FRANCHISE DISCLOSURE DOCUMENT

AIRA FITNESS
FRANCHISING LLC
an ILLINOIS limited
liability company
600 Route 59
Ingleside, IL 60041

(815) 529-7260
mikebell@airafitness.com
www.airafitness.com

The franchise offered is an AIRA FITNESS Business, which offers a 24/7 exercise facility with personal training and bootcamp services. You will operate your franchise from a traditional commercial space ("Fitness Center") or from a pre-fabricated modular building ("Pod") (collectively referred to as "Aira Fitness Businesses").

The total investment necessary to begin operation of a single Aira Fitness Business operated from a Fitness Center ranges from $49,274 to $237,825. This includes $40,980 to $174,165 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation of a single Aira Fitness Business operated from a Pod ranges from $68,700 to $189,688. This includes $56,406 to $133,800 that must be paid to the franchisor or an affiliate.

The total investment necessary to begin operation as a Developer is the total investment to begin operations of a single Aira Fitness Business (operated from either a Fitness Center or Pod, whichever is applicable) plus the Development Fee in the amount of $6,000 times the number of additional Aira Fitness Businesses to be developed.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the 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 Mike Bell at 600 Route 59, Ingleside, IL 60041, (815)529-7260 or at mikebell@airafitness.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*" which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania

Avenue NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 20, 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 Exhibit K.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B 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 Aira Fitness business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Aira Fitness franchisee?	Item 20 or Exhibits L lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Illinois. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Illinois 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. **Mandatory Minimum Payments.** You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
5. **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.

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

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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 protection 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 franchisee 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 a competitor of the franchisor or sub-franchisor.

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, "we" or "us" means Aira Fitness Franchising LLC, the franchisor. "You" means the person or entity that buys the franchise. If the franchisee is a corporation, partnership or other entity, "you" includes the franchisee's owners unless otherwise stated.

The Franchisor, its Parent and Affiliates

We are an Illinois limited liability company that was organized on August 14, 2019. Our principal place of business is 600 Route 59, Ingleside, IL 60041. Our agents for service of process are disclosed in Exhibit A to this Disclosure Document. We have never offered franchises in any other line of business.

We have no parent company.

Our predecessor is Aira Fitness LLC ("AF"), an Illinois limited liability company that was organized on January 25, 2019. The principal address is 600 Route 59, Ingleside, IL 60041. AF has from February 2019 to the present operated Aira Fitness Businesses in Illinois.

We currently have 1 affiliate that provides products or services to the franchisees. Pure Gym Equipment LLC ("PGE") is the only approved supplier of the Initial Fitness Equipment Package and the Pod Package.

Our affiliate, Refuel Bootcamp Franchise LLC ("RBF"), a Florida limited liability company that was organized on March 2, 2023. RBF offers Refuel Bootcamp franchises, under which they grant Refuel Bootcamp franchisees the right to own and operate a business that consists of an exercise facility offering trainer-led small group training featuring additional instruction on TV screens and heart rate monitoring. RBF has since March 2023 offered Refuel Bootcamp franchises in this line of business. As of December 31, 2025, RBF had 4 franchises in 3 states.

The principal business address of PGE and RBF is 600 Route 59, Ingleside, IL 60041.

Other than RBF, we have no affiliates which are offering franchises in any line of business.

The Franchise Offered

Our franchise system consists of businesses offering 24/7 access to fitness equipment, personal training, and bootcamp services. We will grant you the right to operate 1 Aira Fitness Business at a location we specify in your Franchise Agreement (the "Franchise Agreement"). Aira Fitness Businesses operated from a traditional fitness center in a commercial space ("Fitness Center") will typically have 600 to 2,600 square feet. Aira Fitness Businesses operated from a pre-fabricated modular building ("Pod") will typically have 400 square feet. Aira Fitness Businesses operated from Pods have a maximum entry limit of 1 member at one time unless such member has guest privileges. With our approval, Aira Fitness Businesses operated from Fitness Centers with less than 700 square feet may be designated as a "Private Studio." Private Studios have a maximum entry limit of 4 members at one time.

If your Aira Fitness Business is operated from a Fitness Center, we require you to offer bootcamp and personal training services to your members. If your Aira Fitness Business is operated from a Pod, we do not require you to offer bootcamp and personal training services to your members. We require you to staff your Aira Fitness Business for a minimum number of hours per week. We use an access and security system that allows members of an Aira Fitness Business to have access to any Aira Fitness Business 24 hours a day and have reciprocal benefits between Aira Fitness Businesses. In some cases, the reciprocal benefits

will be subject to maximum member entry limits imposed by Aira Fitness Businesses operating from Pods or Aira Fitness Businesses designated as a "Private Studio." In limited cases, we may allow your Aira Fitness Business to not be accessible 24 hours a day. However, if your Aira Fitness Business is operated from a Pod, you will be required to provide 24/7 member access in all circumstances.

We and our predecessor have developed a proprietary business format and system ("System") for operating a business offering 24/7 access to fitness equipment, bootcamp services and personal training services; automated member billing and collection procedures and services; and use of our proprietary and confidential information.

Our System includes a distinct interior layout, design, décor, color scheme, graphics, fixtures and furnishings, operating and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques and procedures that we designate (collectively, the "Standards"). Aira Fitness Businesses operating under the System are identified by the trade name and service mark "AIRA FITNESS" and other trademarks, service marks and trade identifiers that we designate (the "Marks").

We grant qualified candidates the right to operate an Aira Fitness Business according to a Franchise Agreement and our Standards which will be communicated to you via our confidential operations manuals (the "Manual").

If you are a Developer, upon establishing each additional Aira Fitness Business under the Development Schedule, you will be required to sign a then-current Franchise Agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document.

The Market and Competition

The market for exercise facilities is well developed and very competitive. You will compete with other exercise facilities offering similar services, including national franchise systems and other regional or local chains. You also will compete to a certain extent with public recreation centers and not-for-profit community organizations, such as the YMCA. Before selecting a site for your Aira Fitness Business, you should survey the area for existing competitors and, in new or undeveloped areas, be aware that a competitor may enter the market at any time.
The market for Aira Fitness Businesses is individuals between the ages of 24 to 57 intending to lose weight. Typically, services are sold to individuals and are not seasonal, although you may experience peak months and membership fluctuations. For example, January is typically a busier month for exercise facilities.

