party vendor's fees in reviewing Franchisee's proposed plans. If Franchisor objects to any portion of the plans or requests changes to the plans, then Franchisee shall, at its sole expense, submit revised plans within fifteen (15) business days after rejection by Franchisor. Franchisor shall notify Franchisee within fifteen (15) business days

of receiving revised plans incorporating the changes as to whether the revised plans are acceptable. Franchisee acknowledges that Franchisor's review of such plans is only for purposes of determining compliance with System standards and that acceptance of such plans by Franchisor does not constitute a representation, warranty, or guarantee, express or implied, by Franchisor that such plans are accurate or free of error concerning their structural application. Franchisor shall not be responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances, or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor shall Franchisor be responsible for any errors, omissions, or discrepancies of any nature in the plans.

(2) Franchisee shall promptly commence and diligently pursue construction of the Studio. Commencement of construction is defined as the time at which any site work is initiated. Site work includes, without limitation, paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls, and demolishing any existing premises, depending on whether the Studio is to be located in a freestanding building or otherwise. During construction, Franchisee shall provide Franchisor with such periodic progress reports as Franchisor may reasonably request. In addition, Franchisor shall make such on-site inspections as it may deem reasonably necessary to evaluate such progress. Franchisee shall notify Franchisor of the scheduled date for completion of construction no later than forty-five (45) days prior to such date. Within a reasonable time after the date construction is completed, Franchisor shall, at its option, conduct an inspection of the completed Studio. Franchisee shall not open the Studio for business without the written authorization of Franchisor, which authorization shall be conditioned upon Franchisee's strict compliance with this Agreement.

D. Opening Date. Franchisee shall open the Studio and commence business within three hundred sixty-five (365) days after the execution of this Agreement unless Franchisee obtains a written extension of such time period from Franchisor. Franchisee acknowledges that time is of the essence. The Opening Date shall be set forth on Schedule I. Before the Opening Date, Franchisee shall complete all exterior and interior preparations for the Studio, including installation of equipment, fixtures, furnishings, and signs, pursuant to the plans and specifications approved by Franchisor, and shall comply with all other pre-opening obligations of Franchisee, including, but not limited to, those obligations described in Section VII of this Agreement. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening the Studio. Franchisee's failure to open the Studio in compliance with these provisions shall be deemed a material event of default under this Agreement.

III. TERM AND RENEWAL

A. Term. Franchisee's grant to own and operate a Franchise begins on the Effective Date and ends on the tenth (10^{th}) anniversary of the opening of the Studio (the "Initial Term"), unless sooner terminated pursuant to this Agreement. The word "Term" means this Initial Term and any Renewal Term (as defined below) or extension of that time period. This Agreement will not be enforceable until it has been countersigned by Franchisor and delivered to Franchisee.

B. Renewal. Franchisee may, at its option, renew its rights under this Agreement for two (2) additional consecutive terms of five (5) years each (each a "Renewal Term"), subject to any or all of the following conditions which must, at Franchisor's option, be met prior to and at the time of renewal:

(1) Franchisee shall notify Franchisor of its intention to renew the Agreement in writing at least One Hundred and Eighty (180) days but not more than Three Hundred and Sixty (360) days prior to the expiration of the Initial Term or any Renewal Term;

(2) Not more than 12 months prior to the expiration of term, Franchisee shall ~~refurbish, repair~~have remodeled, refurbished, repaired, or ~~replace~~replaced, at Franchisee's cost and expense, all equipment, electronic cash register systems, computer systems, signs, interior and exterior decor items, fixtures, furnishings, supplies, and other products and materials required for the operation of the Studio as Franchisor may reasonably require and shall otherwise upgrade the Studio to reflect the then-current standards and image of the System;

(3) Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto; neither Franchisee nor its affiliates shall be in default of any other agreement with Franchisor or any of its affiliates; and Franchisee and its affiliates shall have substantially and timely complied with the terms and conditions of such agreements during the respective terms thereof;

(4) Franchisee shall have timely satisfied all monetary obligations owed to Franchisor and its affiliates under this Agreement and any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates;

(5) Franchisee shall execute Franchisor's then-current form of franchise agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher Royalty Fee and advertising contribution or expenditure requirements;

(6) Franchisee shall satisfy Franchisor's then-current training requirements for renewing franchisees at its sole expense, if any;

(7) Franchisee and its Principals shall execute a general release of any and all claims against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state, or local laws, rules, regulations, or orders in the form attached hereto as Attachment D;

(8) Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the premises of the Studio during the renewal term or obtain Franchisor's consent to a new site for the Studio;

(9) Franchisee shall pay Franchisor a renewal fee of ten thousand dollars ($10,000); and

(10) Franchisee shall agree to any reasonable proposed modification to the boundaries of the Protected Area, if any, due to shifts in population, commercialization or urbanization.

IV. FEES

A. Initial Franchise Fee. In consideration of the rights granted to Franchisee by Franchisor hereunder, Franchisee shall pay Franchisor an initial franchise fee in the amount set forth on Schedule I (less any Development Fee credit). The initial franchise fee is payable in one full lump sum by cash, certified check or wire transfer upon the execution of this Agreement. The initial franchise fee shall be deemed fully earned and nonrefundable upon receipt by Franchisor.

B. Royalty Fee. During the term of this Agreement, Franchisee shall pay to Franchisor a weekly continuing Royalty Fee equal to seven percent (7%) of Gross Sales for the immediately preceding reporting period (the "Royalty Fee"). The Royalty Fee shall be paid by Franchisee to Franchisor via electronic funds transfer, online application or other electronic payment method, or any other means reasonably specified by Franchisor, and shall be due on the date specified by Franchisor from time to time. For purposes of this Section IV.B, the Studio's first week of operation shall begin on the Opening Date and shall end on the following Sunday, and each subsequent week shall begin on Monday and conclude on the following Sunday. Royalty Fees remitted to us will not be refundable under any circumstances. In addition to the Royalty Fee payment, Franchisee shall provide to Franchisor a Gross Sales Report on or before the due date specified by Franchisor from time to time.

C. Past Due Amounts; Acceptance and Application of Payments.

(1) Any payment not actually received by Franchisor on or before the due date shall be deemed past due. Time is of the essence for all payments to be made by Franchisee to Franchisor. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of twelve percent (12%) per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If, for any reason, interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required, or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment.

(2) Acceptance by Franchisor of any payments due subsequent to the due date shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee or the Principals of any terms, provisions, covenants, or conditions of this Agreement.

(3) Franchisor shall have the right to apply any payment it receives from Franchisee to any amounts Franchisee owes Franchisor or its affiliates under this Agreement or any other agreement between them, even if Franchisee has designated the payment for another purpose or account. Franchisor may accept any check or payment of any amount from Franchisee

without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) Franchisee shall have no right to withhold any payments due Franchisor on account of Franchisor's breach or alleged breach of this Agreement and no right to offset any amount due Franchisor against any obligation that Franchisor may owe to Franchisee.

D. Other Fees and Payments. In addition to the fees described in this Article IV, above, Franchisee shall pay when due all other fees or amounts described in this Agreement. In addition, Franchisee shall establish and maintain an active credit card account with a provider approved by Franchisor. For purposes of this Agreement, MASTERCARD®, VISA®, and AMERICAN EXPRESS shall be considered approved credit card providers. Franchisee hereby authorizes Franchisor to charge to such credit card all payments due for purchases made by Franchisee hereunder including, without limitation, amounts due for the purchase of equipment, an initial inventory kit, ongoing inventory, supplies, marketing, and promotional materials, and for delivery, shipping, and attorneys' fees. Franchisee shall provide to Franchisor, from time to time and upon request, all information concerning such credit card account(s).

E. Electronic Funds Transfer. Franchisor reserves the right to require Franchisee to execute all documents necessary to permit Franchisor to withdraw funds from Franchisee's designated bank account by electronic funds transfer ("EFT") in the amount of the Royalty Fee, described in this Article IV.B, above, and the marketing fund contribution described in Section VIII.D, at the time such amounts become due and payable under the terms of this Agreement. Any fee calculated by reference to Gross Sales shall be based on the information obtained by Franchisor pursuant to Section VII.F of this Agreement or the Gross Sales Report. If the Gross Sales Report has not been received within the time period required by this Agreement, then Franchisor may process an EFT for the subject week based on the most recent Gross Sales Report provided to Franchisor by Franchisee; provided, if a Gross Sales Report for the subject week is subsequently received and reflects: (i) that the actual amount of the fee due was more than the amount of the EFT, then Franchisor shall be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then Franchisor shall credit the excess amount to the payment of Franchisee's future obligations. Should any EFT not be honored by Franchisee's bank for any reason, Franchisee agrees that it shall be responsible for that payment and any service charge. If a payment is not received when due, interest may be charged in accordance with Section IV.C. ~~Upon written notice to Franchisee, Franchisor may designate another method of payment.~~

F. Document Processing Fee. If Franchisor is required to amend this Agreement or ancillary documents to account for name changes, address changes, corporate or other modifications (other than a Transfer as defined in Section XIV), then Franchisor reserves the right to require Franchisee to reimburse Franchisor for its costs, including its legal fees, in preparing such amendments or modifications.

G. Technology Fees. Franchisee shall pay the Technology Fee as noted in Section VII.E(14) of this Agreement.

H. Music Software. Franchisee shall maintain music licensing software from Franchisor's designated vendor and pay all fees associated therewith, which are subject to change.

I. Audio/Visual Services. Franchisee shall engage Franchisor's designated vendor for audio/visual and computer services and pay all fees associated therewith, which are subject to change.

V. FRANCHISOR'S OBLIGATIONS

Franchisor agrees to provide, or cause the following services to be provided:

A. Real Estate, Initial Studio Design Services and Prototype Plans. Franchisor shall make available prototypical drawings and specifications for a Studio, as well as a list of required and preferred vendors of real estate, design services and construction management services. ~~(Franchise Agreement, Section V.A.) In the event~~ Franchisee ~~elects to use one of these preferred vendors, Franchisee will be required~~ is responsible to pay any fees incurred ~~with the~~by a required or preferred vendor.

B. Manuals. Franchisor shall provide Franchisee with electronic access to the Manuals.

C. Software Programs. For a reasonable fee, Franchisor shall make available any Software Programs or other applications that Franchisor acquires or develops for use in the System; provided that, Franchisor is under no obligation to develop or acquire such Software Programs or other application.

D. Inspections. Franchisor shall conduct inspections of the Studio and evaluate the products sold and services rendered therein from time to time, as reasonably determined by Franchisor in its sole discretion.

~~D.~~

E. Advertising. Franchisor shall Administer a Marketing Fund and/or advertising cooperatives, if any, in accordance with Section VIII, as well as the provision of certain advertising and promotional materials developed by Franchisor from time to time in its sole discretion for use in marketing and conducting local advertising for System Studios.

F. Operational Advice. Franchisor shall provide Franchisee with advice and written materials concerning techniques for managing and operating Studios, including new developments and improvements in System equipment and System products in its sole discretion.

G. Equipment; Collateral Merchandise; Decor Items. Franchisor shall make available approved sources for purchasing the initial package of Pilates equipment, as well as required furniture, fixtures, and related supplies and inventory necessary to open and operate the business on a consistent basis. From time to time, in Franchisor's sole discretion and at a reasonable cost, provide sources of supply for additional merchandise identifying the System, such as caps, t-shirts, and other System memorabilia, and certain equipment and decor items.

H. Approved Suppliers and System Standards. From time to time as Franchisor deems appropriate, Franchisor shall provide a list of approved suppliers and any required System Standards for signs, equipment, fixtures, furnishings, apparel, merchandise, other equipment (including computer hardware and software), improvements and other products and services for the Franchise. Franchisor reserves the right to facilitate the sale and collect the payment from Franchisee and remit the same to the vendor.

I. Training. Franchisor shall provide an initial training program for Franchisee's Operating Principal, and initial Studio Manager(s), and additional training programs in accordance with Section VI.G. With Franchisor's prior written consent, and subject to its then-current certification procedures, Franchisor may authorize Franchisee to implement a training program for the employees of the Studios, developed pursuant to this Agreement, in accordance with Franchisor's then-current standards. ~~If Franchisee notifies Franchisor within three (3) months of completing the initial training program that Franchisee believes any of the attendees did not receive adequate training, Franchisor shall permit Franchisee and one additional person to attend Franchisor's next regularly scheduled training program without charge. If Franchisor does not receive notification within this three (3) month period, then Franchisee will be deemed to have waived any claim arising out of relating to the adequacy or alleged inadequacy of initial training.~~

J. Opening Team Assistance. Franchisor shall provide such on-site pre-opening and opening assistance as Franchisor reasonably deems necessary and subject to availability of Franchisor's personnel; provided that, Franchisee shall reimburse Franchisor for any and all expenses incurred by Franchisor's representatives, such as costs of travel, lodging, meals, and wages. If Franchisee requests pre-opening and opening assistance in addition to that Franchisor deems reasonably necessary, then Franchisor may charge a reasonable fee for its services, in addition to requiring Franchisee to pay or reimburse Franchisor for any expenses and costs incurred by Franchisor's representatives.

K. Remedial Training. Upon Franchisee's reasonable request, or if Franchisor shall determine it to be necessary during the term of this Agreement, on-site or off-site remedial training; provided that, Franchisor shall provide remedial training subject to the availability of Franchisor's personnel and provided further that Franchisor may require Franchisee to pay the per diem fee or hourly rate then being charged for on-site or off-site remedial training and pay or reimburse Franchisor for the expenses incurred by its representatives, including the costs of travel, lodging, meals, and wages.

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

VI. FRANCHISEE'S AGREEMENTS, REPRESENTATIONS, WARRANTIES, AND COVENANTS

A. Continuing Obligations. Franchisee and its Principals make the following representations, warranties, and covenants and accept the following obligations. Such representations, warranties, and covenants are continuing obligations, and Franchisee and its Principals acknowledge and agree that any failure to comply with them shall constitute a material event of default under this Agreement. Franchisee will cooperate with Franchisor to verify compliance with the following representations, warranties, and covenants.

B. Organization.

(1) Franchisee and its Principals each represent and warrant that the legal entity which owns the Franchise: (i) is duly organized and validly existing under the law of the state of its formation; (ii) is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification; and (iii) has a corporate charter or written partnership or limited liability company agreement that does and at all times will provide that the activities of Franchisee are confined exclusively to the operation of Studios.

(2) The execution of this Agreement and the performance of the transactions contemplated hereby are within Franchisee's corporate power, if Franchisee is a corporation, or if Franchisee is a partnership or a limited liability company, are permitted under Franchisee's written partnership or limited liability company agreement and have been duly authorized by Franchisee.

(3) If Franchisee is a corporation, copies of Franchisee's articles of formation, bylaws, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements, or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by Franchisor, shall have been furnished to Franchisor prior to the execution of this Agreement; or, if Franchisee is a partnership or limited liability company, copies of Franchisee's written partnership or limited liability company agreement, other governing documents and any amendments thereto shall have been furnished to Franchisor prior to the execution of this Agreement, including evidence of consent or approval of the execution and performance of this Agreement by the requisite number or percentage of partners or members, as applicable, if such approval or consent is required by Franchisee's written partnership or limited liability company agreement.

C. Ownership.

(1) The ownership interests in Franchisee are accurately and completely described in Schedule I. Franchisee shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Franchisee. Franchisee shall make its list of owners available to Franchisor upon request.

(2) If Franchisee is a corporation, Franchisee shall maintain stop-transfer instructions against the transfer on its records of any of its equity securities, and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement. If Franchisee is a partnership or limited liability company, its written partnership or limited liability company agreement shall provide that ownership of an

interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

(3) ~~If required by Franchisor, all~~All Principals must sign the Guaranty and Assumption Agreement, attached as Attachment A to this Agreement ~~and Confidentiality and Non-Competition Agreement attached as Attachment B to this Agreement.~~pursuant to which the Principals shall otherwise bind themselves to the terms of this Agreement as stated herein. Franchisor reserves the right to require a spouse of a Principal to also execute the Guaranty and Assumption Agreement.

(4) If, after the execution of this Agreement, any person ceases to qualify as one of the Franchisee's Principals, or if any individual succeeds to or otherwise comes to occupy a position which, upon designation by Franchisor, would qualify him or her as one of Franchisee's Principals, Franchisee shall notify Franchisor within seven (7) days after any such change and, upon designation of such person by Franchisor as one of Franchisee's Principals, such person shall execute all documents and instruments (including, as applicable, this Agreement) as Franchisor may require others in such positions to execute.

D. Financial Matters.

(1) Franchisee and, at Franchisor's request, each of the Principals have provided Franchisor with the most recent financial statements of Franchisee and such Principals. Such financial statements present fairly the financial position of Franchisee and each of the Principals, as applicable, at the dates indicated therein and, with respect to Franchisee, the results of its operations and its cash flow for the most recent year and through the date Franchisee applies to Franchisor to purchase a Franchise. Such financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments, or obligations of any nature, whether accrued, unliquidated, absolute, contingent, or otherwise, which are not reflected as liabilities on the financial statements. Franchisee shall provide Franchisor updates as it may require from time to time.

~~(2) The Principals that Franchisor designates shall jointly and severally guarantee the performance of Franchisee's obligations under this Agreement, pursuant to the terms and conditions of the Principals' Guaranty and Assumption Agreement attached hereto as Attachment A and shall otherwise bind themselves to the terms of this Agreement as stated herein.~~

~~(3)~~(2) Franchisee shall provide Franchisor with any and all loan or other documents regarding the financing of its Studio ~~that Franchisor may~~upon Franchisor's request.

~~(4)~~(3) Franchisee shall maintain at all times during the term of this Agreement sufficient working capital to fulfill its obligations under this Agreement.

E. Operating Principal.

(1) Upon the execution of this Agreement, Franchisee shall designate and shall

retain at all times during the term of this Agreement, an individual to serve as Franchisee's Operating Principal. The Operating Principal for all Studios operated by Franchisee and, if applicable, Franchisee's affiliates, shall be the same person, and the Operating Principal under this Agreement and under the Development Agreement pursuant to which this Agreement is executed shall be the same person. The Operating Principal shall meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing.

(2) Unless otherwise permitted by the Franchisor, Operating Principal must maintain a direct or indirect ownership interest of not less than twenty-five percent (25%) in the entity which owns the Franchise and (i) will be responsible for the Studio and all decisions, (ii) shall be granted the authority by the Franchise to bind Franchisee in any dealings with the Franchisor or its affiliates and (iii) shall direct any action necessary to ensure compliance with this Agreement and any other agreements relating to the Franchise. Unless a Studio Manager is designated pursuant to Section VI.F, Franchisee's Operating Principal shall devote full time and best efforts to the supervision of the Studio and shall not engage in any other business without Franchisor's prior written consent.

(3) Except as may otherwise be provided in this Agreement, the Operating Principal's interest in Franchisee shall be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest, or purchase right or options. The Operating Principal shall execute this Agreement as a Principal, and shall be individually, jointly and severally, bound by all obligations of Franchisee, the Operating Principal, and a Principal hereunder.

(4) Franchisee must promptly notify Franchisor if the Operating Principal cannot continue to serve in that capacity or no longer qualifies as such, and Franchisee must take corrective action within seven (7) days thereafter. During such seven (7) day period, Franchisee must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section VI.E will be a material breach of this Agreement.

F. Studio Manager and Fitness Manager. Franchisee may, at Franchisee's option and subject to Franchisor's written consent, designate a Studio Manager to supervise the day- to-day operation and management of the Studio. Additionally, Franchisee must designate a "Fitness Manager" to oversee recruitment of instructors, quality assurance and the scheduling and provision of fitness classes. All Fitness Managers must satisfactorily complete Franchisor's Fitness Manager Training program at the first available scheduled training. If the Studio is the only Studio operated by the Franchisee, then the Studio Manager may, but need not, be the Operating Principal. If the Studio is one of several to be opened under a Development Agreement or if Franchisee (or its affiliates) operates more than one Studio, then Franchisee must designate a separate Studio Manager and Fitness Manager for each Studio. The Studio Manager shall:

(1) Meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing and be approved by Franchisor; and

(2) Devote best efforts to the day-to-day operation and management of the Studio.

G. Training.

(1) ~~Business Owner~~ New Franchisee Training. Franchisee or Franchisee's Operating Principal must successfully complete Franchisor's ~~business owner~~new franchisee training no later than one hundred and twenty-five (125) days prior to opening the Studio. Any successor or replacement Operating Principal must successfully complete Franchisor's ~~business owner~~new franchisee training within a reasonable time after such persons are designated. ~~Business owner~~New franchisee training for Franchisee or Franchisee's Operating Principal, are provided at no additional charge for up to two attendees; however, Franchisor reserves the right to charge its then current fee for training any additional, successor or replacement personnel and for any additional training programs.

(2) Studio Manager Training. Franchisee or Franchisee's Operating Principal, and Studio Manager, and any other personnel of Franchisee whom Franchisor may designate, must attend and complete Franchisor's studio manager training no later than ~~sixty (60~~one hundred and twenty (120) days prior to the opening of the Studio. Studio manager training for Franchisee or Operating Principal and Franchisee's Studio Manager are provided at no additional charge for up to two attendees; however, Franchisor reserves the right to charge its then current fee for training any additional, successor or replacement personnel and for any additional training programs.

(3) Fitness Manager Training. Franchisee's Fitness Manager must attend and satisfactorily complete Franchisor's Fitness Manager training no later than ~~sixty (60~~ninety (90) days prior to the opening of the Studio. Fitness manager training is offered free of charge for the initial Fitness Manager. Franchisor reserves the right to charge its then current fee for training any additional, successor or replacement personnel and for any additional training programs. Moreover, Franchisee's Fitness Manager must successfully complete the prescribed elements of the Founding Instructor Training Program below within 30 days prior to the opening of the Studio.

(4) Founding Instructor Training Program; Replacement Instructors. Prior to opening, all instructors must satisfactorily complete Module 1 of the Franchisor's Founding Instructor Training Program. The Fitness Manager will attend Instructor Training at an existing BODYBAR Pilates location in advance of Franchisee hosting the Founding Instructor Training, the cost of which is one thousand five hundred dollars ($1,500) plus travel expenses. Once the studio is open, all instructors must satisfactorily complete the remaining portions of the Founding Instructor Training Program within one year of the opening of the Studio. One Founding Instructor Training will be scheduled at the Studio prior to opening, which can accommodate up to ten participants. The cost of this training is currently ~~seven~~eight thousand five hundred dollars ($~~7~~8,500), which includes expenses and compensation for Franchisor's Master Trainer to conduct the Module 1 in-person training at the Studio as well as two remote trainings on the remaining portions of Founding Instructor Training. Any instructors unable to attend the Founding Instructor Training Program must attend and pay for instructor training at another BODYBAR location. After opening, all instructors must complete and successfully pass the BODYBAR Instructor Training Program to be eligible to teach at a BODYBAR studio. The BODYBAR Instructor Training Program can only be administered by an official BODYBAR Master Trainer as designated by BODYBAR Franchising. Franchisor reserves the right to change and modify its instructor training and certification requirements at any time in its sole discretion, as well as the fees charged. If for

any reason Franchisee requests that additional Instructor Training be conducted by one of Franchisor's trainers after the initial Founding Instructor Training, Franchisee will be billed at Franchisor's then current rates for such training, plus the other costs and expenses incurred by the attendees, including travel and lodging. Franchisor may charge a reasonable training fee for training all successor or replacement personnel.

(5) Franchisor may from time to time require, at Franchisee's sole cost and expense, that Franchisee or Franchisee's Operating Principal and any other personnel of Franchisee whom Franchisor may designate complete additional training as Franchisor may require at times and locations designated by Franchisor. Franchisee shall be responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals, and wages incurred by the Operating Principal and other required attendees. If Franchisee or its Operating Principal fails, in Franchisor's sole judgment, to satisfactorily complete any aspect of Franchisor's initial training, and Franchisee fails to cure such default within ninety (90) days following written notice from Franchisor, Franchisor may terminate this Agreement.

(6) Franchisor reserves the right to require Franchisee, Franchisee's Operating Principal, Studio Manager or a designated representative attend additional and refresher training programs and seminars each year as Franchisor may require in its sole discretion. The programs may include online training, regional meetings or seminars, traditional classroom training, and programs offered at any annual franchise meeting or conference. Franchisor reserves the right to charge a reasonable fee for these additional training programs and seminars. Franchisee must pay all expenses Franchisee, or its personnel incur in any training program or seminars, including the cost of travel, lodging, meals, and wages. Moreover, Franchisee's Fitness Manager must successfully complete the prescribed elements of the Founding Instructor Training Program below at least 30 days prior to the opening of the Studio.

(7) Franchisor may, in its discretion, hold an Annual Franchise Meeting at a location to be selected by the Franchisor. Franchisor requires, and Franchisee hereby agrees, that Franchisee's Operating Principal shall attend, and encourages the Studio Manager and/or Fitness Manager to also attend the Annual Franchise Meeting. Franchisor presently charges a registration fee to attend the Annual Franchise Meeting, currently ~~seven~~one thousand one hundred ~~fifty~~ninety nine dollars ($~~750~~1,199), which is subject to change. Additionally, Franchisee must pay all expenses Franchisee incurs in attending the Annual Franchise Meeting, including the cost of travel, lodging, meals and wages of its attendee(s). If Franchisee's Operating Principal, or Studio Manager fails to attend the Annual Franchise Meeting, then Franchisor may require Franchisee's personnel to attend mandatory or alternative training at Franchisee's costs (which may exceed the costs of attending the Annual Franchise Meeting) or terminate this Agreement, in Franchisor's sole discretion.

H. Legal Compliance. In addition to complying with its obligations under this Agreement, Franchisee shall comply with all applicable federal, state, and local laws, rules, regulations, ordinances, and orders. Such laws, rules, regulations, ordinances, and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is Franchisee's sole responsibility to apprise itself of the existence and requirements of all such laws, rules, regulations, ordinances, and orders and to adhere to them at all times during the term of this Agreement.

I. Powers of Attorney. Franchisee hereby appoints Franchisor its true and lawful attorney in-fact, with full power and authority to: (i) assign to Franchisor upon the termination or expiration of this Agreement (a) all rights to the telephone numbers of the Studio, any related business directory listings, and all rights to any website listings or services, search engines or systems, social media sites or listings, and any other business listings related to the Studio and (b) at Franchisor's option, Franchisee's interest in any lease for the premises of the Studio and any equipment used in the operation of the Studio; and (ii) obtain any and all returns and reports related to the Studio that Franchisee files with any local, state, or federal taxing authority. Such powers of attorney shall survive the expiration or termination of this Agreement, and Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact with full power and authority for the foregoing purposes.

J. No Competing Interests. Franchisee warrants and represents that neither Franchisee nor any of its affiliates or Principals own, operate, or have any financial or beneficial interest in any business that is the same as or similar to a Studio.

K. Anti-Terrorist Activities. Without limiting the generality of Section VI.H., Franchisee certifies that neither Franchisee nor its owners, employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. (The Annex is available at http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html.) Franchisee agrees not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, employees, or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee certifies, represents, and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities, as provided in Section XV of this Agreement, pertain to Franchisee's obligations under this Section VI.K. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's affiliates in accordance with the terms of Sections XVII.C and XVIII of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and any other requirements of any Governmental

Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

VII. STUDIO OPERATIONS

A. Standards Compliance. Franchisee acknowledges the importance of maintaining uniformity among all of the Studios and the importance of complying with all of Franchisor's standards and specifications relating to the operation of the Studios. To protect the reputation and goodwill of Franchisor and to maintain the high standards of operation under the Marks, Franchisee shall conduct its business in accordance with the Manuals, other written directive which Franchisor may issue to Franchisee from time to time, and any other manuals and materials created or approved for use in the operation of Studios.

B. Maintenance of Studio. Franchisee shall maintain the Studio in a high degree of sanitation and repair and shall make such additions, alterations, repairs, and replacements as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, decor, and equipment (including, but not limited to, point of sale or computer systems) as Franchisor may reasonably direct. Franchisee also shall obtain, at Franchisee's cost and expense, any new or additional equipment, fixtures, supplies, and other products and materials which Franchisor may reasonably require for Franchisee to offer and sell new services or products from the Studio or to provide such services or products by alternative means. Except as may be expressly provided in the Manuals, no alterations, improvements, or changes of any kind in design, equipment, signs, interior or exterior decor items, fixtures, or furnishings shall be made in or about the Studio without Franchisor's prior written approval.

C. Upgrade of Studio. Upon Franchisor's request, Franchisee shall make such improvements to the Studio to conform it to Franchisor's then-current standards and specifications. Without limitation of the foregoing, Franchisee agrees that it will make any capital improvements required by this Section VII.C if requested by Franchisor at such time during the Term of this Agreement as specified by Franchisor in its sole discretion.

D. Sourcing. Franchisee shall comply with all of Franchisor's standards and specifications relating to the purchase of all Pilates and fitness equipment, food and beverage items, ingredients, supplies, apparel, merchandise, materials, fixtures, furnishings, other equipment (including computer hardware and software), signs, advertising, graphics, vehicle wraps, and other products used or offered for sale at the Studio. If Franchisor has approved suppliers or vendors for any such item (including manufacturers, distributors, and other sources), Franchisee must obtain these items from those suppliers or vendors. Franchisor may designate itself or an affiliate or a third party as the sole approved suppliers of any item. Franchisor and/or its affiliates have the right to derive revenue from purchases or leases of required products and/or services if purchased from Franchisor, an affiliate or a supplier approved by Franchisor. The parties acknowledge and agree that Franchisor is not responsible for any delays, government ordered shutdowns, damages, acts of God, pandemics or defects relating to Franchisee's purchases from approved or designated suppliers or vendors. The parties further acknowledge and agree that Franchisor is not responsible for any cost increases related to increases in material costs, commodity prices, shipping and transportation costs, or other costs in connection with purchases from approved or designated suppliers or vendors. If Franchisee desires to purchase, lease, or use any products or other items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so. Franchisee shall not purchase or lease from any supplier until and unless such supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, either to Franchisor or to an independent laboratory designated by Franchisor, for testing. A charge, not to exceed the cost of the inspection and of the test (including Franchisor's administrative costs attributable to both), shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re- inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier. Franchisee's failure to comply with the provisions of this Section VII.D shall be deemed a material breach under this Agreement.

E. Operational Requirements. Franchisee shall operate the Studio in strict conformity with Franchisor's methods, standards, and specifications as set forth in the Manuals and as from time to time otherwise prescribed in other written, audio, or visual materials. Without limitation of the foregoing, Franchisee agrees:

(1) To sell, offer and provide all fitness-related services, items and products, utilizing the method, manner and style of operations, described and authorized by Franchisor.

(2) To sell and offer for sale only the items, products and services that have been expressly approved for sale in writing by Franchisor; to discontinue selling and offering for sale any items, products or services and any method, manner, or style of distribution which Franchisor may, in its sole discretion, disapprove in writing at any time; and to refrain from deviating from Franchisor's standards and specifications without Franchisor's prior written consent. Franchisor reserves the right to dictate pricing, and Franchisee agrees to sell or offer such products and services at the price dictated by Franchisor unless otherwise approved by Franchisor in writing.

(3) To sell, offer and provide the services using only the teaching, instructing and coaching methods specified and approved by Franchisor.

(4) To maintain in sufficient supply and to use and sell at all times only such items, products, materials and supplies that conform to Franchisor's standards and specifications; and to refrain from deviating from Franchisor's standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without Franchisor's prior written consent.

(5) To permit Franchisor or its agents, at any reasonable time, to observe the Pilates and fitness classes, to remove samples of food and juice bar items or non-food items (such as retail apparel and fitness related merchandise) from the Studio, without payment, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether such samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of

such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform with Franchisor's specifications.

(6) To purchase or lease and install, at Franchisee's expense, all fixtures, furnishings, equipment (including computer systems and audio visual equipment), initial inventory, decor items, signs and related items that Franchisor may reasonably direct from time to time in the Manuals or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Studio premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor items, signs, video, or other games, vending machines, or other items not previously approved as meeting Franchisor's standards and specifications, as set forth in the Manuals.

(7) To grant Franchisor and its agents the right to enter the Studio and, in Franchisor's discretion, to examine any motor vehicle used in connection with Studio operations at any time for the purpose of conducting inspections; to cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, to take such steps as may be necessary to correct promptly any deficiencies detected during an inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time, as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge Franchisee a reasonable fee for Franchisor's expenses in so taking the corrective action (including, without limitation, any necessary re-inspection). Any such fee is payable by Franchisee immediately upon demand.

(8) To maintain a competent, conscientious, trained staff and to take such steps as are necessary to ensure that its employees preserve exceptional customer relations, provide superior service and comply with any dress code Franchisor may prescribe.

(9) To have the Studio Manager or the Operating Principal on duty at the Studio during all hours of operation.

(10) To accept debit cards, credit cards, stored value cards, payment application or other non-cash systems specified by Franchisor to enable customers to purchase authorized services and products and to acquire and install all necessary hardware and/or software used in connection with these non-cash systems and pay all accompanying merchant service fees, all of which are subject to change.

~~(10)~~

(11) To participate in and offer to Studio customers: (a) all customer loyalty and reward program, (b) any membership program (including any membership program permitting customers or members to utilize multiple studio locations and (c) all contests, sweepstakes and other prize promotions, which Franchisor may develop from time to time. Franchisor will communicate to Franchisee in writing the details of each such program and promotion, and Franchisee shall promptly display all point-of-sale advertising and promotion- related information at such places within the Studio as Franchisor may designate. Franchisee shall purchase and

distribute all other collateral merchandise (and only the collateral merchandise) designated by Franchisor for use in connection with each such program and promotion. Franchisee shall neither create nor accept any coupons or promotions not authorized by Franchisor.

(12) To display at the Studio all promotional literature and information as Franchisor may reasonably require from time to time. This may include, among other things, literature containing information about the BODYBAR franchise offering.

(13) To participate in any online program developed or implemented by Franchisor that allows customers to purchase BODYBAR services, items or other promotional products through the Internet or through a Web-based application. Participation in such program shall be mandatory, and Franchisee agrees to pay for costs and fees to support such program as Franchisor requires.

(14) To participate in any consumer-related technology designed to accept and process customer purchases, as well as franchise management software as Franchisor may require. If System participation in these technology-based programs is required, Franchisee shall pay all fees associated with the implementation and ongoing support of these types of programs as Franchisor requires (the "Technology Fee") as it may change from time to time. The Technology Fee may be used to cover the cost of the franchise management software, marketing management software, applicant tracking system, website hosting, e-commerce platform, email addresses and communication tools, financial and operational benchmarking software, content creation and digital publishing tools, client engagement and instructor performance analytics software, and our online learning systems management system (LMS).

(15) To permit Franchisor or its agents, at any reasonable time, to remove any equipment or inventory from the Studio, without payment, in amounts reasonably necessary, if such items are deemed by Franchisor or its agents to be disapproved for use in the Studio and/or are deemed to be a public health and/or safety risk and/or are deemed to be outside System standards. In the event equipment is removed, Franchisor has the right to replace such equipment or to make arrangements to have such equipment serviced, repaired, and/or cleaned at Franchisee's expense.

(16) To open and operate the Studio during the minimum business hours required by Franchisor, three hundred sixty (360) days a year, except, Franchisee may elect to close the Studio on New Year's Day, Easter, Fourth of July, Thanksgiving, and Christmas Day without obtaining written permission from Franchisor. For all other days the Studio is not open, Franchisee will be charged five hundred dollars ($500) per day unless Franchisee has obtained, in writing, permission from Franchisor to remain closed for days not specified herein. Amounts owed by Franchisee under this section are due and payable upon demand by Franchisor, and such amounts shall be collected via Franchisee's weekly electronic fund transfer account.

(17) To ensure that any vehicle used by Franchisee in connection with the operation of the Studio meets Franchisor's image and other standards. Franchisee shall place such signs and decor items on the vehicle as Franchisor requires and shall at all times keep the vehicle clean and in good working order.

F. Computer Systems. Franchisee shall install and maintain the computer hardware and software (including, without limitation, point of sale software, accounting software, and security and video surveillance systems) Franchisor requires for the operation of the Studio and shall follow the procedures related thereto that Franchisor specifies in the Manuals or otherwise in writing. Among other things, Franchisor may require that Franchisee install and maintain systems that permit Franchisor to access and retrieve electronically any information and images stored in Franchisee's surveillance systems and computer systems, including, without limitation, information concerning Studio Gross Sales, at the times and in the manner that Franchisor may specify from time to time. Franchisee shall provide Franchisor with all login and password identification information required to access and retrieve such images and information. Franchisor also may require Franchisee to enter into software license agreements in the form that Franchisor requires, develops, or acquires for use in the System. All information contained in and collected by any such computer program (including, but not limited to, information pertaining to customers of the Studio) shall be the sole and exclusive property of Franchisor, and Franchisee shall provide Franchisor all login and password identification information required to allow Franchisor independent and unlimited access to such computer systems and surveillance systems.

G. Gift Certificates and Stored Value Cards. To the extent that Franchisor develops or authorizes the sale of gift certificates and/or stored value cards, Franchisee shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using them. Franchisee shall participate in any gift card program for Studios operating under the System, as prescribed in the Manuals or otherwise in writing from time to time, including but not limited to, selling and offering for sale gift cards which may be redeemed at any Studio for services or products as well as permitting customers or members who purchased gift cards from another studio or Franchisor to redeem their gift cards for services or products at Franchisee's Studio.

H. Internet Web Site. Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the bit speed required by Franchisor from time to time. Franchisee shall not establish any website or other listing on the Internet, except as provided herein.

(1) Franchisor has established, or may establish, an Internet website that provides information about the System and the products and services offered by Studios. Franchisor has sole discretion and control over the website (including timing, design, contents, and continuation). Franchisor may use part of the Marketing Fund monies it collects under this Agreement to pay or reimburse the costs associated with the development, maintenance, and update of the website.

(2) Franchisor may (but is not required to) include on the website an interior page containing information about Franchisee's Studio. If Franchisor includes such information on the website, Franchisor may require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. All such information will be subject to Franchisor's approval prior to posting.

(3) Franchisor or its Affiliates may (but is not required to) (i) develop and license to Franchisee proprietary software or other technology, (ii) modify or enhance

proprietary software or technology already licensed to Franchisee or (iii) furnish Franchisee with other technology or e-commerce related maintenance and support services, or (iv) develop an Intranet through which Franchisor and its franchisees can communicate by e-mail or similar electronic means. If Franchisor undertakes any of the foregoing, then Franchisor may charge a fee reflecting the cost of implementation and on-going support of these programs. Franchisee shall pay such fee in accordance with Franchisor's invoice, by EFT in accordance with Section III(E), or as otherwise determined by Franchisor.

I. Customer Complaints. Franchisee shall promptly process and handle all consumer complaints connected with or relating to the Studio, and shall promptly notify Franchisor of all: (i) injuries, (ii) food related illnesses; (iii) safety or health violations; and (iv) any other material claims against or losses suffered by Franchisee.

VIII. ADVERTISING AND RELATED FEES

A. Promotional Programs. Franchisor may, from time to time, in its sole discretion, develop and administer advertising and sales promotion programs designed to promote all Studios operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor. The standards and specifications established by Franchisor for such programs, including, without limitation, the type, quantity, timing, placement, and choice of media, market areas, and advertising agencies, shall be final and binding upon Franchisee. From time to time, Franchisor's promotional and advertising programs may include the images and likenesses of Franchisee, Franchisee's Studio(s) and/or of Franchisee's employees. Franchisor shall maintain the right to use such images and likenesses without having to obtain permission, waivers, or releases from Franchisee or Franchisee's employees.