Industry Specific Laws and Regulations

Your business will be subject to national, state and local regulations that apply to all businesses, such as the Americans With Disabilities Act, wage and hour laws, and business licensing requirements. Because you will accept credit cards, you will also have to comply with any general laws and regulations relating to the acceptance of credit cards, including the Payment Card Industry ("PCI") Data Security Standard ("DSS"). Compliance with the PCI DSS is your responsibility. You must also comply with data privacy laws that affect the safekeeping of member information, and regulations that apply to electronic marketing, like faxes, emails, text messaging and telemarketing.

There are no national regulations that apply specifically to the operation of exercise facilities. However, many states, and some municipalities, have laws and regulations that apply specifically to membership contracts, operations and licenses. Many states limit the length of your customer contracts, provide for specific provisions to be included in those contracts, prescribe the format or type size for the contract, and/or

provide customers the right to terminate their contracts. State regulations may also require you to obtain a bond to protect pre-paid membership fees you collect. Some states and municipalities may also have enacted laws requiring exercise facilities to have a staff person available during all hours of operation, and in some cases this person may be required to be certified in basic cardiopulmonary resuscitation or have other specialized training. In addition, some states have laws requiring an exercise facility to have an automated external defibrillator ("AED") and other first aid equipment on the premises, and some may require you to take other safety measures. Some states impose sales taxes on gym memberships. There may also be special permits required for you to operate some or all of your business. If these or similar laws have been enacted in the state or municipality in which you intend to operate your Aira Fitness Business, you will need to comply with these laws, and we urge you to become familiar with them.

The physical fitness industry, particularly providing services through for-profit exercise facilities, is subject to extensive regulation at the local, state and federal levels. Many states have enacted specific laws ***(1)*** regulating membership contract length and terms, advertising and limitations on pre-opening sales, and ***(2)*** requiring bonding, buyer's remorse cancellation rights for limited periods (usually three to ten days after sale), and cancellation and partial refund rights for medical or relocation reasons. At the federal level, exercise facilities who sell memberships on credit may be subject to the federal Truth-In-Lending Act and Regulation Z and various other credit-related statutes like the Equal Credit Act and Fair Debt Collection Practices Act.

It is your responsibility to comply with all applicable laws and regulations and to obtain and keep in force all necessary licenses and permits required by public authorities. Before purchasing the franchise we strongly urge you to hire an attorney to review local, state and federal laws that may affect your operations or impact your operating costs.

Prior Business Experience

We have never operated an Aira Fitness Business. Our affiliate Aira Fitness LLC has operated businesses similar to the franchise business since February 2019. We have offered franchises since September 2019. We have never offered franchises in any other line of business. Our affiliate Aira Fitness LLC has never offered franchises in any line of business.

ITEM 2
BUSINESS EXPERIENCE

Mike Bell – Founder, President and Chief Executive Officer

Mike Bell has been our Founder, President and Chief Executive Officer since our inception in August 2019. Mr. Bell has also been the Founder, President and Chief Executive Officer of our affiliate, Aira Fitness LLC since its inception in January 2019. Mr. Bell has been Manager of our affiliate, Pure Gym Equipment LLC since November 2022.

The following individuals are employed by our affiliate Aira Fitness LLC, but provide managerial services to us:

Justin Barnett – Chief Operating Officer

Justin Barnett has been our Chief Operating Officer since our inception in August 2019. He has also been the Chief Operating Officer of our affiliate, Aira Fitness LLC since its inception in January 2019. Mr.

Barnett has also been a Grade Control Specialist for West Side Tractor in Wauconda, Illinois from August 2018 to present.

Megan Roberts – Vice President of Franchise Development

Megan Roberts has been our Vice President of Franchise Development since January 2023. She has also served as Owner of Roberts Fitness, LLC from June 2024 to present. From March 2022 to October 2022, she served as Head Trainer for Flexx Personal Training in Elmhurst, Illinois. From August 2021 to February 2022, she served as Trainer for Crossfit Arioch in Elgin, Illinois. From November 2019 to July 2021, she was a Consultant for Arbonne International in Elgin, Illinois. From March 2017 to October 2019, she served as Personal Training for Custom Fit in Sycamore, Illinois.

Alyssa Kathan – Co-Vice President of Support

Alyssa Kathan has been our Co-Vice President of Support since December 2022. From May 2020 to December 2022, she served as Dental Assistant for Dr. William E. McNerney, DDS in Crystal Lake, Illinois. From January 2020 to May 2020, she served as Dental Assistant for Core Scientific in Cary, Illinois. From May 2018 to January 2020, she served as Dental Assistant at Cary Family Dental in Cary, Illinois.

Ashley Bell – Co-Vice President of Support

Ashley Bell has been our Co-Vice President of Support since August 2021. From October 2016 to August 2021, she served as a Luxury Travel Consultant for Abercrombie and Kent in Downers Grove, Illinois.

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

Initial Franchise Fee

The initial franchise fee is $30,000. The initial franchise fee is payable in full when the Franchise Agreement is signed, and is considered fully earned and nonrefundable upon payment.

In 2025, we did not sell any franchises for a fee different than the published initial franchise fee.

Multi-Unit Development

If you are a Developer, you must sign the Franchise Agreement for your first Aira Fitness franchise and pay the initial franchise fee for the first franchise to be developed at the same time as you sign the Multi-Unit Development Agreement. In addition, you must pay a non-refundable Development Fee when you sign the Multi-Unit Development Agreement. The Development Fee is $6,000 times the number of additional Aira Fitness Businesses to be developed. The franchise fee for the second franchise will be $10,000. The franchise fee for the additional franchises after the second franchise will be $8,000.

When you sign the Franchise Agreement for the additional franchises, $6,000 of the Development Fee paid will be applied against the initial franchise fee for the franchise, and you will pay the balance due of $4,000 for the second franchise and $2,000 for the additional franchises after the second franchise. For each franchise to be developed under the Multi-Unit Development Agreement, you will pay the initial franchise fees in the amount described in this Item 5 unless you fail to meet the Development Schedule in the Multi-Unit Development Agreement. If you fail to meet the Development Schedule and the then-current initial franchise fees for franchises are higher than those described in this Franchise Disclosure Document, you must pay the then-current initial franchise fee.

The Development Fee is uniform for all Developers. The Development Fee is not refundable under any circumstances, but it is credited against additional franchise fees as described above.

Initial Fitness Equipment Package

You must purchase or lease the Initial Fitness Equipment Package from our affiliate, Pure Gym Equipment LLC. Currently, our affiliate is the only approved supplier for the Initial Fitness Equipment Package and will offer the Initial Fitness Equipment Package for purchase subject to the availability of equipment.

Initial Fitness Equipment Package – Purchase Option

If you are opening an Aira Fitness Business that will operate from a Fitness Center and you choose to purchase the Initial Fitness Equipment Package from our affiliate, you must pay our affiliate the purchase price upon placing your order. The purchase price will range from $23,485 to $90,537, based on the Initial Fitness Equipment Package that you choose. If you are opening an Aira Fitness Business that will operate from a Pod, and you choose to purchase the Initial Fitness Equipment Package from our affiliate, the purchase price will range from $13,790 to $39,800. If you choose this option, you must pay for the Initial Fitness Equipment Package in full upon signing the Initial Fitness Equipment Package Purchase Agreement. You are also responsible for freight and delivery costs, which will range from $1,000 to $10,000. The purchase price and freight and delivery costs are not refundable under any circumstances.

Initial Fitness Equipment Package – Lease Option

If you choose to lease the Initial Fitness Equipment Package from our affiliate, you must pay our affiliate a deposit upon placing your order, which will range from $8,472 to $44,359 if you are opening an Aira Fitness Business that will operate from a Fitness Center, and which will range from $5,078 to $13,930 if you are opening an Aira Fitness Business that will operate from a Pod, depending on your equipment selection. You are also responsible for freight and delivery costs, which will range from $1,000 to $10,000. Beginning on the 1st day of the next month following delivery of the fitness equipment, you must begin paying rent equal to 1.5% of the total MSRP of your Initial Equipment Package, which will range from $352 to $1,963 per month if you are opening an Aira Fitness Business that will operate from a Fitness Center, and will range from $207 to $597 per month if you are opening an Aira Fitness Business that will operate from a Pod, depending on the total MSRP of your equipment selection. We estimate you will make between one and two

lease payments prior to opening for business. Deposits, rent, and freight and delivery costs under the Fitness Equipment Lease are not refundable under any circumstances.

Exterior Signage

You must purchase exterior signage from our affiliate, Pure Gym Equipment LLC. Currently, our affiliate is the only approved supplier for exterior signage. The purchase price of the exterior signage from our affiliate will range from $100 to $4,000 based on the type of signage required by your Landlord. The exterior signage must be ordered within 30 days of signing a lease for your Approved Location. The cost of the exterior signage is due in full when ordered, and is considered fully earned and nonrefundable upon payment.

Pod Package

If we grant you the right to operate your Aira Fitness Business from a Pod, you must purchase or lease the Pod Package from our affiliate, Pure Gym Equipment LLC. Currently, our affiliate is the only approved supplier for the Pod Package and will offer the Pod Package for purchase subject to availability.

Pod Package – Purchase Option

If you choose to purchase the Pod Package from our affiliate, the estimated purchase price is $40,000. You are also responsible for freight and delivery costs, which will range from $5,000 to $10,000. If you choose this option, you must pay for the Pod Package in full upon signing the Pod Package Agreement. The purchase price and freight and delivery costs are not refundable under any circumstances.

Pod Package – Lease Option

If you choose to lease the Pod Package from our affiliate, you must pay our affiliate a deposit amount equal to $12,000. You are also responsible for freight and delivery costs, which will range from $5,000 to $10,000, Beginning on the 1st day of the next month following delivery of the Pod, you must begin paying rent equal to $600 per month. We estimate you will make between one and two lease payments prior to opening for business, which will range from $600 to $1,200. Deposits, rent, and freight and delivery costs under the Pod Package Lease are not refundable under any circumstances.

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ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty	$997 per month	Paid on the first day of each calendar month	Covers Gross Sales of preceding calendar month. Payment is made through our payment processing system. Payment begins 30 days after you open for business.
Marketing & Branding System Fee	$200 per month	Paid on the first day of each calendar month	Payment begins 30 days after you open for business.
Local Marketing Fund or Cooperative Advertising Contribution (Note 2)	Up to $200 per month.	Monthly	See Item 11 for more information about our right to set up and require participation in a Local Marketing Fund or an Advertising Cooperative. Payments credited toward your local advertising expense requirement.
Marketing Services Fee	$997 per month	Monthly, beginning the second month of operation	You may choose, but are not required, to have us manage and implement digital advertising and social media campaigns for your Aira Fitness Business. If you purchase marketing services from us, payment begins 30 days after you open for business. We provide one month of this service to all franchisees at no additional charge.
Website Fee	Then-current fee, not to exceed $400 per month (currently $198 per month)	Paid on the first day of each calendar month	Payment is made through our payment processing system. Payment begins when you open for business.
Maintenance Fees	$19.50 per new member	Upon collection of the initial membership fee from new member sign-ups	Payment is made through our payment processing system. You must use the remainder of the actual maintenance fees collected from members to maintain your gym.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Convention and Convention Non-Attendance Fees (Note 3)	$500	Upon demand	Upon you and your manager's attendance or non-attendance of annual franchise conventions. You will also be responsible for the travel and living expenses for you and your manager while attending the annual franchise convention.
Ongoing Training Fees	Our then-current fees, up to $1,000 per day; currently, $500 per day plus travel costs	Upon demand	Payable if we conduct and you attend additional training. We may require you to receive ongoing training if you are not meeting our standards. You are responsible for the cost of that training or assistance at the then-current rate.
Unapproved Fitness Equipment Fine	$1,000 per piece of unapproved fitness equipment	Upon demand, after notice of non-compliance delivered	Due if you purchase and use unapproved fitness equipment or remove required fitness equipment. This may be in addition to other remedies we have under the franchise agreement.
Unapproved Modifications Fine	$2,500 per unapproved modification	Upon demand, after notice of non-compliance delivered	Due if you make unapproved modifications to the interior layout, design, décor, color scheme, graphics, fixtures and furnishings. This may be in addition to other remedies we have under the franchise agreement.
Non-Compliance Charge	$500 per failure to comply with the franchise agreement; may be assessed per week or per incident, whichever is applicable.	Upon demand, after notice of non-compliance delivered	Due if you fail to comply with your obligations under the franchise agreement (e.g., failure to submit reports when due or use of unauthorized product or service). This may be in addition to other remedies we have under the franchise agreement.
Audits	Cost of audit plus interest	Immediately upon receipt of bill	You pay for cost of audit only if the audit is necessary due to your failure to furnish reports or if audit shows an understatement of