B. Local Advertising. Franchisee must spend a minimum of thirty-six thousand dollars ($36,000) per year (three thousand dollars ($3,000) per month) on local advertising within the Protected Area (the "Local Advertising Requirement). The Local Advertising Requirement is in addition to the Marketing Fund described in Section VIII(D) and the grand opening advertising requirement in Section VIII(E). In connection with the Local Advertising Requirement, Franchisee is required to place digital media advertisements and utilize the services of Franchisor's designated third-party vendors. Franchisor reserves the right to approve all digital media advertisements, but its third party vendors will assist in ad placement and demographics. Franchisee may choose to spend more on local marketing than the amount Franchisor requires. Within fifteen (15) days following the end of each calendar quarter, Franchisee shall submit a quarterly advertising expenditure report to Franchisor, accurately reflecting Franchisee's local advertising expenditures for the preceding quarter. Expenditures incurred for any of the following may not be included in local advertising expenditures for purposes of this Section VIII.B, unless Franchisor first approves them in writing:

(1) Incentive programs for Franchisee's employees or agents, including the cost of honoring any discounts or coupons, and salaries and expenses of any of Franchisee's employees;

(2) Charitable, political, or other contributions or donations;

(3) Studio fixtures or equipment;

(4) Paid website listing;

(5) Grand Opening expenditures incurred pursuant to Section VIII.F;

(6) Social Media Platform and Social Media Materials~~.~~; or

(7) Third party agency or management fees.

C. Cooperatives. Franchisor has the right to designate any geographic area in which ~~one~~two or more company-owned or franchised Studios are located as a region for purposes of establishing an advertising Cooperative. Each Cooperative will be organized, governed, and will begin operation on a date as Franchisor determines. Cooperatives will be organized for the exclusive purpose of administering advertising programs and developing promotional materials for local advertising and will be operated solely as a conduit for the collection and expenditure of advertising contributions. If a Cooperative is established for a geographic area in which the Studio is located, Franchisee shall execute the Cooperative documents promptly upon Franchisor's request and participate as a member of the Cooperative. ~~Among other things, this means that: (i)~~As a Cooperative member, Franchisee must: (i) submit to the Cooperative and to Franchisor all statements and reports that Franchisor or the Cooperative may require; and (ii) ~~Franchisee must~~ contribute to the Cooperative the amounts required by the Cooperative's governing documents. The Cooperative shall have the right to establish its own fees~~.~~ and may require members to contribute amounts above the minimum Local Advertising Requirement. Once established, Franchisor may terminate and/or dissolve the Cooperative at any time. The Cooperative will not be terminated, however, until all monies in the Cooperative have been expended for the purposes described in this Section VIII.C or returned to contributing Studios (whether franchised or company or affiliated-owned), without interest, on the basis determined by a majority vote of its members). Any fees imposed by the Cooperative may be offset against the ~~current Marketing Assessment~~Local Advertising Requirement.

D. Marketing Fund. Recognizing the value of advertising and marketing to the goodwill and public image of the System and the Franchises, Franchisor has established a system-wide Advertising and Marketing Fund (the "Marketing Fund") for such national and regional advertising, marketing and public relations programs and materials Franchisor deems necessary or appropriate and require Franchisee to contribute thereto. Franchisee must contribute 2% of weekly Gross Sales to the Marketing Fund at the time and in the manner that Royalty Fee payments are due under Sections IV. Franchisor reserves the right to increase the Marketing Fund Contribution to ~~3~~4% of weekly Gross Sales upon written notice to Franchisee. Franchisor or its designee will administer the Marketing Fund as follows:

(1) Franchisor will direct all advertising production programs and will have sole discretion to approve or disapprove the creative concepts, materials, and media used in such programs.

(2) Franchisor may use the Marketing Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, including the cost of preparing and producing television, radio, magazine, and newspaper advertising campaigns; the

cost of direct mail and outdoor billboard advertising; the cost of public relations and digital media activities; and advertising agencies; the cost of developing and maintaining an Internet website; and personnel and other departmental costs for creative services and/or advertising that Franchisor internally administers or prepares.

(3) ~~The Marketing Fund will be accounted for separately from Franchisor's other funds. The Marketing Fund will be operated solely as a conduit for collecting and spending advertising contributions for the System.~~ Franchisee's contributions will not be used to defray any of Franchisor's general operating expenses, except for any reasonable administrative costs and overhead that Franchisor may incur in activities reasonably related to the administration or direction of the Marketing Fund~~.~~, including the proportionate compensation of Franchisor's employees and other designees who devote time and render services to the activities of the Marketing Fund. The Marketing Fund and its earnings will not otherwise inure to Franchisor's benefit.

(4) Franchisor may spend on behalf of the Marketing Fund in any fiscal year an amount greater or less than the aggregate contribution of all Franchises to the Marketing Fund in that year, and the Marketing Fund may borrow from Franchisor or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Marketing Fund will be an asset of the Marketing Fund. Marketing Fund contributions will not be deemed to be trust funds and Franchisor will have no obligation to spend on advertising, marketing, or promotions amounts in excess of those funds actually collected from franchisees. Upon Franchisee's written request, Franchisor will prepare a statement of monies collected and costs incurred by the Marketing Fund and furnish the statement to Franchisee. Franchisor is not required to have the Marketing Fund statements audited. Franchisor reserves the right to cause the Marketing Fund to be incorporated or operated through a separate entity at such time as it deems appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

(5) In administering the Marketing Fund, Franchisor undertakes no obligation to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production of advertising. Except as expressly provided in this Section, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to collecting amounts due to the Marketing Fund.

(6) Although the Marketing Fund is intended to be of perpetual duration, Franchisor may terminate it. Franchisor will not terminate the Marketing Fund, however, until all monies in the Marketing Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions to the Marketing Fund during the preceding 12-month period.

(7) Franchisor reserves the right to include "Franchises Available" or similar language along with our contact information on any advertising purchased through the Marketing Fund.

E. Grand Opening. Franchisee shall conduct a grand opening advertising and promotion program for the Studio in accordance with Franchisor's standards, including, without limitation, those related to the type and size of the grand opening promotion. These funds are expected to be allocated across a variety of marketing channels, including, but not limited to, digital marketing, community engagement, referral programs, hosted and attended events, and business-to-business outreach. Franchisor must approve all advertising items, methods, and media Franchisee uses in connection with such grand opening promotion in accordance with Section VIII.G. Franchisee must spend a minimum of ~~fifteen~~twenty thousand dollars ($~~15~~20,000) on grand opening promotion and Franchisee shall submit one or more expenditure reports to Franchisor, accurately reflecting Franchisee's grand opening expenditures. Amounts paid for the initial grand opening promotion will not be credited toward any other obligation of Franchisee under this Section VIII.

F. Business Directory Listings. Franchisee shall place and pay the cost of business listings in such directories and categories as may be specified by the Franchisor from time to time in the Manuals or otherwise in writing. Amounts paid for business directory listings will not be credited toward any other obligation of Franchisee under this Section VIII.

G. Advertising Approvals and Unauthorized Advertising Fee. All advertising and promotion by Franchisee in any medium shall be conducted in a dignified manner and shall conform to Franchisor's standards and specifications. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials, including, without limitation, those placed on the Internet, prior to use if such plans and materials have not been prepared or previously approved by Franchisor during the three (3) month period immediately preceding their proposed use. Franchisee shall submit any unapproved plans and materials to Franchisor, and Franchisor shall approve or disapprove such plans and materials within twenty (20) days after receiving them. Franchisee shall not use any unapproved plans or materials until approved in writing by Franchisor and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Additionally, at Franchisor's discretion, Franchisee shall be required to pay Franchisor ~~$~~a fee of two hundred and fifty ($250) per occurrence for the use of any unauthorized marketing or advertising materials. Amounts owed by Franchisee under this section are due and payable upon notice by Franchisor. Franchisor may require that certain or all advertising, interior and exterior graphics, vehicle wraps, and promotional materials be created by, and purchased from, Franchisor or from a designated supplier or vendor.

H. Advisory Council. Franchisor reserves the right to form a franchisee advisory council. Any advisory council created will act in an advisory capacity only and will not have decision-making authority. Franchisor will have the right to form, change, merge and dissolve any advisory council at any time. The membership of any advisory council may be determined in Franchisor's sole discretion and Franchisee shall have no right to sit on an advisory council. If Franchisee is chosen and agrees to participate in an advisory council, it must pay all costs and expenses incurred related to its participation, including travel, lodging and meals expenses for attending council meetings.

IX. INTELLECTUAL PROPERTY AND MARKS

A. Right to Use. Franchisor grants Franchisee the right to use the Intellectual Property, Marks, and other elements of the System during the term of this Agreement in accordance with this Agreement and Franchisor's standards and specifications, as modified from time to time.

B. Agreements Regarding Intellectual Property and Marks. Franchisee expressly acknowledges that:

(1) As between Franchisor and Franchisee, Franchisor or its Affiliates is the owner of all right, title, and interest in and to the Intellectual Property, the Marks, the elements of the System and the goodwill associated with and symbolized by them.

(2) Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the rights of Franchisor or its affiliates in and to the Intellectual Property and Marks. Nothing in this Agreement shall give Franchisee any right, title, or interest in or to any of the Intellectual Property or Marks, except the right to use the Intellectual Property and Marks in accordance with the terms and conditions of this Agreement.

(3) Any and all goodwill arising from Franchisee's use of the Intellectual Property, Marks or elements of the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be attributable to any goodwill associated with Franchisee's use of the Intellectual Property or Marks. Franchisee acknowledges that any modifications to the System or any substitutions or additions to the Intellectual Property suggested or developed by Franchisee shall be owned exclusively by Franchisor and may be incorporated by Franchisor or its affiliates into the Intellectual Property without any compensation to Franchisee. As such, Franchisee hereby assign and transfer to all of its entire right, title and interest in and to any improvements, modifications, substitutions, or additions to the Intellectual Property (including any routines, Pilates work-out methods or instructions) suggested or developed by Franchisee and in and to any and all works of authorship and processes embodied therein, and in all goodwill signified thereby, and any and all intellectual property rights and any legal equivalent thereof, including the right to apply for, register, or claim priority to, letters patent, copyrights, trademark, trade secret and other intellectual property protection, and the right to enforce such rights, title and interest by lawsuit or otherwise. In addition, Franchisee hereby agrees and covenants from time to time to execute and deliver such other documents or agreements and to take such other action as may be necessary or reasonable for the implementation of any assignment and the consummation of the transactions contemplated hereby. Franchisee hereby appoints Franchisor as its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete the assignment of any interest in any intellectual property rights described herein. This power of attorney shall survive the expiration or termination of this Agreement.

(4) Franchisee shall not contest, or assist others to contest, the validity or the interest of Franchisor, or its Affiliates in the Intellectual Property or Marks.

(5) Any unauthorized use of the Intellectual Property or Marks shall constitute an infringement of Franchisor's or its Affiliates' rights in the Intellectual Property or Marks and a material event of default under this Agreement. Franchisee shall provide Franchisor as directed by

Franchisor, with all assignments, affidavits, documents, information, and assistance related to the Intellectual Property or Marks that Franchisor or its affiliates reasonably request, including all such instruments necessary to register, maintain, enforce and fully vest the rights of Franchisor or its affiliates in the Intellectual Property or Marks.

(6) Franchisor shall have the right to substitute different trade names, trademarks, service marks, logos, and commercial symbols for the current Marks to use in identifying the System and the Studios operating under the System if the current Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different marks will be beneficial to the System. In such event, Franchisor may require Franchisee, at Franchisee's expense, to discontinue or modify Franchisee's use of any of the Marks or to use one or more additional or substitute marks.

(7) Franchisee shall not use the Marks, or any abbreviation or other name associated with Franchisor or the System as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining Franchisor's written consent as to the content of such e-mail advertisements or solicitations as well as Franchisee's plan for transmitting such advertisements. In addition, Franchisee shall be solely responsible for compliance with any laws pertaining to sending e-mails including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act of 2003").

C. Use of Intellectual Property and Marks. Franchisee further agrees that Franchisee shall:

(1) Operate and advertise the Studio only under the name "BODYBAR," or "BODYBAR Pilates" without prefix or suffix, unless otherwise authorized or required by Franchisor. Franchisee shall not use the Marks as part of its corporate or other legal name.

(2) Identify itself as the owner of the Studio in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts and shall display a notice in such content and form and at such conspicuous locations on the premises of the Studio or on any vehicle used in the operation of the Studio as Franchisor may designate in writing.

(3) Not use the Intellectual Property or Marks to incur any obligation or indebtedness on behalf of Franchisor.

(4) Comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations and execute any documents deemed necessary by Franchisor or its counsel to obtain protection of the Intellectual Property or Marks or to maintain their continued validity and enforceability.

D. Infringement. Franchisee shall notify Franchisor immediately of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property or Mark and of any claim by any person of any rights in any Intellectual Property or Mark. Franchisee and the

Principals shall not communicate with any person other than Franchisor, its affiliates, their counsel, and Franchisee's counsel in connection with any such apparent infringement, challenge, or claim. Franchisor shall have complete discretion to take any action it deems appropriate in connection with any infringement of, or challenge or claim to, any Intellectual Property or Mark and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office, or other proceeding arising out of any such alleged infringement, challenge, or claim or otherwise relating to any Intellectual Property or Mark. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Franchisor's rights to the Proprietary Material. Franchisor has the right, though not the obligation, to defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Intellectual Property or Mark. If Franchisor, in Franchisor's sole discretion, determines that Franchisee has used the Intellectual Property or Mark in accordance with this Agreement, Franchisor will bear the cost of such defense, including the cost of any judgment or settlement. If Franchisor, in Franchisor's sole discretion, determines that Franchisee has not used the Intellectual Property or Mark in accordance with this Agreement, Franchisee will bear the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to Franchisee's use of the Intellectual Property or Mark, Franchisee will execute any and all documents and do such acts as may, in Franchisor's opinion, be necessary to carry out such defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Intellectual Property or Mark in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for Franchisee's out-of-pocket costs in performing such acts. Franchisee agrees to execute all such instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor or its Affiliates, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any affiliate in the Intellectual Property and Marks.

E. Domain Names. Franchisee acknowledges that Franchisor is the lawful, rightful, and sole owner of the Internet domain name www.BODYBARpilates.com, and any other Internet domain names registered by Franchisor and unconditionally disclaims any ownership interest in those or any colorably similar Internet domain name. Franchisee agrees not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by Franchisor or its affiliates or any abbreviation, acronym, phonetic variation, or visual variation of those words.

F. Digital Network Websites. Franchisee must place digital media advertisements and utilize the services of Franchisor designated third-party vendors. Franchisor reserves the right to approve all digital media advertisements, but Franchisor's third-party vendors will assist in ad placement and demographics. Franchisee acknowledges that the use of any social networking website, including but not limited to Facebook, LinkedIn, X, Instagram, Snapchat, Pinterest, Tumbler, Snap Chat, TikTok, BeReal, or any blogs or other bulletin boards, or chat rooms, other networking and share sites and any other Internet site which exploits, utilizes, displays, or otherwise makes use of any of the Marks or Intellectual Property is Franchisor's sole property and Franchisee may not establish any website, blog, Facebook page, LinkedIn account, X account, TikTok account, BeReal. account, Google Business Profile account, Apple business, email distribution list, or other social media account or presence, which exploits, utilizes, displays, or otherwise makes use of any of the Marks or Intellectual Property without Franchisor's prior written consent. Franchisee must grant Franchisor primary administrative rights to such account, site or page if Franchisor so requires. Franchisor does not have to agree to any use of Social Media Platforms by Franchisee and may, in its sole discretion, prohibit any use of Social Media Platforms by Franchisee or all of the System franchisees. If Franchisor consents to Franchisee's use of any Social Media Platforms, once it has approved the content of the material to be posted online and obtained primary administrative rights to the website, account, or page, then Franchisor will provide Franchisee with subordinate administrative access to, and guidelines for Franchisee's use of such online mediums, such that Franchisee may promote, advertise, and market the Franchise locally. Franchisor retains ownership of the materials posted on any webpage or site. Franchisee has no right, title or interest to any webpage on any of the networking and websites including, but not limited to, all "fans", "followers", "friends" and "contacts" associated therewith which mentions, uses or refers in any way to the Marks or Intellectual Property even if such webpage is established by Franchisee or otherwise held in the name of the Franchise or Operating Principal or any of Franchisee's Principals. Upon expiration or termination of this Agreement, Franchisor retains all ownership of all content created during the Term and will remove Franchisee's administrative access. In addition, Franchisee shall promptly submit to Franchisor all passwords for such site(s) and any changes to a password shall be submitted to us within three (3) days of the change. Expenditures towards Social Media Platforms will not count towards any form of advertising or marketing requirement under Section VIII.

X. CONFIDENTIALITY AND NONCOMPETITION COVENANTS

A. Manuals. The Manuals are Franchisor's property and shall be returned to Franchisor when this Agreement expires or is terminated for any reason. Franchisee and the Principals shall at all times treat the Manuals, and the information contained therein, as confidential and shall maintain such information as secret and confidential in accordance with this Section X. Franchisee and the Principals shall not at any time copy, duplicate, record, or otherwise reproduce the Manuals, in whole or in part, or otherwise make the same available to any unauthorized person. Franchisee shall make the Manuals available only to those of Franchisee's employees who must have access to them in order to operate the Studio. Franchisee shall, at all times, keep and maintain the Manuals in a secure place at the Studio. Franchisor has the right to add to or modify the Manuals from time to time to, among other reasons, change operating procedures, maintain the goodwill associated with the Marks, and enable the System to remain competitive. Franchisee shall comply with the terms of all additions and modifications to the Manuals and shall keep the Manuals current. If there is a dispute about the contents of the Manuals, the terms of the master copy at Franchisor's offices shall control. The entire contents of the Manuals and Franchisor's mandatory specifications, procedures, and rules prescribed from time to time shall constitute provisions of this Agreement as if they were set forth herein.

B. Confidentiality. Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate, divulge, or use for the benefit of any other person or entity and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information, knowledge, or know-how concerning the methods of operation of the franchised business which may be communicated to them, or of which they may be apprised, in connection with the operation of the Studio under the terms of this Agreement. Franchisee and the Principals shall divulge such Confidential Information only to those of

Franchisee's employees who must have access to it in order to operate the Studio. Neither Franchisee nor the Principals shall at any time, without Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce such Confidential Information, in whole or in part, nor otherwise make the same available to any unauthorized person.

(1) These covenants shall survive the expiration, termination, or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each of the Principals.

~~(2) Franchisee shall require and obtain the execution of covenants similar to those set forth in this Section X.B from all Principals, and any Studio Managers or other personnel of Franchisee who have access to Confidential Information.~~

(2) All Principals and their spouses, managers, and any personnel completing Franchisor's training must sign Franchisor's form Confidentiality and Non-Competition Agreement which is attached as Attachment B. These requirements apply whether or not an equity owner is involved in the Studio operations or management. No Operating Principal of the Entity owning the Franchise Agreement may require a Studio Manager, Fitness Manager, Instructor, Sales Associate or other member of staff to sign a Confidentiality and Non-Competition Agreement, Non-disparagement Agreement, or any other form of confidential agreement that has not been preapproved by Franchisor.

C. Noncompetition Covenants. Franchisee and the Principals specifically acknowledge that, pursuant to this Agreement, they will receive access to valuable training, trade secrets, and Confidential Information which are beyond their present skills and experience, including, without limitation, information regarding operational, sales, promotional, and marketing methods and techniques of the System. Franchisee and the Principals further acknowledge that such specialized training, trade secrets, and Confidential Information provide a competitive advantage and that gaining access thereto is a primary reason for entering into this Agreement. In consideration therefor, Franchisee and the Principals covenant as follows:

(1) With respect to Franchisee, during the term of this Agreement (or with respect to each of the Principals, for so long as such person satisfies the definition of "Principal" under this Agreement), except as otherwise approved in writing by Franchisor, neither Franchisee nor any of the Principals shall, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the franchised business to any competitor or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks, the Intellectual Property and the System.

(b) Except with respect to Studios operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to a BODYBAR Studio (including, without limitation, a fitness location teaching Pilates) and which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or an Affiliate of Franchisor has used, sought registration of or registered the Marks or similar marks or operates or licenses others to operate a business under the Marks or similar marks.

(2) With respect to Franchisee, for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of Franchisee's interest in, this Agreement (or, with respect to each of the Principals, commencing upon the earlier of: (i) the expiration or termination of, or transfer of all of Franchisee's interest in, this Agreement; or (ii) the time such individual or entity ceases to satisfy the definition of "Principal" under this Agreement) and continuing for two (2) years thereafter, except as otherwise approved in writing by Franchisor, neither Franchisee, nor any of the Principals shall, directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the franchised business to any competitor or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Studios operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist, or make loans to any ~~fitness business which teaches Pilates~~business the same as or similar to a BODYBAR Studio (including, without limitation, a fitness location teaching Pilates) and which is, or is intended to be, located: (i) in Franchisee's Protected Area or within fifteen (15) miles of Franchisee's Protected Area, (ii) within any other BODYBAR Franchisee Protected Area or within fifteen (15) miles of any other BODYBAR Franchisee's Protected Area or within fifteen (15) miles of any other business which is franchised, owned, operated or managed by Franchisor or its affiliates, (iv) via the Internet or other form of e-commerce, wherever located; or (v) within Fifteen (15) miles of any territory in existence or under development during the term of the Franchise Agreement between Franchisor and Franchisee.

(c) Interfere with any relationship or contractual arrangement with any supplier or service provider to Franchisor, any Affiliate of Franchisor or any Studio.

(3) The parties agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section X.C is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section X.C.

(a) Franchisee and the Principals acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section X.C without their consent, effective immediately upon notice to Franchisee; and Franchisee and the Principals agree that they shall promptly comply with any covenant as so modified.

(b) Franchisee and the Principals expressly agree that the existence of any claims they may have against Franchisor, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section X.C.

(c) The time period during which Franchisee and the Principals are to refrain from the activities described in this Section will be extended by any length of time during which the Franchisee or its Principal(s) are in breach of the relevant provisions of this Section.

(4) Franchisee shall require and obtain the execution of covenants similar to those set forth in this Section X.C from all Principals and Studio Managers or other personnel of Franchisee who have access to Confidential Information. Such covenants shall be substantially in the form set forth in Attachment B. Notwithstanding the foregoing, Franchisor reserves the right, in its sole discretion, to decrease the scope of the noncompetition covenant set forth in Attachment B or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement under this Section X.C. (4).

D. Injunctive Relief. Franchisee and the Principals acknowledge that any failure to comply with the requirements of this Section X shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Franchisee and the Principals accordingly consent to the issuance of an injunction prohibiting any conduct by them in violation of the terms of this Section X, without the requirement that Franchisor post a bond. Franchisee and the Principals agree to pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in connection with the enforcement of this Section X, including all costs and expenses for obtaining specific performance or an injunction against the violation of the requirements of such Section, or any part thereof.

XI. BOOKS AND RECORDS

A. Maintenance Requirement. Franchisee shall maintain during the term of this Agreement, in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals, and shall preserve for at least five (5) years from the date of preparation, full, complete, and accurate books, records, and accounts of the Studio, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals, and ledgers.

B. Reporting. In addition to the remittance reports required by Sections IV and VIII hereof, Franchisee shall comply with the following reporting obligations:

(1) Franchisee shall, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor, Franchisee's monthly balance sheet and profit and loss statement (which may be unaudited) within fifteen (15) days after the end of each month during the term hereof.

Each such statement shall be signed by Franchisee's treasurer, chief financial officer, or comparable officer attesting that it is true, complete, and correct.

(2) Franchisee shall, at its expense, submit to Franchisor within ninety (90) days after the end of each fiscal year, Franchisee's complete annual financial statement (which may be unaudited), including a balance sheet, profit and loss statement, and statement of cash flows, prepared in accordance with generally accepted accounting principles by an independent certified public accountant satisfactory to Franchisor and showing the results of Franchisee's operations of Franchisee during such fiscal year.

(3) Franchisee shall, at its expense, submit to Franchisor: (i) copies of Franchisee's federal income tax returns (including any extension requests) not later than thirty (30) days after filing; and (ii) copies of Franchisee's state sales tax returns within thirty (30) days after the end of each calendar quarter. If the Studio is in a state which does not impose a sales tax, Franchisee shall submit a copy of its state income tax return (including any extension requests) not later than thirty (30) days after filing.

(4) Franchisee also shall submit to Franchisor such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor.

C. Audits. Franchisor or its designees shall have the right at all reasonable times to review, audit, examine, and copy the books and records of Franchisee at the Studio. If any required royalty or other required payments to Franchisor are delinquent, or if an audit should reveal that such payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount overdue or understated upon demand with interest determined. If an audit discloses an understatement in any report of three percent (3%) or more, Franchisee shall, in addition, reimburse Franchisor for all costs and expenses connected with the audit (including, without limitation, reasonable accounting and attorneys' fees and costs). These remedies shall be in addition to any other remedies Franchisor may have at law or in equity.

D. No Waiver. Franchisor's receipt or acceptance of any of the statements furnished or amounts paid to Franchisor (or the cashing of any check or processing of any electronic fund transfer) shall not preclude Franchisor from questioning the correctness thereof at any time, and, in the event that any errors are discovered in such statements or payments, Franchisee shall immediately correct the error and make the appropriate payment to Franchisor.

E. Authorization to Release Information. Franchisee hereby authorizes (and agrees to execute any other documents deemed necessary to affect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors, and other persons or entities with whom Franchisee does business to disclose to Franchisor any financial information in their possession relating to Franchisee or the Studio which Franchisor may request. Franchisee authorizes Franchisor to disclose data from Franchisee's reports if Franchisor determines, in its sole discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

XII. INSURANCE

A. Insurance Coverage Requirements. Prior to commencing construction of the Studio, Franchisee shall procure and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee, Franchisor, its affiliates, successors, and assigns, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, and employees of each of them against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring at or in connection with the operation of the Studio. Such policy or policies shall be written by a responsible carrier or carriers rated "A" or better by the A.M. Best Company, Inc. and otherwise reasonably acceptable to Franchisor and shall include, at a minimum (except as additional coverages and higher policy limits may be specified by Franchisor from time to time in writing and in Franchisor's sole discretion), the following:

(1) Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability, and fire damage coverage in the amount of One Million Dollars ($1,000,000) combined single limit per occurrence, Two Million Dollars ($2,000,000) general aggregate.

(2) "All Risks" coverage for the full cost of replacement of the Studio premises and all other property in which Franchisor may have an interest with agreed amount endorsement for the premises naming Franchisor as a loss payee.

(3) Business interruption insurance covering at least twenty-four (24) months' loss of profits and necessary continuing expenses for interruptions caused by any occurrence covered by the insurance referred to in Sections XII.A(1) and (2) above and Franchisee's royalty and Marketing Fund contribution calculated on the basis of the Gross Sales used as the basis for calculation of the business interruption insurance award. Such business interruption insurance shall be written on an all-risk forms, either as an endorsement to the policies described in (1) and (2) above, or on a separate policy.

(4) Worker's compensation insurance in amounts required by applicable law.

(5) Such other insurance as may be required by the landlord of the premises and by the state or locality where the Studio is located.

B. Deductibles; Waiver of Subrogation. Franchisee may elect to have reasonable deductibles in connection with the coverage required under Sections XII.A. hereof. Such policies shall also include a waiver of subrogation in favor of Franchisor, its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees of each of them.

C. Builder's Risk Insurance. In connection with any construction, renovation, refurbishment or remodeling of the Studio. Franchisee shall maintain Builder's Risks/Installation insurance and performance and completion bonds in forms and amounts and written by a carrier or carriers reasonably satisfactory to Franchisor.

D. No Limitation of Other Obligations. Franchisee's obligation to obtain and maintain the foregoing policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section XV of this Agreement.

E. Additional Insured Designation. All insurance policies required hereunder, with the exception of workers' compensation, shall name Franchisor, its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees of each of them as additional insureds (the "Additional Insureds") and shall expressly provide that their interest shall not be affected by Franchisee's breach of any policy provisions. All public liability and property damage policies shall contain a provision that Franchisor, its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of the negligence of Franchisee or its servants, agents, or employees.

F. Certificates of Insurance. Upon execution of this Agreement, and thereafter thirty (30) days prior to the expiration of any policy required hereunder, Franchisee shall deliver to Franchisor certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder. If Franchisee fails to deliver such certificates of insurance, Franchisee shall pay Franchisor a fee of Five Hundred Dollars ($500) per certificate not delivered, and Franchisee shall continue to be required to deliver such certificates to Franchisor. Amounts owed by Franchisee under this section are due and payable upon notice by Franchisor. Additionally, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder. All insurance policies required hereunder shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Franchisor in the event of a material alteration to or cancellation of the policies.

G. Remedies. Should Franchisee fail to procure or maintain the insurance required by this Agreement, Franchisor shall have the right and authority (without, however, any obligation to do so) to procure such insurance and to charge the cost of such insurance to Franchisee, together with a reasonable fee for Franchisor's expenses in so acting. Such amounts shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have at law or in equity.

XIII. DEBTS AND TAXES

A. Payment of Taxes and Other Obligations. Franchisee shall promptly pay when due all Taxes, levied or assessed, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the franchised business. Without limiting the indemnification provisions of Section XV, Franchisee shall be solely liable for the payment of all Taxes and shall indemnify Franchisor for the full amount of all such Taxes and for any liability (including penalties, interest, and expenses) arising from or concerning the payment of Taxes, whether or not correctly or legally assessed.

B. No Deduction. Each payment to be made to Franchisor hereunder shall be made free and clear and without deduction for any Taxes.

C. Disputed Liability. In the event of any bona fide dispute as to Franchisee's liability for Taxes or other indebtedness, Franchisee may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor to occur against the assets of the franchised business or any improvements thereon.

D. Credit Standing. Franchisee recognizes that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be detrimental to the goodwill associated with the Marks and the System. Except for payments which are disputed by Franchisee in good faith, Franchisee agrees to promptly pay when due all amounts owed by Franchisee to Franchisor, its affiliates, and other suppliers.

E. Notice of Adverse Orders. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality which may adversely affect the operation or financial condition of the franchised business.

XIV. TRANSFER

A. By Franchisor. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without Franchisee's consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all Franchisor's obligations arising hereunder, subsequent to the transfer or assignment. Without limitation of the foregoing, Franchisor may sell its assets to a third party; may offer its securities privately or publicly; may merge with or acquire other corporations or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

B. By Franchisee and Principals. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted rights under this Agreement in reliance on the business skill, financial capacity, and personal character of Franchisee and the Principals. Accordingly, neither Franchisee nor any Principal, nor any successor or assign of Franchisee or any Principal shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Studio, or in Franchisee without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement, shall be null and void and shall constitute a material breach under this Agreement. If Franchisee wishes to transfer all or part of its interest in the Studio or this Agreement, or if Franchisee or a Principal wish to transfer any ownership interest in Franchisee, transferor and the proposed transferee shall apply to Franchisor, in writing, for its consent. Franchisor will approve a transfer that meets all the following conditions:

(1) All accrued monetary obligations of Franchisee and its affiliates to Franchisor and its affiliates arising under this Agreement, or any other agreement, shall have been satisfied in a timely manner, and Franchisee shall have satisfied all trade accounts and other debts of whatever nature or kind;

(2) Franchisee and its affiliates are not in default of this Agreement or any other agreement with Franchisor or its affiliates and shall have substantially and timely complied with all the terms and conditions of such agreements during their respective terms;

(3) The transferor and its Principals, if applicable, shall have executed a general release, in the form set forth as Attachment D, of any and all claims against Franchisor and its affiliates, their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement with Franchisor or its affiliates, and under federal, state, or local laws, rules, regulations, and orders;

(4) The transferee shall demonstrate to Franchisor's satisfaction that it meets Franchisor's then-current qualifications (including without limitation, passing a background check and having sufficient business experience, aptitude and financial resources to operate the Franchise, all at Franchisor's sole discretion) and, at the transferee's expense, its Operating Principal and Studio Manager and any other personnel required by Franchisor shall complete any training programs then in effect for Studios upon such terms and conditions as Franchisor may reasonably require;

(5) The transferee shall, at its expense and within the time period reasonably required by Franchisor, renovate, modernize, and otherwise upgrade the Studio and, if applicable, any Studio vehicles to conform to the then-current System image, standards, and specifications;

(6) If Franchisee is transferring its interest in this Agreement or all or substantially all of the Studio's assets to a third party, then the third party shall execute Franchisor's then-current form of franchise agreement for the balance of the Term and shall pay a transfer fee equal to fifty percent (50%) of Franchisor's then current initial franchise fee. If Franchisee is transferring its interest in this Agreement or all or substantially all of the Studio's assets to an existing BODYBAR franchisee, then the transferee shall execute Franchisor's then- current form of franchise agreement for the balance of the Term and, in lieu of payment of the initial franchise fee, the transferor shall pay to Franchisor a transfer fee equal to Ten Thousand Dollars ($10,000) (which shall be deemed fully earned upon payment). Transferee's principals who are designated as principals shall execute then current form of Principal's Guaranty and Assumption Agreement, Confidentiality and Non-Competition Agreement and any other agreements required of a Principal at the time of transfer. The new franchise agreement shall supersede this Agreement in all respects, and its terms may differ from the terms of this Agreement, including higher fees;

(7) The transferor shall remain liable for all of its obligations to Franchisor under this Agreement incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(8) The materials terms and conditions of the transfer are acceptable, and the price and terms of payment will not adversely affect the transferee's operation of the Franchise;

(9) Transferee shall make all of the representations, warranties and covenants in Section VI as Franchisor may request and shall provide evidence satisfactory to Franchisor that such representations, warranties, and covenants are true and correct as of the date of the transfer.

(10) If the transfer relates to the grant of a security interest in any of Franchisee's assets, Franchisor may require the secured party to agree that, in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation, limited liability company, or other entity formed solely for the convenience of ownership, Franchisor's consent may be conditioned upon any of the requirements in Section XIV.B, except that Sections XIV.B (3), (4), (5), (6), and (8) shall not apply. In any transfer for the convenience of ownership, Franchisee shall be the owner of all the voting stock or ownership interests in the new entity, or, if the Franchise is owned by more than one individual, each individual shall have the same proportionate ownership interest in the new entity as he or she had in Franchisee prior to the transfer, and the new entity shall execute all documents required by Franchisor to evidence the transfer and the new entity's assumption of Franchisee's obligations hereunder, and Franchisee shall remain personally bound by and personally responsible for the new entity's performance of its obligations under this Agreement.

D. Right of First Refusal. If Franchisee or a Principal wish to transfer any interest in this Agreement, the Studio, or Franchisee, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify Franchisor in writing of the offer and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all required documentation describing the terms of the offer, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing shall occur on or before sixty (60) days from the later of the date of Franchisor's notice to seller of its election to purchase and the date Franchisor receives all necessary permits and approvals, or any other date agreed to by the parties in writing. If the third-party offer provides for payment of consideration other than cash, Franchisor may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by an appraiser selected by Franchisor. If Franchisor exercises its right of first refusal, it shall have the right to set off all appraisal fees and other amounts due from Franchisee to Franchisor or any of its affiliates. A material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal as an initial offer. Franchisor's failure to exercise the option afforded by this Section XIV.D shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section XIV.B. Failure to comply with this Section XIV.D shall constitute a material event of default under this Agreement.

E. Death or Permanent Disability. Franchisee or its representative shall promptly notify Franchisor of any death or claim of permanent disability subject to this Section XIV.E. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section XIV.B for any inter vivos transfer.

(1) Upon the death of any Principal who is a natural person (the "Deceased"), the executor, administrator, or other personal representative of the Deceased shall transfer such interest to a third party approved by Franchisor within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer such interest to a third party, approved by Franchisor within six (6) months after the death of the Deceased.

(2) Upon the permanent disability of any Principal who is a natural person, Franchisor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Section XIV within six (6) months after notice to Franchisee. "Permanent disability" shall mean any physical, emotional, or mental injury, illness, or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section XIV.E. The costs of any examination required by this Section shall be paid by Franchisor.

(3) Upon the death or disability of the Operating Principal, Franchisee or Operating Principal's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a new Operating Principal to operate the Franchise. Such Operating Principal will be required to complete training at Franchisee's expense and must be approved by Franchisor. In the event the Studio was being managed by the deceased or disabled Operating Principal and not a Studio Manager then pending the appointment of an Operating Principal as provided above or if, in Franchisor's sole judgment, the Franchise is not being managed properly any time after the death or disability of the Operating Principal, Franchisor has the right, but not the obligation, to appoint a Studio Manager for the Franchise. All funds from the operation of the Franchise during the management by Franchisor's appointed Studio Manager will be kept in a separate account, and all expenses of the Franchise, including compensation, other costs and travel and living expenses of our manager, will be charged first to this separate account and then to the Studio's general bank account. Franchisor also has the right to charge a management fee of fifteen percent (15%) of Gross Sales during the period that Franchisor's appointed manager operates the Franchise. Operation of the Franchise during any such period will be on Franchisee's behalf, provided that Franchisor only has a duty to utilize commercially reasonable efforts and will not be liable to

Franchisee or its Principals for any debts, losses or obligations incurred by the Franchise or to any of Franchisee's creditors for any products, materials, supplies or services the Franchise purchases during any period it is managed by Franchisor's appointed manager.

F. No Waiver. Franchisor's consent to the transfer of any interest described in this Section XIV shall not constitute a waiver of any claims which Franchisor may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand transferee's exact compliance with any of the terms of this Agreement.

XV. INDEMNIFICATION

A. Indemnity. Franchisee and each of the Principals shall, at all times, defend, indemnify, and hold harmless to the fullest extent permitted by law Franchisor, its affiliates, successors, and assigns and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees of each of them ("Indemnitees"), from all Losses and Expenses, defined below, incurred in connection with any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted), which arises out of or relates to this Agreement in any way or which arises out of or is based upon any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of the Principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties, unless such violation or infringement relates to the use of the Marks or other proprietary information as to which a license has been granted hereunder and such use has been in accordance with this Agreement;

(2) The violation, breach, or asserted violation or breach by Franchisee or any of the Principals of any federal, state, or local law, regulation, ruling, standard, or directive or any industry standard;

(3) Libel, slander, or any other form of defamation of Franchisor, the System, or any franchisee or developer operating under the System, by Franchisee or by any of the Principals;

(4) The violation or breach by Franchisee or by any of the Principals of any warranty, representation, agreement, or obligation in this Agreement or in any other agreement with Franchisor or any of its affiliates; and

(5) Acts, errors, or omissions of Franchisee, any of Franchisee's affiliates, any of the Principals and the respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees of any of them in connection with the establishment and operation of the Studio including, but not limited to, any acts, errors, or omissions of any of the foregoing in the operation of any motor vehicle.

B. Defense of Claim. Franchisee and each of the Principals agree to give Franchisor immediate notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of Franchisee and each of the Principals, Franchisor may elect to assume (but under no circumstance is obligated to undertake) or appoint counsel of its own choosing with respect to the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry, or investigation. Such an undertaking by Franchisor shall, in no manner or form, diminish the obligation of Franchisee and each of the Principals to indemnify the Indemnitees and to hold them harmless.

C. Remedial Action. In order to protect persons or property, or its reputation or goodwill, or the reputation or goodwill of others, Franchisor may, at any time and without notice, as it, in its judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry, or investigation if, in Franchisor's sole judgment, there are reasonable grounds to believe that:

(1) any of the acts or circumstances enumerated in Section XV.A.(1)-(4) above has occurred; or

(2) any act, error, or omission as described in Section XV.A.(5) may result directly or indirectly in damage, injury, or harm to any person or any property.

D. Losses and Expenses.

(1) All Losses and Expenses incurred under this Section XV shall be chargeable to and paid by Franchisee or any of the Principals pursuant to its obligations of indemnity under this Section, regardless of any action, activity, or defense undertaken by Franchisor or any other Indemnitee or the subsequent success or failure of such action, activity, or defense.

(2) As used in this Section XV, the phrase "Losses and Expenses" shall include, without limitation, all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees and costs, court costs, settlement amounts, judgments, compensation for damages to the Indemnitee's reputation and goodwill, costs of or resulting from delays, financing costs, costs of advertising material and media time/space, and costs of changing, substituting, or replacing the same; any and all expenses of recall, refunds, compensation, and public notices; and all other payments of money incurred in connection with the matters described in this Section XV.

E. Contributory Negligence. The Indemnitees do not assume any liability for acts, errors, or omissions of those with whom Franchisee or the Principals may contract, regardless of the purpose. Franchisee and the Principals shall hold harmless and indemnify the Indemnitees, as set forth herein, without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties arising in connection therewith.

F. No Duty to Mitigate; Survival of Obligations. Under no circumstances shall any Indemnitee be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim under the indemnity and against Franchisee, and the failure of any Indemnitee to pursue such recovery or mitigate such loss will in no way reduce the amounts recoverable by such Indemnitee from Franchisee. Franchisee and the Principals expressly agree that the terms of this Section XV shall survive the termination, expiration, or transfer of this Agreement or any interest herein.

XVI. RELATIONSHIP OF THE PARTIES

A. Independent Contractor Relationship. Franchisee agrees that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship but rather is an arm's-length business relationship, and Franchisor owes Franchisee no duties except as expressly provided in this Agreement. Franchisee shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer, or servant of the other for any purpose. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor conducting its Studio operations pursuant to the rights granted by Franchisor.

B. No Authority. Nothing in this Agreement authorizes Franchisee or any of the Principals to make any contract, agreement, warranty, or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name, and Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Franchisee or any Principal or any claim or judgment arising therefrom.

XVII. TERMINATION

A. Default and Termination. Franchisee acknowledges that each of Franchisee's obligations described in this Agreement is a material and essential obligation; that nonperformance of such obligations will adversely and substantially affect the Franchisor and the System; and that the exercise by Franchisor of the rights and remedies set forth herein is appropriate and reasonable.

B. Automatic Termination. Franchisee shall be deemed to be in default under this Agreement and all rights granted herein shall automatically terminate without notice to Franchisee if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof; or admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated as bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Studio premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of

Franchisee's Studio shall be sold after levy thereupon by any sheriff, marshal, or constable.

C. Termination on Notice; No Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, upon the occurrence of any of the following events:

(1) If Franchisee operates the Studio or sells any products or services authorized by Franchisor for sale at the Studio at a location which has not been approved by Franchisor.

(2) If Franchisee fails to obtain Franchisor's approval of a proposed site or fails to acquire a Location for the Studio within the time and manner specified in this Agreement.

(3) If Franchisee fails to construct or remodel the Studio in accordance with Franchisor's prototypical plans.

(4) If Franchisee fails to open the Studio for business within ~~the period specified in Section II.D of this Agreement~~three hundred sixty-five (365) days after the execution of this Agreement unless Franchisee obtains a written extension of such time period from Franchisor.

(5) If Franchisee at any time ceases to operate or otherwise abandons the Studio, or loses the right to possess the premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Studio is located; provided that, this provision shall not apply in the event of a Force Majeure if Franchisee applies within thirty (30) days after such event for Franchisor's approval to relocate or reconstruct the Studio and Franchisee diligently pursues such reconstruction or relocation. Franchisor's approval will not be unreasonably withheld but may be conditioned upon the payment of an agreed upon minimum fee to Franchisor during the period in which the Studio is not in operation. The term "abandon" includes any conduct which indicates a desire or intent to discontinue the business in accordance with the terms of this Agreement and will apply in any event Franchisee fails to operate the Studio as a System Studio for a period of two (2) or more consecutive days without Franchisor's prior written approval.

(6) If Franchisee or any of the Principals is convicted of or has entered a plea of nolo contendere to a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Franchisor's interests therein.

(7) If a threat or danger to public health or safety results from the construction or operation of the Studio.

(8) If Franchisee or any of the Principals purports to transfer any rights or obligations under this Agreement or any interest in Franchisee or the Studio to any third party without Franchisor's prior written consent or without offering Franchisor a right of first refusal contrary to the terms of Section XIV, or if a transfer upon death or permanent disability is not made in accordance with Section XIV.

(9) If, contrary to the terms of Section X.B, Franchisee or any of the Principals discloses or divulges any Confidential Information.

(10) If Franchisee knowingly maintains false books or records or submits any false reports to Franchisor.

(11) If Franchisee breaches in any material respect any of the covenants or has falsely made any of the representations or warranties set forth in Section VI.

(12) If Franchisee fails to comply with Franchisor's Manuals and fails to cure any default thereunder within the applicable cure period.

(13) If Franchisee or any affiliate of Franchisee is in default of any other franchise agreement with Franchisor and fails to cure such default within the applicable cure period, if any.

(14) If Franchisee or any of the Principals commits two (2) events of default under this Agreement within twelve (12) months or four (4) events of default total under the term of the Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by Franchisee after notice by Franchisor.

(15) If Franchisee misuses or makes any unauthorized use of the Marks or Intellectual Property or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein.

(16) If Franchisee or any of the Principals fails to comply with the restrictions against competition set forth in Section X.C of this Agreement.

(17) If Franchisee fails, within fifteen (15) days after notification of non-compliance by federal, state or local government authorities to comply with any law or regulation applicable to the Studio, or Franchisee otherwise fails to procure or maintain any licenses, certifications, or permits necessary for the operation of the Studio.

(18) If Franchisee or any Principal made any material misrepresentation or omission in its application for the Franchise or otherwise to Franchisor in the course of entering into this Agreement or fails to deal honestly and fairly with the Franchisor and the public in the operation of the Franchised Business;

(19) Any other default under this Agreement which does not provide for a cure period.

~~D.~~ D. Termination on Notice; Opportunity to Cure. Except as provided in Sections XVII.B (Automatic Termination) and XVII.C (Termination on Notice) of this Agreement, upon any default by Franchisee which is capable of being cured, Franchisor may terminate this Agreement by giving Franchisee written notice of termination stating the nature of the default and the time period within which the default must be cured. Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the time period set forth below or any longer period that applicable law may require ("cure period"). If any such default is not cured within the cure period, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the cure period. Defaults which are susceptible to cure hereunder include, but are not limited to, the following:

(1) If Franchisee fails to procure and maintain the insurance policies required by Section XII and fails to cure such default within seven (7) days following notice from Franchisor.

(2) If Franchisee fails to obtain the execution of the confidentiality and related covenants as required under Section X of this Agreement within ten (10) days after being requested to do so by Franchisor and fails to cure such default within thirty (30) days following notice from Franchisor.

(3) If Franchisee or any of its affiliates fails, refuses, or neglects to pay promptly any monies owed to Franchisor or any of its affiliates when due under this Agreement, or any other agreement, or fails to submit the financial or other information required by Franchisor under this Agreement and does not cure such default within five (5) days following notice from Franchisor.

(4) If Franchisee fails to maintain or observe any of the standards, specifications, or procedures prescribed by Franchisor in this Agreement, in the Manual, or otherwise in writing, and fails to cure such default within ten (10) days following notice from Franchisor.

(5) If Franchisee fails to comply with any other requirement imposed by this Agreement or fails to carry out the terms of this Agreement in good faith and fails to cure such default within ten (10) days following notice from Franchisor.

(6) If Franchisee fails to designate a qualified replacement Operating Principal within thirty (30) days after any initial or successor Operating Principal ceases to serve.

E. Rights upon Default. Except in the case of death or disability hereof, if Franchisor determines in its sole judgment that the operation of the Franchise is in jeopardy, or if Franchisee is in default under this Agreement, then in order to prevent an interruption of the Franchise which would cause harm to the System or potentially lessen the value of the Franchise, Franchisee authorizes Franchisor to operate the Franchise for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies which Franchisor may have under this Agreement ("Step-In Rights"). Franchisor shall keep in a separate account all monies generated by the operation of the Franchise~~, less the expenses of the Franchise, including~~. Franchisor shall be entitled to a management fee of fifteen percent (15%) of Gross Sales plus its expenses in operating the Studio. If this separate account does not have sufficient funds, then Franchisor may deduct its expenses, including the management fee and the reasonable attorneys' fees and costs described below, from the Franchise's general operating bank account. In the event of the exercise of the Step-In Rights Franchisee agrees to hold harmless Franchisor and its representatives for all actions occurring during the course of such temporary operation. Franchisee agrees to pay all of Franchisor's reasonable attorneys' fees and costs incurred as a consequence of our exercise of Franchisor's Step-In Rights. Nothing contained herein shall prevent Franchisor from exercising any other right which it may have under this Agreement, including, without limitation, termination.

XVIII. POST-TERMINATION

A. Franchisee's Obligations Upon Termination. Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall terminate, and Franchisee shall:

(1) Immediately cease to operate the Studio under this Agreement and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

(2) Immediately and permanently cease to use, in any manner whatsoever, any Confidential Information, methods, procedures, and techniques associated with the System, the Intellectual Property and the Marks. Without limitation of the foregoing, Franchisee shall cease to use all signs, advertising materials, displays, stationery, forms, and any other items which display the Marks.

(3) Take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Marks and furnish Franchisor with satisfactory evidence of compliance within five (5) days after termination or expiration of this Agreement.

(4) Not use any reproduction, counterfeit, copy, or colorable imitation of the Marks in connection with any other business which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Marks, nor shall Franchisee use any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

(5) Promptly pay all sums owing to Franchisor and its affiliates and all damages, costs, and expenses, including reasonable attorneys' fees and costs, incurred by Franchisor as a result of any default by Franchisee or in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Section XVIII, which obligation shall give rise to and remain a lien in favor of Franchisor against any and all assets of Franchisee until such obligations are paid in full.

(6) Immediately deliver to Franchisor all Manuals, records, files, instructions, correspondence, Software Programs, and other materials related to the operation of the Studio in Franchisee's possession or control, and all copies thereof, all of which are acknowledged to be Franchisor's property, and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision or law.

(7) Comply with the restrictions against the disclosure of Confidential

Information and against competition contained in Section X of this Agreement and cause any other person required to execute similar covenants pursuant to Section X also to comply with such covenants.

(8) Promptly furnish to Franchisor an itemized list of all advertising and sales promotion materials bearing the Marks, whether located at the Studio or at any other location under Franchisee's control. Franchisor shall have the right to inspect these materials and the option, exercisable within thirty (30) days after such inspection, to purchase any or all of the materials at Franchisee's cost. Materials not purchased by Franchisor shall not be utilized by Franchisee or any other party for any purpose unless authorized in writing by Franchisor.

(9) At Franchisor's option, assign to Franchisor any interest which Franchisee has in any lease or sublease for the premises of the Studio or for any equipment used in the operation of the franchised business. Franchisor may exercise such option at or within thirty (30) days after the termination or expiration of this Agreement. Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority for the sole purpose of taking such action as is necessary to complete the assignment of Franchisee's interest in any such lease or sublease upon the exercise of Franchisor's option described herein. This power of attorney shall survive the expiration or termination of this Agreement. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Studio premises, Franchisee shall make such modifications or alterations to the premises as are necessary to distinguish the appearance of the Studio from that of other Studios, and, if Franchisee fails or refuses to do so, Franchisor shall have the right to enter upon the premises, without being guilty of trespass or any other crime or tort, to make or cause such changes to be made, at Franchisee's expense. Franchisor shall also have the right, at its option and at the expense of Franchisee, to enter the Studio premises and take all actions necessary to de-identify the premises as a Studio, including, but not limited to, removing all signs, advertising materials, displays, proprietary equipment and inventory, and any other items which display the Marks or are indicative of Franchisor's trade dress. Such costs incurred due to Franchisor's de-identification efforts shall be payable by Franchisee immediately upon notice.

(10) At Franchisor's option, assign to Franchisor all rights to the telephone numbers of the Studio and any related business directory listings and execute all forms and documents required by Franchisor and any telephone company at any time to transfer such service and numbers to Franchisor. Franchisee shall thereafter use different telephone numbers at or in connection with any subsequent business conducted by Franchisee.

B. Additional Franchisor Options. In addition to its options under Sections XVIII.A.(9) and (10), Franchisor shall have the following options, to be exercised within thirty (30) days after termination or expiration of this Agreement:

(1) Franchisor shall have the option to purchase from Franchisee any or all of the furnishings, equipment, signs, fixtures, supplies, materials, and other assets related to the operation of the Studio, at book value (cost less depreciation). In addition, if Franchisee owns the land upon which the Studio is located, Franchisor shall have the further option to purchase the land, including any building on the land used for the operation of the Studio, for the fair market

value of the land and building. If Franchisee does not own the land, Franchisor may nevertheless exercise this option for the purpose of purchasing any building owned by Franchisee and used in the operation of the Studio.

(2) With respect to Franchisor's options under Section XVIII.B.(1), Franchisor shall purchase assets only and shall assume no liabilities, unless otherwise agreed in writing by the parties. The purchase price shall be paid in cash; provided that, Franchisor shall have the right to set off from the purchase price: (i) all amounts due from Franchisee to Franchisor or any of its affiliates; and (ii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees and costs).

(3) Closing the purchase and sale of the properties described above shall occur not later than thirty (30) days after the purchase price is determined unless the parties mutually agree to designate another date. At closing, Franchisee shall deliver to Franchisor, in a form satisfactory to Franchisor, such warranties, deeds, releases of lien, bills of sale, assignments, and such other documents and instruments which Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the properties being purchased and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all necessary documents, instruments, or third-party consents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents. Closing shall take place at Franchisor's corporate offices or at such other location as the parties may agree.

C. Assignment of Franchisor Rights. Franchisor shall be entitled to assign any and all of its options in this Section XVIII to any other party, without the consent of Franchisee.

XIX. MISCELLANEOUS

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the addresses reflected on Schedule I unless and until a different address has been designated by written notice to the other party. Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

B. Entire Agreement. This Agreement, the documents referred to herein, and the Attachments hereto constitute the entire, full, and complete agreement between Franchisor and Franchisee and the Principals concerning the subject matter hereof and shall supersede all prior related agreements. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this or in any related agreement, however, is intended to disclaim the representations

~~we~~Franchisor made in the franchise disclosure document that ~~we~~Franchisor furnished to ~~you~~Franchisee.

C. No Waiver. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee or the Principals under this Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power against Franchisee or the Principals, or as to a subsequent breach or default by Franchisee or the Principals.

D. Approval or Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice, or suggestion given to Franchisee and no neglect, delay, or denial of any request therefor shall constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Franchisee or any third party as a result thereof.

E. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, then, in addition to payments required under Section XVII.C.(5), Franchisee shall continue to be obligated to pay to Franchisor any and all amounts that it shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event, and the Indemnitees shall continue to be indemnified and held harmless by Franchisee in accordance with Section XV. Except as provided in Section XVII.C.(5) and the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

F. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term, and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term, or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms, or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms, or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term, or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

G. Internal Dispute Resolution. Franchisee must first bring any claim or dispute between Franchisor and Franchisee or any of their respective affiliates to Franchisor's President, after providing notice as set forth in Section XIX(A) above. Franchisor must respond to Franchisee's notice inquiry within ten (10) business days of receipt or otherwise it is deemed denied. Franchisee must exhaust this internal dispute resolution procedure before it may bring its dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

H. Mediation. At Franchisor's option, all claims or disputes between Franchisee and Franchisor or its affiliates arising out of or in any way relating to this Agreement or any other agreement between Franchisee and Franchisor or its affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth in Section XIX.G above, must be submitted first to mediation in Fort Worth, Texas under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee whether Franchisor or its affiliates elect to exercise Franchisor's option to submit claims or disputes to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of Franchisor's written declaration. Franchisor's right to mediate, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation, and the parties will share mediation costs equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation.

The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

(1) Any federally protected intellectual property rights in the Marks, the System, Proprietary Materials, or in any Confidential Information;

(2) Any claims pertaining to or arising out of any warranty issue;

(3) Any of the restrictive covenants contained in this Agreement; or

(4) Any claims to collect past due amounts owed to Franchisor or its affiliates.

I. Venue. The parties expressly agree to the exclusive jurisdiction and venue of any court of general jurisdiction in Fort Worth, Texas, and the jurisdiction and venue of the United States District Court for the Northern District of Texas. Franchisee acknowledges that this Agreement has been entered into in the State of Texas, and that Franchisee is receiving valuable and continuing services emanating from our headquarters in Texas, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Texas set forth above. The parties agree that all proceedings will be conducted on an individual, not a class-wide basis, and that any proceeding between Franchisee, Franchisee's guarantors, and Franchisor or Franchisor's affiliates or employees may not be consolidated with any other proceeding between us and any other party or entity.

J. Injunctive Relief. Notwithstanding the foregoing, Franchisor may bring an action for injunctive relief in any court having jurisdiction to enforce its trademark or proprietary rights, the covenants not to compete, the restriction or disclosure of Confidential Information, and/or to enforce compliance with Franchisee's obligations under Article XVIII. For purposes of this provision, the parties, including the Principals, irrevocably submit themselves to the jurisdiction of the state and federal district courts located in the state, county, and judicial district in which the Franchisor's principal place of business is located. The parties, including the Principals, hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision and agree that service of process may be made upon any of them in any proceeding arising out of or relating to this Agreement, the breach of this Agreement, or the relationship created hereby by any means allowed by Texas or federal law. Franchisee and the Principals further agree that Franchisor may bring any action permitted by this Agreement in any state or federal district court of competent jurisdiction.

K. Governing Law. This Agreement shall be governed by and interpreted and construed under Texas law (without regard for Texas conflict of law principles that would require the application of another jurisdiction's law).

L. MUTUAL ACKNOWLEDGMENTS. EXCEPT AS EXPLICITLY STATED IN THIS AGREEMENT, THE PARTIES ACKNOWLEDGE THAT THEIR AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF THEM WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH PARTY FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT. IN ADDITION, THE PARTIES ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN FORT WORTH, TEXAS, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF FRANCHISEE ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER AND THE SATISFACTION OF CERTAIN TRAINING REQUIREMENTS OF FRANCHISOR, SHALL OCCUR IN FORT WORTH, TEXAS.

M. DAMAGES WAIVER. FRANCHISEE AND THE PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS AFFILIATES, AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS, AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT

LIABILITY, OTHER TORT, OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, FRANCHISEE AND THE PRINCIPALS SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY THEM. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

N. WAIVER OF JURY TRIAL. BOTH PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER ~~YOU OR US~~PARTY.

O. WAIVER OF CLASS ACTIONS. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES THE RIGHT TO LITIGATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY PARTY.

P. BUSINESS JUDGMENT. FRANCHISEE, THE PRINCIPALS, AND FRANCHISOR ACKNOWLEDGE THAT VARIOUS PROVISIONS OF THIS AGREEMENT SPECIFY CERTAIN MATTERS THAT ARE WITHIN THE DISCRETION OR JUDGMENT OF FRANCHISOR OR ARE OTHERWISE TO BE DETERMINED UNILATERALLY BY FRANCHISOR. IF THE EXERCISE OF FRANCHISOR'S DISCRETION OR JUDGMENT AS TO ANY SUCH MATTER IS SUBSEQUENTLY CHALLENGED, THE PARTIES TO THIS AGREEMENT EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION OR JUDGMENT IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF SUCH DISCRETION OR JUDGMENT, WITHOUT REGARD TO WHETHER OTHER REASONS FOR ITS DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

Q. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

R. Headings and Gender. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify, or in any other manner affect the scope, meaning, or intent of the provisions of this Agreement or any part thereof, nor shall such captions otherwise be given any legal effect. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Principals under this Agreement, all acknowledgments, promises, covenants, agreements, and obligations made or undertaken by Franchisee in this Agreement shall be deemed, jointly and severally, undertaken by all of the Principals.

S. Survival. Any obligation of Franchisee or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or the Principals therein, shall be deemed to survive such termination, expiration, or transfer. Without limitation of the foregoing, the dispute resolution provisions of Sections XIX.G, H, I and J are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

T. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to, and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure, or default or threatened breach, failure, or default of any term, provision, or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination, or exercise of Franchisor's rights pursuant to Section XVII of this Agreement shall not discharge or release Franchisee or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination, or the exercise of such rights under this Agreement. Additionally, Franchisee and the Principals shall pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in obtaining any remedy available to Franchisor for any violation or breach of this Agreement.

U. No Third-Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, owners, members, agents, representatives, affiliates, cooperatives and employees and such of Franchisee's, and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized by Section XIV) any rights or remedies under or as a result of this Agreement.

V. Further Assurances. The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

W. Agreement Effective Upon Execution by Franchisor. This Agreement shall not become effective until signed by an authorized representative of Franchisor.

X. Representation. Franchisee warrants and represents to Franchisor that Franchisee has not received from Franchisor or any of its representatives any information concerning actual or potential earnings of the franchise contemplated hereunder and that Franchisee has not relied on any such earnings representations made by Franchisor or its representatives in making the decision to purchase the franchise represented by this Agreement.

XX. FRANCHISEE'S ACKNOWLEDGMENTS

A. Independent Investigation. Franchisee acknowledges that it has conducted an independent investigation of the business venture contemplated by this Agreement and recognizes that the success of this business venture involves substantial business risks and will largely depend upon the ability of Franchisee. Franchisor expressly disclaims making, and Franchisee acknowledges that it has not received or relied on, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

B. Consultation with Advisors. Franchisee acknowledges that Franchisee has received, read, and understands this Agreement and the related Attachments and agreements and that Franchisor has afforded Franchisee sufficient time and opportunity to consult with advisors selected by Franchisee about the potential benefits and risks of entering into this Agreement.

XXI. CERTAIN DEFINITIONS

A. An "Affiliate" of a named person is any person or entity that is controlled by, controlling, or under common control with such named person.

B. "Annual Franchise Meeting" means a scheduled annual meeting or conference organized by the Franchisor pursuant to Section VI.G hereof.

C. "Business Day" means any day other than Saturday, Sunday or the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving, and Christmas.

D. "Confidential Information" means any confidential or proprietary information, knowledge, or know-how concerning the methods of establishing and operating the Studio and the related franchised business which may be communicated to Franchisee or any of the Principals or of which they may be apprised under this Agreement. Any and all information, knowledge, know-how, techniques, technology, trade secrets, customer and member information, financial information, marketing methods, business methods and any materials used in or related to the System which Franchisor provides to Franchisee in connection with this Agreement shall be deemed confidential for the purposes of this Agreement.

E. "Cooperative" means an advertising cooperative, as described in Section VIII. C of this Agreement.

F. "Controlling Interest" means: (a) if Franchisee is a corporation, that the Principals, either individually or cumulatively (i) directly or indirectly own at least fifty-one percent (51%) of the shares of each class of Franchisee's issued and outstanding capital stock; and (ii) are entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require such corporation to take or omit to take any action which such corporation is required to take or omit to take under this Agreement; or (b) if Franchisee is a partnership or limited liability company, that the Principals (i) own at least fifty-one percent (51%) interest in the operating profits and operating losses of the entity as well as at least fifty-one percent (51%) ownership interest in the entity (and at least fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner); and (ii) are entitled under its partnership or operating agreement or applicable law to act on behalf of the entity without the approval or consent of any other partner or member or be able to cast a sufficient number of votes to require the entity to take or omit to take any action which the entity is required to take or omit to take under this Agreement.

G. "Fitness Manager" means the individual who will oversee recruitment of instructors, quality assurance and the scheduling and provision of fitness classes.

H. "Force Majeure" means acts of God, strikes, lockouts or other industrial disturbances, war, terrorism, riot, epidemic, pandemic, government shutdowns, fire or other catastrophe, or other similar forces beyond a party's control.

I. "Gross Sales" means the total revenue generated from the sale of all services and products and all income of every other kind and nature related to the Franchise, whether for cash or credit (treated as a sale when the charge is made and regardless of collection in the case of credit), sales in kind from barter and/or exchange, as well as business interruption insurance proceeds. Gross Sales does not include (i) sales (or similar) taxes that Franchisee collects from ~~your~~Franchisee's customers if ~~you transmit~~Franchisee transmits them to the appropriate taxing authority; (ii) proceeds from isolated sales of trade fixtures that are not part of the products and services Franchisee offers and that do not have any material effect on the operation of the Franchise; (iii) tips or gratuities paid directly by Franchise members or customers to employees, teachers or instructors or paid to Franchisee and then turned over to these employees by Franchisee in lieu of direct tips or gratuities; or (iv) returns to shippers or manufacturers. Gross Sales also does not include proceeds from the sale of gift certificates or stored value cards (all proceeds from the sale of gift certificates and stored value cards belong to us), but it does include the redemption value of gift certificates and stored value cards at the time purchases are made.

J. "Gross Sales Report" means a report itemizing, in the form and manner Franchisor reasonably requires, the Gross Sales of the Studio for the preceding week (Monday through Sunday).

K. "Intellectual Property" means the Marks and all other intellectual property, including without limitation all teaching techniques, Pilates instructions, other methods and procedures, patents, copyrights, titles, symbols, logotypes, trade dresses, emblems, slogans, insignias, terms, know-how, specifications, designations, designs, diagrams, anecdotes, artworks, worksheets, techniques, rules, ideas, course materials, advertising and promotional materials, and other audio, video and written materials developed and designated for use in connection with the System, including the URL website existing now or which may be acquired, developed or designated for use in connection with the System.

L. "Intranet" means a restricted global computer-based communications network.

M. "Manuals" means Franchisor's Confidential Operations Manuals, written directives, and any other manuals, written materials, or audio or visual materials as Franchisor shall have developed for use in the System, as revised by Franchisor from time to time.

N. "Marketing Fund" or "Fund" means the Marketing Fund described in Section VIII.D of this Agreement.

O. "Opening Date" means the date the Studio opens for business to the public.

P. "Principals" shall include, collectively and individually, Franchisee's spouse, all officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) whom Franchisor designates as Franchisee's Principals, and all holders of an ownership interest in Franchisee and of any entity directly or indirectly controlled by Franchisee.

Q. "Reserved Venues" include any self-contained facility including shopping malls, hotels, corporate facilities, casinos, convention centers, schools or recreation centers.

R. "Social Media Materials" means any material on any Social Media Platform that makes use of the Intellectual Property, Marks, name, brand, products, the Studio or the Franchise whether created by Franchisor, Franchisee or any third party.

S. "Social Media Platforms" means any and all web-based platforms such as Facebook, X (formerly Twitter), LinkedIn, Instagram, TikTok, BeReal, Google Business, Snapchat, and other blogs and other networking and sharing sites.

T. "Software Programs" means the proprietary or other software programs developed or acquired by or on behalf of Franchisor for use by Studios.

U. "Studio" means the business operated by Franchisee at the Location pursuant to this Agreement, including all assets of Franchisee used in connection therewith.

V. "Studio Manager" means the individual responsible for managing the day-to-day operation of the Studio.

W. "Taxes" means any present or future taxes, levies, imposts, duties, or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by Franchisor's net income.

XXII. ACKNOWLEDGMENT. Franchisee acknowledges and represents that:

A. Franchisor has made no promise or representation to Franchisee as to the renewal of this Agreement or the grant of a new franchise after the end of the Initial Term set forth in Section III hereof;

B. Franchisee has received a copy of this Agreement, has read and understands all obligations being undertaken, and has had an opportunity to consult with its attorney with respect thereto at least fourteen (14) calendar days prior to execution;

~~C. No representation has been made by Franchisor to Franchisee as to the future profitability of the Studio; and~~

~~D. Neither Franchisor nor anyone acting on its behalf has made any representations, inducements, promises, or agreements, orally or otherwise, respecting the subject matter of this Franchise, which is not embodied herein or set forth in the Franchise Disclosure Document.~~

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:	**FRANCHISEE:**
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________

BODYBAR FRANCHISING, LLC

SCHEDULE I

Effective Date: ________________________________

Franchisor Address for Notices: ~~3236~~3100 West 7th Street, Suite ~~B~~310
Fort Worth, TX 76107

Franchisee: ________________________________

Type of Entity:
- ☐ Corporation
- ☐ LLC
- ☐ Limited Partnership
- ☐ Other (____________________)

Address for Notices: ________________________________
____
____

Telephone: ________________________________

Cellular: ________________________________

Email: ________________________________
____

Opening Principal: ________________________________

Studio Manager (if any): ________________________________

Franchisee's Principals: The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in Franchisee, and a description of the nature of their interest:

Name	Ownership Interest In Franchisee	Nature of Interest

The following is a list of all Franchisee's Principals, as defined in and designated pursuant to Section XXI.P of the Franchise Agreement, each of whom shall (unless executing the Principals' Guaranty and Assumption Agreement) execute the Confidentiality and Non-competition Agreement substantially in the form set forth in Attachment B to the Franchise Agreement.

Name	Ownership Interest In Franchisee	Nature of Interest

Location: ______________________________

Designated Area ______________________________
____

Protected Area ______________________________
____
____

Opening Date ______________________

Initial Franchise Fee **$** ______________________

By signing below, each of the parties attests to the accuracy of the information contained on this Schedule I and agrees to and intends to be legally bound by the terms and provisions of the BODYBAR Franchising, LLC Franchise Agreement, effective on the Effective Date set forth above.

FRANCHISOR:

By: ______________________

Name: ______________________

Title: ______________________

FRANCHISEE:

By: ______________________

Name: ______________________

Title: ______________________

ATTACHMENT A
PRINCIPALS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty must be signed by the owners and spouses of such owners (referred to as "**you**" or "**your**" for purposes of this Guaranty only) of__________________(the "**Business Entity**") under the Franchise Agreement dated________, 20___(the "**Franchise Agreement**" and each and every agreement signed by Business Entity and us or any affiliate of ours, including the Franchise Agreement, the "**Franchise Agreements**") with **BODYBAR Franchising, LLC** ("**us**," or "**our**" or "**we**"). Terms not defined herein shall have the meaning set forth in the Franchise Agreement.

1. **Scope of Guaranty.** In consideration of and as an inducement to our signing and delivering the Franchise Agreements, each of you signing this Guaranty personally and unconditionally: (a) guarantee to us and our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreements; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreements.

2. **Waivers.** Each of you waive: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

3. **Consents and Agreements.** Each of you consent and agree that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Franchise Agreements upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreements and, for obligations surviving the termination or expiration of the Franchise Agreements, after their termination or expiration.

4. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', mediators', arbitrators and expert witness fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. **Effectiveness.** Your obligations under this Guaranty are effective on and from the Franchise Agreement Effective Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Franchise Agreements.

6. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of Texas, which laws shall prevail in the event of any conflict of law.

7. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Guaranty to our President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Guaranty.

8. **Dispute Resolution.** At our option, all claims or disputes between you and us arising out of, or in any way relating to, this Guaranty or the Franchise Agreement or any other agreement by and between you and us, or any of the parties' respective rights and obligations arising from such agreements must be submitted first to mediation and then arbitration as set forth in the Franchise Agreements. This agreement to mediate and arbitrate at our option shall survive the termination or expiration of this Guaranty.

9. **Third Party Beneficiaries.** Our officers, directors, owners, members, agents, representatives, affiliates, the Cooperative and/or employees are express third-party beneficiaries of the Franchise Agreements and this Guaranty, and the mediation and arbitration provisions incorporated by reference herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.

10. **Injunctive Relief.** Nothing contained in this Guaranty shall prevent us from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interest prior to the filing of any mediation proceeding or pending the arbitration or handing down of a decision or award pursuant to any mediation or arbitration conducted hereunder.

11. **Jurisdiction and Venue.** With respect to any proceeding not subject to mediation or arbitration, the parties expressly agree to submit to the jurisdiction and venue of any court of general jurisdiction in Fort Worth, Texas and the jurisdiction and venue of the United States District Court for the District located in or closest to Fort Worth, Texas.

12. **Jury Trial Waiver.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE FRANCHISE AGREEMENTS, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OF THE FRANCHISE.

13. **Waiver of Punitive Damages.** You waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages, and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable, for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

14. **Waiver of Class Actions.** Each of the parties hereby irrevocably waives the right to litigate on a class action basis, in any action, proceeding, or counterclaim, whether at law or in equity, brought by any party.

15. **Limitation on Action.** You agree that no cause of action arising out of or under this Guaranty or any of the Franchise Agreements may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

16. **Counterparts.** This Guaranty may be executed in counterparts, and by facsimile or electronic signature, each of which shall be considered to be an original instrument but all of which, taken together, shall constitute one and the same document.

[Signature Page to Follow]

Each of you now sign and deliver this Guaranty effective as of the date of the Franchise Agreement regardless of the actual date of signature.

PERCENTAGE OF OWNERSHIP INTEREST IN BUSINESS ENTITY	**GUARANTORS**
PERCENTAGE ___________ %	NAME: ___________________________
	SIGNATURE: ___________________________
	DATE: ___________________________
PERCENTAGE ___________ %	NAME: ___________________________
	SIGNATURE: ___________________________
	DATE: ___________________________
	SPOUSES
	NAME: ___________________________
	SIGNATURE: ___________________________
	DATE: ___________________________
	NAME: ___________________________
	SIGNATURE: ___________________________
	DATE: ___________________________

ATTACHMENT B
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

I,________________________agree that during my association with ________________________ ("Franchisee") and BODYBAR Franchising, LLC and its affiliates (collectively referred to as "BODYBAR") and for two (2) years immediately thereafter, I will not (whether as owner, partner, associate, agent, consultant, employee, independent contractor, member, stockholder, officer or otherwise of another or on my own account):

(a) Divert, solicit, interfere with, misappropriate, take away or attempt to divert or take away any source of business or revenue or any customer, referral source, broker, insurer, supplier, trade or patronage with whom Franchisee, BODYBAR, any affiliate of BODYBAR or any other franchisee does business or whom I know Franchisee, BODYBAR, any affiliate of BODYBAR or any other franchisee has contacted or solicited for business relationships; or

~~(b) Within the Non-Compete Area (defined below), participate in the development of, or engage in, or market, sell, distribute, render, provide, perform or sell (including through licensing or franchising) products, goods, or services the same or similar to the products, goods, or services offered by the Franchisee or BODYBAR, or contribute my knowledge or have any financial interest in any work or activity that relates to or involves or is in any way engaged in the operation, licensing, franchising or consulting, developing, marketing, organizing, providing, promoting, coordinating, selling, instructing, teaching, coaching, training or providing lessons related to Pilates fitness services; or~~

~~(c)~~(b) Perform or contribute to any other act injurious or prejudicial to the goodwill associated with BODYBAR or its trademarks, trade names or other intellectual property.

In addition to the above, I agree to at all times during and after this Agreement, treat as confidential all manuals and materials designated for use by BODYBAR with the BODYBAR business (including without limitation the Operations Manual), and such other information as BODYBAR or the Franchisee may designate from time to time for confidential use with the BODYBAR business (as well as all trade secrets and confidential information, knowledge and know-how concerning the operation of the Franchise that may be imparted to, or acquired by, me from time to time in connection with my relationship with BODYBAR and the Franchisee), and shall use all reasonable efforts to keep such information confidential and shall not use the confidential information for any other purpose other than in connection with the operation of the Franchise. I acknowledge that the unauthorized use or disclosure of such confidential information (and trade secrets, if any) will cause incalculable and irreparable injury to BODYBAR and the Franchisee. I accordingly agree that I shall not, at any time, without BODYBAR' and the Franchisee's prior written consent, disclose, use or permit the use (except as may be required by applicable law or authorized by this Agreement) of such information, in whole or part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not generally known about BODYBAR Standards and such other information or material as BODYBAR or the Franchisee may designate as confidential, shall be deemed confidential for purposes of this Agreement.

~~The "Non-Compete Area" means: (1) in Franchisee's Protected Area as granted by BODYBAR to Franchisee under the Franchise Agreement and within fifteen (15) miles of such Franchisee's territory, (2) within fifteen (15) miles of any BODYBAR Franchisee territory or other business which is franchised, owned, operated or managed by BODYBAR, (3) business conducted via the Internet or other form of e-commerce, wherever located; or (4) within Fifteen (15) miles of any territory in existence or under development during the term of the Franchise Agreement between BODYBAR and Franchisee.~~

Because of my significant responsibilities and access to proprietary information of the BODYBAR and the Franchisee, I acknowledge that each of my obligations in this Agreement are reasonable and necessary to protect the Franchisee's, BODYBAR' and its franchisees' legitimate business interests. I understand that breaking any of my promises or obligations will irreparably and continually damage Franchisee, BODYBAR, and BODYBAR Franchisees for which money damages may not be adequate.

Consequently, if I violate any of my promises in this Agreement, or BODYBAR and/or Franchisee has reason to believe that I am about to violate this Agreement, without limitation to other available remedies, BODYBAR and Franchisee will be entitled to both: (1) a preliminary or permanent injunction to prevent the continuing harm to BODYBAR (and/or any of its franchisees) and/or Franchisee, and (2) money damages insofar as they can be determined. An injunction ordering me to stop any activities that may violate this Agreement will not prevent me from earning a living. I will pay BODYBAR and/or Franchisee its costs and expenses resulting from any enforcement of this Agreement resulting from my violation of the terms hereof, including reasonable attorney fees.

If any court determines that any of the covenants set forth in this Agreement, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable.

~~Signatures appear on the following page.~~

This Agreement may be executed in counterparts, and by facsimile or electronic signature, each of which shall be considered to be an original instrument but all of which, taken together, shall constitute one and the same document.

____________________________________ ____________________________________

Name: Date:

Title:

AGREED AND ACKNOWLEDGED:

BODYBAR Franchising, LLC

By:_____________________
Name:___________________
Title:______________

ATTACHMENT C
LEASE RIDER

This Rider to Lease, dated_________, 20___, is entered into by and between ___________ _______("Lessor"), and____________________("Lessee").

A. The parties hereto have entered into a certain Lease Agreement, dated ___________ , 20___, and pertaining to the premises located at____________________________("Lease").

B. Lessor acknowledges that Lessee intends to operate a BODYBAR Franchise Business from the leased premises ("Premises") pursuant to a Franchise Agreement ("Franchise Agreement") with BODYBAR Franchising, LLC ("BODYBAR") under the name BODYBAR or other name designated by BODYBAR (herein referred to as the "BODYBAR Franchise").

C. The parties now desire to amend the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed between Lessor and Lessee as follows:

1. Use of Premises. Lessor and Lessee agree that the Premises shall be used only for the operation of a BODYBAR Franchise unless another use is approved in writing BODYBAR.

2. Remodeling and Decor. Lessor agrees that Lessee shall have the right to remodel, equip, paint and decorate the interior of the Premises and to display the proprietary marks and signs on the interior and exterior of the Premises as Lessee is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Lessee may operate a BODYBAR Franchise on the Premises.

3. BODYBAR' Right to Enter. Lessor and Lessee agree that the employees of BODYBAR, or its parent, subsidiaries, affiliates, or agents shall have the right to enter the leased premises to make any modifications necessary to protect their proprietary marks.