Type of Fee (Note 1)	Amount	Due Date	Remarks
			Memberships or revenue by 2% or more.
Renewal Fee	$2,000	Upon renewal of the Franchise Agreement	Payable if you renew your franchise after the first 10 year term.
Transfer Fee	$5,000 if transferee is an existing Aira Fitness franchisee. If the transferee is new to the system, the transfer fee is equal to the then-current Initial Franchise Fee or $40,000, whichever is lower.	Upon application for consent to transfer	Payable when you transfer your franchise. See Item 17 for additional information on transfers.
Unauthorized transfer fee	2 times the Transfer fee	Upon demand	Payable in the event of an attempted unauthorized transfer. In lieu of our election to terminate your franchise.
Technology and Automation Fee	Up to $500 per month; currently $300 per month	Paid on the first day of each calendar month	Payment is made through our payment processing system. We currently provide you with sales performance and automated appointment scheduling and confirmation tools in exchange for this fee. We reserve the right to alter the products and services provided for the Technology Fee. 60 days prior notice before we increase or modify the fee currently charge.
Relocation	Reasonable costs we incur; estimated at $1,500	As incurred	Payable when you submit a request to move your Aira Fitness Business. You must obtain our consent to relocate your Aira Fitness Business. If

Type of Fee (Note 1)	Amount	Due Date	Remarks
			we do not approve your request, we will refund the fee.
Management Assistance Upon Death or Incapacity	Up to 3% of Gross Sales or $500 per day, whichever is higher, plus actual out-of-pocket costs and expenses incurred.	As incurred.	If we provide management services upon the request of the executor, administrator or personal representative in the event of the death or incapacity of your owner until the franchise can be transferred.
Right to Operate Upon Default	Up to 15% of Gross Sales, plus actual out-of-pocket costs and expenses incurred.	As incurred.	In the event that you have not cured a default under the Franchise Agreement within 14 days after receipt of a written notice of default, our agent or other representative designated by us may take over, control and operate the Franchised Business.
Costs and Attorneys' Fees	Actual costs	As incurred	Payable only if we are the prevailing party in any litigation between us.
Appraiser Fees	50% of the fees for an appraiser upon termination or expiration of Agreement	As incurred	Payable only if we exercise our option to purchase assets of your Aira Fitness Business upon termination or expiration of Franchise Agreement.
Inspection non-compliance fee	$500 for each subsequent monthly inspection in which you continue to not meet system standards	On demand	Payable if we determine you have not met or exceeded then-current score for passing during inspections of your Aira Fitness Business for 2 consecutive inspections.
Re-inspection Fee	Then currently hourly fee for our representative; currently $150 per hour	On demand	If we are required to re-inspect the premises after you failed to cure deficiencies we reported to you within a reasonable time.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Fees for reviewing private placement memorandum	Our actual costs and expenses	As incurred	Payable if you offer a private placement and we incur costs in reviewing the private placement memorandum interests
Interest	18% per annum	Upon demand	Payable only if you fail to pay amounts owed to us when due.
Indemnification	Actual costs	As incurred	You must reimburse us if we are held liable for claims arising out of your franchise operations.
Liquidated damages	An amount equal to the Royalty Fee multiplied by the less of 36 months or the number of months remaining in the then-current term.	Upon demand	Payable if we terminate your franchise based on your breach of the Franchise Agreement.
Insurance reimbursement	Insurance cost plus the actual costs and expenses we incur in purchasing your insurance.	Upon demand	Payable if we incur costs to purchase insurance for you if you fail to do so.
Reimbursement of taxes	Actual assessed taxes against us based on our licensing of the System and Marks to you.	Upon demand	Only payable if taxes of this type are assessed against us.

Notes

(1) All fees are imposed by, payable to, and collected by us unless otherwise noted. All fees are imposed uniformly and are non-refundable upon payment. Fees in fixed amounts paid to us are subject to adjustment each year over the ten-year agreement term based on increases in the Consumer Price Index (CPI). Adjustments based on the CPI will be made no more than once per year and we will provide you reasonable notice of such adjustments.

(2) Each local advertising cooperative may elect to increase the monthly contribution if approved by a two-thirds majority of the cooperative members and the minimum contribution is subject to adjustment by

an amount not to exceed the increase in the CPI. Aira Fitness Businesses owned by us and our affiliates are also members of their respective local Cooperative and each company-owned Aira Fitness Business has the same voting rights as the franchised locations within the Cooperative. If our company-owned locations comprise the majority of a given Cooperative the maximum and minimum fees for that Cooperative will be consistent with the range stated in this Item 6 (subject to adjustment for increases in the CPI). Payments you make to the cooperative are credited toward your local advertising expense requirement.

(3) All franchisees are required to attend the annual convention and pay any related registration fees. If you fail to attend the Convention, we reserve the right to charge you our then-current non-attendance fee (currently, $500 per Aira Fitness Business).

(4) We have not yet had a convention and cannot yet provide an estimated cost.

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ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT
FITNESS CENTER LOCATION

The expenses in Item 7 are estimates of your initial investment for one location prior to open and for the first 3 months of operation.

Type of Expenditure	Amount [1]	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee [2]	$30,000	Lump sum	Upon signing of Franchise Agreement.	Us
Video Surveillance Equipment [3]	$400 to $800	As arranged	As arranged	Approved suppliers
Technology System [4]	$1,200 to $1,600	As arranged	As arranged	Approved suppliers
Leasehold Improvements [5]	$0 to $60,000	As incurred	As agreed	Landlord and/or Contractors
Initial Fitness Equipment Package [6]	$9,880 to $90,537	Lump sum of full amount or deposit, whichever is applicable	Upon signing the Initial Fitness Equipment Package Purchase Agreement or Equipment Lease Agreement, whichever is applicable	Our Affiliate
Freight and Delivery Costs	$1,000 to $10,000	As arranged	As arranged	Our Affiliate
Furniture and Fixtures	$0 to $1,000	As arranged	As arranged	Suppliers
Office Equipment and Suppliers	$100 to $1,000	As arranged	As arranged	Suppliers
Exterior Signage	$100 to $4,000	As arranged	As arranged	Our Affiliate

Insurance [7]	$1,000 to $2,000	As arranged	As arranged	Designated insurance broker
Training[8]	$100 to $400	As arranged	As arranged	General manager
Professional Fees[9]	$0 to $4,000	As arranged	As arranged	Your attorneys, accountants, and other professionals
Licenses, Permits, Registrations, Entity formation	$300 to $500	As incurred	As incurred	Licensing agencies
Security Deposit and Rent (1st 3 months)[10]	$0 to $20,000	As arranged	As arranged	Landlord
Website Fee (1st 3 months)	$594	As arranged	As arranged	Us
Technology and Automation Fee (1st 3 months)	$600	As arranged	As arranged	Us
Marketing Services Fee[11]	$0 to $1,994	As arranged	As arranged	Us
Local Advertising	$1,200 to $3,000	As arranged	As arranged	Suppliers
Additional Funds (for 3 months of operation) [12]	$2,500 to $5,500	As arranged	As arranged	Approved suppliers and other third parties
TOTAL[13][14]	$49,274 to $237,825			

The estimates above are based on a Fitness Center with 600 to 2,600 square feet. If your Fitness Center includes more or less square feet, your estimated initial investment will vary. We cannot guarantee that you will not have additional expenses starting the business.

Notes

(1) All payments are nonrefundable unless otherwise permitted by a third-party supplier.

(2) The initial franchise fee is $30,000. The initial franchise fee is payable in full when the Franchise Agreement is signed, and is considered fully earned and nonrefundable upon payment.

(3) This estimate covers the cost of security cameras. The higher estimate includes the cost of installation.

(4) The required technology system includes all hardware and software, including the purchase of the Gymmaster web-based system, used in the operation of the Aira Fitness Business. See Item 11 for more information on the technology system.

(5) The costs of demolition, construction and leasehold improvements depend upon the size and condition of the Aira Fitness Business premises, the local cost of contract work and supplies and how much your landlord will contribute to the build-out. The low estimate assumes that your landlord will cover all of the cost of building out your Aira Fitness Business. Improvements include flooring, mirrors, painting, counter, and restroom and shower facilities.

(6) You must purchase or lease the initial fitness equipment package ("Initial Fitness Equipment Package") from our affiliate. There may be times when we will not have fitness equipment available to offer for sale or lease and we will provide an alternative approved supplier. If you choose to purchase the Initial Fitness Equipment Package from our affiliate, you must pay us in full upon signing the Initial Fitness Package Purchase Agreement. If you choose to lease the Initial Fitness Equipment Package from our affiliate, you must pay a nonrefundable deposit ranging from $8,472 to $44,359. This estimate also includes rent on the Initial Fitness Equipment Package for (i) between one and two months before you open for business and (ii) your first three months of operation, which will range from $1,408 to $9,815 if you choose to lease the Initial Fitness Equipment Package. Payment of rent begins on the 1st day of the 1st month after delivery of the Initial Fitness Equipment Package. The lower estimate assumes that you will lease the smallest Initial Fitness Equipment Package for a Fitness Center and the higher estimate assumes that you will purchase the largest Initial Fitness Equipment Package for a Fitness Center.

(7) This estimate is for payment of 3 months of insurance coverage. See Item 8 for more information about our insurance requirements. If you need additional insurance for your Aira Fitness Business, you may have additional costs. Workers' compensation coverage may vary depending on the number of employees and your state requirements.

(8) There is no separate training fee payable to us, as initial training is included in the Initial Franchise Fee. You must make arrangements and pay the expenses for your general manager to attend our training program, including wages. See Item 11 for more information on training. The amount you spend will depend, in part, on the general manager's hourly wage and how long it takes the general manager to complete the online training. While you are not required to attend in-person training, if you or the general manager visits us in McHenry, Illinois, you will be responsible for all travel costs.

(9) This estimate includes fees for the use of attorneys and accountants in establishing your Aira Fitness Business.

(10) The low figure assumes that you are able to negotiate with the landlord to waive the payment of the security deposit and to abate rent for the first 3 months of operation. Our affiliate's experience to date is that this is possible when the premises is currently vacant and the landlord desires to have a tenant to fill the space. The higher figure represents an estimate for a 1 month security deposit and 3 months' rent for the larger size premises. The rental expense may vary widely based on geographic location, size of the Aira Fitness Business, local rental rates and other factors. A typical Aira Fitness Business operated from a Fitness Center occupies from 600 to 2,600 square feet of commercial space.

(11) You may, but are not required to, have us manage and implement digital advertising and social media campaigns for your Aira Fitness Business. If you elect to purchase these marketing services from us, you will begin paying us $997 per month beginning your second month of operation.

(12) The figures in the chart represent the estimated amount of working capital you will need to cover other initial operating expenses for a period of 3 months. The estimate covers utilities, website, e-mail and internet expenses, phone, the monthly payment for the Gymmaster software. The higher estimate includes salary for a trainer. The lower estimate assumes that your Principal will be the general manager, as Aira Fitness Businesses are generally small, owner-operated gyms where the owner leads personal training and fitness classes. No amount is included for owner's draw or salary or for salary for a general manager.

(13) To compile these estimates, we relied on our affiliates' experience in operating similar businesses. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Your costs will depend on factors such as: how closely you follow our recommended System; your management skill, experience and business acumen; local economic conditions; the local market for the approved services; competition; and the sales level reached during the initial period.