4. Assignment. Lessee shall have the right to assign all of its right, title and interest in the Lease to BODYBAR or its parent, subsidiary, affiliate, or another franchisee, at any time during the term of the Lease, including any extensions or renewals thereof, without first obtaining Lessor's consent. However, no assignment shall be effective until the time as Body Bar or its designated affiliate gives Lessor written notice of its acceptance of the assignment, and nothing contained herein or in any other document shall constitute BODYBAR or its designated transferee a party to the Lease, or guarantor thereof, and shall not create any liability or obligation of BODYBAR or its designated transferee unless and until the Lease is assigned to, and accepted in writing by, BODYBAR or its designated transferee. In the event of any assignment, Lessee shall remain liable under the terms of the Lease. BODYBAR shall have the right to reassign the Lease to another franchisee without the Landlord's consent in accordance with this Section.

5. Default and Notice.

(a) In the event there is a default or violation by Lessee under the terms of the Lease, Lessor shall give Lessee and BODYBAR written notice of the default or violation within two (2) days after Lessor receives knowledge of its occurrence. If Lessor gives Lessee a default notice, Lessor shall contemporaneously give BODYBAR a copy of the notice. BODYBAR shall have the right, but not the obligation, to cure the default. BODYBAR will notify Lessor whether it intends to cure the default and take an automatic assignment of Lessee's interest. BODYBAR will have an additional 15 days from the expiration of Lessee's cure period in which it may exercise the option, but it is not obligated, to cure the default or violation.

(b) All notices to BODYBAR shall be sent by registered or certified mail, postage prepaid, to the following address:

BODYBAR Franchising, LLC
~~3236~~3100 West 7th Street, Suite 310
Fort Worth, TX 76107

BODYBAR may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees that it will notify both Lessee and BODYBAR of any change in Lessor's mailing address to which notices should be sent.

(c) Following BODYBAR' approval of the Lease, Lessee agrees not to terminate, or in any way alter or amend the same during the term of the Franchise Agreement, including any renewal thereof, without BODYBAR' prior written consent, and any attempted termination, alteration or amendment shall be null and void and have no effect as to BODYBAR' interests thereunder; and a clause to the effect shall be included in the Lease.

6. Termination or Expiration.

(a) Upon Lessee's default and failure to cure the default within the applicable cure period, if any, under either the Lease or the Franchise Agreement, BODYBAR will, at its option, have the right, but not the obligation, to take an automatic assignment of Lessee's interest and at any later time to re-assign the Lease to a new franchisee without Landlord's consent and to be fully released from any and all liability to Landlord upon the reassignment, provided the franchisee agrees to assume Lessee's obligations and the Lease.

(b) Upon the expiration or termination of either the Lease or the Franchise Agreement, Landlord will cooperate with and assist BODYBAR in securing possession of the Premises and if BODYBAR does not elect to take an assignment of the Lessee's interest, Lessor will allow BODYBAR to enter the Premises, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs, awnings, and all other items identifying the Premises as a BODYBAR Franchise and to make other modifications (such as repainting) as are reasonably necessary to protect the BODYBAR marks and system, and to distinguish the Premises from a BODYBAR Franchise. In the event BODYBAR exercises its option to purchase assets of Lessee, Lessor shall permit BODYBAR to remove all the assets being purchased by BODYBAR.

7. Consideration; No Liability.

(a) Lessor hereby acknowledges that the provisions of this Rider to Lease are required pursuant to the Franchise Agreement under which Lessee plans to operate its business and Lessee would not lease the Premises without this Rider.

(b) Lessor further acknowledges that Lessee is not an agent or employee of BODYBAR and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind BODYBAR or any affiliate of BODYBAR, and that Lessor has entered into this Rider to Lease with full understanding that it creates no duties, obligations or liabilities of or against BODYBAR or any affiliate of BODYBAR.

8. Sales Reports. If requested by BODYBAR, Lessor will provide BODYBAR with whatever reports, information or data Lessor has regarding Lessee's sales from its BODYBAR Franchise.

9. Amendments. No amendment or variation of the terms of the Lease or this Rider to the Lease shall be valid unless made in writing and signed by the parties hereto.

10. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Agreement as though copies herein in full.

11. Beneficiary. Lessor and Lessee expressly agree that BODYBAR is a third-party beneficiary of this Rider.

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto as of the day, month and year first written above.

LESSOR:	LESSEE:
By: ____________________________	By: ____________________________
Title:__________________________	Title: __________________________

ATTACHMENT D
FORM OF RELEASE

This General Release Agreement (the "Release") is made by the undersigned ________________ ____________(the "Releasor") for the benefit of BODYBAR Franchising, LLC, a Texas limited liability company, and all of its affiliates ("Franchisor"), on this___day of____________, 202_.

RECITALS

WHEREAS, Releasor is an owner of a BODYBAR Franchise (the "Franchise") under that Franchise Agreement dated____________________(the "Franchise Agreement");

WHEREAS, Releasor desires to transfer or renew the Franchise or an ownership in the Franchise in accordance with the Franchise Agreement; and

WHEREAS, all capitalized terms not defined in this Release shall have the meaning given to them in the Franchise Agreement.

NOW, THEREFORE, in consideration of the consent by Franchisor to the transfer (the "Transfer") or renewal ("Renewal") of the Franchise and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Releasor hereby covenants and promises as follows:

(1) Releasor hereby absolutely and forever releases and discharges Franchisor from any and all claims, demands, damages, debts, liabilities, accounts, costs, expenses, liens, losses, charges, actions, suits, proceedings and causes of action of every kind and nature whatsoever ("Released Matters"), whether now known or unknown, suspected or unsuspected, which Releasor now has, owns or holds, or at any time heretofore ever had, owned or held, or could, shall or may hereafter have, own or hold, pertaining to, arising out of or in connection with the Franchise Agreement, any related agreements or the franchisor-franchisee relationship in connection therewith or the operation of the franchised business.

(2) Releasor hereby understands and agrees that this Release shall extend to and be binding upon any and all of Releasor's attorneys, officers, members, directors, owners, employees, agents, heirs, estate executors, administrators, successors, affiliates, associates and assigns, and their respective insurers and underwriters. If more than one party shall execute this Release, the term "Releasor" shall mean all parties executing this Release, and all parties shall be bound by its terms.

(3) Releasor hereby understands and agrees that this Release shall extend to and inure to the benefit of any and all of Franchisor's attorneys, officers, directors, owners, employees, agents, authorized representatives, estate, legal representatives, successors, affiliates, subsidiaries, associates and assigns, and its and their respective insurers and underwriters.

(4) Releasor hereby understands and agrees that this Release supersedes any prior agreement, oral or written, with respect to its subject matter. Releasor understands and agrees that no representations, warranties, agreements or covenants have been made with respect to this Release, other than those set forth in this Release, and that in executing this Release, Releasor is not relying upon any representations, warranty, agreement or covenant not set forth in this Release.

(5) The parties shall maintain the confidentiality of this Release and shall not disclose the terms of this Release to any person or persons except its professional advisors for legitimate business purposes, or otherwise as required by law.

(6) The parties agree that they will refrain from making any untrue or derogatory statements concerning one another and their present and former officers, employees, shareholders, directors, agents, attorneys, servants, franchisees, representatives, successors and assigns.

(7) This Release shall be deemed to have been made in and governed by the laws of the State of Texas.

(8) This Agreement constitutes the entire integrated agreement of the parties with respect to subject matter contained in this Agreement and may not be subject to any modification without the written consent of the parties.

FRANCHISOR:	**RELEASOR:**
By: ____________________________	By: ____________________________
Name: ____________________________	Name: ____________________________
Title: ____________________________	Title: ____________________________

DO NOT SIGN – FOR REFERENCE ONLY

EXHIBIT C
DEVELOPMENT AGREEMENT

BODYBAR FRANCHISING, LLC

DEVELOPMENT AGREEMENT

BODYBAR FRANCHISING, LLC

DEVELOPMENT AGREEMENT

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BODYBAR FRANCHISING, LLC

DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is made and entered into on the Effective Date, between BODYBAR Franchising, LLC, a Texas limited liability company ("Franchisor") with an address at ~~3236~~3100 West 7th Street, Suite ~~B~~310, Fort Worth, ~~Texas~~TX 76107 and the individual(s) or entity identified on Schedule I ("Developer"). Certain capitalized terms used in this Agreement that are not otherwise defined herein are defined in Section XIV.

BACKGROUND

A. Franchisor and its affiliates have developed a system (the "System") licensing to franchisees a business model for the establishment and operation of studios (each, a "Studio") offering Pilates and other fitness-related services as well as offering food items and non- alcoholic beverages under the Marks (as defined below) (each, a "Franchise").

B. The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings; proprietary teaching, instructing and training methods; special recipes and menu items; uniform standards, specifications, policies, and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management, and financial control; training and assistance; and advertising and promotional programs, all of which may be changed, improved, and further developed by Franchisor from time to time.

C. The System is identified by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the mark "BODYBAR", "BODYBAR PILATES" and such other trade names, service marks, trademarks, logos, emblems, and indicia of origin as are now designated, and may hereafter be designated by Franchisor in writing, for use in connection with the System (the "Marks").

D. Franchisor licenses franchisees to use the Marks and the System to establish and operate BODYBAR Studios under Franchise Agreements with Franchisor.

E. Developer wishes to obtain certain development rights to obtain and operate multiple BODYBAR Studios under individual Franchise Agreements with Franchisor ~~in~~within the Development Area described in this ~~Development~~ Agreement.

F. Simultaneously with the execution of this Agreement, Developer and Franchisor are executing a Franchise Agreement to govern the terms and relationship of the first Studio to be opened (the "Initial Franchise Agreement") and terms not otherwise specifically defined herein shall have the meaning set forth in the Franchise Agreement.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

I. GRANT

A. Grant of Rights. Franchisor hereby grants to Developer, and Developer hereby accepts, the right and obligation to develop Studios within the Development Area, as defined in Schedule I, in accordance with the terms and conditions set forth in this Agreement. The development rights shall be exercised following satisfaction of the conditions set forth in Section III.A., hereof, and as provided in the Development Schedule. Except for the right to develop Studios ~~as provided hereunder~~within the Development Area pursuant to individual Franchise Agreements, this Agreement grants no franchise or other territorial ~~protection in~~rights to the Development Area. Subject to Developer's full compliance with this Agreement and the full compliance by Developer and its affiliates with any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates, neither Franchisor nor any affiliate shall establish, or authorize any person or entity other than Developer or any of its affiliates to establish, a BODYBAR Studio located within in the Development Area (exclusive of any Reserved Venues) during the term of this Agreement.

B. Scope of Developer's Rights. Developer acknowledges and agrees that the rights granted hereunder pertain only to the development of Studios and that this Agreement does not confer upon Developer a right or franchise to establish or operate any Studio. This Agreement is intended by the parties to set forth the terms and conditions which, if fully satisfied by Developer, shall entitle Developer to obtain Franchise Agreements for the establishment and operation of Studios within the Development Area. This Agreement is not a franchise agreement and does not grant to Developer any right or license to operate a Studio or distribute goods or services, any right to use the Marks, or any interest in the Marks. Developer further acknowledges and agrees that the rights and duties set forth in this Agreement are personal to Developer and that Franchisor has granted such rights in reliance on the representations and warranties of Developer and its Principals. Developer and its Principals have represented to Franchisor that they have entered this Agreement for the purpose and with the intention of fully complying with the Studio development obligations hereunder.

C. Retained Rights. Subject to Developer's full compliance with this Agreement and the full compliance of Developer and its Affiliates with any other agreement between Developer or any of its Affiliates and Franchisor or any of its Affiliates, neither Franchisor nor any Affiliate shall establish, or authorize any person or entity other than Developer or any of its Affiliates to establish, a BODYBAR Studio located in the Development Area (other than in a Reserved Venue) during the term of this Agreement. The rights granted to Developer under this Agreement are nonexclusive, and Franchisor and its Affiliates have and retain all rights within and outside the Development Area except those expressly granted to Developer. Accordingly, Franchisor, its Affiliates, and any other authorized person or entity shall have the right, among others: (i) to develop and establish other business systems using the Marks, or other names or marks, and to grant licenses to use those systems without providing any rights to Developer; (ii) to advertise and promote the System in the Development Area; (iii) to operate, and license others to operate, Studios at any location outside the Development Area and in any Reserved Venue, including locations that are adjacent to the Development Area; (iv) to operate or license any type of business under other names or marks inside or outside the Development Area; and (v) except for any restriction set forth in the Franchise Agreements, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all other services and products, under the Marks, or under other names or marks, within and outside the Development Area, through any channels or methods of distribution, including, but not limited to, wholesale, mail order catalogs, the Internet or retail, regardless of the proximity to, or the competitive impact on, Developer's Studios. Notwithstanding the provisions of Section I, Franchisor may acquire or merge with any existing business inside or outside of its Development Area and may operate that business.

II. FEES

A. Development Fee. Developer shall pay the Franchisor a Development Fee in the amount set forth on Schedule I. The Development Fee shall be paid in one lump sum in cash or by certified funds upon execution of this Agreement and shall be deemed fully earned and nonrefundable by Franchisor for administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted to Developer herein. Developer shall not be required to pay any additional Initial Franchise Fee at the time Developer executes a franchise agreement for each Studio to be developed under this ~~Development~~ Agreement. Future development fees will be at then current rates after this ~~development agreement~~Agreement is completed.

III. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

A. Franchise Agreement Execution; Compliance with Conditions.

(1) Developer shall exercise the development rights granted hereunder only by entering into (or, with Franchisor's written consent, causing a wholly owned subsidiary of Developer to enter into) a separate Franchise Agreement with Franchisor for each Studio for which a development right is granted. The Initial Franchise Agreement shall be in the form of the Franchise Agreement attached as Attachment C and shall be executed contemporaneously with this Agreement. All subsequent Studios developed under this Agreement shall be established and operated pursuant to the form of Franchise Agreement then being used by Franchisor for new franchisees of Studios under the System, the terms of which may materially differ from the Initial Franchise Agreement, except that the initial franchise fee shall be determined as provided in Section II.A. above. The Initial Franchise Agreement and all other Franchise Agreements shall also be included in the term "Franchise Agreement" as used in this Agreement and shall be executed by Developer or Developer's affiliate in accordance with this Section III.

(2) Prior to exercising any development right granted hereunder, Developer shall apply to Franchisor for a franchise to operate a Studio within the Development Area. If Franchisor, in its sole discretion, determines that Developer has met each of the following operational, financial, and legal conditions, then Franchisor will grant Developer a franchise for a Studio in the Development Area:

(a) Operational Conditions: Developer is in compliance with the Development Schedule and this Agreement, and Developer or its affiliates are in compliance with any other agreement between them and Franchisor or its affiliates. Developer is conducting the operation of its existing Studios, if any, and is capable of conducting the operation of the proposed Studio in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Manuals (as defined in the Franchise Agreement).

(b) Financial Conditions: Developer and the Principals satisfy Franchisor's then-current financial criteria for developers and principals of BODYBAR Studios. Developer and Principals have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. Developer is not in default and has not been in default during the twelve (12) months preceding Developer's request for financial approval, of any monetary obligations owed to Franchisor or its affiliates under any Franchise Agreement or any other agreement between Developer or its affiliates and Franchisor or its affiliates. Developer acknowledges and agrees that it is vital to Franchisor's interest that each of its franchisees is financially sound to avoid failure of a Studio and that such failure would adversely affect the reputation and good name of Franchisor and the System.

(c) Legal Conditions: Developer has submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to Franchisor by this Agreement or by any Franchise Agreement.

B. Development Schedule. Acknowledging that time is of the essence, Developer agrees to exercise its development rights according to Section III.A and the Development Schedule reflected on Schedule I. Developer may, subject to the terms and conditions of this Agreement and with Franchisor's prior written consent, which may be withheld in its sole discretion, develop more than the total minimum number of Studios which Developer is required to develop during any Development Period. Any Studios in excess of the minimum number of Studios required to be developed shall be applied to satisfy Developer's development obligation during the next succeeding Development Period, if any. Notwithstanding the above, Developer shall not open or operate more than the cumulative total number of Studios Developer is obligated to develop under the Development Schedule.

(1) If during the term of this Agreement, Developer ceases to operate any Studio developed under this Agreement for any reason, Developer shall develop a replacement Studio. The replacement Studio shall be developed within a reasonable time (not to exceed one hundred and twenty (120) days after Developer ceases to operate the original Studio. If, during the term of this Agreement, Developer transfers its interest in a Studio in accordance with the terms of the applicable Franchise Agreement for the Studio, the transferred Studio shall continue to be counted in determining whether Developer has complied with the Development Schedule so long as it continues to be operated as a BODYBAR Studio. If the transferred Studio ceases to be operated as a BODYBAR Studio during the term of this Agreement, Developer shall develop a replacement Studio within a reasonable time (not to exceed one hundred and twenty (120) days) thereafter.

(2) Failure by Developer to adhere to the Development Schedule (including any extensions thereof, approved by Franchisor in writing) or to any time period for the development of replacement Studios shall constitute a material breach of this Agreement.

C. Projected Opening Dates. Developer acknowledges that the Projected Opening Date for each Studio to be developed hereunder is reasonable. Subject to Developer's compliance with Section III.A, hereof, Developer shall execute a Franchise Agreement for each Studio at or prior to the applicable execution date set forth on Schedule I.

IV. TERM

The term of this Agreement will begin on the Effective Date and, unless sooner terminated, will expire on the earlier of: (i) the date Developer has completed its development obligations under this Agreement or (ii) 12:00 midnight on the last day specified in the Development Schedule.

V. DUTIES OF FRANCHISOR

Franchisor acknowledges that it will provide the services as provided for in each Franchise Agreement entered into pursuant to this Agreement.

VI. DEVELOPER'S OBLIGATIONS

A. Continuing Obligations. Developer and its Principals make the following representations, warranties, and covenants and accept the following obligations. Such representations, warranties, and covenants are continuing obligations, and Developer and its Principals acknowledge and agree that any failure to comply with them shall constitute a material event of default under this Agreement. Developer will cooperate with Franchisor to verify compliance with the following representations, warranties, and covenants.

B. Organization. Developer and each of its Principals represents warrants and covenants that:

(1) The Developer, if a legal entity: (i) is duly organized and validly existing under the law of the state of its formation; (ii) is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification; and (iii) has a corporate charter or written partnership or limited liability company agreement that does and at all times will provide that the activities of Developer are confined exclusively to the development and operation of Studios.

(2) The execution of this Agreement and the performance of the transactions contemplated hereby are within Developer's corporate power, if Developer is a corporation, or if Developer is a partnership or a limited liability company, are permitted under Developer's written partnership or limited liability company agreement and have been duly authorized by Developer.

(3) If Developer is a corporation, copies of Developer's articles of formation, bylaws, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy- sell agreements, or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by Franchisor, shall have been furnished to Franchisor prior to the execution of this Agreement; or, if Developer is a partnership or limited liability company, copies of Developer's written partnership or limited liability company agreement, other governing documents and any amendments thereto shall have been furnished to Franchisor prior to the execution of this Agreement, including evidence of consent or approval of the execution and performance of this Agreement by the requisite number or percentage of partners

or members, as applicable, if such approval or consent is required by Developer's written partnership or limited liability company agreement.

C. Ownership.

(1) The ownership interests in Developer are accurately and completely described on Schedule I. Developer shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Developer. Developer shall make its list of owners available to Franchisor upon request.

(2) If Developer is a corporation, Developer shall maintain stop-transfer instructions against the transfer on its records of any of its equity securities, and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement. If Developer is a partnership or limited liability company, its written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

(3) All Principals must sign the Guaranty and Assumption Agreement, attached as Attachment A to this Agreement and Confidentiality and Non-competition Agreement attached as Attachment B to this Agreement.

(4) If, after the execution of this Agreement, any person ceases to qualify as one of the Developer's Principals, or if any individual succeeds to or otherwise comes to occupy a position which, upon designation by Franchisor, would qualify him or her as one of Developer's Principals, Developer shall notify Franchisor within seven (7) days after any such change and, upon designation of such person by Franchisor as one of Developer's Principals, such person shall execute all documents and instruments (including, as applicable, this Agreement) as Franchisor may require others in such positions to execute.

D. Financial Matters.

(1) Developer and, at Franchisor's request, each of the Principals have provided Franchisor with the most recent financial statements of Developer and such Principals. Such financial statements present fairly the financial position of Developer and each of the Principals, as applicable, at the dates indicated therein and, with respect to Developer, the results of its operations and its cash flow for the years then ended or as of a more recent date as Franchisor may request. The financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments, or obligations of any nature, whether accrued, unliquidated, absolute, contingent, or otherwise, which are not reflected as liabilities on the financial statements.

(2) The Principals that Franchisor designates shall jointly and severally guarantee the performance of Developer's obligations under this Agreement pursuant to the terms and conditions of the Principal's Guaranty and Assumption Agreement, attached as Attachment A, and shall otherwise bind themselves to the terms of this Agreement as stated herein.

(3) Developer shall provide Franchisor with any and all loan or other documents regarding the financing of the business, contemplated hereby, that Franchisor may request.

(4) Developer shall maintain at all times during the term of this Agreement sufficient working capital to fulfill its obligations under this Agreement.

E. Operating Principal. Upon the execution of this Agreement, Developer shall designate and shall retain at all times during the term of this Agreement, an individual to serve as Developer's Operating Principal. The Operating Principal under this Agreement and under each Franchise Agreement executed pursuant hereto shall be the same individual. The Operating Principal shall, during the entire period he or she serves as such, meet the following qualifications and such other standards as may be set forth by Franchisor in the Manuals, or otherwise in writing:

(1) The Operating Principal shall maintain a direct or indirect ownership interest of not less than twenty-five percent (25%) in Developer. Except as may otherwise be provided in this Agreement, the Operating Principal's interest in Developer shall be, and remain free, of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest, or purchase right or options. The Operating Principal shall execute the Principals' Guaranty and Assumption Agreement attached hereto as Attachment A, and shall be individually, jointly and severally, bound by all obligations of Developer, the Operating Principal, and a Principal hereunder.

(2) Developer's Operating Principal shall devote full time and best efforts to the supervision of the business contemplated by this Agreement and shall not engage in any other business, unless written consent to do so is provided by Franchisor.

(3) The Operating Principal shall meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing and, without limitation, shall be empowered with full authority to act for and on behalf of Developer. Developer must promptly notify Franchisor if the Operating Principal cannot continue to serve in that capacity or no longer qualifies as such, and Developer must take corrective action within seven (7) days thereafter. During such seven (7) day period, Developer must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section VI.E will be a material breach of this Agreement.

~~F. Training. Developer's Operating Principal shall successfully complete Franchisor's initial training programs in accordance with the terms set forth in the Franchise Agreement.~~

~~G. Site Selection. Developer assumes all cost, liability, expense, and responsibility for selecting, obtaining, and developing a site within the Development Area for each Studio to be developed pursuant to this Agreement in accordance with the terms, conditions (including time limitations and deadlines) set forth in the applicable Franchise Agreement for such Studio.~~

~~H. Legal Compliance. In addition to complying with its obligations under this Agreement, Developer shall comply with all requirements of federal, state, and local laws, rules, regulations, ordinances, and orders.~~

~~I. Operation and Standards. In addition to any other obligation set forth in this Agreement, Developer shall its full time and use best efforts to develop a successful franchise operation and properly conduct the business in establishing, opening, operating and supervising Studios.~~

VII. DEFAULT AND TERMINATION; POST TERMINATION OBLIGATIONS

A. Termination Without Notice or Cure. Developer shall be deemed to be in material default under this Agreement and all rights granted herein shall automatically terminate without notice to Developer if:

(1) Developer or any of its Principals becomes insolvent or makes a general assignment for the benefit of creditors or files a voluntary petition under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state or admits in writing its inability to pay its debts when due;

~~(1)~~

(2) Developer or any of its Principals is adjudicated bankrupt or insolvent in proceedings filed against Developer under any section or chapter of federal bankruptcy law or any similar law or statute of the United States or any state;

(3) A bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer, or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction;

(4) Proceedings for a composition with creditors under any state or federal law are instituted by or against Developer;

(5) A final judgment against Developer remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed);

(6) Developer is dissolved;

(7) Execution is levied against Developer's business or property;

(8) Suit to foreclose any lien or mortgage against the premises or equipment of any business operated hereunder or under any Franchise Agreement is instituted and not dismissed within thirty (30) days; or

(9) The real or personal property of any business operated hereunder or under any Franchise Agreement shall be sold after levy by any sheriff, marshal, or constable.

B. Termination on Notice. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon written notice to Developer, upon the occurrence of any of the following events of default:

(1) If Developer fails to comply with the Development Schedule or otherwise fails to satisfy its obligations set forth in Section III.

(2) If Developer or any of the Principals is convicted of, or enters a plea of nolo contendere to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Franchisor's interests therein.

(3) If Developer or any of the Principals breach in any material respect any of the representations, warranties, and covenants in Section VI.

(4) If Developer or any of the Principals transfers or attempts to transfer any rights or obligations under this Agreement, or any interest in Developer, or the business contemplated hereby, contrary to the terms of this Agreement, or if an approved transfer upon death or permanent disability is not effected within the time period and in the manner prescribed by Section VIII.E.

(5) If Developer, or any of the Principals, commits two (2) or more events of default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured after notice by Franchisor.

(6) If any Franchise Agreement executed pursuant to this Agreement is terminated by Franchisor on account of a material default by the franchisee thereunder.

C. Termination After Notice and Opportunity to Cure. Upon the occurrence of any event set forth below, Developer shall be deemed to be in material default, and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, by giving Developer written notice stating the nature of the default and the applicable cure period (defined below). Developer may avoid termination by curing such default to Franchisor's satisfaction within the time period set forth below or such longer period as applicable law may require ("cure period"). If a default is not cured within the cure period, Developer's rights under this Agreement shall terminate without further notice to Developer, effective immediately upon the expiration of the cure period.

(1) If Developer or any of its affiliates fails, refuses, or neglects to pay promptly, when due, any monetary obligation owing to Franchisor or any of its affiliates and fails to cure such default within five (5) days following notice from Franchisor, or if Developer or any of its affiliates are otherwise in default under any Franchise Agreement and fails to cure such default within the applicable cure period, if any, contained in such Franchise Agreement.

(2) If Developer fails to designate a qualified replacement Operating Principal within thirty (30) days after any initial or successor Operating Principal ceases to serve.

(3) If Developer fails to obtain the execution of the covenants required under Section IX.F within thirty (30) days following Franchisor's request that Developer do so.

(4) If Developer misuses or makes any unauthorized use of the Marks, or otherwise materially impairs the goodwill associated therewith or with the System or Franchisor's

rights therein and fails to cure such default within twenty-four (24) hours following notice from Franchisor.

(5) If Developer fails to comply with any other term or condition imposed by this Agreement and fails to cure within thirty (30) days following notice from Franchisor.

D. Additional Remedies. Upon default by Developer under Section VII.B or C, Franchisor may, in its sole discretion, elect to exercise any one or more of the following remedies in lieu of terminating this Agreement: (i) terminate or modify any territorial protections granted to Developer in Section I; (ii) reduce the size of the Development Area; (iii) reduce the number of Studios which Developer may establish pursuant to the Development Schedule.

(1) If Franchisor elects to exercise one or more of the additional remedies set forth above, Developer shall continue to develop Studios in accordance with its rights and obligations hereunder, as so modified. To the extent such rights are modified pursuant to this Section VII.D., Developer acknowledges that Franchisor shall be entitled to establish, and to license others to establish BODYBAR Studios in some or all of the Territory, except as may be otherwise provided under any Franchise Agreement which is then in effect between Franchisor and Developer.

(2) Franchisor's exercise of any of its remedies under this Section VII.D shall not constitute a waiver by Franchisor to exercise its option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

E. Effect on Franchise Agreements; Remedies Non-Exclusive.

(1) No default under this Agreement shall constitute a default under any Franchise Agreement unless the default is also a default under the terms of such Franchise Agreement.

(2) No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

F. Post-Termination Obligations. Upon the termination or expiration of this Agreement, Developer shall have no right to establish or operate any Studio for which a Franchise Agreement has not been executed by Franchisor and delivered to Developer at the time of termination or expiration (but may complete development of and/or operate Studios under then-existing Franchise Agreements), and Franchisor may develop, or authorize others to develop, BODYBAR Studios in the Development Area upon the expiration or termination of this Agreement:

(1) Developer and the Principals shall comply with the restrictions on confidential information contained in Section IX.A and the covenants against competition contained in Section IX.B. Any other person required to execute similar covenants pursuant to Section IX.F shall also comply with such covenants.

(2) Developer and its Principals shall promptly pay all sums owing to Franchisor and its subsidiaries or affiliates. Such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by

Developer, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Developer and on the premises operated under any Franchise Agreement at the time of default.

(3) Developer and the Principals shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees and costs, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section VII.F.

VIII. TRANSFER OF INTEREST

A. By Franchisor. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without Developer's consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all Franchisor's obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, Franchisor may sell its assets to a third party; may offer its securities privately or publicly; may merge with or acquire other corporations or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

B. By Developer and Principals. Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, and that Franchisor has granted such rights in reliance on the business skill, financial capacity and personal character of Developer and Developer's Principals. Subject to this provision, Developer may transfer a direct or indirect interest in this Agreement, but the Development Area and the associate development rights and obligations are a package and not divisible in any way. Any transfer requires Franchisor's prior written consent, which may be withheld at Franchisor's sole discretion. Franchisor may place any other conditions and restrictions which it deems reasonable on approval of the transfer. Any transfer approved by the Franchisor will require payment of a transfer fee equal to 50% of the Initial Fee for each Studio ("Transfer Fee").

C. Right of First Refusal. Franchisor has the right of first refusal for any proposed transfer. Developer must provide Franchisor with a copy of any agreement (and any amendment to the agreement) for the transfer and Franchisor shall have sixty (60) days after receipt to notify Developer if Franchisor is exercising its option to purchase the interest under the same terms and conditions as such agreement. The Transfer Fee is still required to be paid.

D. Death or Permanent Disability. Developer, or its representative, shall promptly notify Franchisor of any death or claim of permanent disability subject to this Section VIII.E. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section VIII.B., for any inter vivos transfer.

(1) Upon the death of or any Principal or the majority owner of any Principal holding at least twenty-five percent (25%) of the equity of Developer (the "Deceased"), the executor, administrator, or other personal representative of the Deceased shall transfer such interest to a third party approved by Franchisor within six (6) months after the date of death. If no personal

representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer such interest to a third party approved by Franchisor within six (6) months after the death of the Deceased.

(2) Upon the permanent disability of Principal or the majority owner of any Principal holding at least twenty-five percent (25%) of the equity of Developer, Franchisor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Section VIII. within six (6) months after notice to Developer. "Permanent disability" shall mean any physical, emotional, or mental injury, illness, or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section VIII.E. The costs of any examination required by this Section shall be paid by Franchisor.

E. No Waiver. Franchisor's consent to a transfer of any interest described herein shall not constitute a waiver of any claims which Franchisor may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

IX. COVENANTS

A. Confidentiality. Neither Developer nor any Principal shall, during the term of this Agreement and thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, limited liability company, corporation, or other entity or association and, following the termination or expiration of this Agreement, they shall not use for their own benefit, any Confidential Information, knowledge, or know-how which may be communicated to them or of which they may be apprised concerning the methods of conducting the business contemplated by this Agreement, including, without limitation, the methods of development and operation of the Studios and other information contained in the Manuals, the Franchise Agreements or otherwise disclosed. Developer and each of the Principals shall disclose such Confidential Information only to those employees of Developer who must have access to it in connection with their employment and Developer shall be liable for any unauthorized disclosure of Franchisor's Confidential Information. Neither Developer nor the Principals shall at any time, without Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce such Confidential Information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenant in this Section shall survive the expiration, termination, or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer and each of the Principals.

B. Noncompetition Covenants. Developer and the Principals specifically acknowledge that, pursuant to this Agreement, they will receive access to valuable training, trade secrets, and Confidential Information which are beyond their present skills and experience, including, without limitation, information regarding operational, sales, promotional, and marketing methods and techniques of the System. Developer and the Principals further acknowledge that such specialized training, trade secrets, and Confidential Information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. In consideration therefor, Developer and the Principals covenant as follows:

(1) With respect to Developer, during the term of this Agreement (or with respect to each of the Principals, for so long as such individual or entity satisfies the definition of "Principal" under this Agreement), except as otherwise approved in writing by Franchisor, neither Developer nor any of the Principals shall, either directly or indirectly, for themselves, through, on behalf of, or in conjunction with any person, persons, partnership, limited liability company, corporation, or other entity or association:

(a) Divert, or attempt to divert, any business or customer of the business described hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Studios operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist, or make loans to any fitness business which teaches Pilates and which is located within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor has used, sought registration of, or registered the Marks or similar marks, or operates or licenses others to operate a business under the Marks or similar marks.

(2) With respect to Developer, and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, or the transfer of all of Developer's interest in this Agreement (or with respect to each of the Principals, commencing upon the earlier of: (i) the expiration, termination, or transfer of all of Developer's interest in this Agreement; or (ii) the time such individual or entity ceases to satisfy the definition of "Principal" under this Agreement), and continuing for two (2) years thereafter, except as otherwise approved in writing by Franchisor, neither Developer nor any of the Principals shall, directly or indirectly, for themselves, through, on behalf of, or in conjunction with any person, persons, partnership, limited liability company, corporation, or other entity or association:

(a) Divert, or attempt to divert, any business or customer of the business described hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to BODYBAR Studios operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist, or make loans to any fitness business which teaches Pilates which business is, or is intended to be, located: (i) within the Development Area; or (ii) within a fifteen (15) mile radius of the location of any BODYBAR Studio then in existence or under construction.

C. Reasonable Restrictions. The parties acknowledge and agree that each of the covenants contained herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section IX. is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

D. Reduction of Scope of Covenant. Developer and the Principals acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section IX without their consent, effective immediately upon notice to Developer, and Developer and the Principals agree that they shall promptly comply with any covenant as so modified.

E. Enforcement. Developer and the Principals expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section IX.

F. Execution of Covenants. Developer shall require and obtain execution of covenants similar to those set forth in Section IX from all Principals not signing the Principals' Guaranty and Assumption Agreement and, if requested by Franchisor, other personnel of Developer who have received or will have access to Confidential Information or training from Franchisor. Such covenants shall be substantially in the form set forth in Attachment B. Notwithstanding the foregoing, Franchisor reserves the right, in its sole discretion, to decrease the scope of the noncompetition covenant set forth in Attachment B or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement under this Section IX.F.

G. Injunctive Relief. Developer and the Principals acknowledge that any failure to comply with the requirements of this Section shall constitute a material breach of this Agreement. Developer and the Principals acknowledge that a violation of this Section would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Developer and the Principals accordingly consent to the issuance of an injunction prohibiting any conduct by Developer or the Principals in violation of the terms of this Section, without the requirement that Franchisor post a bond. Developer and the Principals agree to pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining injunctive relief or any other remedy available to Franchisor for any violation of the requirements of this Section.

~~H. New Developments. If Developer, its employees, or Principals develop any new concept, process, method (including, but not limited to, methods or techniques related to the teaching or instructing of fitness classes or sessions) or improvement in the operation or promotion of the business contemplated by this Agreement or any Studio developed pursuant to this Agreement, Developer shall promptly notify Franchisor and provide Franchisor with all necessary related information, as determined by Franchisor in its sole discretion, without compensation. Any such concept, process, or improvement shall become Franchisor's sole property, and Franchisor shall be the sole owner of all patents, patent applications, and other intellectual property rights related thereto. Developer and its Principals hereby assign to Franchisor any rights they may have~~

~~or acquire therein, including the right to modify such concept, process, or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Developer and its Principals agree to assist Franchisor, or its Affiliates as directed in obtaining and enforcing the intellectual property rights to any such concept, process, or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. Developer and its Principals hereby irrevocably designate and appoint Franchisor and its affiliates as their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such concept, process, or improvement. In the event that the foregoing provisions of this Section IX.H are found to be invalid or otherwise unenforceable, Developer and its Principals hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process, or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe their rights therein.~~

~~I. Anti-Terrorist Activities. Developer certifies that neither Developer, its owners, employees, nor anyone associated with Developer is listed in the Annex to Executive Order 13224. (The Annex is available at http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html.) Developer agrees not to hire or have any dealings with a person listed in the Annex. Developer certifies that it has no knowledge or information that, if generally known, would result in Developer, its owners, employees, or anyone associated with Developer being listed in the Annex to Executive Order 13224. Developer agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Developer certifies, represents, and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Developer and its owners are not otherwise in violation of any of the Anti-Terrorism Laws. Developer is solely responsible for ascertaining what actions must be taken by Developer to comply with all such Anti-Terrorism Laws, and Developer specifically acknowledges and agrees that Developer's indemnification responsibilities as provided in Section XI. of this Agreement pertain to Developer's obligations under this Section IX.I. Any misrepresentation by Developer under this Section or any violation of the Anti-Terrorism Laws by Developer, its owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Developer has entered into with Franchisor or one of Franchisor's affiliates in accordance with the terms of Section VII.B.(6) and VII.F. of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA Patriot Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.~~

X. INDEPENDENT CONTRACTOR

A. Independent Contractor Relationship. Developer agrees that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and Franchisor owes Developer no duties except as expressly provided in this Agreement. Developer shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer, or servant of the other for any purpose. During the term of this Agreement, Developer shall hold itself out to the public as an independent contractor conducting its operations pursuant to the rights granted by Franchisor.

B. No Authority. Nothing in this Agreement authorizes Developer or any of the Principals to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and Franchisor shall in no event assume liability for or be deemed liable under this Agreement as a result of any such action, or for any act or omission of Developer or any of the Principals or any claim or judgment arising therefrom.

XI. INDEMNIFICATION

A. Indemnity. Developer and each of the Principals shall, at all times, defend, indemnify, and hold harmless to the fullest extent permitted by law Franchisor, its affiliates, successors, and assigns, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees of each of them ("Indemnitees") from all Losses and Expenses, defined below, incurred in connection with any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted), which arises out of or relates to this Agreement in any way or which arises out of or is based upon any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by Developer or any of the Principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties (except as such may occur with respect to any right to use the Marks, any copyrights, or other proprietary information granted to Developer under a Franchise Agreement);

(2) The violation, breach, or asserted violation or breach by Developer or any of the Principals of any federal, state, or local law, regulation, ruling, standard, or directive, or any industry standard;

(3) Libel, slander, or any other form of defamation of Franchisor, the System, or any developer or franchisee under the System, by Developer or by any of the Principals;

(4) The violation or breach by Developer or by any of the Principals of any warranty, representation, agreement, or obligation in this Agreement or in any Franchise Agreement or other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates; and

(5) Acts, errors, or omissions of Developer, any of Developer's affiliates, any of the Principals and the respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees of any of them in connection with the performance of the development activities contemplated under this Agreement or the establishment and operation of any Studio pursuant to a Franchise Agreement.

B. Defense of Claim. Developer and each of the Principals agree to give Franchisor immediate notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of Developer and each of the Principals, Franchisor may elect to assume (but under no circumstance is obligated to undertake) or appoint counsel of its own choosing with respect to the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry, or investigation. Such an undertaking by Franchisor shall, in no manner or form, diminish the obligation of Developer and each of the Principals to indemnify the Indemnitees and to hold them harmless.

C. Remedial Action. In order to protect persons or property or its reputation or goodwill, or the reputation or goodwill of others, Franchisor may, at any time and without notice, as it, in its judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry, or investigation if, in Franchisor's sole judgment, there are reasonable grounds to believe that:

(1) any of the acts or circumstances enumerated in Section XI.A.(1)-(4) above has occurred; or

(2) any act, error, or omission as described in Section XI.A.(5) may result directly or indirectly in damage, injury, or harm to any person or any property.