(14) We provide financing if you choose to lease the Initial Equipment Package from our affiliate. If you choose to lease the Initial Fitness Equipment Package from our affiliate, you must pay a nonrefundable deposit ranging from $8,472 to $44,359, with a total amount financed from $15,014 to $85,806. The term is 3 years, with an option to continue leasing the Initial Equipment Package on a month to month basis thereafter. Payments will range from $352 to $1,963 per month, depending on the size of Initial Equipment Package you choose. We will not charge interest if you make payments on a timely basis, but reserve the right to charge 18% interest on past due amounts.

YOUR ESTIMATED INITIAL INVESTMENT

POD LOCATION

Type of Expenditure	Amount [1]	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee [2]	$30,000	Lump sum	Upon signing of Franchise Agreement.	Us
Pod Package [11]	$14,400 to $40,000	Lump sum of full amount or deposit, whichever is applicable	Upon signing the Pod Package Purchase Agreement or Pod Package Lease Agreement, whichever is applicable	Our Affiliate
Video Surveillance Equipment [3]	$400 to $800	As arranged	As arranged	Approved suppliers
Technology System [4]	$1,200 to $1,600	As arranged	As arranged	Approved suppliers

Leasehold Improvements[5]	$4,000 to $15,600	As incurred	As agreed	Landlord and/or Contractors
Initial Fitness Equipment Package[6]	$5,906 to $39,800	Lump sum of full amount or deposit, whichever is applicable	Upon signing the Initial Equipment Package Purchase Agreement or Equipment Lease Agreement, whichever is applicable	Our Affiliate
Freight and Delivery Costs – Initial Equipment Package	$1,000 to $10,000	As arranged	As arranged	Our Affiliate
Freight and Delivery Costs – Pod Package	$5,000 to $10,000	As arranged	As arranged	Our Affiliate
Furniture and Fixtures	$0 to $1,000	As arranged	As arranged	Suppliers
Office Equipment and Suppliers	$100 to $1,000	As arranged	As arranged	Suppliers
Exterior Signage	$100 to $1,000	As arranged	As arranged	Our Affiliate
Insurance [7]	$1,000 to $2,000	As arranged	As arranged	Designated insurance broker
Training[8]	$100 to $400	As arranged	As arranged	General manager
Professional Fees[9]	$0 to $4,000	As arranged	As arranged	Your attorneys, accountants, and other professionals
Licenses, Permits, Registrations, Entity formation	$300 to $500	As incurred	As incurred	Licensing agencies
Security Deposit and Rent (1st 3 months)[10]	$0 to $20,000	As arranged	As arranged	Landlord
Website Fee (1st 3 months)	$594	As arranged	As arranged	Us

Technology and Automation Fee (1st 3 months)	$900	As arranged	As arranged	Us
Marketing Services Fee[(12)]	$0 - $1,994	As arranged	As arranged	Us
Local Advertising	$1,200 to $3,000	As arranged	As arranged	Suppliers
Additional Funds (for 3 months of operation)[(13)]	$2,500 to $5,500	As arranged	As arranged	Approved suppliers and other third parties
TOTAL[(14)(15)]	$68,700 to $189,688			

We cannot guarantee that you will not have additional expenses starting the business.

Notes

(1) All payments are nonrefundable unless otherwise permitted by a third-party supplier.

(2) The initial franchise fee is $30,000. The initial franchise fee is payable in full when the Franchise Agreement is signed, and is considered fully earned and nonrefundable upon payment.

(3) This estimate covers the cost of security cameras. The higher estimate includes the cost of installation.

(4) The required technology system includes all hardware and software, including the purchase of the Gymmaster web-based system, used in the operation of the Aira Fitness Business. See Item 11 for more information on the technology system.

(5) The costs of construction and leasehold improvements depend upon the local cost of contract work and supplies and how much your landlord will contribute to the build-out. Improvements include flooring, interior walls, mirrors, painting, heating and cooling. The higher amount assumes you will need to install electrical sockets to the exterior of the Pod. The higher amount also assumes you will hire an electrician and/or carpenter for installation services.

(6) You must purchase or lease the initial fitness equipment package ("Initial Fitness Equipment Package") from our affiliate. There may be times when we will not have fitness equipment available to offer for sale or lease and we will provide an alternative approved supplier. If you choose to purchase the Initial Fitness Equipment Package from our affiliate, you must pay our affiliate in cash in full. If you choose to lease the Initial Fitness Equipment Package from our affiliate, you must pay a nonrefundable deposit ranging from $5,078 to $13,930. This estimate also includes rent on the Initial Fitness Equipment Package for (i) between one and two months before you open for business and (ii) your first three months of operation, which will range from $828 to $2,985 if you choose to lease the Initial Fitness Equipment Package. Payment of rent begins on the 1st day of the 1st month after delivery of the Initial Fitness Equipment Package. The lower estimate assumes that you will lease the Initial Fitness Equipment Package and the higher estimate assumed that you will purchase the Initial Fitness Equipment Package.

(7) This estimate is for payment of 3 months of insurance coverage. See Item 8 for more information about our insurance requirements. If you need additional insurance for your Aira Fitness Business, you may have additional costs. Workers' compensation coverage may vary depending on the number of employees and your state requirements.

(8) There is no separate training fee payable to us, as initial training is included in the Initial Franchise Fee. You must make arrangements and pay the expenses for your general manager to attend our training program, including wages. See Item 11 for more information on training. The amount you spend will depend, in part, on the general manager's hourly wage and how long it takes the general manager to complete the online training. While you are not required to attend in-person training, if you or the general manager visits us in McHenry, Illinois, you will be responsible for all travel costs.

(9) This estimate includes fees for the use of attorneys and accountants in establishing your Aira Fitness Business.

(10) The low figure assumes that you are able to negotiate with the landlord to waive the payment of the security deposit and to abate rent for the first 3 months of operation. The higher figure represents an estimate for a 1 month security deposit and 3 months' rent for a land lease. The rental expense may vary widely based on geographic location, size of land you are leasing, local rental rates and other factors. A typical Aira Fitness Business operated from a Pod occupies from 400 square feet to 800 square feet of land.