D. Losses and Expenses.

(1) All Losses and Expenses incurred under this Section XI shall be chargeable to and paid by Developer or any of the Principals pursuant to its obligations of indemnity under this Section, regardless of any action, activity, or defense undertaken by Franchisor or any other Indemnitees or the subsequent success or failure of such action, activity, or defense.

(2) As used in this Section XI, the phrase "Losses and Expenses" shall include, without limitation, all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees and costs, court costs, settlement amounts, judgments, compensation for damages to Indemnitees' reputation and goodwill, costs of or resulting from delays, financing costs, costs of advertising material, and media time/space and costs of changing, substituting, or replacing the same, any and all expenses of recall, refunds, compensation, and public notices and all other payments of money incurred in connection with the matters described in this Section XI.

E. Contributory Negligence. The Indemnitees do not assume any liability for acts, errors, or omissions of those with whom Developer or the Principals may contract, regardless of the purpose. Developer and Principals shall hold harmless and indemnify the Indemnitees as set forth herein, without limitation, and without regard to the cause or causes thereof, or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties arising in connection therewith.

F. No Duty to Mitigate; Survival of Obligations. Under no circumstances shall any

Indemnitee be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim under the indemnity and against Developer, and the failure of any Indemnitee to pursue such recovery or mitigate such loss will in no way reduce the amounts recoverable by such Indemnitees from Developer. Developer and Principals expressly agree that the terms of this Section XI shall survive the termination, expiration, or transfer of this Agreement or any interest herein.

XII. MISCELLANEOUS

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the addresses reflected on Schedule I, unless and until a different address has been designated by written notice to the other party. Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

B. Entire Agreement. This Agreement, the documents referred to herein, and the Attachments hereto constitute the entire, full, and complete agreement between Franchisor and Developer and the Principals concerning the subject matter hereof and shall supersede all prior related agreements. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

C. No Waiver. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Developer or Principals under this Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power against Developer or Principals, or as to a subsequent breach or default by Developer or Principals.

D. Approval or Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice, or suggestion given to Developer, and no neglect, delay, or denial of any request therefor shall constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Developer or any third party as a result thereof.

E. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, Developer shall continue to be obligated to pay to Franchisor any and all amounts that it shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event, and the Indemnitees shall continue to be indemnified and held harmless by Developer in accordance with Section XI. Except as provided in the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

F. Internal Dispute Resolution. Developer must first bring any claim or dispute between Franchisor and Developer or any of their respective affiliates to Franchisor's President, after providing notice as set forth in Section XII(A) above. Franchisor must respond to Developer's notice inquiry within ten (10) business days of receipt or otherwise it is deemed denied. Developer must exhaust this internal dispute resolution procedure before it may bring its dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

G. Mediation. Except for actions which Franchisor may bring in any court of competent jurisdiction, as described in Section XII.H, below, and any claim by Franchisor for recovery of amounts due under this Agreement, the parties agree to submit any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach thereof, to mediation prior to submitting such claim to arbitration or initiating litigation. The mediation shall be conducted by either an individual mediator or a mediator appointed by a mediation services organization or body experienced in the mediation of disputes concerning the franchise relationship as agreed upon by the parties and, failing such agreement within a reasonable period of time (not to exceed fifteen (15) days) after either party has notified the other of its desire to seek mediation, by the American Arbitration Association ("AAA") in accordance with its rules governing mediation. Mediation shall be held at Franchisor's principal place of business. The costs of the mediation shall be borne equally by the parties. If the parties are unable to resolve their dispute within ninety (90) days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may proceed with arbitration in accordance with Section XII.H, below.

H. Venue. The parties expressly agree to the exclusive jurisdiction and venue of any court of general jurisdiction in Fort Worth, Texas, and the jurisdiction and venue of the United States District Court for the Northern District of Texas. Franchisee acknowledges that this Agreement has been entered into in the State of Texas, and that Franchisee is receiving valuable and continuing services emanating from our headquarters in Texas, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Texas set forth above. The parties agree that all proceedings will be conducted on an individual, not a class-wide basis, and that any proceeding between Franchisee, Franchisee's guarantors, and Franchisor or Franchisor's affiliates or employees may not be consolidated with any other proceeding between us and any other party or entity.

I. Injunctive Relief. Notwithstanding the foregoing, Franchisor may bring an action for injunctive relief in any court having jurisdiction to enforce its trademark or proprietary rights, the covenants not to compete, or the restriction or disclosure of Confidential Information. For purposes of this provision, the parties, including the Principals, irrevocably submit themselves to the jurisdiction of the state and federal district courts located in the state, county, and judicial district in which the Franchisor's principal place of business is located. The parties, including the Principals, hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision and agree that service of process may be made upon any of them in any proceeding arising out of or relating to this Agreement, the breach of this Agreement, or the relationship created hereby by any means allowed by Texas or federal law.

J. Governing Law. This Agreement shall be governed by and interpreted and construed under Texas law (without regard for Texas conflict of law principles that would require the application of another jurisdiction's law).

K. MUTUAL ACKNOWLEDGMENTS. THE PARTIES ACKNOWLEDGE THAT THEIR AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF THEM WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH PARTY FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT. IN ADDITION, THE PARTIES ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN FORT WORTH, TEXAS, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF DEVELOPER ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER AND THE SATISFACTION OF CERTAIN TRAINING REQUIREMENTS OF FRANCHISOR, SHALL OCCUR IN FORT WORTH, TEXAS.

L. DAMAGES WAIVER. DEVELOPER AND THE PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS AFFILIATES, AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS, AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT, OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, DEVELOPER AND THE PRINCIPALS SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY THEM. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

M. BUSINESS JUDGMENT. DEVELOPER, PRINCIPALS, AND FRANCHISOR ACKNOWLEDGE THAT VARIOUS PROVISIONS OF THIS AGREEMENT SPECIFY CERTAIN MATTERS THAT ARE WITHIN THE DISCRETION OR JUDGMENT OF FRANCHISOR OR ARE OTHERWISE TO BE DETERMINED UNILATERALLY BY FRANCHISOR. IF THE EXERCISE OF FRANCHISOR'S DISCRETION OR JUDGMENT AS

TO ANY SUCH MATTER IS SUBSEQUENTLY CHALLENGED, THE PARTIES TO THIS AGREEMENT EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION OR JUDGMENT IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF SUCH DISCRETION OR JUDGMENT, WITHOUT REGARD TO WHETHER OTHER REASONS FOR ITS DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

N. WAIVER OF JURY TRIAL. BOTH PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER YOU OR US.

O. WAIVER OF CLASS ACTIONS. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES THE RIGHT TO LITIGATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY PARTY.

P. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

Q. Headings and Gender. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify, or in any other manner affect the scope, meaning, or intent of the provisions of this Agreement or any part thereof, nor shall such captions otherwise be given any legal effect. All references to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable. Without limiting the obligations individually undertaken by the Principals under this Agreement, all acknowledgments, promises, covenants, agreements, and obligations made or undertaken by Developer in this Agreement shall be deemed, jointly and severally, undertaken by all of the Principals.

R. Survival. Any obligation of Developer or Principals that contemplates performance of such obligation after termination or expiration of this Agreement, or the transfer of any interest of Developer or Principals therein, shall be deemed to survive such termination, expiration, or transfer. Without limitation of the foregoing, the provisions of Sections IX and Sections XII.F, G, and H are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

S. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term, and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term, or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms, or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms, or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term, or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

T. No Third-Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer, Franchisor, Franchisor's officers, directors, owners, members, agents, representatives, Affiliates, cooperatives and employees and such of Developer's, and Franchisor's respective successors and assigns as may be contemplated (and, as to Developer, authorized by Section VIII) any rights or remedies under or as a result of this Agreement.

U. Further Assurances. The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

V. Agreement Effective Upon Execution by Franchisor. This Agreement shall not become effective until signed by an authorized representative of Franchisor.

XIII. OMITTED

XIV. CERTAIN DEFINITIONS

A. An "Affiliate" of a named person is any person or entity that is controlled by, controlling, or under common control with such named person.

B. "Business Day" means any day other than Saturday, Sunday, or the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Juneteenth Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving, and Christmas.

C. "Confidential Information" means any confidential or proprietary information, knowledge, or know-how concerning the methods of establishing and operating the Studio and the related franchised business which may be communicated to Developer or any of the Principals or of which they may be apprised under this Agreement. Any and all information, knowledge, know-how, techniques, trade secrets, customer and member information, financial information, marketing methods, business methods and any materials used in or related to the System which Franchisor provides to Developer in connection with this Agreement shall be deemed confidential for the purposes of this Agreement.

D. "Development Area" means the area identified on Schedule I.

E. "Development Period(s)" means the discrete periods set forth in the Development Schedule within which Developer must establish and have in operation the designated number of Studios.

F. "Development Schedule" means, collectively, the Development Schedule and the Projected Opening Date Schedule reflected on Schedule I.

G. "Force Majeure" means acts of God, strikes, lockouts, or other industrial disturbances, war, terrorism, riot, epidemic, pandemic, governmental shutdown, fire, or other catastrophe or other similar forces beyond Developer's control.

H. "Franchise Agreement" means the Initial Franchise Agreement and all other Franchise Agreements for BODYBAR Studios executed pursuant to this Agreement.

I. "Principals" shall include, collectively and individually, Developer's spouse, all officers and directors of Developer (including the officers and directors of any general partner of Developer) whom Franchisor designates as Developer's Principals, and all holders of an ownership interest in Developer and of any entity directly or indirectly controlling Developer.

J. "Projected Opening Date" means the date by which a Studio is to be open for business, which shall be no later than the date reflected in the Development Schedule.

K. "Taxes" means any present or future taxes, levies, imposts, duties, or other charges, of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by Franchisor's net income.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:	**DEVELOPER:**
By: ______________________	**By:** ______________________
Name:	Name:
Title:	Title:

SCHEDULE I

Effective Date: ______________________________

Developer: ______________________________

Type of Entity:

☐ General Partnership
☐ Corporation
☐ LLC
☐ Limited Partnership

Address for Notices: ______________________________

Telephone: ______________________________
Email: ______________________________

Developer's Principals: The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in Developer, and a description of the nature of their interest:

Name	% Ownership in Developer	Nature of Interest

Development Area: ____________________________________

Development Schedule

Development Period	Expiration Date of Development Period	Cumulative Total Number of Studios Located in the Development Area Which Developer Shall Have Open and in Operation

Projected Opening Dates

Studio	Projected Opening Date	Execution Date
1		
2		
3		
4		
5		
6		

Development Fee: $ ________________________________

By signing below, each of the parties attests to the accuracy of the information contained in these Summary Pages and agrees to and intends to be legally bound by the terms and provisions of the BODYBAR Franchising, LLC Development Agreement, effective on the Effective Date set forth above.

FRANCHISOR:

By:_________________________________

Name:_______________________________

Title:________________________________

DEVELOPER:

By:_________________________________

Name:_______________________________

Title: _______________________________

ATTACHMENT A
PRINCIPALS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty must be signed by the owners and spouses of such owners (referred to as "**you**" or "**your**" for purposes of this Guaranty only) of________________(the "**Business Entity**") under the Development Agreement dated____________, 20_ (the "**Development Agreement**" and each and every agreement signed by Business Entity and us or any affiliate of ours, including the Development Agreement and each Franchise Agreement the "**Development Agreements**") with **BODYBAR Franchising, LLC** ("**us**," or "**our**" or "**we**"). Terms not defined herein shall have the meaning set forth in the Development Agreement.

1. **Scope of Guaranty.** In consideration of and as an inducement to our signing and delivering the Development Agreements, each of you signing this Guaranty personally and unconditionally: (a) guarantee to us and our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Development Agreements; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Development Agreements.

2. **Waivers**. Each of you waive: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

3. **Consents and Agreements**. Each of you consent and agree that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Development Agreements upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Development Agreements and, for obligations surviving the termination or expiration of the Development Agreements, after their termination or expiration.

4. **Enforcement Costs**. If we are required to enforce this Guaranty in any judicial proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', mediators', arbitrators and expert witness fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. **Effectiveness**. Your obligations under this Guaranty are effective on and from the Franchise Agreement Effective Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Development Agreements.

6. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of Texas, which laws shall prevail in the event of any conflict of law.

7. **Internal Dispute Resolution**. You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Guaranty to our President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Guaranty.

8. **Dispute Resolution.** At our option, all claims or disputes between you and us arising out of, or in any way relating to, this Guaranty or the Franchise Agreement or any other agreement by and between you and us, or any of the parties' respective rights and obligations arising from such agreements must be submitted first to mediation and then litigation as set forth in the Development Agreements. This agreement to mediate and litigate shall survive the termination or expiration of this Guaranty.

9. **Third Party Beneficiaries.** Our officers, directors, owners, members, agents, representatives, affiliates, the Cooperative and/or employees are express third party beneficiaries of the Development Agreements and this Guaranty, and the mediation and arbitration provisions incorporated by reference herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.

10. **Injunctive Relief**. Nothing contained in this Guaranty shall prevent us from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interest prior to the filing of any mediation proceeding or pending the arbitration or handing down of a decision or award pursuant to any mediation or arbitration conducted hereunder.

11. **Jurisdiction and Venue.** With respect to any proceeding not subject to mediation or arbitration, the parties expressly agree to submit to the jurisdiction and venue of any court of general jurisdiction in Fort Worth, Texas and the jurisdiction and venue of the United States District Court for the District located in or closest to Fort Worth, Texas.

12. **Jury Trial Waiver**. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR

EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE DEVELOPMENT AGREEMENTS, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OF THE FRANCHISE.

13. **Waiver of Punitive Damages.** You waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages, and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable, for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

14. **Waiver of Class Actions.** Each of the parties hereby irrevocably waives the right to litigate on a class action basis, in any action, proceeding, or counterclaim, whether at law or in equity, brought by any party.

15. **Limitation on Action.** You agree that no cause of action arising out of or under this Guaranty or any of the Development Agreements may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

16. **Counterparts**. This Guaranty may be executed in counterparts, and by facsimile or electronic signature, each of which shall be considered to be an original instrument but all of which, taken together, shall constitute one and the same document.

[Signature Page to Follow]

Each of you now sign and deliver this Guaranty effective as of the date of the Development Agreement regardless of the actual date of signature.

PERCENTAGE OF OWNERSHIP INTEREST IN BUSINESS ENTITY	**GUARANTORS**	
PERCENTAGE:_______________%	NAME:	______________________________
	SIGNATURE:	______________________________
	DATE:	______________________________
PERCENTAGE:_______________%	NAME:	______________________________
	SIGNATURE:	______________________________
	DATE:	______________________________
	SPOUSES	
	NAME:	______________________________
	SIGNATURE:	______________________________
	DATE:	______________________________
	NAME:	______________________________
	SIGNATURE:	______________________________
	DATE:	______________________________

ATTACHMENT B
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

I,__________________________agree that during my association with__________(“Developer”) and BODYBAR Franchising, LLC and its affiliates (collectively referred to as “BODYBAR”) and for two (2) years immediately thereafter, I will not (whether as owner, partner, associate, agent, consultant, employee, independent contractor, member, stockholder, officer or otherwise of another or on my own account):

(a) Divert, solicit, interfere with, misappropriate, take away or attempt to divert or take away any source of business or revenue or any customer, referral source, broker, insurer, supplier, trade or patronage with whom Developer, BODYBAR, any affiliate of BODYBAR or any other franchisee or developer does business or whom I know Developer, BODYBAR, any affiliate of BODYBAR or any other developer or franchisee has contacted or solicited for business relationships; or

(b) Within the Non-Compete Area (defined below), participate in the development of, or engage in, or market, sell, distribute, render, provide, perform or sell (including through licensing or franchising) products, goods, or services the same or similar to the products, goods, or services offered by the Developer or BODYBAR, or contribute my knowledge or have any financial interest in any work or activity that relates to or involves or is in any way engaged in the operation, licensing, franchising or consulting, developing, marketing, organizing, providing, promoting, coordinating, selling, instructing, teaching, coaching, training or providing lessons related to Pilates fitness services; or

(c) Perform or contribute to any other act injurious or prejudicial to the goodwill associated with BODYBAR or its trademarks, trade names or other intellectual property.

In addition to the above, I agree to at all times during and after this Agreement, treat as confidential all manuals and materials designated for use by BODYBAR with the BODYBAR business (including without limitation the Operations Manual), and such other information as BODYBAR or the Developer may designate from time to time for confidential use with the BODYBAR business (as well as all trade secrets and confidential information, knowledge and know-how concerning the operation of the Franchise that may be imparted to, or acquired by, me from time to time in connection with my relationship with BODYBAR and the Developer), and shall use all reasonable efforts to keep such information confidential and shall not use the confidential information for any other purpose other than in connection with the operation of the Franchise. I acknowledge that the unauthorized use or disclosure of such confidential information (and trade secrets, if any) will cause incalculable and irreparable injury to BODYBAR and the Developer. I accordingly agree that I shall not, at any time, without BODYBAR’ and the Developer’s prior written consent, disclose, use or permit the use (except as may be required by applicable law or authorized by this Agreement) of such information, in whole or part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not generally known about BODYBAR Standards and such other information or material as BODYBAR or the Developer may designate as confidential, shall be deemed confidential for purposes of this Agreement.

The “Non-Compete Area” means: (I) in Developer’s Development Area as set forth under the Development Agreement and within fifteen (15) miles of such Development Area, (2) within fifteen (15) miles of any BODYBAR franchisee territory or other business which is franchised, owned, operated or managed by BODYBAR, (3) business conducted via the Internet or other form of e-commerce, wherever located; or (4) within Fifteen (15) miles of any territory in existence or under development during the term of the Development Agreement between BODYBAR and Developer.

Because of my significant responsibilities and access to proprietary information of the BODYBAR and the Developer, I acknowledge that each of my obligations in this Agreement are reasonable and necessary to protect the Developer’s, BODYBAR’ and its developers’ and franchisees’ legitimate business interests. I understand that breaking any of my promises or obligations will irreparably and continually damage Developer, BODYBAR, and BODYBAR developers and franchisees for which money damages may not be adequate.

Consequently, if I violate any of my promises in this Agreement, or BODYBAR and/or Developer has reason to believe that I am about to violate this Agreement, without limitation to other available remedies, BODYBAR and Developer will be entitled to both: (1) a preliminary or permanent injunction to prevent the continuing harm to BODYBAR (and/or any of its franchisees or developers) and/or Developer, and (2) money damages insofar as they can be determined. An injunction ordering me to stop any activities that may violate this Agreement will not prevent me from earning a living. I will pay BODYBAR and/or Developer its costs and expenses resulting from any enforcement of this Agreement resulting from my violation of the terms hereof, including reasonable attorney fees.

If any court determines that any of the covenants set forth in this Agreement, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable.

This Agreement may be executed in counterparts, and by facsimile or electronic signature, each of which shall be considered to be an original instrument but all of which, taken together, shall constitute one and the same document.

Name:______________________________ Date:____________
Title:_______________________________

AGREED AND ACKNOWLEDGED:

BODYBAR FRANCHISING, LLC

Name:______________________________ Date:____________
Title:_______________________________

ATTACHMENT C
FRANCHISE AGREEMENT

OMITTED

EXHIBIT D
LIST OF FRANCHISEES
As of ~~March 1~~December 31, 2025

Open Franchised Locations

~~Center Name~~State	~~Street~~ Address	~~City~~Contact Details	~~State~~ Owner	~~Zip / Postal Code~~	~~Entity Name~~	~~Entity Individual Owners~~	~~Studio email~~	~~Studio Phone~~
~~Cahaba Heights~~Alabama	BODYBAR- Cahaba Heights 4317 Dolly Ridge Road, Suite 117 Vestavia Hills Cahaba Heights, Alabama 35243	~~Cahaba Heights~~Business: (205) 538-5563 eMail: cahabaheights@bodybarpilates.com	~~Alabama~~ Brian Hubbard~~,~~ (I), Katie Hubbard~~,~~ (I), Kayla Jackson (I), BK2 (E)	~~35243~~	~~BK2~~		~~cahabaheights@bodybarpilates.com~~	~~205-538-5563~~
	BODYBAR - Knox Square 5856 Elsie Road Hoover - Knox Square, Alabama 35244	~~5856 Elsie Road~~Business: (205) 417-4232 eMail: knoxsquare@bodybarpilates.com	~~Hoover~~ ~~Alabama~~ Brian Hubbard~~,~~ (I), Katie Hubbard~~,~~ (I), Kayla Jackson (I), BK2 (E)	~~35244~~	~~BK2~~		~~KnoxSquare@bodybarpilates.com~~	~~205-417-4232~~
~~Tuscaloosa~~	~~2312 Gary Fitts St.~~ BODYBAR - Tuscaloosa 2312 Gary Fitts St. Tuscaloosa, Alabama 35401	~~Alabama~~Business: (205) 878-3058 eMail: tuscaloosa@bodybarpilates.com	Brian Hubbard~~,~~ (I), Katie Hubbard~~,~~ (I), Kayla Jackson (I), BK2 (E)	~~35401~~	~~BK2~~		~~Tuscaloosa@bodybarpilates.com~~	~~205-878-3058~~
Arizona~~Scottsdale Ranch AZ~~	BODY BAR- Scottsdale Ranch 10135 E. Via Linda, Suite C111 Scottsdale, Arizona 85258 ~~Scottsdale~~	~~Arizona~~ Business: (480) 870-8868 eMail: scottsdaleranch@bodybarpilates.com	~~480-870-8868~~Shannon Decator (I), Taylor Eldredge (I), GSPL STUDIOS LLC (E)	~~85258~~	~~GSPL STUDIOS LLC~~	~~Shannon Gartin, Taylor Eldredge~~		

	BODYBAR - Chandler 2490 S. Gilbert Rd. Suite 100 Chandler, Arizona 85286	Business: (480) 433-8543 eMail: chandler@bodybarpilates.com	Lindsey Pyles (I), AZ Fitness LLC (E)
~~Dublin~~ ~~3910 Fallon Rd~~ ~~Dublin~~ California	~~94568~~BODYBAR- Dublin 3910 Fallon Rd Dublin, California 94568	Business: (415) 432-9019 eMail: dublin@bodybarpilates.com	Shawn Cousins (I), SGC Project One, INC (E) ~~Shawn Cousins~~ ~~Dublin@bodybarpilates.com~~ ~~415-432-9019~~
~~Parkway~~	BODYBAR- Parkway 25085 Blue Ravine Road Suite 120 FOLSOM, California 95630	~~Folsom~~Business: (916) 294-7815 eMail: parkway@bodybarpilates.com ~~California~~ ~~95630~~ ~~Inner Peaks LLC~~	Jessica Stroud (I), John Stroud (I), Joshua Stroud (I), Inner Peaks LLC (E) ~~parkway@bodybarpilates.com~~ ~~916-294-7815~~
~~Pleasant Hill CA~~	BODY BAR- Pleasant Hill Pleasant Hill Plaza 1918 Contra Costa Blvd. Pleasant Hill, California 94523 ~~Pleasant Hill~~ ~~California~~ ~~94523~~ ~~Sunrock Fitness~~ ~~Melissa Hahn~~	Business: (925) 600-2001 eMail: pleasanthill@bodybarpilates.com	~~925-600-2001~~Melissa Hahn (I), Sunrock Fitness LLC (E)
~~Elk Grove CA~~	BODY BAR- Elk Grove 8547 Elk Grove Blvd Elk Grove, California 95624 ~~Elk Grove~~ ~~California~~ ~~95624~~ ~~KLN FITNESS LLC~~ ~~Nick Maltbie~~	~~ElkGrove~~Business: (916) 627-1803 eMail: elkgrove@bodybarpilates.com	~~916-627-1803~~Kimberly Maltbie (I), Lindsey Williams (I), Nathanael Williams (I), Nicholas Maltbie (I), KLN FITNESS LLC (E)
	BODYBAR - La Jolla-UTC 3979 Governor Drive San Diego, California 92122	Business: (619) 326-9500 eMail: lajolla-utc@bodybarpilates.com	Diane Marie Perez-Sandor (I), Franklin Libenson-Violante (I), WELLSPHERE GROUP, INC (E)
~~La Costa~~	BODYBAR- La Costa 3247 Camino De Los Coches Suite 210 Carlsbad, CA 92009 Carlsbad, California 92009	~~Carlsbad~~Business: (760) 402-5771 eMail: lacosta@bodybarpilates.com ~~California~~ ~~92009~~ ~~Tourmaline Fitness LLC~~	Christian ~~&~~Pena (I), Madeline Pena (I), Tourmaline Fitness LLC (E) ~~lacosta@bodybarpilates.com~~ ~~760-402-5771~~

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	BODYBAR - Huntington Beach 7656 Edinger Ave Huntington Beach, California 92647		Business: (714) 845-9550 eMail:huntingtonbeach@bodybarpilates.com	Suzana (Suzy) Morales (I), SCL Fitness, Inc. (E)	
~~LAKEWOOD RANCH~~Florida	BODYBAR- Lakewood Ranch 7600 Island Cove Terrace Suite 102 Lakewood Ranch (Sarasota), Florida 34240	~~Florida~~ ~~34240~~ ~~Coco Isle LLC~~	~~Lakewood Ranch~~Business: (941) 375-9042 eMail: lakewoodranch@bodybarpilates.com	Kristin Ward~~,~~ (I), Shane Ward (I), Coco Isle LLC (E)	~~lakewoodranch@bodybarpilates.com~~ ~~941-375-9042~~
	BODYBAR-Downtown Sarasota ~~62 S. Lemon Ave.~~ Sarasota, Florida 34236	~~Sarasota~~ ~~Florida~~ ~~34236~~ ~~Coco Isle LLC~~	~~62 S.~~ Business: (941) 236-2576 eMail: sarasota@bodybarpilates.com ~~Lemon Ave.~~	Kristin Ward~~,~~ (I), Shane Ward (I), Coco Isle LLC (E)	~~Sarasota@bodybarpilates.com~~ ~~941-236-2576~~
~~OSPREY~~	BODY BAR- Osprey 1258 South Tamiami Trail Osprey, Florida 34229	~~Osprey~~ ~~Florida~~ ~~34229~~ ~~Radar Collab LLC~~ ~~Kristin Ward, Shane Ward~~	~~Osprey~~Business: (941) 966-6692 eMail: osprey@bodybarpilates.com	~~941-996-6692~~Kristin Ward (I), Radar Collab LLC (E)	
~~Downtown Tampa~~	BODY BAR- Downtown Tampa 1171 E Kennedy Blvd. Suite 11 Tampa, Florida 33602	~~Tampa~~ ~~Florida~~ ~~33602~~ ~~CHAVES LLC~~ ~~Sarah Chaves~~	Business: (813) 798-5771 eMail:downtowntampa@bodybarpilates.com	~~813-798-5771~~(I) Sarah Chaves (I), Charles Chaves (I), Lucy Chaves (I), CHAVES LLC (E)	
~~Venice~~ ~~4135 S. Tamiami Trail~~ ~~Venice~~	~~Florida~~BODYBAR - Riverview 10437 Gibsonton Dr Riverview, Florida 33578	~~34293~~ ~~Gagliardi-Wilson LLC~~ ~~Kristina Gagliardi-Wilson, Kristina Gagliardi-Wilson~~	~~Venice~~Business: (813) 345-4742 eMail: sarah.chaves@bodybarpilates.com	~~941-493-2990~~(I) Sarah Chaves (I), CHAVES LLC (E)	

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~~North Naples~~	BODY BAR- North Naples 7211 Vanderbilt Beach Rd. Ste. #15 Naples North Naples , Florida 34119 ~~North Naples~~ ~~Florida~~ ~~34119~~ ~~COAST PILATES LLC~~ ~~Suzanne Lince~~	Business: (239) 990-7284 eMail: northnaples@bodybarpilates.com	~~239-990-7284~~Kristin Ward (I), Shane Ward (I), Suzanne Lince (I), COAST PILATES LLC (E)
	BODYBAR - Estero 10021 Estero Town Commons Place, Suite 102B Estero, Florida 33928	Business: (239) 492-2665 eMail: estero@bodybarpilates.com	Kristin Ward (I), Shane Ward (I), Suzanne Lince (I), COAST PILATES LLC (E)
~~Orlando SODO~~	BODYBAR- Orlando SODO 2875 S Orange Ave Ste 540 Orlando, Florida 32806	~~Orlando~~Business: (407) 545-4710 eMail: orlandosodo@bodybarpilates.com ~~Florida~~ ~~32806~~	Kimberly Dias (I), Rock more Management, LLC (E) ~~Kimberly Dias~~ ~~orlando@bodybarpilates.com~~ ~~407-545-4710~~
~~Heritage Harbour~~	BODYBAR - Heritage Harbour 8540 Heritage Green Way Bradenton, Florida 34212	~~Bradenton~~Business: (941) 334-2999 eMail: heritageharbour@bodybarpilates.com ~~Florida~~ ~~34212~~ ~~BE THE CHANGE, Lakewood Ranch LLC~~	Chris Monoki (I), Laura Salata~~,~~ (I), Melissa Monoki (I), Ronald Salata (I), BE THE CHANGE, Lakewood Ranch LLC (E) ~~HeritageHarbour@bodybarpilates.com~~ ~~941-334-2999~~
	BODYBAR- Venice 4135 S Tamiami Trail VENICE, Florida 34293	Business: (941) 493-2990 eMail: venice@bodybarpilates.com	Chris Monoki (I), Laura Salata (I), Melissa Monoki (I), Ronald Salata (I), BE THE CHANGE - VENICE, INC. (E)
~~Odessa~~	BODYBAR- Odessa 16216 State Road 54 Unit #E800 Odessa, Florida 33556	~~Odessa~~Business: (813) 557-4294 eMail: odessa@bodybarpilates.com ~~Florida~~ ~~33556~~ ~~FIT WELL LLC~~	Jennifer Waxler~~,~~ (I), Scott Waxler (I), FIT WELL LLC (E) ~~odessa@bodybarpilates.com~~ ~~813-557-4294~~
~~Center Name~~	~~Street Address~~BODYBAR - Mandarin 10601 San Jose Boulevard Suite 101 Jacksonville, Florida 32257	~~City~~Business: (904) 902-9094 eMail: mandarin@bodybarpilates.com	~~State~~Logan Ri ~~Zip / Postal Code~~ ~~Entity Name~~ ~~Entity / Individu~~ ~~Studio email~~ ~~Studio~~

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			dley (I), Stephanie Ridley (I), Ridley Fitness Jacksonville, LLC (E) ~~al Owners~~ ~~Phone~~
	BODYBAR - Belleair Bluffs 2973 West Bay Drive Belleair Bluffs, Florida 33770	Business: (727) 603-1075 eMail: belleairbluffs@bodybarpilates.com	Diana Ritzler (I), Rick Scott (I), Pilates by Diana, LLC (E)
Georgia	BODYBAR- Alpharetta ~~GA~~ 210 S Main St Alpharetta, Georgia 30009 ~~210 S Main St~~ ~~Alpharetta~~ ~~Georgia~~ ~~30009~~ ~~Part Three LLC~~ ~~Shannon Renegar~~	Business: (678) 336-0284 eMail: Alpharetta@bodybarpilates.com	~~678-336-0284~~Shannon Renegar (I), Part Three LLC (E)
~~Roswell~~	BODYBAR- Roswell 1570 Holcomb Bridge Road, Ste. 200 Roswell, Georgia 30076 ~~Roswell~~ ~~Georgia~~ ~~30076~~ ~~Part Three LLC~~ ~~Shannon Renegar~~	Business: (678) 336-2377 eMail: roswell@bodybarpilates.com	~~678-336-2377~~Shannon Renegar (I), Part Three LLC (E)
~~East Cobb~~	BODYBAR- East Cobb 3460 Sandy Plains Road East Cobb, Georgia 30066	~~East Cobb~~Business: (360) 607-4677 eMail: joe.stockman@bodybarpilates.com	~~Georgia~~ ~~30066~~ Joe Stockman (I), Level 5 Ventures LLC (E) ~~Joe Stockman~~ ~~EastCobb@bodybarpilates.com~~ ~~678-941-43~~

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		BODYBAR - Vinings 2355 Cumberland Parkway SE, Suite 40 Atlanta, Georgia 30339	Business: (404) 822-1107 eMail: vinings@bodybarpilates.com					Joe Stockman (I), HIgher Level Venture LLC (E)			
		BODYBAR - The Avenue West Cobb 3625 Dallas Hwy Ste 725 Marietta, Georgia 30064	Business: (770) 573-4005 eMail: westcobb@bodybarpilates.com					Carrie Campbell (I), Embrace the Shake Pilates, LLC (E)			
~~Eagle, ID~~Idaho		BODYBAR- Eagle 57 N Echohawk Ln Suite 103 Eagle, Idaho 83616	~~Eagle~~Business: (208) 939-7900 eMail: eagle@bodybarpilates.com		~~Idaho~~	~~83616~~	~~Janiroc Fitness LLC~~	Nikki Carlton~~,~~ (I), Robert Carlton (I), Janiroc Fitness LLC (E)		~~eagle@bodybarpilates.com~~	~~208-939-7900~~
~~Barber Valley~~		BODYBAR- Barber Valley 3176 E. Barber Valley Dr., Suite B Boise, Idaho 83706	~~Boise~~Business: (208) 757-4321 eMail: barbervalley@bodybarpilates.com		~~Idaho~~	~~83706~~	~~Janiroc Fitness LLC~~	Nikki Carlton~~,~~ (I), Robert Carlton (I), Janiroc Fitness LLC (E)		~~barbervalley@bodybarpilates.com~~	~~208-757-4321~~
Illinois~~Wicker Park~~		BODYBAR- Wicker Park 1474 N. Milwaukee Avenue Chicago, Illinois 60622 Chicago - Wicker Park, Illinois	~~Chicago~~Business: (312) 668-7722 eMail: shannon.handy@bodybarpilates.com		~~Illinois~~	~~60622~~		Luke Dreiling (I), Shannon Handy (I), The Body Collective (E)	~~Shannon Handy~~	~~WickerPark@bodybarpilates.com~~	~~312-668-7722~~
		BODYBAR- Fulton Market 1035 W. Lake Street, Suite 100A Chicago - Fulton Market, Illinois 60607	~~1035 W. Lake Street, Suite 100A~~Business: (312) 668-7722 eMail: shannon.handy@bodybarpilates.com	~~Chicago~~	~~Illinois~~	~~60607~~		Luke Dreiling (I), Shannon Handy (I), The Body Collective (E)	~~Shannon Handy~~	~~fultonmarket@bodybarpilates.com~~	~~312-668-7722~~
~~Evanston~~	~~710 Church St.~~	BODYBAR- Evanston 710 Church St. Evanston, Illinois 60201	Business: (312) 668-7722 eMail: evanston@bodybarpilates.com~~Illinois~~			~~60201~~		Luke Dreiling (I), Shannon Handy (I), The Body Collec	~~Shannon Handy~~	~~Evanston@bodybarpilates.com~~	~~312-668-77~~

								tive (E) ~~2 2~~
~~Oak Park~~	BODY BAR - Oak Park 106 N. Maple Avenue Oak Park, Illinois 60301	~~Oak Park~~	~~Illinois~~	~~60301~~	~~Zoeina, LLC~~	~~Amanda Jones~~	~~OakPark~~Business: (708) 575-7849 eMail: oakpark@bodybarpilates.com	~~708-575-7849~~Amanda Jones (I), Zoeina, LLC (E)
Iowa	BODYBAR - Ankeny 1630 South Ankeny Blvd Suite 116 Ankeny, Iowa 50023						Business: (515) 313-0107 eMail: ankeny@bodybarpilates.com	Cassandra Da'luz Vieira (I), Kalene Hoffmann (I), Powerhouz LLC (E)
~~East Wichita~~Kansas	BODY BAR- East Wichita 9747 E 21st Street, Ste. 107 Wichita, Kansas 67206	~~Wichita~~	~~Kansas~~	~~67206~~	~~KMH Investments~~	~~Kalene Hoffmann~~	~~eastwichita~~Business: (316) 494-0413 eMail: kalene.hoffmann@bodybarpilates.com	~~316-494-0413~~Kalene Hoffmann (I), KMH Investments (E)
	BODY BAR- South Overland Park 13340 Metcalf Avenue Overland Park, Kansas 66213	~~13340 Metcalf Avenue~~ ~~Overland Park~~	~~Kansas~~	~~66213~~	~~VS Holdings, LLC~~	~~Pamela Suarez~~	~~SouthOverlandPark~~Business: (913) 907-0904 eMail: southoverlandpark@bodybarpilates.com	~~913-907-0904~~Antonio Velez Suberbie (I), Pamela Suarez Ugalde (I), VS Holdings, LLC (E)
~~Lenexa~~	BODY BAR- Lenexa 12825 W 87th St Parkway, Lenexa KS 66215 Lenexa, Kansas	~~Lenexa~~	~~Kansas~~	~~66215~~	~~VS Holdings, LLC~~	~~Pamela Suarez~~	Business: (913) 302-5950 eMail: lenexa@bodybarpilates.com	~~913-302-5950~~Antonio Velez Suberbie (I), Pamela Suarez Ugalde (I), VS Holdings, LLC (E)
~~West Wichita~~	BODY BAR- West Wichita	~~Wichita~~	~~Kansas~~	~~67205~~	~~BNC HOLDING~~	~~Roger & Bridgett~~	Business: (316) 396-0070 eMail: westwichita@bodybarpilates.com	~~316-396-0070~~Bridgett Combes (I), BNC HOLDINGS LLC (E)

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	3807 N Maize Rd. Suite 120 Wichita, Kansas 67205 ~~S LLC~~ ~~Combes~~		
	BODYBAR - Derby 2901 N Rock Rd. Suite 900 Derby, Kansas 67037	Business: (316) 246-1008 eMail: derby@bodybarpilates.com	Bridgett Combes (I), BNC HOLDINGS LLC (E)
	BODYBAR - Auburn Hills 13303 W Maple Ave Suite 131 Goddard, Kansas 67235	Business: (316) 494-6347 eMail: auburnhills@bodybarpilates.com	Cassandra Da'luz Vieira (I), Kalene Hoffmann (I), Powerhouz LLC (E)
~~Cascade, MI~~Michigan	BODYBAR- Cascade 6447 28th St SE Grand Rapids, Michigan 49546	~~Grand Rapids~~Business: (616) 213-3988 eMail: cascade@bodybarpilates.com ~~Michigan~~ ~~49546~~ ~~Lynzara Company~~	Lyndsay Kalcec~~,~~ (I), Sara Vilcans (I), The Lynzara Company (E) ~~cascade@bodybarpilates.com~~ ~~616-213-3988~~
Missouri~~DOWNTOWN KC~~	BODY BAR- Downtown KC 3660 Broadway Kansas City, Missouri 66044 ~~Kansas City~~ ~~Missouri~~ ~~66044~~ ~~Peaches, LLC~~ ~~Cassie DaLuz Vieria & Kalene Hoffmann~~	~~downtownKC~~Business: (816) 355-4774 eMail: downtownkc@bodybarpilates.com	~~816-355-4774~~Cassandra Da'luz Vieira (I), Kalene Hoffmann (I), Peaches, LLC (E)
~~Washington Township~~ New Jersey	~~261 Hurffville-Cross Keys Road~~ BODYBAR- Washington Township 261 Hurffville-Cross Keys Road Washington Township, New Jersey 08080 ~~New Jersey~~ ~~8080~~ ~~JC Ozzy Enterprises~~ ~~Jaclyn Bates~~	Business: (609) 775-9962 eMail: washingtontownship@bodybarpilates.com	~~605-775-9962~~Jaclyn Bates (I), Nicholas Bates (I), JC Ozzy Enterprises LLC (E)
New York	BODYBAR - Melville 925 Walt Whitman Rd Melville, New York 11747	Business: (516) 865-0722 eMail: melville@bodybarpilates.com	Maude Schwartz (I), Victor Schwartz (I), Balance & Flow Pilates, INC (E)
North Carolina	BODYBAR - Charlotte-Stonecrest 7808 Rea Road Suite C Charlotte, North Carolina 28277	Business: (704) 243-8462 eMail: charlottestonecrest@bodybarpilates.com	Douglas Downing (I), Joy Downing (I), Downing Holdings LLC (E)
Ohio	BODYBAR - Centerville 5268 Cornerstone North Boulevard 45440 Centerville, Ohio	Business: (937) 388-9922 eMail: centerville@bodybarpilates.com	Steffeny Hanley (I), SCOPE Pilates, LLC (E)