(11) You must purchase or lease the pod package ("Pod Package") from our affiliate. If you choose to purchase the Pod Package from our affiliate, you must pay our affiliate in cash in full upon signing the Pod Purchase Agreement. If you choose to lease the Pod Package from our affiliate, you must pay a nonrefundable deposit equal to $12,000 upon signing the Pod Package Lease. This estimate also includes rent on the Pod Package for (i) between one and two months before you open for business and (ii) your first three months of operation, which will range from $2,400 to $3,000 if you choose to lease the Pod Package. Payment of rent begins on the 1st day of the 1st month after delivery of the Pod Package. The lower estimate assumes that you will lease the Pod and includes (i) a lease deposit of $12,000 and (ii) four months of rent ($2,400). The higher estimate assumes that you will purchase the Pod.

(12) You may, but are not required to, have us manage and implement digital advertising and social media campaigns for your Aira Fitness Business. If you elect to purchase these marketing services from us, you will begin paying us $997 per month beginning your second month of operation.

(13) The figures in the chart represent the estimated amount of working capital you will need to cover other initial operating expenses for a period of 3 months. The estimate covers utilities, website, e-mail and internet expenses, phone, the monthly payment for the Gymmaster software. The higher estimate includes salary for a trainer. The lower estimate assumes that your Principal will be the general manager, as Aira Fitness Businesses are generally small, owner-operated gyms where the owner leads personal training and fitness classes. No amount is included for owner's draw or salary or for salary for a general manager.

(14) To compile these estimates, we relied on our affiliates' experience in operating similar businesses. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Your costs will depend on factors such as: how closely you follow our recommended System; your management skill, experience and business acumen; local economic conditions; the local market for the approved services; competition; and the sales level reached during the initial period.

(15) We provide financing if you choose to lease the Initial Equipment Package or Pod from our affiliate. If you choose to lease the Initial Fitness Equipment Package from our affiliate, you must pay a nonrefundable deposit ranging from $5,078 to $13,930, with a total amount financed from $8,712 to $25,870. The term is 3 years, with an option to continue leasing the Initial Equipment Package on a month to month basis thereafter. Payments will range from $207 to $597 per month, depending on the size of Initial Equipment Package you choose. If you choose to lease the Pod from our affiliate, you must pay a nonrefundable deposit of $12,000, with a total amount financed of $40,000. The term is 3 years, with an option to continue leasing the Pod on a month to month basis thereafter. Payments will be $600 per month, depending on the size of Initial Equipment Package you choose. For both the Equipment Lease and Pod Package Lease, we will not charge interest if you make payments on a timely basis, but reserve the right to charge 18% interest on past due amounts.

Multi-Unit Development Agreement

If you sign a Multi-Unit Development Agreement, you should anticipate the initial costs listed in the chart above for the opening of the first Aira Fitness Business plus the Development Fee of $6,000 for the additional Aira Fitness franchises to be developed under the Multi-Unit Development Agreement after the first one, which will be applied to each initial franchise fee as described in Item 5.

	Fees for 3 Fitness Center franchises	**Fees for 5 Fitness Center franchises**
Cost of Initial Franchise plus $6,000 for each additional franchise	$61,274 - $249,825	$73,274 - $261,825

	Fees for 3 Pod franchises	**Fees for 5 Pod franchises**
Cost of Initial Franchise plus $6,000 for each additional franchise	$80,700 - $201,688	$92,700 - $213,688

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase member management software, key cards for 24/7 access, flooring and turf, decals/stickers, exterior signage, fitness equipment, Pods, and billing and collection services from suppliers we designate. Currently, our affiliate Pure Gym Equipment LLC is the only designated supplier for the decals/stickers, Initial Fitness Equipment Package, Pod Package, and all signage.

You must purchase fixtures, furniture, equipment, computer hardware, insurance, the video surveillance system, marketing materials, other products and supplies from approved suppliers and/or that meet our standards and specifications.

Except for the decals/stickers, fitness equipment, Pods, and exterior signage, neither we nor our affiliates currently are designated or approved suppliers for any products or services. Except for Pure Gym Equipment LLC, none of our officers hold an interest in any of our suppliers.

We will provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and approved equipment, signs, stationery, supplies and other items or services necessary to operate the Aira Fitness Business ("Approved Supplies List"). From time to time we, an affiliate or a third party

vendor or supplier, may be the only approved supplier for certain products. The Supplies List also may include other specific products without reference to a particular manufacturer, or they may designate the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List from time to time. We give you the approved lists as we deem advisable.

Except for instances where we designate a single source supplier, if you wish to purchase any products or services for which we have established approved suppliers from an unapproved supplier, you may request our consent in writing. If we request, you must submit samples and other information as we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality and safety standards. We generally will notify you of supplier approval or disapproval within 30 days of our receipt of all the information and samples we request. We currently do not charge for approval of alternative suppliers but reserve the right to do so in future. The supplier also may be required to sign a supplier agreement. We may re-inspect the facilities and products of any supplier of an approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will provide notice of any revocation by a detailed phone call or email.

We apply the following general criteria in approving a proposed supplier: ***(i)*** cost of product; ***(ii)*** quality of product ***(iii)*** ability to make product in conformity with our specifications.

Insurance

You must purchase insurance from an approved supplier and following the minimum requirements below.

Type of Insurance	Minimum Amount
Commercial General Liability including Product Liability and Personal and Advertising Injury	$1,000,000 per occurrence; $2,000,000 in the aggregate
Fire Legal Liability: Damages to premises	$500,000
Medical Expenses	$1,000 per accident
Professional liability including abuse and molestation (for owners and employees)	$1,000,000 per occurrence
Hired and Non-Owned Auto Liability	$1,000,000 per claim
Property – Special Form, including mechanical breakdown	$300,000
Improvements and Betterments	Included
Business Income (12 months)	Actual loss sustained
Crime (employee dishonesty, theft and robbery)	$10,000 per occurrence
Cyber Liability (internet security and privacy insurance)	$25,000 per occurrence
Employment Practices Liability Insurance	$100,000
Deductible	$1,000

Defense Costs	In addition to policy limits
Commercial Umbrella Liability	$10,000,000 per occurrence and $10,000,000 in the aggregate

In addition to participation in the insurance program, you must carry workers' compensation and employer liability coverage as required by the jurisdiction in which you operate the Fitness Aira Fitness Business.