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South Carolina	BODYBAR- Greenville ~~SC~~ 320 Falls St. Suite E Greenville, South Carolina 29601	~~320 Falls St.~~Business: (864) 887-8526 eMail: greenville@bodybarpilates.com	~~Greenville~~	~~South Carolina~~	~~29601~~		Carly Volwiler (I), Volwiler Holdings LLC (E)	~~Carly Volwiler~~	~~greenville@bodybarpilates.com~~	~~864-887-8526~~
~~WEST 7TH FT WORTH~~Texas	BODYBAR- West 7TH Ft Worth 3236 West 7th St, Suite A Fort Worth - West 7th, Texas 76107	~~Fort Worth~~Business: (817) 862-9550 eMail: Fortworth@bodybarpilates.com		~~Texas~~	~~76107~~	~~Speak Light, LLC~~	Kamille McCollum~~,~~ (I), Matt McCollum (I), Speak Light, LLC (E)		~~fortworth@bodybarpilates.com~~	~~817-862-9550~~
~~TANGLEWOOD~~	BODYBAR- Tanglewood 3000 South Hulen Street Fort Worth - Tanglewood, Texas 76109	~~Fort Worth~~Business: (817) 862-9550 eMail: Tanglewood@bodybarpilates.com		~~Texas~~	~~76109~~	~~Speak Light, LLC~~	Kamille McCollum~~,~~ (I), Matt McCollum (I), Speak Light, LLC (E)		~~Tanglewood@bodybarpilates.com~~	~~817-862-9550~~
	BODYBAR- Plano 1900 Preston Road, Plano, Texas 75093	Business: (972) 867-6333 eMail: Plano@bodybarpilates.com					Kamille McCollum (I), Matt McCollum (I), Speak Light, LLC (E)			
	BODYBAR- Keller 1400 Keller Pkwy Keller, Texas 76248	Business: (817) 994-2666 eMail: Keller@bodybarpilates.com					Cory White (I), Nicole White (I), PHXBAR INC (E)			
	BODYBAR - Southlake 1201 E State Hwy 114 #160, 76092 Southlake, Texas 76092	Business: (817) 646-3810 eMail: southlake@bodybarpilates.com					Cory White (I), Nicole White (I), PHXBAR 2, LLC (E)			
	BODYBAR- Frisco 7932 Preston Road Frisco, Texas 75034	Business: (972) 292-9422 eMail: frisco@bodybarpilates.com					David Stanley (I), Janet Stanley (I), 2nd Chapter Ventures, Inc. (E)			
	BODYBAR- Flower Mound 2840 Flower Mound Blvd. Suite 140 Flower Mound, Texas 75022	Business: (469) 837-8808 eMail: flowermound@bodybarpilates.com					Jyoti Bhatia (I), Vivek Bhatia (I), Core Balance LLC (E)			
	BODYBAR- Bee Cave 12101 Bee Cave Road, Suite 5A Bee Cave, Texas 78738	Business: (512) 508-8530 eMail: beecave@bodybarpilates.com					Katy Kenney (I), NFLOW Pilates LLC (E)			
	BODYBAR- Katy 28105 S. Firethorne Rd. Katy, TX 77494 KATY, Texas 77494	Business: (281) 210-5548 eMail: katy@bodybarpilates.com					Karie Maharaj (I), Varune Maharaj (I), Fit Body Health Club LLC (E)			
	BODYBAR - Cypress 9430 Fry Road Suite 500 Cypress, Texas 77433	Business: (346) 291-4197 eMail: cypress@bodybarpilates.com					Karie Maharaj (I), Varune Maharaj (I), Fit Body Flex Club LLC (E)			
	BODYBAR- McKinney 1800 N Stonebridge Dr Suite #130 MCKINNEY, Texas 75071	Business: (469) 678-8421 eMail: mckinney@bodybarpilates.com					Daryl Parker (I), Jennifer Parker (I), PP Allen LLC (E)			

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	BODYBAR - Allen 596 E Stacy Rd., Suite 1150 Allen, Texas 75002	Business: (469) 342-4015 eMail: allen@bodybarpilates.com	Daryl Parker (I), Jennifer Parker (I), PP Allen LLC (E)
	BODYBAR- Woodforest Pine Market 900 New Day Avenue, Ste. 1100 Montgomery, Texas 77316	Business: (832) 941-0583 eMail: woodforest@bodybarpilates.com	Jennifer Rubino (I), Stephanie Moore (I), Bodies In Motion (E)
	BODYBAR- Dallas Uptown 4514 Travis Street Dallas, Texas 75208	Business: (214) 520-2227 eMail: Dallas@bodybarpilates.com	Michelle Reed (I), M S Reed Holding Company, Inc. (E)
	BODYBAR - Preston Hollow 11661 Preston Rd., Suite 302 Dallas, Texas 75230	Business: (972) 295-9011 eMail: prestonhollow@bodybarpilates.com	Michelle Reed (I), M S Reed Holding Company, Inc. (E)
	BODYBAR - Shadow Creek 11200 Broadway Street, Suite 420 Pearland, Texas 77584	Business: (832) 241-6161 eMail: shadowcreek@bodybarpilates.com	Valencia Hagos (I), Hagos Source Management Inc. (E)
	BODYBAR- Burleson 309 W Hidden Creek Pkwy Suite 2109 Burleson, Texas 76028	Business: (817) 230-4500 eMail: burleson@bodybarpilates.com	Amber Bullard (I), Azure Sessums (I), Cheryl Favors (I), Dustin Sessums (I), Mirror Image LLC (E)
	BODYBAR - South Lamar 3005 South Lamar Blvd Suite B-105A Austin, Texas 78704	Business: (512) 212-7733 eMail: sherrilass3@gmail.com	Jeffrey Lass (I), Sherri Lass (I), New Path Holdings, LLC (E)
	BODYBAR - Castle Hills 3964 State Hwy 121, Suite 600 Lewisville, Texas 75056	Business: (214) 281-8783 eMail: castlehills@bodybarpilates.com	Francie Nese (I), Frank Nese (I), Pillar Pilates, INC (E)
	BODYBAR- Farmington 180 North Union Avenue Farmington, Utah 84025	Business: (801) 451-8881 eMail: Farmington@bodybarpilates.com	Ashley Van Emmerik (I), Z&A, LLC (E)
Utah	BODYBAR- Downtown Salt Lake City 330 E 400 S Unit 105 Salt Lake City - Downtown, Utah 84111	Business: (801) 528-6860 eMail: downtownslc@bodybarpilates.com	Collin Christensen (I), Heidi Christensen (I), CHC Wellness LLC (E)
Virginia	BODYBAR- Reston Herndon Centre 340 Elden Street Herndon, Virginia 20170	Business: (703) 621-0996 eMail: reston@bodybarpilates.com	Miyoung "Grace" Ko (I), Knock Out Fitness, LLC (E)
West Virginia	BODYBAR - Morgantown 525 Suncrest Towne Centre Drive Suite 101 Morgantown, West Virginia 26505	Business: (304) 241-1338 eMail: morgantown@bodybarpilates.com	Stephen Blasco (I), Tonya Blasco (I), Ola Body, LLC (E)

Signed Franchise Agreement as of December 31, 2025, but Studio is not opened

State / Province	Center Name	~~Street Address~~	~~City~~	~~State~~	~~Zip / Postal Code~~	Entity Name	Contact Phone	Contact Email	Entity Individual Owners	~~Studio email~~	~~Studio Phone~~
Arizona	BODYBAR- Avondale					Embrace the Shake Corp	(623) 882-5832	denise.cross@bodybarpilates.com	Denise Cross		
~~PLANO~~Arizona	~~1900 Preston Road,~~BODYBAR- Gilbert		~~Plano~~	~~Texas~~	~~75093~~	~~Speak Light,~~Breunig Pilates LLC	~~Kamille McCollum, Matt McCollum~~(602) 625-1286	~~Plano~~tatum.breunig@bodybarpilates.com	~~972-867-6333~~Bowen Breunig, Tatum Breunig		
~~KELLER~~Arizona	~~1400 Keller Pkwy~~BODYBAR- North Scottsdale					~~Keller~~MSR Studios LLC	~~Texas~~(480) 225-8569 ~~76248~~ ~~PHXBAR, Inc.~~ ~~Cory White, Nicole White~~	~~Keller~~michelle.lange@bodybarpilates.com	~~817-518-6667~~Michelle Dantuono Lange		
Arizona	McDowell Mountain AZ					MSR Studios LLC	(480) 225-8569	michelle.dantuono1@gmail.com	Michelle Dantuono Lange		
~~SOUTHLAKE~~ Arizona	~~1201 E State Hwy 114 #160, 76092~~Scottsdale 2					~~Southlake~~GSPL STUDIOS LLC	~~Texas~~(520) 275-0826 ~~76092~~ ~~PHXBAR, Inc.~~ ~~Cory White, Nicole White~~	~~southlake~~Taylor.Eldredge@bodybarpilates.com	~~817-616-3810~~Shannon Decator,Taylor Eldredge		
~~Frisco~~Arizona	~~7932 Preston Road~~TBD-AZ19		~~Frisco~~	~~Texas~~	~~75034~~	~~2nd Chapter~~Ragi Ventures, ~~Inc.~~LLC	~~David Stanley, Janet Stanley~~(605) 391-3218	~~Frisco~~shankar.ragi@bodybarpilates.com	~~972-292-9422~~Keerthi Varsha Kattoju,Shankarachary Ragi		
~~Flower Mound~~California	~~2840 Flower Mound Blvd. Suite 140~~Balfour Center Brentwood					~~Flower Mound~~Sunrock Fitness LLC	~~Texas~~(619) 259-3038 ~~75022~~ ~~MAGNITUDE, INC~~ ~~Jyoti Bhatia, Vivek Bhatia~~	~~flowermound~~melissa.hahn@bodybarpilates.com	~~469-837-8808~~Melissa Hahn		
California	TBD-CA145					Yemisi Olabaiye & Modupe James	(312) 961-8579	yemisi.olagbaiye@bodybarpilates.com	Modupe James,Yemisi Olagbaiye		
California	Vacaville Commons					Sunrock Fitness LLC	(619) 259-3038	melissa.hahn@bodybarpilates.com	Melissa Hahn		
Colorado~~Bee Cave~~	~~12101 Bee Cave Road, Suite 5A~~BODYBAR- Hampden South		~~Bee Cave~~	~~Texas~~	~~78738~~	~~NFLOW~~ Pilates CR LLC	~~Katy Kenney~~(719) 660-8843	~~beecave~~bernadette.johnson@bodybarpilates.com	~~512-508-8530~~Bernadette Marie Johnson,Bo Darren Johnson,Heather Lorene Mroz,Michael John Mroz		
Colorado	BODYBAR- Highlands Ranch					Evolve Collective Inc	(303) 478-8429	stacey.brantley@yahoo.com	Stacey Brantley		
Colorado	Green Mountain					Balanced Backnine Holdings LLC	(303) 885-2007	gail.buhler@bodybarpilates.com	Gail Buhler		
Colorado	Heritage Hills CO					Studio 13 LLC	(303) 324-0822	daniellebergstein@gmail.com	Danielle Bergstein		
Florida	Bloomingdale FL					Diana and Paul Sotomayor	(757) 206-6875	diana_sotomayor@hotmail.com	Diana Marcela Sotomayor,Paul Alexander Sotomayor		
~~Katy, TX~~Florida	~~28105 S.~~ Boca Raton~~Firethorne Rd.~~		~~Katy~~	~~Texas~~	~~77494~~	~~Fit~~Ola Body ~~Health Club~~, LLC	~~Karie Maharaj~~(724) 986-8904	~~katy~~tonya.blasco@bodybarpilates.com	~~281-210-5548~~Stephen Blasco,Tonya Blasco		
Florida	West Palm Beach					Ola Body, LLC	(724) 986-8904	tonya.blasco@bodybarpilates.com	Stephen Blasco,Tonya Blasco		
Florida	BODYBAR - Ponte Vedra					Ridley Fitness Jacksonville, LLC	(904) 206-0944	logan.ridley@bodybarpilates.com	Logan Ridley,Stephanie Ridley		
Florida	BODYBAR- Midtown Miami					Pilatios, LLC	(978) 505-3281	cathy.moore@bodybarpilates.com	Catherine Moore,Nicholas Marks		
Florida	BODYBAR- North St. Pete					PILATES BY DIANA STPETE LLC	(813) 927-7343	diana.ritzler@bodybarpilates.com	Diana Ritzler		
Florida	BODYBAR- Palmetto					ELDREDGE CO.	(801) 634-3153	jbslc11@gmail.com	Jessica Eldredge,Travis Eldredge		
Florida	BODYBAR- Royal Palm Beach					Palm & Anchor LLC	(360) 674-0088	barbara.benz@bodybarpilates.com	Barbara Benz,Justin Benz		

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Florida	BODYBAR- Stuart	Sterling Keys, Inc.	(561) 345-1816	michael@sterlingclouds.com	Alissa Harris,Michael Harris
Florida	BODYBAR- Westchase	Saltwell LLC	(813) 220-6035	hayley.architetto@bodybarpilates.com	Hayley Architetto
Florida	Coral Springs FL	Yvette Perez	(305) 318-9396	yvette.perez@bodybarpilates.com	Yvette Perez
~~McKinney TX~~Florida	~~1800 N Stonebridge Dr~~Parkland FL ~~McKinney~~ ~~Texas~~ ~~75071~~	~~Parker~~ Pilates ~~LLC~~by Ayat Corporation	~~Daryl Parker~~(561) 213-3497	~~mckinney~~elias.kortabani@bodybarpilates.com	~~469-678-8421~~~~Elias Kortabani,PBAC 401k~~ FBO Elias Kortabani
Florida	Pompano Beach FL	Tracey Kesterson	(214) 457-3928	tracey.kesterson@bodybarpilates.com	Tracey Kesterson
Florida	TBD-FL13	Saltwell LLC	(813) 220-6035	hayleyarch@gmail.com	Hayley Architetto
Florida	TBD-FL30	Peakbalance Partners LLC	(787) 236-4332	luisger221990@gmail.com	Fausto E Ordonez,Luis Gerardo Diaz Logrono
Georgia	BODYBAR- Cumming	Grzeskiewicz Wellness Collective LLC	(404) 454-3399	adrienne.grzeskiewicz@bodybarpilates.com	Adrienne Grzeskiewicz,Mario Pereira
~~Woodforest TX~~Georgia	~~Pine Market~~Oxford MS	~~Montgomery~~LCJ Fitness Group LLC	~~Texas~~(662) 507-5331 ~~77316~~ ~~Bodies In Motion~~ ~~Jennifer Rubino~~	~~woodforest~~jennifer.mccreight@bodybarpilates.com	~~832-941-0583~~Jennifer Ann McCreight,Todd Allen McCreight
Georgia	TBD-GA3	The Carreras Management Group BB Pilates, LLC	(770) 309-0988	carlosjcarreras@yahoo.com	Carlos Jesus Carreras Jr.,Donna Kelly Carreras
Idaho	Nampa ID	Janiroc Fitness LLC	(208) 484-9951	nikki.carlton@bodybarpilates.com	Nikki Carlton,Robert Carlton
Illinois	BODYBAR-Naperville	Impulse Pilates LLC	(847) 224-7260	ruchita.engineer@gmail.com	Piyushkumar N Engineer,Ruchita P Engineer
Illinois	Orland Park, IL	Darnice Harris & Kela Simone Preston	(615) 973-4131	darnice.harris@bodybarpilates.com	Darnice Harris,Kela Simone Preston
Illinois	TBD-IL26	Zoeina, LLC	(312) 399-9375	amanda.jones@bodybarpilates.com	Amanda Jones
Illinois	TBD-IL38	StickyBeePilates LLC	(312) 218-1533	meredith.maienza@bodybarpilates.com	Meredith Maienza
Indiana	TBD-IN1	FUWD Corporation	(812) 968-4695	amber.campos@bodybarpilates.com	Amber Nicole Campos,Jesse Ray Campos
Iowa	BODYBAR- Waukee	Elevate Holdings LLC	(316) 616-8872	kalene.hoffmann@bodybarpilates.com	Cassandra Daâ€™luz Vieira,Kalene Hoffmann
Kentucky	BODYBAR- Palomar	Covenant Strength, Inc	(859) 797-8814	jason.groth@bodybarpilates.com	Jason Groth,Margaret Cara Groth
Michigan	TBD-MI13	Megan Alegria	(616) 295-6463	megan.sherman03@gmail.com	Megan Alegria
Missouri	BODYBAR- Blue Springs	Missouri Wellness Collective LLC	(660) 815-2443	jacquelyn.eidson@gmail.com	Jacquelyn Eidson,Jason Eidson
Missouri	Lee's Summit	Missouri Wellness Collective LLC	(660) 815-2443	jacquelyn.eidson@gmail.com	Jacquelyn Eidson,Jason Eidson
~~Dallas Uptown~~Missouri	~~4514 Travis Street~~TBD-MO21	~~Dallas~~Bruner Sells Partnership LLC	~~Texas~~(314) 813-4554 ~~75208~~ ~~M S Reed Holding Company, Inc.~~ ~~Michelle Reed~~	~~Dallas~~julie.sells@bodybarpilates.~~com'~~com	~~214-520-2227~~George Caldwell Sells IV,Julie Michelle Bruner-Sells
~~Shadow Creek~~Nebraska	~~11200 Broadway Street, Suite 420~~TBD-NE4	~~Pearland~~Blue Tria Athletics Inc.	(402) 871-5182 ~~Texas~~ ~~77584~~ ~~HAGOS SOURCE MANAGEMENT, LLC~~ ~~Vatenecia Hagos~~	~~shadowcreek~~jennifer.helms@bodybarpilates.com	~~832-241-6161~~Jennifer Lynn Helms,Paul Michael Wright
~~Burleson~~New Hampshire	~~309 W Hidden Creek Pkwy Suite 2109~~BODYBAR- Exeter	~~Burleson~~AJE LLC	~~Texas~~(603) 340-1344 ~~76028~~ ~~Mirror Image LLC~~ ~~Amber Bullard~~	~~burleson~~aaron.smith@bodybarpilates.com	~~817-230-4500~~Aaron Smith
New Jersey	Edgewater	McCabe & DeLorenzo Studios Inc	(1917) 476-8075	lacey9279@aol.com	Jennifer DeLorenzo,Lindsay McCabe
New Jersey	Voorhees	JC Ozzy Enterprises LLC	(609) 410-5965	jaclyn.bates@bodybarpilates.com	Jaclyn Bates, Nicholas Bates
New York	BODYBAR- Hauppauge	BodyMind LI LLC	(631) 559-2858	madycan2000@yahoo.com	Mady Pisano, Michael Pisano
North Carolina	BODYBAR- Lake Norman	A More Abundant Life LLC	(225) 485-7248	laurie.zeringue@bodybarpilates.com	Laurie Zeringue
~~Farmington UT~~North Carolina	~~180~~BODYBAR- North ~~Union Avenue~~Raleigh	~~Farmington~~Esilora LLC	~~Utah~~(407) 454-0536 ~~84025~~ ~~Z&A, LLC~~ ~~Ashley Van Em~~	~~Farmington~~jaye.johnston@bodybarpilates.com	Jelena Johnston~~801-451-8881~~

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			~~merik, Zach Van Emmerik~~		
North Carolina	South Charlotte	Volwiler Holdings LLC	(941) 875-5639	carly.volwiler@bodybarpilates.com	Carly Volwiler
North Carolina	TBD-NC13	Downing Holdings LLC	(704) 412-0195	joy.downing@bodybarpilates.com	Douglas Downing, Joy Downing
North Carolina	TBD-NC28	Emmary Williams & Marshall Brown	(919) 816-5003	emmary.brown@bodybarpilates.com	(blank)
Ohio	BODYBAR- Strongsville	CPGarcia Fitness, Inc.	(216) 334-7730	chrissyp1223@gmail.com	Christine Garcia
Oklahoma	BODYBAR- Edmond	SisterCore Studio, LLC.	(620) 440-0949	lyndsie.oathout@gmail.com	Lyndsie Jo Oathout, Mallory Janae Sapp
Oregon	BODYBAR- Tanasbourne	AstarVitalis LLC	(480) 519-2290	lucinda.stevenson@bodybarpilates.com	Lucinda Stevenson, Stephen Jackson
Pennsylvania	BODYBAR - Exton PA	Nirvana Vitality Pilates, LLC	(484) 641-3011	preeti.gandhi@bodybarpilates.com	Kartik Gandhi, Preeti Gandhi
South Carolina	Charleston SC	Achim Gerhard Daub	(646) 342-1807	achim.daub@bodybarpilates.com	Achim Daub
South Carolina	Fort Mill SC	Autumn & Todd Becker	(803) 480-3369	autumn.becker@bodybarpilates.com	Autumn Becker, Todd Becker
South Carolina	Simpsonville SC	Volwiler Holdings LLC	(941) 875-5639	carly.volwiler@bodybarpilates.com	Carly Volwiler
Tennessee	Franklin TN	Second Act Fitness LLC	(847) 338-7050	brenda.warkow@bodybarpilates.com	Brenda Warkow
~~Downtown Salt Lake City~~Tennessee	~~330 E 400 S Unit 105~~TBD-TN24 ~~Salt Lake City~~ ~~Utah~~ ~~84111~~	~~CHC~~The Wellness ~~LLC~~Collective, Inc.	~~Collin Christensen~~(615) 627-7255	~~downtownslc~~christina.strong@bodybarpilates.com	~~801-528-6860~~Christina Strong, Tristan Strong
Texas~~Reston~~	~~Herndon Centre~~BODYBAR- Frisco Lakes ~~Herndon~~ ~~Virginia~~ ~~20170~~	~~Knock Out~~Omni Vita Fitness, LLC	~~Joyce Ko,Miyoung "Grace" Ko~~(512) 771-8763	~~reston~~greg.rowe@bodybarpilates.com	~~703-621-0996~~Gregory Rowe, LeAnn Rowe
Texas	BODYBAR Pilates - Presidio	BSAAW INC.	(601) 953-0255	swerkheiser@gmail.com	Melissa Shay Werkheiser
Texas	Magnolia TX	Sendera Group LLC	(619) 517-8530	erica.beal@bodybarpilates.com	Jeremy Beal
Texas	Memorial TX	Staying In Motion, LLC	(512) 653-8656	natalie.luquette@bodybarpilates.com	Jennifer Rubino, Natalie Luquette
Texas	Prosper TX	CLARKLINE INC	(541) 514-6705	playdateschildcare@gmail.com	Heather Clark, Kanon Clark
Texas	The Woodlands	Karie and Varune Maharaj	(281) 407-6372	karie.maharaj@bodybarpilates.com	Karie Maharaj, Varune Maharaj
Virginia	McLean VA	Janeen Marie Latini	(703) 967-0316	janeen.latini@bodybarpilates.com	Janeen Marie Latini
Wisconsin	TBD-WI08	BeanWormÂ LLC	(262) 719-0169	nathan.janczak@bodybarpilates.com	Kaitlynn Janczak, Nathan Janczak

Signed Franchise Agreement ~~as of December 31, 2024~~in 2026 but Studio is not opened

~~City~~	~~State~~ State / Province	Center Name	Entity Name	Contact Phone	Contact Email	
	Arizona	BODYBAR- Avondale	Embrace the Shake Corp	(623) 882-5832	denise.cross@bodybarpilates.com	Deni
	Arizona	BODYBAR- Gilbert	Breunig Pilates LLC	(602) 625-1286	tatum.breunig@bodybarpilates.com	Bow
	Arizona	BODYBAR- North Scottsdale	MSR Studios LLC	(480) 225-8569	michelle.lange@bodybarpilates.com	Mich
	Arizona	McDowell Mountain AZ	MSR Studios LLC	(480) 225-8569	michelle.dantuono1@gmail.com	Mich
	Arizona	Scottsdale 2	GSPL STUDIOS LLC	(520) 275-0826	Taylor.Eldredge@bodybarpilates.com	Shan
	Arizona	TBD-AZ19	Ragi Ventures, LLC	(605) 391-3218	shankar.ragi@bodybarpilates.com	Keen
~~La Jolla UTC~~	~~San Diego~~ California	~~WELLSPHERE GROUP, INC~~Balfour Center Brentwood	~~Franklin Libenson~~Sunrock Fitness LLC	(619) 259-3038	melissa.hahn@bodybarpilates.com	Meli
	California	TBD-CA145	Yemisi Olabaiye & Modupe James	(312) 961-8579	yemisi.olagbaiye@bodybarpilates.com	Mod
~~Huntington Beach~~	~~Huntington Beach~~ California	Vacaville Commons	~~SCL~~Sunrock Fitness ~~INC~~LLC	~~Suzy Morales~~(619) 259-3038	melissa.hahn@bodybarpilates.com	Meli

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~~Glendale CO~~ ~~Denver~~	Colorado	BODYBAR- Hampden South	~~ARE~~ Pilates~~,~~ CR LLC	~~Alexandra Evans~~(719) 660-8843	bernadette.johnson@bodybarpilates.com	Bernadette Marie Johnson,Bo Darren Johnson,Heather Lorene Mroz,Michael John Mroz
~~Littleton CO~~ ~~Littleton~~	Colorado	BODYBAR- Highlands Ranch	~~Cornerstone~~Evolve Collective ~~INC~~Inc	(303) 478-8429~~Gail Buhler~~	stacey.brantley@yahoo.com	Stacey Brantley
Colorado		Green Mountain	Balanced Backnine Holdings LLC	(303) 885-2007	gail.buhler@bodybarpilates.com	Gail Buhler
Colorado		Heritage Hills CO	Studio 13 LLC	(303) 324-0822	daniellebergstein@gmail.com	Danielle Bergstein
Florida		Bloomingdale FL	Diana and Paul Sotomayor	(757) 206-6875	diana_sotomayor@hotmail.com	Diana Marcela Sotomayor,Paul Alexander Sotomayor
~~Riverview FL~~ ~~Riverview~~	Florida	Boca Raton	~~CHAVES~~Ola Body, LLC	~~(1) Sarah Chaves~~(724) 986-8904	tonya.blasco@bodybarpilates.com	Step
~~Estero~~ ~~Estero~~	Florida	West Palm Beach	~~COAST PILATES~~Ola Body, LLC	~~Suzanne Lince~~(724) 986-8904	tonya.blasco@bodybarpilates.com	Step
~~Mandarin~~ ~~Jacksonville~~	Florida	BODYBAR - Ponte Vedra	Ridley Fitness Jacksonville, LLC	(904) 206-0944	logan.ridley@bodybarpilates.com	Loga
~~Center Name~~Florida		~~City~~BODYBAR- Midtown Miami	~~State~~ Pilatios, LLC	~~Entity Name~~(978) 505-3281	~~Entity Individual Owners~~cathy.moore@bodybarpilates.com	Cath
Florida		BODYBAR- North St. Pete	PILATES BY DIANA STPETE LLC	(813) 927-7343	diana.ritzler@bodybarpilates.com	Dian
~~Belleair Bluffs, FL~~ ~~Belleair Bluffs~~	Florida	South Tampa FL	Pilates by Diana South Tampa, LLC	(813) 927-7343	diana.ritzler@bodybarpilates.com	Ric
Florida		BODYBAR- Palmetto	ELDREDGE CO.	(801) 634-3153	jbslc11@gmail.com	Jessi
~~Vinings~~Florida		~~Atlanta~~BODYBAR- Royal Palm Beach ~~Georgia~~	~~Level 5 Ventures~~Palm & Anchor LLC	~~Joe Stockman~~(360) 674-0088	barbara.benz@bodybarpilates.com	Barb
Florida		BODYBAR- Stuart	Sterling Keys, Inc.	(561) 345-1816	michael@sterlingclouds.com	Aliss
Florida		BODYBAR- Westchase	Saltwell LLC	(813) 220-6035	hayley.architetto@bodybarpilates.com	Hayl
Florida		Coral Springs FL	Yvette Perez	(305) 318-9396	yvette.perez@bodybarpilates.com	Yvet
~~The Avenue West Cobb~~Florida		~~Marietta~~Parkland FL ~~Georgia~~	~~Embrace the Shake~~ Pilates~~, LLC~~ by Ayat Corporation	~~Carrie Campbell~~(561) 213-3497	elias.kortabani@bodybarpilates.com	Elias
Florida		Pompano Beach FL	Tracey Kesterson	(214) 457-3928	tracey.kesterson@bodybarpilates.com	Trac
Florida		TBD-FL13	Saltwell LLC	(813) 220-6035	hayleyarch@gmail.com	Hayl
Florida		TBD-FL30	Peakbalance Partners LLC	(787) 236-4332	luisger221990@gmail.com	Faus
~~Cumming GA~~Georgia		BODYBAR- Cumming ~~Georgia~~	Grzeskiewicz Wellness Collective LLC	(404) 454-3399	adrienne.grzeskiewicz@bodybarpilates.com	Adri
Georgia		Oxford MS	LCJ Fitness Group LLC	(662) 507-5331	jennifer.mccreight@bodybarpilates.com	Jenn
Georgia		TBD-GA3	The Carreras Management Group BB Pilates, LLC	(770) 309-0988	carlosjcarreras@yahoo.com	Carlo
Idaho		Nampa ID	Janiroc Fitness LLC	(208) 484-9951	nikki.carlton@bodybarpilates.com	Nikki Carlton,Robert Carlton
Illinois		BODYBAR-Naperville	Impulse Pilates LLC	(847) 224-7260	ruchita.engineer@gmail.com	Piyushkumar N Engineer,Ruchita P Engineer
Illinois		Orland Park, IL	Darnice Harris & Kela Simone Preston	(615) 973-4131	darnice.harris@bodybarpilates.com	Darnice Harris,Kela Simone Preston
Illinois		TBD-IL26	Zoeina, LLC	(312) 399-9375	amanda.jones@bodybarpilates.com	Amanda Jones
Illinois		TBD-IL38	StickyBeePilates LLC	(312) 218-1533	meredith.maienza@bodybarpilates.com	Meredith Maienza
Indiana		TBD-IN1	FUWD Corporation	(812) 968-4695	amber.campos@bodybarpilates.com	Amber Nicole Campos,Jesse Ray Campos
Iowa		BODYBAR- Waukee	Elevate Holdings LLC	(316) 616-8872	kalene.hoffmann@bodybarpilates.com	Cassandra Daâ€™luz Vieira,Kalene Hoffmann
Kentucky		BODYBAR- Palomar	Covenant Strength, Inc	(859) 797-8814	jason.groth@bodybarpilates.com	Jason Groth,Margaret Cara Groth
Michigan		TBD-MI13	Megan Alegria	(616) 295-6463	megan.sherman03@gmail.com	Megan Alegria
Missouri		BODYBAR- Blue Springs	Missouri Wellness Collective LLC	(660) 815-2443	jacquelyn.eidson@gmail.com	Jacquelyn Eidson,Jason Eidson
Missouri		Lee's Summit	Missouri Wellness Collective LLC	(660) 815-2443	jacquelyn.eidson@gmail.com	Jacquelyn Eidson,Jason Eidson
Missouri		TBD-MO21	Bruner Sells Partnership LLC	(314) 813-4554	julie.sells@bodybarpilates.com	George Caldwell Sells IV,Julie Michelle Bruner-Sells
Nebraska		TBD-NE4	Blue Tria Athletics Inc.	(402) 871-5182	jennifer.helms@bodybarpilates.com	Jennifer Lynn Helms,Paul Michael Wright

~~Concord~~	~~Portsmouth~~	New Hampshire	BODYBAR- Exeter	AJE LLC	(603) 340-1344	aaron.smith@bodybarpilates.com	Aaro
~~Clarksville NJ~~	~~Ewing~~	New Jersey	~~Whittaker Fitness LLC~~Edgewater	~~Katie Whittaker~~McCabe & DeLorenzo Studios Inc	(1917) 476-8075	lacey9279@aol.com	Jenn
~~ABQ Uptown~~	~~Albuquerque~~	New ~~Mexico~~Jersey	~~Zia Pilates, LLC~~Voorhees	~~Kathryn Lueker-Eaton~~JC Ozzy Enterprises LLC	(609) 410-5965	jaclyn.bates@bodybarpilates.com	Jacly
~~Melville~~	~~Melville~~	New York	~~Balance & Flow Pilates, INC~~BODYBAR- Hauppauge	~~Maude Schwartz~~BodyMind LI LLC	(631) 559-2858	madycan2000@yahoo.com	Mad
North Carolina			BODYBAR- Lake Norman	A More Abundant Life LLC	(225) 485-7248	laurie.zeringue@bodybarpilates.com	Laurie Zeringue
North Carolina			BODYBAR- North Raleigh	Esilora LLC	(407) 454-0536	jaye.johnston@bodybarpilates.com	Jelena Johnston
North Carolina			South Charlotte	Volwiler Holdings LLC	(941) 875-5639	carly.volwiler@bodybarpilates.com	Carly Volwiler
~~Provincetown NC~~	~~Charlotte~~	North Carolina	TBD-NC13	Downing Holdings LLC	(704) 412-0195	joy.downing@bodybarpilates.com	Joy
North Carolina			TBD-NC28	Emmary Williams & Marshall Brown	(919) 816-5003	emmary.brown@bodybarpilates.com	(blan
Ohio			BODYBAR- Strongsville	CPGarcia Fitness, Inc.	(216) 334-7730	chrissyp1223@gmail.com	Chris
Oklahoma			BODYBAR- Edmond	SisterCore Studio, LLC.	(620) 440-0949	lyndsie.oathout@gmail.com	Lync
Oregon			BODYBAR- Tanasbourne	AstarVitalis LLC	(480) 519-2290	lucinda.stevenson@bodybarpilates.com	Luci
~~Centerville OH~~Pennsylvania		~~Ohio~~	~~Centerville~~BODYBAR - Exton PA	~~SCOPE~~Nirvana Vitality Pilates, LLC	~~Steffeny Hanley~~(484) 641-3011	preeti.gandhi@bodybarpilates.com	Kart
South Carolina			Charleston SC	Achim Gerhard Daub	(646) 342-1807	achim.daub@bodybarpilates.com	Achi
South Carolina			Fort Mill SC	Autumn & Todd Becker	(803) 480-3369	autumn.becker@bodybarpilates.com	Autu
South Carolina			Simpsonville SC	Volwiler Holdings LLC	(941) 875-5639	carly.volwiler@bodybarpilates.com	Carly Volwiler
Tennessee			Franklin TN	Second Act Fitness LLC	(847) 338-7050	brenda.warkow@bodybarpilates.com	Brenda Warkow
Tennessee			TBD-TN24	The Wellness Collective, Inc.	(615) 627-7255	christina.strong@bodybarpilates.com	Christina Strong,Tristan Strong
Texas			BODYBAR- Frisco Lakes	Omni Vita Fitness, LLC	(512) 771-8763	greg.rowe@bodybarpilates.com	Gregory Rowe,LeAnn Rowe
Texas			BODYBAR Pilates - Presidio	BSAAW INC.	(601) 953-0255	swerkheiser@gmail.com	Melissa Shay Werkheiser
Texas			Magnolia TX	Sendera Group LLC	(619) 517-8530	erica.beal@bodybarpilates.com	Jeremy Beal
Texas			Memorial TX	Staying In Motion, LLC	(512) 653-8656	natalie.luquette@bodybarpilates.com	Jennifer Rubino,Natalie Luquette
Texas			Prosper TX	CLARKLINE INC	(541) 514-6705	playdateschildcare@gmail.com	Heather Clark,Kanon Clark
~~Cypress~~	~~Cypress~~	Texas	~~Fit Body Health Club LLC~~The Woodlands	Karie and Varune Maharaj	(281) 407-6372	karie.maharaj@bodybarpilates.com	Kari

~~Preston Hollow~~	~~Dallas~~	~~Texas~~	~~M S Reed Holding Company, Inc.~~	~~Michelle Reed~~
~~South Lamar~~	~~Austin~~	~~Texas~~	~~New Path Holdings, LLC~~	~~Sherri Lass~~
~~Coppell TX~~	~~Coppell~~	~~Texas~~	~~Pillar Pilates, INC~~	~~Frank & Francie Nese~~

~~Morgantown~~	~~Morgantown~~	~~West~~ Virginia	~~Ola Body, LLC~~McLean VA	~~Tonya Blasco~~Janeen Marie Latini	(703) 967-0316	janeen.latini@bodybarpilates.com	Janeen Marie Latini
Wisconsin			TBD-WI08	BeanWormÂ LLC	(262) 719-0169	nathan.janczak@bodybarpilates.com	Kaitlynn Janczak,Nathan Janczak

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Signed Development Agreement but not a Franchise Agreement ~~in 2025 but Studio is not opened~~for location

Center Name	City	State~~/~~/Province	Entity Name	Entity Individual Owners
~~Goodyear AZ~~Apollo Beach FL	~~Goodyear~~Lithia	Florida~~Arizona~~	Diana and Paul Sotomayor	Diana Marcela Sotomayor, Paul Alexander Sotomayor~~Denise Cross~~

~~Chandler, AZ~~TBD-NE5	~~Chandler~~Omaha	~~Arizona~~Nebraska	Jennifer Helms & Paul Wright	~~Lindsey Pyles~~Jennifer Helms, Paul Wright
~~Highlands Ranch CO~~	~~Highlands Ranch~~	~~Colorado~~		~~Stacey Brantley~~
South ~~Miami FL~~Charlotte	South ~~Miami~~Charlotte	~~Florida~~North Carolina	Volwiler Holdings LLC	~~Cathy Moore~~Carly Volwiler
~~Parish FL~~Hunters Green	~~Parish~~Greater Northdale	Florida	FIT WELL LLC~~ELDREDGE CO.~~	~~Travis & Jessica Eldredge~~Jennifer Waxler, Scott Waxler
El Cajon CA	El Cajon	California	WELLSPHERE GROUP, INC	Franklin Libenson-Violante
Mission Valley, CA	Mission Valley	California	WELLSPHERE GROUP, INC	Franklin Libenson-Violante
~~Westchase FL~~Lake Worth Beach	~~Westchase~~Palm Beach	Florida	~~SALTWELL~~Ola Body, LLC	~~Hayley Arcitetto~~Tonya Blasco, Stephen Blasco
~~Derby~~	~~Derby~~	~~Kansas~~	~~BNC HOLDINGS LLC~~	~~Roger & Bridgett Combes~~
~~Goddard~~	~~Goddard~~	~~Kansas~~	~~PEACHES LLC~~	~~Kalene Hoffmann & Cassie Da'Luz Vieira~~
~~Lees Summit MO~~	~~Lee's Summit~~	~~Missouri~~		~~Jacquelyn and JW Eidson~~
~~Livingston NJ~~	~~Livingston~~	~~New Jersey~~		~~Marco & Natalia Ponchielli~~
~~Huntersville NC~~	~~Huntersville~~	~~North Carolina~~		~~Laurie Zeringue~~
~~North Raleigh~~	~~Raleigh~~	~~North Carolina~~		~~Jelena Johnston~~
~~Portland~~Kings Point	~~Portland~~Kings Point, FL	Florida~~Oregon~~	~~ASTARVITALIS~~Ola Body, LLC	~~Lucinda Stevenson &~~Tonya Blasco, Stephen ~~Jackson~~Blasco
~~Exton PA~~	~~Exton~~	~~Pennsylvania~~	~~NIRVANA VIRSTALITY PILATES LLC~~	~~Preeti & Kartik Gandhi~~
~~Waxahachie~~Aledo TX	~~Waxahachie~~Aledo	Texas	Mind & Body Corp	Bruce ~~&~~Swan, Sandra Swan
Port St Lucie FL	Port St Lucie	Florida	Sterling Keys, Inc	Alissa Harris, Michael Harris
Parker CO	Parker	Colorado	Studio 13 LLC	Danielle Bergstein
Greenwood Village CO	Greenwood Village	Colorado	Pilates CR LLC	Bernadette Marie Johnson, Bo Darren Johnson, Heather Lorene Mroz, Michael John Mroz
Jupiter, FL	Wellington	Florida	Palm & Anchor LLC	Barbara Benz,Justin Benz

Brentwood TN	Brentwood	Tennessee	Second Act Fitness LLC	Brenda Warkow
Weston FL	Weston	Florida	Pilates by Ayat Corporation	Elias Kortabani
Tomball TX	Tomball	Texas	Sendera Group LLC	Jeremy Beal
East Gilbert, AZ	Gilbert	Arizona	Breunig Pilates LLC	Bowen Breunig, Tatum Breunig
Parkwood Ranch, AZ	Parkwood Ranch	Arizona	Breunig Pilates LLC	Bowen Breunig, Tatum Breunig
Copper Basin, AZ	Copper Basin	Arizona	Breunig Pilates LLC	Bowen Breunig, Tatum Breunig
Paradise Valley AZ	Paradise Valley	Arizona	MSR Studios LLC	Michelle Dantuono Lange
Biltmore AZ	Biltmore	Arizona	MSR Studios LLC	Michelle Dantuono Lange
Pepper Ridge AZ	Pepper Ridge	Arizona	MSR Studios LLC	Michelle Dantuono Lange
TBD-TX146	Plano	Texas	Omni Vita Fitness	Gregory Rowe,LeAnn Rowe
TBD - MI43	Frankenmuth	Missouri	Megan Alegria	Megan Alegria
TBD-TN8	Nashville	Tennessee	The Wellness Collective, Inc.	Christina Strong,Tristan Strong
TBD-TN15	Nashville	Tennessee	The Wellness Collective, Inc.	Christina Strong,Tristan Strong
TBD-MO17	Winchester	Missouri	Bruner Sells Partnership LLC	George Caldwell Sells IV, Julie Michelle Bruner-Sells
TBD-NY58	Bohemia	New York	BodyMind LI LLC	Mady Pisano,Michael Pisano
TBD-GA16	Atlanta	Georgia	The Carreras Mgmt Group BB Pilates, LLC	Carlos & Donna Carreras
TBD-GA19	Atlanta	Georgia	The Carreras Mgmt Group BB Pilates, LLC	Carlos & Donna Carreras

TBD-GA21	Atlanta	Georgia	The Carreras Mgmt Group BB Pilates, LLC	Carlos & Donna Carreras
TBD-GA23	Atlanta	Georgia	The Carreras Mgmt Group BB Pilates, LLC	Carlos & Donna Carreras

~~Signed Area Development Agreement but not a franchise Franchise Agreement for location~~

Center Name	City	State / Province	Entity Name	Entity Individual Owners
Brentwood	Brentwood	California	Sunrock Fitness	Melissa Hahn
El Cajon CA	El Cajon	California	WELLSPHERE GROUP, INC	Franklin Libenson
Mission Valley, CA	Mission Valley	California	WELLSPHERE GROUP, INC	Franklin Libenson
Solana Beach CA	Solana Beach	California	WELLSPHERE GROUP, INC	Franklin Libenson
Vacaville Commons	Vacaville	California	Sunrock Fitness	Melissa Hahn
Boca Raton	Bocar Raton	Florida	Ola Body, LLC	Tonya Blasco
Hunters Green	Greater Northdale	Florida	FIT WELL LLC	Jennifer Waxler,Scott Waxler
Lake Nona	Lake Nona	Florida	Rockmore Management, LLC	Kimberly Dias
Wesley Chapel	Land O Lakes	Florida	FIT WELL LLC	Jennifer Waxler,Scott Waxler
St. Petersburg	St. Petersburg	Florida	BE THE CHANGE, Lakewood Ranch LLC	Laura Salata,Melissa Monoki
Windemere	Windemere	Florida	MAGNITUDE, INC	Jyoti Bhatia,Vivek Bhatia
Winter Garden	Winter Garden	Florida	Rockmore Management, LLC	Kimberly Dias
Winter Park	Winter Park	Florida	Rockmore Management, LLC	Kimberly Dias
Buckhead	Buckhead	Georgia	Part Three LLC	Shannon Renegar
Kuna, ID	KUNA	Idaho	Janiroc Fitness LLC	Nikki Carlton,Robert Carlton
South Charlotte	South Charlotte	North Carolina	Volwiler Holdings LLC	Carly Volwiler
Simpsonville SC	Simpsonville	South Carolina	Volwiler Holdings LLC	Carly Volwiler
Brentwood	Brentwood	Tennessee	MAGNITUDE, INC	Jyoti Bhatia,Vivek Bhatia
TBD	KATY	Texas	Fit Body Health Club LLC	Karie Maharaj
PROSPER	Prosper	Texas	2nd Chapter Ventures, Inc.	David Stanley,Janet Stanley
ROANOKE	Roanoke	Texas	MAGNITUDE, INC	Jyoti Bhatia,Vivek Bhatia

EXHIBIT E
LIST OF FORMER FRANCHISEES

~~**Missouri**~~

~~CONTROLOGY~~**Florida**
GAGLIARDI-WILSON LLC
~~Julia Rew~~
~~3660 Broadway~~
~~Kansas City, MO 64111~~
~~832-289-1421~~
Kristina Gagliardi-Wilson
1810 Hudson Street
Englewood Florida 34223
(201) 600-0405
Transfer

~~**Florida**~~
~~John Laakso~~
~~CLEARWATER BB1, LLC~~
~~305 Gowdy Road~~
~~Sarasota, FL 34237~~
~~727-365-0001~~
~~Termination for Cause~~

EXHIBIT F

SYSTEMS STANDARDS MANUAL TABLE OF CONTENTS

Manual Section	**Number of Pages**
Preface & Introduction	6
Studio Operations	12
General Membership Information and Management	11
Payment Information and Pricing	2
Studio Design, Construction, and Equipment	3
General Membership Information	2
Human Resources and Training	24
Merchandise and Retail	3
Technology and Data Management	5
Total Number of Pages	**68**

DESIGN MANUAL TOC

Chapter	**Number of Pages**
Preface & Introduction	1
Brand Standards	3
Examples	4
Accessories	20
Equipment	4
Millwork	7
Signage	9
Total Number of Pages	**48**

STUDIO MANAGER MANUAL TOC

Chapter	**Number of Pages**
Preface & Introduction	5
Chapter 1: Bodybar Story	7
Chapter 2: In-Studio Experience	10
Chapter 3: The Workout	10
Chapter 4: The Bodybar Sales Approach	10
Chapter 5 First Class Free	11
Chapter 6: Overcoming Objections	5
Chapter 7: Membership Offerings	8
Chapter 8: Lead Management	10
Chapter 9: Member Referrals	6
Chapter 10: Member Retention	9
Chapter 11: Freezes + Cancellations	6
Chapter 12: Community Outreach	10
Chapter 13: Sales Team Staffing	5

Chapter 14: Time Management	6
Chapter 15: The Boutique	13
Chapter 16: Private Training	9
Chapter 17: Presale	46
Chapter 18: Communication Scripts	19
Total Number of Pages	**205**

FITNESS MANAGER MANUAL TOC

Chapter	Number of Pages
~~Preface & Introduction~~	~~3~~
Chapter 1: ~~Bodybar Story~~The Fitness Manager Blueprint	~~2~~3
Chapter 2: ~~In-Studio Experience~~Instructor Recruitment	~~7~~16
Chapter 3: ~~Bodybar Sales Overview~~Mentorship	4 10
Chapter 4: ~~Member Retention~~Building the Class Schedule	~~3~~5
Chapter 5: ~~Studio Programming~~Assessing the Class Schedule	~~11~~7
Chapter 6: ~~Instructor Team Management~~Quality Checks & Feedback	~~13~~3
Chapter 7: ~~New Studios~~Community Impact & Member Retention	7
Chapter 8: Resources	~~2~~3
Appendix: Fitness Manager Checklist	18
Total Number of Pages	**~~52~~80**

INSTRUCTOR TRAINING PROGRAM MANUAL: MODULE 1 TOC

Chapter	Number of Pages
Preface & Introduction	5
The Story of Joe & Modern Pilates	4
The Equipment & Safety	7
The Anatomy of Pilates	3
The BODYBAR Pilates Method	29
Total Number of Pages	**48**

INSTRUCTOR TRAINING PROGRAM MANUAL: MODULE 2 TOC

Chapter	Number of Pages
Preface & Introduction	6
The BODYBAR Method	9
The Chair	7
The Jumpboard	5

The Tower	4
Stretch & Balance	7
Special Populations	13
Total Number of Pages	**61**

HIRING GUIDE TOC

Chapter	Number of Pages
Preface & Introduction	6
The Studio Manager	13
The Sales Associate	4
The Instructor Team	2
The Fitness Manger	10
The Instructor	14
Addendums	5
Total Number of Pages	**54**

FINANCIAL MANAGEMENT GUIDE TOC

Chapter	Number of Pages
Preface & Introduction	3
Understanding Financial Statements	10
Key Topics for your Studio's Finances	9
Conclusion	3
Total Number of Pages	**25**

RETAIL PLAYBOOK TOC

Chapter	Number of Pages
Preface & Introduction	4
Brand Merchandise	7
Merchandising	17
Selling Strategies	13
Total Number of Pages	**41**

PRESALE PLAYBOOK TOC

Chapter	Number of Pages
Preface & Introduction	5
Preparing for Presale	19
Marketing	7
Founding Instructors	5

Sales	35
Founder’s Week	39
Signage	40
Total Number of Pages	**110**

EXHIBIT G
LIST OF STATE ADMINISTRATORS

California Department of Financial Protection and Innovation 320 West 4th St., Suite 750 Los Angeles, CA 90013-1105 (213) 736-2741 Toll Free: 1-866-275-2677	**Michigan** Consumer Protection Division Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117	**South Dakota** Dept. of Commerce & Regulation Division of Securities 118 West Capitol Pierre, SD 57501-5070
Connecticut Department of Banking, Securities Investment Division 260 Constitution Plaza Hartford, CT 06103	**Minnesota** Minnesota Dept. of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-3165 (651) 539-1600	**Texas** Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887
Florida Florida Department of Agriculture And Consumer Services P.O. Box 6700 Tallahassee, FL 32399-6700	**New York** NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	**Utah** Department of Commerce 160 East 300 South SM Box 146704 Salt Lake City, UT 84114-6704
Hawaii Business Registration Div. Dept. of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**Nebraska** Department of Banking and Finance 1230 "0" Street Suite 400 PD. Box 95006 Lincoln, NE 68509-5009	**Virginia** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051
Illinois Chief, Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62707 (217) 782-4465	**North Dakota** North Dakota Securities Department 600 East Boulevard Avenue 5th Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	**Washington** Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (106) 753-6928
Indiana Deputy Commissioner, Franchise Division Indiana Securities Commission Secretary of State 302 W. Washington St, Room E- 111 Indianapolis, IN 46204 (317) 232-6681	**Oregon** Department of Insurance & Finance Corporate Securities and Franchise Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	**Wisconsin** Securities and Franchise Registration Wisconsin Securities Commission P.O. Box 1768 Madison, WI 53701 (608) 266-8559
Maryland Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, MD 21202-2020 (410) 576-6360	**Rhode Island** Chief Securities Examiner Department of Business Regulation Securities Division Franchise Section 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 277-3048	

EXHIBIT H
AGENTS FOR SERVICES OF PROCESS

CALIFORNIA California Commissioner of Financial Protection and Innovation California Dept. of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-1105 (213) 576-7500	**MARYLAND** Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**RHODE ISLAND** Director of Depart. of Business Regulation Suite 232 233 Richmond Street Providence, Rhode Island 02903-4232 (401) 277-3048
CONNECTICUT Connecticut Department of Banking, Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 06103	**MICHIGAN** Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Unit 670 Law Building Lansing, Michigan 48913 (517) 373-7117	**SOUTH DAKOTA** Director of Division of Securities 445 E. Capitol Avenue Pierre, SD 57501-2017 (605) 773-4013
HAWAII Comm'r Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**MINNESOTA** Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9733
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**NEW YORK** Secretary of State 99 Washington Avenue Albany, New York 12231	**WASHINGTON** Director of Depart. of Financial Institutions General Administration Building - Securities Division 314 Floor 150 Israel Road, S. W. Tumwater, Washington 98501 (360) 902-8760
INDIANA Indiana Secretary of State 201 State House Indianapolis, Indiana 46204 (317) 232-6681	**NORTH DAKOTA** North Dakota Securities Commissioner 600 Boulevard Avenue, State Capital Fifth Floor Bismarck, ND 58505-0510 (701)328-4712	**WISCONSIN** Commissioner of Securities 345 West Washington Avenue Fourth Floor Madison, Wisconsin 53703 (608) 261-9555

EXHIBIT I
STATE SPECIFIC ADDENDA

ADDENDUM TO BODYBAR FRANCHISING, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

CALIFORNIA APPENDIX

1. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

2. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.

3. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

4. The Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreement. These provisions may not be enforceable under California law.

5. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

6. Item 6 of the Franchise Disclosure Document is hereby revised to note that the highest interest rate allowed in California is 10%.

7. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

8. The franchise agreement requires all disputes be resolved in Texas. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

9. The Franchise Agreement requires application of the laws of Texas. This provision may not be enforceable under California law.

10. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

11. Franchisees and spouses must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

12. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming

reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

13. THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.

14. THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.

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

16. OUR WEBSITE, www.bodybarpilates.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov~~.~~.

17. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

    (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
    (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
    (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
    (d) Violations of any provision of this division.

18. Item 5 is amended as follows:

As a condition of registration and based upon the audited financial statements of Franchisor for the year ended December 31, 2023, Franchisor has secured a surety bond from United Surety Insurance Company in the amount of $247,500.00 to ensure that Franchisor fulfills its pre-opening obligations to each franchisee.

ADDENDUM TO THE BODYBAR FRANCHISING, LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF CALIFORNIA

This Addendum amends the Franchise Agreement dated __________ (the "Agreement"), between BODYBAR FRANCHISING, LLC, a Texas limited liability company ("Franchisor") and ________________________________("Franchisee").

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

2. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

4. As a condition of registration and based upon the audited financial statements of Franchisor for the year ended December 31, 2023, Franchisor has secured a surety bond from United Surety Insurance Company in the amount of $247,500.00 to ensure that Franchisor fulfills its pre-opening obligations to each franchisee.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
	BODYBAR FRANCHISING, LLC
By:__________________________	
Name: _______________________	By:____________________________
Title:________________________	Name:__________________________
Date:________________________	Title: __________________________
	Date: __________________________

ADDENDUM TO BODYBAR FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the Agreements.

As a condition of registration and based upon the audited financial statements of Franchisor for the year ended December 31, 2024, Franchisor has secured a surety bond from United Casualty and Surety Insurance Company in the amount of $60,000.00 to ensure that Franchisor fulfills its pre-opening obligations. The Bond is on file with the Office of the Illinois Attorney General.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee's rights upon Termination and Non-renewal are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of ______________, 20___.

ATTEST	**BODYBAR FRANCHISING, LLC**
___________________________	By:____________________________________
Witness	Name:__________________________________
	Title:__________________________________
	FRANCHISEE:
___________________________	_______________________________________
Witness	

ADDENDUM TO BODYBAR FRANCHISING, LLC
FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the Agreements.

As a condition of registration and based upon the audited financial statements of Franchisor for the year ended December 31, 2024, Franchisor has secured a surety bond from United Casualty and Surety Insurance Company in the amount of $60,000.00 to ensure that Franchisor fulfills its pre-opening obligations. The Bond is on file with the Office of the Illinois Attorney General.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee's rights upon Termination and Non-renewal are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of ______________, 20___.

ATTEST	**BODYBAR FRANCHISING, LLC**
___________________________ Witness	By:___________________________ Name:_________________________ Title:__________________________
	FRANCHISEE:
___________________________ Witness	___________________________

ADDENDUM TO BODYBAR FRANCHISING, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MINNESOTA

In an Addendum to the Franchise Agreement, we agree to indemnify you against losses and liabilities for which you are held liable in any proceeding arising out of your use of the mark "BODYBAR PILATES" or any other trademark, service mark or logotype that you are authorized by us to use with the BODYBAR franchise. This indemnification is contingent upon you using the marks or logotypes in accordance with the provisions of the Franchise Agreement. You are not granted any trademark rights under the Development Agreement.

We will comply with Minnesota Statute Section 80C.14 subdivisions 3, 4 and 5 which require, except in certain specific cases, that you be given ninety (90) days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and/or Development Agreement.

Minn. Stat. Sec. 80C.21 and Minnesota Rule Part 2860.4400J, prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Minn. Rule Part 2869.4400(d) prohibits us from requiring that you assent to a general release as set forth in Item 17 of this Disclosure Document.

Nothing in the Disclosure Document, Franchise Agreement or Development Agreement shall affect your rights under Minnesota Statute Section 80C.17, Subd. 5.

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

As a condition of registration and based upon the audited financial statements of Franchisor for the year ended December 31, 2024, Franchisor has secured a surety bond from United Casualty and Surety Insurance Company in the amount of $60,000.00 to ensure that Franchisor fulfills its pre-opening obligations.

ADDENDUM TO BODYBAR FRANCHISING, LLC
FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT
<u>REQUIRED BY THE STATE OF MINNESOTA</u>

The Sections of the Franchise Agreement and Development regarding your obligation to execute a general release upon assignment or renewal are deleted in their entirety in accordance with Minnesota Rule Part 2860.4400(D).

Section IX of the Franchise Agreement is hereby modified to add the following subsection after the last subsection therein:

> Franchisor agrees to indemnify Franchisee from and against any losses, liabilities and damages for which Franchisee is held liable by a court of competent jurisdiction in any proceeding arising solely out of Franchisee's use of the mark "BODYBAR PILATES" and all other trademarks, service marks and associated marks and symbols utilized by Franchisee pursuant to this Agreement, provided such use is in accordance with and pursuant to the provisions of this Agreement. The foregoing indemnification is conditioned upon the following: Franchisee must (i) provide written notice to Franchisor of any claims subject to indemnification hereunder within twenty (20) days of Franchisee's receipt of any written information pertaining to such claims, (ii) tender the defense of the claims to Franchisor if Franchisor so desires, and (iii) permit Franchisor to have sole control of the defense and settlement of any such claim.

Section XVII of the Franchise Agreement, as well as Section VII of the Development Agreement, are hereby modified to add the following subsection after the last subsection therein:

> <u>Minnesota Law</u>. The conditions under which this Agreement can be terminated or not renewed may be affected by Minnesota law which provides Franchisee with certain termination and non-renewal rights. Minnesota Statute Section 80C.14, subdivisions 3, 4 and 5 require, except in certain specified cases, that the Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Section XIX.N of the Franchise Agreement, as well as Section XII.N of the Development Agreement, are hereby modified by adding the following text as the last sentence thereof:

> Minn. Stat. Sec. 80C.21 and Minnesota Rule Part 2860.4400J, prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Section IV.A of the Franchise Agreement and Section II.A. of the Development Agreement are amended as follows:

> As a condition of registration and based upon the audited financial statements of Franchisor for the year ended December 31, 2024, Franchisor has secured a surety bond from United Casualty and Surety Insurance Company in the amount of $60,000.00 to ensure that Franchisor fulfills its pre-opening obligations.

Nothing in the Franchise Agreement or Development Agreement is intended to abrogate or reduce any rights of the Franchisee as provided in Minnesota Statutes, Chapter 80C.

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The Franchisee cannot consent to the Franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

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

NEW YORK STATE ADDENDUM TO FDD

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

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

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

~~D.~~ No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee": "You may terminate the agreement on any grounds available by law."

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

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

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

~~7.~~ Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

FOR THE STATE OF NORTH DAKOTA

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information replaces or supplements the corresponding disclosures in the main body of the text of the Franchise Disclosure Document and corresponding provisions of the Franchise Agreement:

Item 5.

As a condition of registration and based upon the audited financial statements of Franchisor for the year ended December 31, 2024, Franchisor has secured a surety bond from United Casualty and Surety Insurance Company in the amount of $60,000.00 to ensure that Franchisor fulfills its pre-opening obligations.

Item 17.

The North Dakota Securities Commissioner has determined that it is unfair and inequitable under the North Dakota Franchise Investment Law to the franchisor to require the franchisee to sign a general release upon renewal of the Franchise Agreement. Therefore, the requirement that the franchisee signs a release upon renewal of the Franchise Agreement is deleted from Item 17(c), and any other place it appears in the Franchise Disclosure Document and the Franchise Agreement.

The Commissioner has determined that any requirement for franchisees to consent to termination or liquidated damages is unfair, unjust, and inequitable within the intent of the North Dakota Franchise Investment Law. Any references in the Disclosure Document requiring franchisees to consent to termination penalties or liquidated damages are deleted in Disclosure Document and Franchise Agreement.

Covenants not to compete such as those mentioned in Item 17 of the Franchise Disclosure Document and the Franchise Agreement are generally considered unenforceable in the State of North Dakota.

Under the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void. Any mediation or arbitration will be held at a site agreeable to all parties. The laws of North Dakota will govern any dispute.

The Franchise Agreement includes a waiver of exemplary and punitive damages. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Disclosure Document and Franchise Agreement.

The Franchise Agreement requires franchisees to consent to a waiver of trial by jury. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Disclosure Document and Franchise Agreement.

The Franchise Disclosure Document and Franchise Agreement state that franchisees must consent to the jurisdiction of courts in the State of Texas. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Disclosure Document and Franchise Agreement.

The Franchise Agreement requires franchisees to consent to a limitation of claims within one year. That requirement will not apply to North Dakota franchisees and, instead, the statute of limitations under North Dakota law will apply.

For North Dakota franchisees, the prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorneys' fees.

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

Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

VIRGINIA

ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for BODYBAR Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

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

Item 5:

> As a condition of registration and based upon the audited financial statements of Franchisor for the year ended December 31, 2024, Franchisor has secured a surety bond from United Casualty and Surety Insurance Company in the amount of $60,000.00 to ensure that Franchisor fulfills its pre-opening obligations.

The following statement is added to Item 17.h:

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

ADDENDUM TO BODYBAR FRANCHISING, LLC
FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT
REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Agreement and Development Agreement for BODYBAR Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Section IV.A of the Franchise Agreement and Section II.A. of the Development Agreement is Supplemented as follows:

   As a condition of registration and based upon the audited financial statements of Franchisor for the year ended December 31, 2024, Franchisor has secured a surety bond from United Casualty and Surety Insurance Company in the amount of $60,000.00 to ensure that Franchisor fulfills its pre- opening obligations.

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of ______________, 20___.

ATTEST	**BODYBAR FRANCHISING, LLC**
__________________________	By:___________________________________
Witness	Name:_________________________________
	Title:_________________________________
	FRANCHISEE/DEVELOPER:
__________________________	_______________________________________
Witness	

EXHIBIT J

REQUIRED VENDOR AGREEMENTS

Bodybar Pilates Franchisee
Business Entity TBD

Re: Bodybar – Development Services Proposal – XXXXX

Dear XXXXXX,

Thank you for the opportunity to provide our fee structure for Development Management of your Project. Unlike many firms, we have tremendous experience with the unique requirements associated with retail development on a national stage. Our client list includes many of the top brands in boutique fitness and we believe our success in this area stems from our understanding of the unique nature of multi-site development and securing and constantly expanding specialized resources to address the needs of multi-site developers. The following proposal is designed to outline the suggested scope of work and associated fee for bringing your project to market.

STANDARD FORM OF AGREEMENT BETWEEN CLIENT AND CONSULTANT

Between the **Client:**	Bodybar Pilates Franchisee Business Entity TBD
And the **Consultants:**	**The Holdings Development Services Associates, LLC d.b.a. CDS** 16775 Addison Rd Suite 550 Addison, TX 75001 (469) 897-5928

Proposal Assumptions

- Project is located in any town USA
- Drawings will be based on Prototypical Design Standards provided by Bodybar corporate office and/or developed by CDS.
- 1,900 – 2,400 SF tenant finish out
- Structural Engineering Services/Plans are not required at As-Built survey
- Exclusions:
    - Entitlement, Site Planning, Municipal Design Review – the need for these will be determined during the Due Diligence phase. If required, a proposal addendum will be provided.
    - Exterior building improvements
    - Asbestos Survey to be performed By Others
    - Any investigation or coordination of governmental regulations pertaining to on premise distribution of alcoholic beverages and/or liquor licensing.
- Services beyond the Due Diligence phase listed in the fee structure and scope of work below is for general program purposes and will be revised on a site specific basis upon completion of the due diligence phase.
- This proposal for standard services is based on a Non-SBA Lender funded program. Should your project be funded under the SBA loan program please advise as to what your lender's administrative documentation requirements will be so that we may assign the proper coordination fee.

Scope of Services

As-Built / Existing Conditions Documentation
In connection with the renovation or adaptive reuse of an existing retail space or building, the Consultant shall perform a comprehensive documentation of existing site conditions to support accurate planning, design development, and preparation of construction documents. This effort shall include field verification and documentation of architectural elements, mechanical, electrical, and plumbing (MEP) systems.

The Consultant shall prepare a Site Survey Report that includes photographic documentation, relevant equipment and system identification information (including serial numbers where available), identification of physical constraints, and an AutoCAD-based drawing reflecting existing conditions. The Site Survey Report shall serve as the foundational reference for the development of construction documents and the establishment of the overall construction scope of work.

Site Investigation (Authority & Code Research)
As part of the Due Diligence Phase, Consultant will perform a Site Investigation to identify jurisdictional requirements that may impact project feasibility, schedule, and cost. This effort consists of targeted internet-based research and direct outreach to the Authorities Having Jurisdiction (AHJs) for each identified site. Consultant will contact applicable municipal and regulatory departments to confirm zoning and use requirements, applicable building and fire codes, permitting processes, review timelines, and anticipated municipal fees. Departments contacted may include, as applicable:

- Planning & Zoning
- Building Department
- Fire & Life Safety
- Signage Department

Information collected through this process will be compiled into a Site Investigation Report, summarizing key regulatory findings, approval pathways, and potential constraints relevant to the proposed project. The report will be delivered electronically and included as part of the complete Due Diligence package to support informed decision-making and downstream design and permitting efforts.

Design and Construction Document Services
Based on the assumptions for a tenant improvement project located within an existing shell building, Consultant will work with Architectural/Engineering subConsultant to provide professional design and construction document services to support municipal approvals, competitive bidding, and construction of the proposed facility.

These services will be performed in general conformance with the Franchisor's approved prototype design standards, brand guidelines, and reference materials previously provided, and will be adapted as necessary to address site-specific conditions, information identified during the Due Diligence Phase, applicable codes and regulations, and Owner direction.

The scope of services includes the preparation and coordination of Construction Documents, consisting of architectural drawings and specifications reasonably required for permitting and construction, and coordination with consulting disciplines including Mechanical, Electrical, and Plumbing (MEP) engineering, and Structural engineering where required. Consultant will also coordinate with the Landlord and other project stakeholders as necessary to support the review and approval process.

Construction Documents will be site-specific in nature and generally limited to the interior improvements of the leased premises and roof area, unless otherwise noted. Any additional scope required due to unique site conditions, exterior modifications, site work, accessibility upgrades, signage packages, or enhanced presentation materials may be provided as additional services, subject to separate authorization.

This phase is intended to translate the Franchisor's established design intent into permit-ready and construction-ready documents while maintaining brand consistency and addressing jurisdictional and site-specific requirements.

BODYBAR IP/Design: Notwithstanding the foregoing, Franchisor shall retain all rights, title, and interest in its proprietary designs, layouts, standards, and prototype plans, and shall have the right to reuse, adapt, and implement such materials throughout the franchise system without restriction.

Permit Management
As part of the Permitting Phase, Consultant will provide permit management services to support the timely review and approval of the Construction Documents by applicable authorities.

This scope includes preparation, coordination, and submission of permit application packages to the local building, fire, and health departments, based on requirements identified during the Site Investigation phase. Consultant will track permit submittals, monitor review status, and coordinate responses to standard plan review comments in collaboration with the project design team and Consultant.

Permit management services also include coordination of the Construction Document review process with the Landlord, where required, and incorporation of Landlord comments necessary to advance the permitting process.

This scope reflects the minimum effort required to obtain permit approvals for a standard tenant improvement project. Any additional services required due to unique jurisdictional requirements, re-submittals resulting from scope changes, use of third-party permit expeditors, or entitlement, zoning, or land-use actions may be provided as additional services, subject to separate authorization.

Consultant is solely responsible for ensuring that designs and services comply with applicable building codes, accessibility requirements, and life safety regulations. Consultant shall indemnify Franchisor for any claims arising from non-compliance.

Municipal permit, review, and impact fees are excluded and shall be paid directly by the Owner.

Entitlement Services
Entitlement Services shall include the management, coordination, and processing of required local, state, and federal discretionary approvals necessary for project development where such approvals are not permitted "as-of-right" under applicable zoning and land use regulations. The Consultant shall oversee and coordinate with the project team to facilitate the successful navigation of all jurisdictional requirements.

Services may include, but are not limited to, obtaining variances, conditional use permits, discretionary approvals, change of use approvals, lot mergers, parcel maps, platting and replatting, Planned Development amendments, and approvals from Design Review Boards, Planning Commissions, and City Councils, as applicable. The Consultant can also provide representation on behalf of the Owner at public hearings and related proceedings.

The scope of services further includes due diligence research, strategic consulting, coordination and management of third-party consultants, preparation and submission of required documentation, and ongoing communication with governing authorities throughout the entitlement process.

Entitlement Services are typically not required for Tenant Finish-Out projects. The determination of whether such services are necessary shall be made during the Due Diligence phase. If required, Entitlement Services shall be authorized and performed under a separate agreement or amendment to this Agreement.

Project Management Services (Owner's Representative)
Project Management Services shall be performed in the capacity of Owner's Representative and shall encompass oversight and coordination of the Project through three primary phases: Pre-Construction, Construction, and Post-Construction. The Consultant shall act in the best interest of the Owner to manage risk, maintain schedule and budget, and uphold the quality standards established for the Project.

The scope of services shall include, but is not limited to, the following:

- **Competitive Bidding:**
  Manage and administer the competitive bidding process on behalf of the Owner, including identification of prospective General Contractors, coordination of Requests for Information (RFIs), evaluation and normalization of bids, and review of pricing in relation to project requirements. The Consultant shall provide a recommendation to the Owner for contract award based on contractor qualifications, completeness of bid, and alignment with Owner, Landlord, and jurisdictional requirements.
- **Site Visits and Meetings:**
  Attend and/or facilitate project meetings and conduct periodic site visits during construction to observe progress, verify adherence to project schedules, and evaluate general conformance with contract documents. Unless otherwise agreed, services shall include up to two (2) site visits during the construction phase.
- **Monitoring and Reporting:**
  Monitor project progress relative to schedule, budget, and quality expectations established by the Owner. Provide regular reporting to the Owner, including updates on construction progress, schedule status, budget tracking, and identification of potential risks or variances. Reports shall be provided on a weekly basis, or as otherwise agreed.
- **Contract Administration:**
  Provide administrative oversight of the construction contract on behalf of the Owner, including review and recommendation of contractor pay applications, change orders, and other project-related documentation. The Consultant shall advise the Owner prior to approval of progress and final payments but shall not assume the responsibilities of the Contractor or design professionals.
- **Owner Representation and Coordination:**
  Serve as the Owner's primary representative throughout all phases of the Project, coordinating communication among the Owner, General Contractor, design team, and other stakeholders. The Consultant shall implement industry best practices to support delivery of the Project within the established budget, schedule, and quality objectives.
- **Project Closeout:**
  Coordinate and facilitate project closeout activities, including management of punch list completion, assistance with obtaining the Certificate of Occupancy, and collection of closeout documentation from the General Contractor.

CDS
Consolidated Development Services

Summary of Fees

DUE DILIGENCE PHASE	Standard Project	Complex Project
Project Due Diligence Package	$7,000	$8,000
As-Built/Conditions Survey	Included	
Site Investigation Report	Included	
LOI Review, Lease Reviews	Included	*Includes (2) reviews. (1) initial and (1) revision*
Conceptual Floor Plan	Included	
DESIGN & CONSTRUCTION DOCUMENT PHASE		
Design Phase Project Management	$16,000	$18,500
Architectural Services - Plans and Specifications	Included	
MEP Engineering Services	Included	
California Title 24	Excluded	$1,500
TDLR (Texas)	Excluded	TBD
Structural Engineering Services	Excluded	TBD
PERMITTING PHASE		
Entitlement Services	Excluded	TBD
Permit Management – Building, Fire, Health Departments and Landlord. Excludes Permit Fees assigned by municipality.	$3,000	$4,000
CONSTRUCTION PHASE		
Project/Construction Management	$12,000	$15,000

Other Services/Expenses	BASE PACKAGE	AS NEEDED
Reimbursable Expenses (Travel/Printing/Shipping)		**Cost plus 10%**
SBA lender document coordination		Hourly as needed
Modifications to prototypical design/color/materials		Hourly as requested
Site Plan and exterior accessibility plans		Hourly as requested
Exterior color elevations/color material boards		Hourly
Structural Engineering Services		Upon Request as needed
Utility Coordination & Account Setup		By Owner

Hourly Rate Schedule

Principal	$120	Sr. Construction Manager	$125
Associate	$115	Construction Manager	$100
Creative Director	$130	Sr. Property Development	$125
Interior Designer	$95	Property Development	$100
Designer	$100	Project Manager	$125
Client Manager	$110	Administrative	$85
Arch Project Manager	$100		

Initials _____ ______

Consolidated Development Services

Hazardous Materials: Consultants cannot be associated in any way with the planning, abatement, or removal of asbestos containing materials (ACM's), PCB's, or any other hazardous materials. In the event such materials are identified to be present on the project, it will be the responsibility of the owner to procure services related to the removal/abatement and disposal of such materials.

The Basic Services agreement will be performed for the lump sum fees defined in the aforementioned Summary of Fees plus any Additional Service fees and Reimbursable Expenses, and will be payable in the following installments.

	PAYMENT TERMS	
	Due Diligence	Due at LOI prior to commencement of due diligence
	Design & Permit Management	Due at lease signing and prior to commencement of Construction Documents
	Construction & Vendor Management	Due at Completion of construction documents prior to competitive bidding and building permit application

EFT (electronic funds transfer) is always preferred to expedite the process, but if sending checks by mail, please make deposit checks payable to "CDS Development" and mail to:

CDS Development
16775 Addison Rd. Suite 550
Addison, Texas 75001

Additional Service fees and any Reimbursable Expenses will be billed on a monthly basis and is payable upon your receipt of the invoice for these items.

Normal reimbursable project expenses incurred shall be reimbursed at the rate of 1.1 times the actual cost. These expenses incurred on behalf of the project include, but are not limited to, printing, plotting, copying, delivery/courier services, long distance communication services, and for expenses related to travel. These expenses will be invoiced on a monthly basis and not against any of the aforementioned deposit payments.

Once again, thank you for the opportunity to offer you this proposal. Should you have any questions, please call at any time. If this proposal meets your approval, please provide a signature below and forward back to CDS. We look forward to a continued successful relationship with you and your organization.

IN WITNESS WHEREOF, the parties hereto have made and executed this agreement the day and year first above written.

OWNER: ______________________________
Bodybar Pilates Franchisee
Business Entity TBD

CONSULTANT: Liz Bolton
____
Liz Bolton
Project Manager
CDS Development

Initials _____ _____

Consolidated Development Services

TERMS & CONDITIONS
These Terms & Conditions are made a part of the attached Agreement between CONSULTANT and the CLIENT. The CLIENT has read and agrees to the following Terms & Conditions as an integral part of this Agreement.

A. Authorization to Proceed: Signing this Agreement shall be authorization by CLIENT for CONSULTANTS to proceed with the work, unless otherwise provided for in Agreement. Acceptance will occur upon receipt by CONSULTANTS of the original fully signed Agreement or an email or facsimile (fax) transmittal of a signed Agreement. If CLIENT returns the fully signed Agreement to CONSULTANTS by fax or email transmittal, such fax or email transmittal shall serve as an original until an actual original Agreement is executed and received by CONSULTANTS. CONSULTANTS and CLIENT agree that an email or fax from the CLIENT to CONSULTANTS directing CONSULTANTS to proceed shall be construed as authorization by CLIENT for CONSULTANTS to proceed with the work. The fees related to the scope of work are valid for 30 days from the date of the CONSULTANTS letter to the CLIENT transmitting the Agreement.

B. Period of Service: CONSULTANTS will commence work within a timeframe mutually agreed upon between CONSULTANTS and the CLIENT and will proceed with said work in a diligent manner to completion. CONSULTANTS will not be responsible for delays caused by factors beyond CONSULTANTS's control, including, but not limited to, fire, flood, explosion, riot, strike, war, process shutdown, Act of God, or the public enemy, act or regulation of any government agency, or any other act or event, which could not reasonably have been foreseen at the time this Agreement was executed. If, at any time during the completion of the scope of services, the project is delayed for more than 60 days then CONSULTANTS shall be entitled to an equitable adjustment in fees. In the event CONSULTANTS are delayed by the CLIENT and such delay exceeds 30 days, CONSULTANTS shall be entitled to an extension of time equal to the delay and an equitable adjustment in fees.

C. Terms of Payment: CONSULTANTS will invoice CLIENT monthly based on the actual services rendered and Reimbursable Expenses expended unless otherwise provided for in the Agreement. CLIENT shall pay the full invoice amount promptly with payment due within 30 days of the invoice date. CLIENT agrees that CLIENT's payment to CONSULTANTS is not subject to receipt of any payments due CLIENT from any third party. CLIENT payments due CONSULTANTS will not be delayed pending a third party disbursement to CLIENT. If CLIENT objects to any invoice submitted by CONSULTANTS, CLIENT shall so advise CONSULTANTS in writing, giving reasons therefore, within fourteen days of the date on the said invoice, CLIENT'S failure to object to an invoice within the specified time frame shall be deemed as CLIENT'S acceptance of such invoice. If CLIENT fails to make any payment due CONSULTANTS for services and Reimbursable Expenses within thirty days of the date on the invoice, the amounts not paid will be considered past due and a late fee charge of 1.5% per month of the delinquent amount shall be added to the past due amount, and in addition to the late fee charge, CONSULTANTS may suspend services under this Agreement, without liability for delay or other damages which may result therefrom, upon delivery of written notice of its intention thereof.

D. Professional Standards: CONSULTANTS' services shall be performed in accordance with the standard of professional practice ordinarily exercised by the applicable profession at the time and within the locality where the services are performed for CLIENT. CONSULTANTS' professional services are not subject to, and CONSULTANTS cannot and does not provide, any warranty or guarantee, express or implied, including warranties or guarantees contained in any uniform commercial code. Any such warranties or guarantees contained in any purchase orders, requisitions or notices to proceed, issued by CLIENT are specifically objected to and rejected.

E. Construction and Safety: CONSULTANTS specifically disclaims any authority or responsibility and CONSULTANTS does not have authority, responsibility or liability for, the means, methods, techniques, sequences or procedures of construction selected by Contractor(s); for safety precautions and programs incident to the work of Contractor(s); or for any failure of Contractor(s) to comply with laws, rules, regulations, ordinances, codes or orders applicable to Contractor(s) furnishing and performing their work.

F. Differing Site Conditions: If Differing Site Conditions adversely affect CONSULTANTS's performance of services as contemplated by this Agreement, then 1) CONSULTANTS are permitted to terminate its services after notifying the CLIENT of such Differing Site Conditions, and 2) if CLIENT wishes CONSULTANTS to continue performance of its services, CLIENT and CONSULTANTS shall agree, in writing, to new or modified

Initials _____ ______

scope of services and fees provisions under the Agreement to reflect the cost and schedule impact of such conditions. For purposes of this Agreement, 'Differing Site Conditions' means physical, structural, subsurface, soil or other conditions uncovered, revealed or discovered which differ from 1) those presented by CLIENT to CONSULTANTS, in any RFP or otherwise, 2) those ordinarily encountered and generally recognized as inherent in work of a similar character, or 3) those apparent based upon a reasonable visual inspection of the project site.

G. **Cost Estimate: Any opinion of costs of construction prepared by CONSULTANTS is supplied only for the general guidance of the CLIENT. CONSULTANTS have no control over the cost of labor, materials, equipment or services furnished by others, or over contractors' methods of determining prices, or other competitive bidding or market conditions.** CONSULTANTS**' preparation of Cost Estimates are made on the basis of CONSULTANTS' experience and judgment and are CONSULTANTS' opinion of the cost of construction and not a guarantee of the accuracy of such opinion as compared to contract bids or actual costs to CLIENT. CONSULTANTS do not warrant that bids or ultimate construction costs will not vary from its opinion of cost estimates.**

H. Construction Contracts: Consultants' recommendation of a standard AIA or other construction contract shall not be construed as legal advice. Consultant strongly recommends you seek legal counsel to obtain advice as to the sufficiency of a construction contract and its compliance with local laws. If you choose to use a construction contract recommended by the Consultants, you agree that the Consultants shall have no liability to you for the same.

I. Limitation of Liability: Neither CONSULTANTS, nor their agents or employees shall be jointly, severally, nor individually liable to Owner in excess of the compensation earned pursuant to this agreement by reason of any act of omission, including breach of contract or negligence not amounting to a willful or intentional wrong. Such liability limitation applies, without restriction or limitation, to injury or damage to persons or property and all claims arising out of any design defect, error, omission, or professional negligence. Further, the CLIENT shall either 1) include a like limitation of liability benefiting CONSULTANTS in the CLIENT'S contracts with any contractor or subcontractor who may perform work in connection with or making use of any design, report or study prepared by CONSULTANTS, or 2) indemnify CONSULTANTS for any liability in excess of the limitations set forth above arising because of claims brought by such contractors or subcontractors arising out of and such design, report or study. IN NO EVENT AND UNDER NO CIRCUMSTANCES SHALL CONSULTANTS BE LIABLE TO CLIENT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES.

J. Reimbursable Expenses: Outside services, mileage, and reproductions etc. required to complete the job that are not itemized in the Scope of Services are invoiced as Reimbursable Expenses, at cost plus 10%. As contemplated throughout this Agreement, Reimbursable Expenses are an obligation of the CLIENT and such Reimbursable Expenses will be included on the invoices issued to CLIENT.

K. Contract Addendum: The Scope of Services set forth in the Agreement is based on facts known at the time of execution of this Agreement, including, if applicable, information supplied by CLIENT. For some projects involving conceptual or process development services, scope may not be fully definable during initial phases. As the project progresses, if facts discovered by CONSULTANTS indicate that the scope must be redefined, CONSULTANTS will promptly provide CLIENT with an amendment to this Agreement to recognize such change, which shall be deemed approved if not objected to within 15 days of receipt by CLIENT.

L. Termination; Suspension: Either CLIENT or CONSULTANTS may terminate this Agreement by giving 30 days prior written notice to the other party. In such event, CLIENT shall forthwith pay CONSULTANTS in full for all work previously authorized and performed including Reimbursable Expenses and profit relating to such work prior to the effective date of termination, plus any expenses of termination. Relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement. Provided, the provisions of Section H (Limitation of Liability) shall survive termination. Relationships, obligations, and commitments created and established by CONSULTANTS for CLIENT under this Agreement shall be terminated as soon as is practicably possible and said costs, fees, and expenses of termination shall be paid by CLIENT upon receipt of invoice from CONSULTANTS. Termination of this Agreement shall not affect CONSULTANTS' right to lien or otherwise pursue payment for work completed through the effective date of termination. In the event either party defaults in its obligations under this Agreement (including CLIENT's obligation to make the payments required hereunder), the non-defaulting party may, after seven (7) days' written notice state its intention to suspend performance under the Agreement if cure of such default is not commenced and diligently continued, and failure of the defaulting party to commence cure within such time limit and diligently continue the cure, shall suspend performance under this Agreement.

M. Controlling Law, Jurisdiction and Venue: This Agreement shall be governed by the laws and jurisdiction of the State and County in which the CDS office, performing the work, resides.

N. Waiver: Any provision or condition of this Agreement may be waived at any time, in writing, by the party entitled to the benefit of such provision or condition. Waiver of any breach of any provision will not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

O. Reuse of Documents: All documents, including drawings and specifications, prepared by CONSULTANTS pursuant to this Agreement shall remain the property of CONSULTANTS and are instruments of service in respect of the Project. They are not intended or represented to be suitable for reuse by CLIENT or others on extensions of the services provided for the intended Project or on any other project. Any reuse without the written verification or adaptation by CONSULTANTS for the specific purpose intended will be at CLIENT's sole risk and without any liability or legal exposure to CONSULTANTS; and CLIENT shall indemnify and hold harmless CONSULTANTS from all claims, damages, losses and expenses, including attorney's fees arising out of or resulting therefrom. Any such verification or adaptation will entitle CONSULTANTS to further compensation at rates and fees agreed upon by CLIENT and CONSULTANTS. CONSULTANTS reserve the right to withhold release of all documentation pending payment for any past due or unpaid invoices.

P. Intellectual Property: CONSULTANTS shall retain full rights to all Intellectual Property in all documents created by CONSULTANTS for the purpose of the Agreement until full and final payment owing to CONSULTANTS has been made by the CLIENT. Upon full and final payment of all outstanding invoices due and owing to CONSULTANTS, CONSULTANTS grants the CLIENT a license to use such Intellectual Property for the purpose of the Project to which the services relate excluding electronic files. Furthermore, the CLIENT shall indemnify and hold harmless CONSULTANTS from all claims arising out of or resulting from modifications made to this Intellectual Property without prior written approval from a CONSULTANTS' Principal.

Q. Electronic Media Delivery: CONSULTANTS shall retain full rights to all electronic data created by CONSULTANTS. It is recognized that the CLIENT may, from time to time, request the delivery of and receive copies of drawings on computer disks, magnetic tapes, email or by some other form of transfer of electronic information. The electronic information provided is considered part of CONSULTANTS' instrument of service and shall not be used on other projects, for additions to this project, or for completion of this project by another design professional except by agreement in writing and with appropriate compensation to CONSULTANTS.

Any such use or reuse by the CLIENT or others, without written authorization or CADD adaptation by CONSULTANTS for the specific purpose intended shall be at the CLIENT's sole risk and without liability or legal exposure to CONSULTANTS. Furthermore, the CLIENT shall indemnify and hold harmless CONSULTANTS from all claims arising out of or resulting therefrom. Due to the potential that the electronic information provided can be modified by the CLIENT, unintentionally or otherwise, CONSULTANTS reserves the right to remove all reference to its ownership and/or involvement from each electronic display. The CLIENT shall be responsible for determining the compatibility of CONSULTANTS' files with the CLIENT's software. CONSULTANTS make no warranty as to the compatibility of its files with the CLIENT's software. Because data stored on electronic media can deteriorate undetected, the CLIENT agrees that CONSULTANTS cannot be held liable for the completeness or correctness of the electronic data after an acceptance period of 30 days from the date of delivery of the electronic files. CONSULTANTS reserve the right to withhold release of all documentation pending payment for any past due or unpaid invoices.

R. Prohibition on Hiring: Either during an active Agreement with CONSULTANTS or within 1 year of an active Agreement with CONSULTANTS, CLIENT shall not recruit or hire any CONSULTANTS employee. Should CLIENT hire a CONSULTANTS' employee during this period CLIENT agrees to pay CONSULTANTS a placement fee equal to one year's salary based on the employee's current salary with CONSULTANTS as compensation for the screening, hiring and training costs incurred by CONSULTANTS with respect to such employee.

S. Insurance: CONSULTANTS will maintain insurance coverage for Professional, Comprehensive General, Automobile, Workers' Compensation, and Employer's Liability in amounts in accordance with legal and CONSULTANTS' business requirements. Certificates evidencing such coverage will be provided to CLIENT upon request. For projects involving construction, CLIENT agrees to require its construction contractor, if any, to include CONSULTANTS as an additional insured on its policies relating to the project. CONSULTANTS' coverages referenced above shall, in such case, be the excess over contractor's primary coverage.

T. Assignment: Neither this Agreement nor any of the rights, interests, or obligations under this Agreement may be assigned by any party without the prior written consent of the other parties, which consent will not be unreasonably withheld.

U. Exhibits: The exhibits, attachments, documents, and instruments, including Scope of Services, Fees, Terms & Conditions, Budget and Fee Totals by Discipline, Schedule of Fees and Reimbursable Expenses, ALTA Survey Requirements Provided, and Construction Staking Requirements Provided referenced in this Agreement are part of this Agreement as if fully set forth in this Agreement.

V. Entire Agreement: This Agreement (including the documents and instruments referred to in this Agreement) constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.

W. Retainer: Prior to proceeding with the delivery of any services as outlined in the Scope of Services, CONSULTANTS require that it be in possession of good funds in the full amount of the retainer as specified in the Fees. The retainer will be held by CONSULTANTS in its general account for the duration of the project, without interest. CLIENT shall pay all invoices as required herein without offset or credit against the retainer until the conclusion of the project and full payment of all invoices related to the project. The retainer will next be applied against any overdue CONSULTANTS' invoice for any other project with CLIENT, if any, and thereafter, the retainer, or remaining balance thereof, will be returned to CLIENT.

X. Lien Rights. CONSULTANTS may perform or discharge any and all procedures, acts, notices, and filings to perfect its lien rights under the applicable state law. As an aid to collect the fees and charges due to CONSULTANTS for CONSULTANTS' performance of this Agreement, CLIENT shall timely provide to CONSULTANTS an accurate property description, the names and addresses of all property owners, lenders, contractors, and any other necessary party that will afford CONSULTANTS the highest allowable priority in the enforcement of its lien rights.

Y. Mediation: Any dispute, controversy, or claim arising out of or relating to this Agreement shall be submitted to mediation, before a mediator acceptable to both CONSULTANTS and CLIENT. If the parties are unable to reach an acceptable resolution of the dispute, controversy, or claim through the mediation process, the parties shall have any and all rights and remedies available to it under this Agreement and any and all rights and remedies at law or in equity. CONSULTANTS' right to record a lien or bond claim to prosecute a lien or bond claim shall not be stayed, limited or delayed by the mediation process.

Z. Attorney's Fees and Expenses: With respect to any dispute relating to this Agreement, or in the event that a lien, suit, action, arbitration, mediation, or other proceeding of any nature whatsoever is instituted to interpret or enforce the provisions of this Agreement, including, without limitation, any proceeding under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law or any action, suit, arbitration, or proceeding seeking a declaration of rights or rescission, the prevailing party shall be entitled to recover from the losing party its reasonable attorney fees, paralegal fees, expert fees, and all other fees, costs, title reports, title guarantee reports, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the judge or arbitrator at trial, arbitration, mediation, or other proceeding, or on any appeal or review, and all proceedings in U.S. Bankruptcy Court. CONSULTANTS shall also be entitled to reasonable attorney's fees and costs incurred in enforcing any arbitration award and/or judgment, in addition to all other amounts provided by law.

<u>FRANCHISEE SERVICES AGREEMENT</u>

This FRANCHISEE SERVICES AGREEMENT (this "**Agreement**") is entered into as of ____________________ (the "**Effective Date**") by and between Vexitey, Inc., a Tennessee corporation ("**Contractor**"), and the undersigned franchisee of BODYBAR Franchising, LLC ("**Franchisee**").

RECITALS:

WHEREAS, Franchisee operates, or intends to operate, a BODYBAR Pilates studio pursuant to a franchise relationship with BODYBAR Franchising, LLC ("**Franchisor**");

WHEREAS, Franchisor has engaged Contractor to provide certain audio and video systems, managed information technology, network infrastructure, camera systems, structured cabling, and other technology integration services supporting Franchisor and its franchisees under a master services framework (the "**Master Services Arrangement**"); and

WHEREAS, Franchisee desires to engage Contractor directly for services for Franchisee's studio(s) on the terms set forth in this Agreement, which is intended to align with, but not incorporate, the Master Services Arrangement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the Parties agree as follows:

1. **<u>Term</u>**. The term of this Agreement (the "**Term**") shall commence on the Effective Date and continue until the earlier of: (a) expiration or termination of the Master Services Arrangement; or (b) termination of this Agreement as provided herein.

2. **<u>Services; Standards; Access</u>**.

(a) Contractor will provide the services identified in one or more written orders, statements of work, proposals, or work orders executed by Franchisee and accepted by Contractor (each, a "**Work Order**"), which may include the services described <u>Exhibit A</u> attached hereto (collectively, the "**Services**"). The Services described on <u>Exhibit A</u> may be updated, modified, or supplemented from time to time by mutual written agreement of the Parties.

(b) Contractor will: (i) perform all Services in accordance with the highest professional standards and best practices generally prevailing at the time such Services are performed, (ii) perform all Services in compliance with all applicable laws and regulations, or (iii) not do or omit to do anything that Contractor knows or should reasonably know could materially injure Franchisee's goodwill or reputation.

(c) Contractor will follow commercially reasonable security practices when accessing Franchisee networks and systems, limiting access to authorized personnel and removing access when no longer required.

(d) Franchisee agrees to cooperate with Contractor and to take all actions as may be reasonably necessary to enable Contractor to perform the Services and shall provide Contractor and its officers, employees, and agents reasonable access to the properties of for purposes of performing the Services.

3. **Work Orders; Changes**.

(a) Each Work Order will specify scope, pricing, key assumptions/dependencies, deliverables, and estimated timelines. Work will not commence until the applicable deposit is received, if required under Section 5.

(b) Material deviations requested by Franchisee from any Work Order (including with respect to the scope, schedule, or assumptions of such Work Order) shall require a written change order signed by the parties.

4. **Franchisee Responsibilities**.

(a) Franchisee will provide reasonable assistance, information, decisions, approvals, and on-site coordination and will ensure legal access and safe working conditions for Contractor personnel.

(b) Franchisee is responsible for timely engagement and performance of third parties under Franchisee’s control (including, but not limited to, general contractors and internet service providers), including provision of power, permitting/inspections, and any required landlord approvals.

(c) Franchisee will comply with applicable legal or regulatory requirements relating to the studio and will obtain any required governmental approvals for the installation and operation of systems.

5. **Fees; Deposits; Invoicing; Taxes**.

(a) Fees for each Work Order are as set forth therein. Unless otherwise stated, time and materials are billed at Contractor’s then-current rates and out-of-pocket expenses (including travel, freight, permits, rentals, and consumables) will be invoiced at cost.

(b) Franchisee shall pay a fifty percent (50%) deposit at time of signature on any work order. The balance of the amount due shall be paid by such Franchisee within seven (7) days of completion of the work described in such work order.

(c) Undisputed overdue amounts accrue interest at the lesser of 1.5% per month or the maximum rate allowed by law.

(d) Franchisee shall not be liable for payment of any taxes incurred by Contractor as a result of this Agreement. Payment of any income taxes which may be due upon Contractor's compensation from Franchisee shall be Contractor's responsibility, and Franchisee will not withhold any amounts from Contractor's compensation for this purpose.

6. **Confidentiality**.

(a) Contractor may access confidential information and trade secrets of Franchisor and Franchisee, including BODYBAR data, business techniques, sales data, trademarks, logos, pricing, strategic plans, and personal data of customers generated or collected in providing Services (the “**Confidential Information**”), all of which is the property of Franchisor. Contractor shall not disclose or use Confidential Information except to perform the Services. Following termination or expiration of this Agreement, Contractor shall return, delete, or destroy all Confidential Information in its possession and cease any and all use of Confidential Information to the extent such Confidential Information materially involves Franchisee systems or data.

(a) Contractor shall, consistent with the standard practices in the industry to which the Services pertain, (i) implement and provide for reasonable technical, organizational, and other protection measures necessary to meet the requirements of applicable data protection laws and regulations that are applicable to the Services; and (ii) employ physical and technological security measures (including firewalls) reasonably appropriate to prevent Confidential Information in its possession from being accessed by unauthorized persons.

(b) Contractor shall notify Franchisor without undue delay, and in any event no later than seventy-two (72) hours after becoming aware of a breach affecting Confidential Information, and will cooperate to investigate, mitigate, and remediate the breach. Contractor will also notify Franchisee to the extent the breach materially involves Franchisee systems or data.

(c) A party may disclose Confidential Information as required by law or legal process, subject to prompt notice to the other party to seek protective treatment and limited to the minimum required.

7. **Insurance; Indemnification**.

(a) Contractor will maintain at its expense insurance with at least the following coverage: (i) workers' compensation insurance and employer's liability insurance meeting U.S. federal and state minimum requirements; and (ii) Comprehensive General Liability coverage and Umbrella and/or Excess Liability coverage with a minimum total limit of $2,000,000 combined single limit for property loss or damage and bodily injury; and (iii) Professional Liability insurance with a minimum total limit of $2,000,000; and (iv) Network and Information Security Liability insurance with a minimum limit of at least $2,000,000. Upon Franchisee's request, Contractor shall provide Franchisee with certificates of insurance evidencing the Contractor's insurance coverage.

(b) Franchisee agrees to indemnify, defend, and hold Contractor, its affiliates and owners, and their respective officers, directors, agents, employees, and representatives (each, a "**Contractor Indemnified Party**") harmless from and against any and all claims, actions, liabilities, losses, costs, and expenses of any nature whatsoever, including reasonable attorneys' fees and other costs of investigating and defending any such claim or action (a "**Loss**"), which may be asserted against any Contractor Indemnified Party, in connection with any breach of this Agreement by Franchisee.

(c) Contractor agrees to indemnify and hold harmless Franchisee and its officers, directors, agents, employees, and representatives (each, a "**Franchisee Indemnified Party**") from and against any and all Losses arising out of or resulting from a third party claim related to: (i) gross negligence, fraud or willful misconduct of Contractor in connection with the Services; (ii) any violation by Contractor and/or its employees, subcontractors, or agents of laws or regulations applicable to its performance under this Agreement; (iii) bodily injury, death or property damage caused by Contractor; (iv) Contractor's failure to comply with any data protection and security requirements set out in Section 6 hereof; and (v) any claim by a third party alleging infringement of any intellectual property rights by the Services, in each case, except to the extent that any such Losses arise out of the negligence or willful misconduct of, or breach of this Agreement by, any Franchisee Indemnified Party.

(d) The foregoing indemnification obligations are conditioned upon the indemnified party promptly notifying the indemnifying party in writing of the commencement or threatened commencement of any claim, suit, or proceeding involving a claim in respect of which an indemnified party may seek indemnification pursuant to this Section 7. No delay or failure to notify the indemnifying party shall relieve the indemnifying party of its obligations under this Agreement except to the extent that the indemnifying party has suffered actual prejudice by such delay or failure.

(e) Upon receipt of such written notice from the indemnified party, the indemnifying party shall assume sole control over the defense and settlement of the claim; *provided*, *however*, that (i) the indemnifying party shall keep the indemnified party fully apprised at all times as to the status of the defense, and (ii) the indemnifying party shall obtain the prior written approval of the indemnified party before (A) entering into any settlement of such claim if such settlement imposes any obligations or restrictions on the indemnified party, or (B) ceasing to defend against such claim.

(f) The indemnifying party shall not be liable for any legal fees or expenses incurred by the indemnified party following delivery of the written notice; *provided, however,* that to the extent that such conduct does not, or is not reasonably likely to, result in the waiver or abandonment of a legal privilege, (i) the indemnified party shall be entitled to employ counsel at its own expense to participate in the handling of the claim, and (ii) the indemnifying party shall pay the fees and expenses associated with such counsel if, in the reasonable judgment of the indemnified party, based on the written opinion of counsel, there is a conflict of interest with respect to such claim which is not otherwise resolved or if the indemnifying party has requested the assistance of the indemnified party in the defense of the claim, or the indemnifying party has failed to defend the claim diligently, and the indemnified party is prejudiced or likely to be prejudiced by such failure.

8. **Termination**.

(a) Either party may terminate this Agreement immediately upon written notice to the other party: (i) if the other party makes a general assignment for the benefit of creditors or appoints a receiver to take charge of its assets (or otherwise becomes unable to meet its debts as they mature), or if a petition of bankruptcy is filed by or against that other party and such petition is not vacated within thirty (30) days after filing or (ii) upon the levy of any attachment or other similar claim against such other party or a material portion of its assets or property, or the transfer, sale or assignment of a material portion of its assets or property. A party's exercise of any termination rights under this Agreement shall be without prejudice to any other rights that such party may have at law or in equity or otherwise but shall not give rise to any rights or claims by either party for compensation or damages as a result of the termination of this Agreement, including loss of profits, customers or goodwill, inability to recover expenditures, commitments or capital investments, or otherwise.

(b) Franchisee may terminate a Work Order (but not this Agreement) for convenience upon fifteen (15) days' prior written notice, subject to payment for Services rendered, reasonable demobilization, and any committed, non-cancellable costs.

(c) Contractor may terminate this Agreement if Franchisee fails or refuses to supply Contractor with any information reasonably deemed necessary by Contractor in the performance of its obligations hereunder and requested by Contractor and such information has not been provided to Contractor within fifteen (15) days of Contractor's request.

(d) If either party breaches any provision of this Agreement, then the other party will have the right to terminate this Agreement in its entirety upon the failure of the breaching party to cure the breach within thirty (30) days written notice of the breach from the non-breaching party.

(e) Contractor may suspend Services upon: (i) Franchisee's failure to timely pay amounts due to Contractor hereunder; (ii) Contractor's reasonable determination that performance of the Services would present material safety concerns; or (iii) legal or regulatory prohibitions; *provided, however*, that Contractor shall provide written notice to Franchisee prior to such suspension where practicable.

(f) This Agreement shall automatically terminate upon the termination of Franchisee's franchise agreement with BODYBAR.

(g) The parties acknowledge and agree that Franchisor, who is not a party hereto, may have separate termination rights with respect to this Agreement pursuant to its Master Level Arrangement with Contractor. In the event Franchisor exercises such termination rights, Contractor shall provide reasonable written notice of the same to Franchisee.

(h) Upon termination, Contractor will reasonably cooperate in transitioning the Services to Franchisee, Franchisor, or a successor provider and use reasonable efforts to minimize disruption to the business operations of Franchisees during such transitionary period.

9. **Warranty and Limitation of Liability**.

(a) Contractor shall use reasonable efforts consistent with prevailing industry standards to maintain the Services in a manner which minimizes errors and interruptions in the Services and shall perform the Services in a professional and workmanlike manner.

(b) Services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance, either by Contractor or by third-party providers, or because of other causes beyond Contractor's reasonable control, but Contractor shall use reasonable efforts to provide advance notice in writing or by e-mail of any scheduled service disruption.

(c) The parties acknowledge and agree that, except to the extent caused by the gross negligence or willful misconduct of the Contractor or its employees, Contractor's maximum aggregate liability under this Agreement and on account of any Services performed by Contractor hereunder shall be limited to an amount equal to the total amount invoiced by Contractor and paid by Franchisee.

(d) Notwithstanding anything in this Agreement to the contrary: (i) Franchisor makes no representations or warranties, express or implied, regarding the quality, fitness, merchantability, or performance of the Services by Contractor; (ii) Franchisor is not responsible in any way for performance of the Services by Contractor; and (iii) Franchisor makes no representations or warranties, express or implied, regarding the quality, fitness, merchantability, or performance of the Services performed by Contractor.

10. **WAIVER OF CONSEQUENTIAL AND PUNITIVE DAMAGES**. IN NO EVENT SHALL EITHER PARTY BE RESPONSIBLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT, WHETHER BASED IN CONTRACT, TORT, STRICT LIABILITY, STATUTE, OR OTHERWISE, AND ALL SUCH CLAIMS ARE HEREBY WAIVED.

11. **Representations and Warranties**. Each party represents and warrants that (a) it has the right, power and authority to enter into this Agreement; (b) it has not entered into and will not enter into any separate agreement or engagement with any third party which is inconsistent with or conflicts with any of the provisions or any of the rights granted to the other party in this Agreement; and (c) the performance

of the terms, conditions and obligations of this Agreement by it will not breach any separate agreement or obligation by which it is already bound.

12. **Independent Contractor**. The parties expressly acknowledge and agree that, in the performance of the Services under this Agreement, Contractor is an independent contractor, and not an employee or officer of Franchisee and is not an agent of Franchisee. Except as expressly set forth in this Agreement, Contractor shall have no authority to, and shall not incur any debt, obligation, or liability on behalf of Franchisee.

13. **Choice of Law; Venue**. This Agreement will be construed in accordance with the laws of the State of Texas, regardless of conflict of laws or other provisions governing choice of forum. Any legal action or proceeding arising out of or relating to this Agreement may be instituted in the state or federal courts located in Harris County, Texas. Contractor and Franchisee consent to the jurisdiction of such courts and waive any objection relating to personal or in rem jurisdiction or to venue which Contractor or Franchisee may now or hereafter have in any such legal action or proceedings.

14. **Binding Effect**. This Agreement will be deemed binding upon the parties and their respective successors in interest, as the case may be.

15. **Entire Agreement**. This Agreement, including any exhibits attached hereto, constitutes the entire understanding between supersedes any and all prior agreements or understandings, whole or partial, between the parties.

16. **Assignment**. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned, or delayed, except (a) in connection with any merger, consolidation, or other reorganization involving such party, or (b) to any person or entity to which the assigning party transfers all or substantially all of its assets or ownership interests. Contractor may delegate or subcontract to third parties its obligations and duties hereunder with the prior written consent of Franchisee, such consent not to be unreasonably withheld, conditioned, or delayed.

17. **Survival**. Upon expiration or termination of this Agreement, all obligations of each party toward the other under this Agreement shall cease, except (a) as otherwise provided in this Agreement, (b) for rights and obligations accruing prior to the date of termination, and (c) for rights and obligations arising as a result of any breach of this Agreement. Without limiting the foregoing, it is expressly agreed that Sections 5, 6, 7(b)-(f), 9, 10, 18, and 26 shall survive the expiration or termination of this Agreement.

18. **Notices**. Any notices or other communications required or contemplated under the provisions of this Agreement will be in writing and delivered (a) in person, (b) by overnight carrier, recipient's signature requested, or (c) mailed by certified mail, return receipt requested, postage prepaid, to the persons and addresses indicated below or to such other persons or addresses as Contractor or Franchisee may provide by written notice to the other. The date of notice will be the date of delivery if the notice is personally delivered, or the date of mailing if the notice is mailed by certified mail. Notices shall be sent addresses set forth below:

If to Contractor:

Vexitey, Inc.
10020 West 190th Place

Mokena, IL 60448
Attn: Justin Grunwald
Email: jgrunwald@vexitey.com

<u>If to Franchisee</u>:

____
____
____
Attn: ________________________

19. **<u>Legal Fees and Costs</u>**. In the event that a party elects to incur legal expenses to enforce or interpret any provision of this Agreement by judicial proceedings, the prevailing party will be entitled to recover such expenses, including, without limitation, reasonable attorneys' fees, costs, and necessary disbursements at all court levels, in addition to any other relief to which such party shall be entitled.

20. **<u>Severability</u>**. In the event any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall be severed from this agreement, and in no event affect, prejudice, or disturb the validity of the remainder of this Agreement, which shall be and remain in full force and effect.

21. **<u>No Inferences</u>**. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power, no inference in favor of or against either party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such party.

22. **<u>Waiver</u>**. No waiver of any breach shall be valid or binding unless approved in writing by the non-breaching party. Forbearance or indulgence by the non-breaching party shall not constitute a waiver of the covenant or condition to be performed by the breaching party or of any remedy available to the nonbreaching party. No waiver of any breach of this Agreement shall constitute or be deemed a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative to every other remedy provided hereby by law.

23. **<u>No Third-Party Beneficiary</u>**. None of the provisions herein contained are intended by the parties, nor shall they be deemed, to confer any benefit on any person not a party to this Agreement.

24. **<u>Headings</u>**. The section headings used herein are for reference and convenience only and will not affect the interpretation hereof.

25. **<u>Counterparts</u>**. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, and such counterparts will together constitute one and the same instrument.

26. **<u>Force Majeure</u>**. The obligations of either party under this Agreement will be suspended for the duration of any Force Majeure Event affecting such party's performance hereunder. The term "**Force Majeure Event**" means any cause not reasonably within the control of a party, including without limitation an act of God, epidemic, war, riot, terrorist act (whether foreign or domestic), natural disaster, fire, epidemic or pandemic, governmental action, regulation, restriction or demand, a national or regional emergency, labor dispute, failure of utilities or telecommunications systems, or the inability to obtain materials.

27. **Non-Solicitation**. Franchisee agrees not to solicit or recruit any Contractor employees (who are Contractor employees at such time or during the six (6) months prior to such time) at any time during the Term of this Agreement and for the twelve (12) months following termination hereof. Contractor agrees not to solicit or recruit any Franchisee employees (who are Franchisee employees at such time or during the six (6) months prior to such time) at any time during the Term of this Agreement and for the twelve (12) months following termination hereof.

[Remainder of page intentionally blank; signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CONTRACTOR:

Vexitey, Inc.,
a Tennessee corporation

By: ________________________________

Title: ________________________________

Date: ________________________________

FRANCHISEE:

____

By: ________________________________

Title: ________________________________

Date: ________________________________

EXHIBIT A

Services

1. Audio, Video & Technology Installations

Design, procurement support, installation, configuration, and maintenance of in-studio technology systems, including but not limited to:

- In-studio audio systems (speakers, amplifiers, microphones, and mixers);
- Video displays and digital signage systems;
- IPTV or streaming device setup and configuration;
- Surveillance camera systems and recording hardware;
- Speaker layout planning and equipment mounting.

2. Network, Connectivity & Low-Voltage Infrastructure

Design, installation, and support of secure studio network environments, including:

- Internet connectivity and router/firewall configuration;
- Wi-Fi systems and access point deployment;
- Low-voltage structured cabling (Ethernet, speaker wire, camera cabling, control wiring);
- Rack installation, labeling, testing, and documentation;
- Network security configuration including firewall rules, segmentation, and device hardening.

3. Retail & Studio Workstation Systems

Installation, configuration, and support for studio operations technology, including:

- Retail and front desk computers;
- Printers, barcode scanners, and POS-related peripherals;
- Device imaging and setup for operational readiness;

4. Studio Technology Audits & Evaluations

Audit, inspection, and documentation services relating to franchise compliance and operational readiness, including:

- Pre-opening technology audits;
- Performance reviews of installed systems;
- Network and hardware evaluations;
- Remediation recommendations;
- Site condition reports and compliance feedback to Franchisee.

<u>EXHIBIT D</u>

Qualifying Services

All Services invoiced to any Franchisee by Contractor shall qualify for the rebate described in <u>Section 4</u>.

EXHIBIT E

Reconciliation Schedule

Q1: January – March

- During Q1, Contractor shall maintain complete and accurate records of all amounts invoiced to Franchisees on any Qualifying Services.
- Before April 15th, Contractor and BODYBAR shall reconcile their records in good faith, and BODYBAR and Contractor shall use reasonable efforts to cooperate with each other and agree upon the amount invoiced to Franchisees for the Qualifying Services during Q1.
- Once BODYBAR and Contractor have agreed upon an amount invoiced for the Qualifying Services, Contractor shall issue a rebate payment to BODYBAR in an amount equal to:
    - If Q1 occurs during the Initial Term, seven-and-one-half percent (7.5%) of all amounts invoiced to Franchisees for Qualifying Services during Q1;
    - If Q1 occurs during the first Renewal Period, seven-and-three-quarters percent (7.75%) of all amounts invoiced to Franchisees for Qualifying Services during Q1; and
    - If Q1 occurs during the second (2^{nd}) Renewal Period or any Renewal Period thereafter, eight percent (8%) of all amounts invoiced to Franchisees for Qualifying Services during Q1.
- The payment shall be issued no later than thirty (30) days following the completion of the reconciliation process described above.
- Should any dispute arise, the dispute shall be resolved in accordance with Section 4(c).

Q2: April – June

- During Q2, Contractor shall maintain complete and accurate records of all amounts invoiced to Franchisees on any Qualifying Services.
- Before July 15th, Contractor and BODYBAR shall reconcile their records in good faith, and BODYBAR and Contractor shall use reasonable efforts to cooperate with each other and agree upon the amount invoiced to Franchisees for the Qualifying Services during Q2.
- Once BODYBAR and Contractor have agreed upon an amount invoiced for the Qualifying Services, Contractor shall issue a rebate payment to BODYBAR in an amount equal to:
    - If Q2 occurs during the Initial Term, seven-and-one-half percent (7.5%) of all amounts invoiced to Franchisees for Qualifying Services during Q2;
    - If Q2 occurs during the first Renewal Period, seven-and-three-quarters percent (7.75%) of all amounts invoiced to Franchisees for Qualifying Services during Q2; and
    - If Q2 occurs during the second (2^{nd}) Renewal Period or any Renewal Period thereafter, eight percent (8%) of all amounts invoiced to Franchisees for Qualifying Services during Q2.
- The payment shall be issued no later than thirty (30) days following the completion of the reconciliation process described above.
- Should any dispute arise, the dispute shall be resolved in accordance with Section 4(c).

Q3: July – September

- During Q3, Contractor shall maintain complete and accurate records of all amounts invoiced to Franchisees on any Qualifying Services.
- Before October 15th, Contractor and BODYBAR shall reconcile their records in good faith, and BODYBAR and Contractor shall use reasonable efforts to cooperate with each other and agree upon the amount invoiced to Franchisees for the Qualifying Services during Q3.
- Once BODYBAR and Contractor have agreed upon an amount invoiced for the Qualifying Services, Contractor shall issue a rebate payment to BODYBAR in an amount equal to:

  - If Q3 occurs during the Initial Term, seven-and-one-half percent (7.5%) of all amounts invoiced to Franchisees for Qualifying Services during Q3;
  - If Q3 occurs during the first Renewal Period, seven-and-three-quarters percent (7.75%) of all amounts invoiced to Franchisees for Qualifying Services during Q3; and
  - If Q3 occurs during the second (2^{nd}) Renewal Period or any Renewal Period thereafter, eight percent (8%) of all amounts invoiced to Franchisees for Qualifying Services during Q3.
- The payment shall be issued no later than thirty (30) days following the completion of the reconciliation process described above.
- Should any dispute arise, the dispute shall be resolved in accordance with Section 4(c).

Q4: October – December

- During Q4, Contractor shall maintain complete and accurate records of all amounts invoiced to Franchisees on any Qualifying Services.
- Before January 15th, Contractor and BODYBAR shall reconcile their records in good faith, and BODYBAR and Contractor shall use reasonable efforts to cooperate with each other and agree upon the amount invoiced to Franchisees for the Qualifying Services during Q4.
- Once BODYBAR and Contractor have agreed upon an amount invoiced for the Qualifying Services, Contractor shall issue a rebate payment to BODYBAR in an amount equal to:
  - If Q4 occurs during the Initial Term, seven-and-one-half percent (7.5%) of all amounts invoiced to Franchisees for Qualifying Services during Q4;
  - If Q4 occurs during the first Renewal Period, seven-and-three-quarters percent (7.75%) of all amounts invoiced to Franchisees for Qualifying Services during Q4; and
  - If Q4 occurs during the second (2^{nd}) Renewal Period or any Renewal Period thereafter, eight percent (8%) of all amounts invoiced to Franchisees for Qualifying Services during Q4.
- The payment shall be issued no later than thirty (30) days following the completion of the reconciliation process described above.
- Should any dispute arise, the dispute shall be resolved in accordance with Section 4(c).

EXHIBIT K

STATE EFFECTIVE DATES

The following states require that this Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Disclosure Document is either registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	~~June 20, 2025~~Pending
Hawaii	Not Registered
Illinois	~~July 7, 2025~~Pending
Indiana	~~April 17, 2025~~Pending
Maryland	Not Registered
Michigan	April ~~14, 2025~~10, 2026
Minnesota	~~August 12, 2025~~Pending
New York	~~September 26, 2025~~Pending
North Dakota	~~July 7,~~ Pending~~2025~~
Rhode Island	~~Not Registered~~ Pending
South Dakota	~~Not Registered~~Pending
Virginia	~~July 7,~~ Pending ~~2025~~
Washington	~~Not Registered~~Pending
Wisconsin	~~April 16,~~ Pending ~~2025~~

~~EXHIBIT K~~ RECEIPT
KEEP THIS COPY FOR YOUR RECORDS

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If BODYBAR Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar- days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If BODYBAR Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on **Exhibit G**.

The franchisor is BODYBAR Franchising, LLC, located at ~~3236~~3100 West 7th Street, Suite ~~B~~310, Fort Worth, TX 76107. Its telephone number is (214) 885-8466. The franchise sellers are Kamille McCollum and Matt McCollum, and ____.

Issuance Date: April ~~14, 2025~~10, 2026

I received a Disclosure Document dated April ~~14,~~ 10, 2026~~2025~~ that included the following Exhibits:

A.	Financial Statements	F.	Operations Manuals Table of Contents
B.	Franchise Agreement	G.	State Administrators
C.	Development Agreement	H.	Agents for Service of Process
D.	List of Franchisees	I.	State Addenda
E.	List of Former Franchisees	J.	Required Vendor Agreements
		~~J.~~K.	State Effective Dates
		~~K.~~	Receipts

______________________________ ______________________________

Date Received Prospective Franchisee Signature

____

Prospective Franchisee Printed Name

You may return the signed receipt either by signing, dating and mailing it to BODYBAR Franchising, LLC, located at ~~3236~~3100 West 7th Street, Suite ~~B~~310, Fort Worth, TX 76107, or by emailing a PDF copy of the signed and dated receipt to BODYBAR Franchising, LLC, at franchising@Bodybarpilates.com.

RECEIPT
RETURN THIS COPY TO US

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If BODYBAR Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar- days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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C. Development Agreement
D. List of Franchisees
E. List of Former Franchisees

~~F.~~ F. Operations Manuals

Table of Contents

G. State Administrators

H. Agents for Service of Process

I. State Addenda

J. Required Vendor Agreements

~~J.~~K. State Effective Dates

~~K.~~ Receipts

Receipts

a.

Date Received

Prospective Franchisee Signature

Prospective Franchisee Printed Name

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