All required insurance not included in the insurance program must be obtained from a responsible carrier or carriers acceptable to us (generally an AM Best rating of A- or better). All of the policies must name us and anyone else we designate with an insurable interest as additional insured and must include a waiver of subrogation in favor of each additional named insured.

Marketing and Promotional Materials

You may use only marketing and promotional materials that meet our standards (see Item 11 for more information on advertising and marketing).

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that your required purchases will represent approximately 75 to 85% of your total purchases in connection with establishing the franchised business (excluding the franchise fee and other non-goods expenditures), and 5 to 10% of the ongoing costs that you will need to operate the business (excluding franchise fees and royalties and other non-goods expenditures).

Supplier Rebates; Description of Purchasing Cooperatives; Purchasing Arrangements

We and our affiliates also have arrangements with certain suppliers whereby we or our affiliate will receive rebates from franchisee purchases or leases, which may be a fixed amount per transaction or percentage of the purchase. We currently do not receive rebates from suppliers based on franchisee purchases but reserve the right to do so. We negotiate purchase arrangements for the benefit of the franchisees, namely for the Initial Fitness Equipment Package. This does not guarantee that the price for these products or services will be lower than other products or services on the market. We do not have any purchasing or distribution cooperatives in the System as of the date of this Disclosure Document. We do not provide you any material benefits (such as renewal rights or the right to acquire additional franchises) based on your purchases from approved or designated suppliers.

We may derive revenue or other material consideration from required purchases or leases by franchisees. In the fiscal year ended December 31, 2025, we did not derive revenue from the purchase of equipment or supplies by our franchisees. In the fiscal year ended December 31, 2025, our affiliate, Pure Gym Equipment LLC ("PGE") derived $113,082 from purchases of equipment from franchisees. Our affiliate charges a markup on your purchase of the Initial Fitness Equipment Package.

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ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement (FA), Multi-Unit Development Agreement (MUDA) and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items in the Disclosure Document.

Obligation	Section in FA	Section in MUDA	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 2B, 5A and 5G	Not applicable	Items 7 and 11
b. Pre-opening purchases/leases	Sections 5B, 5C, 6A and 6E	Not applicable	Items 5, 6, 7 and 8
c. Site development and other pre-opening requirements	Sections 2B, 5B, 5C and 5D	Not applicable	Items 7, 8 and 11
d. Initial and ongoing training	Sections 7B, 7C and 7E	Not applicable	Items 6 and 11
e. Opening	Section 5D	Section 3.1	Item 11
f. Fees	Sections 4B, 5G, 6E, 6L, 7C, 7E, 8A, 8B, 8C, 8E, 9. 10C, 11B, 12B, 12C, 12H, 13D, 14E, and 15B	Sections 2.2, 2.3, 8.4, 9.4, and 12.2	Items 5, 6 and 7
g. Compliance with standards and policies/Operations Manual	Section 6G, 6K and 6M	Not applicable	Items 6, 7, 8, 11, and 16
h. Trademarks and proprietary information	Sections 3, 6H, 11E and 11F	6.1, 7.2F, 12.2	Items 13 and 14
i. Restrictions on products/services offered	Section 6A, 6B, 6D and 6E	Not applicable	Items 5, 6, 7, 8 and 16
j. Warranty and customer services requirements	None for warranty. Customer services 6B, 6C, 6J and 7D	Not applicable	None

Obligation	Section in FA	Section in MUDA	Disclosure Document Item
k. Territorial development and sales quotas	Sections 2B and 2C and Attachment B		Item 12
l. Ongoing product/service purchases	Sections 6A, 6B, 6D and 6E	Not applicable	Items 6, 7 and 8
m. Maintenance, appearance, modernization and remodeling requirements	Sections 5E, 5F and 5G	Not applicable	Items 8
n. Insurance	Section 11B	Not applicable	Items 6, 7 and 8
o. Advertising	Sections 6J, 6L and 8	Not applicable	Items 6, 7 and 11
p. Indemnification	Sections 12H and 16C	Sections 8.5 and 11.3	None
q. Owner's participation/ management/staffing	Sections 6F, 7A and 7D	Not applicable	Item 15
r. Records/reports	Sections 6E, 10A and 10B	Section 3.5	None
s. Inspections/audits	Sections 10C and 10D	Not applicable	Items 6
t. Transfer	Section 12	Sections 7.3 and 8	Items 6 and 17
u. Renewal	Section 4	Not applicable	Item 17
v. Post-termination obligations	Sections 11 and 15	Sections 7.4 and 9	Item 17
w. Non-competition covenants	Section 11D	Sections 6.4, Section 9	Item 17
x. Dispute resolution	Section 13	Section 12	Item 17

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ITEM 10
FINANCING

We offer the following financing directly through us.

Item Financed	Source of Financing	Down Payment	Amount Financed	Term	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default
Equipment Lease – Fitness Center (Note 1)	Our Affiliate	$8,472 - $44,359	$15,014 to $85,806	3 years; month to month thereafter (Note 2)	None if paid on timely basis; 18% on past due amounts	$352 - $1,963 (Note 3)	None	Personal Guaranty	Total amount due upon default; loss of franchise; attorney's fees and costs of collection
Equipment Lease – Pod (Note 1)	Our Affiliate	$5,078 - $13,930	$8,712 - $25,870	3 years; month to month thereafter (Note 2)	None if paid on timely basis; 18% on past due amounts	$207 - $597	None	Personal Guaranty	Total amount due upon default; loss of franchise; attorney's fees and costs of collection
Pod Package Lease (Note 4)	Our Affiliate	$12,000	$40,000	3 years; month to month thereafter (Note 5)	None if paid on timely basis; 18% on past due amounts	$600	None	Personal Guaranty	Total amount due upon default; loss of franchise; attorney's fees and costs of collection

Notes:

(1) You must purchase or lease the Initial Fitness Equipment Package from us. You can pay the purchase price for the initial fitness equipment in full or we will lease you the initial fitness equipment. You will sign the standard form Initial Fitness Equipment Purchase Agreement along with the Personal Guaranty that is attached to this Disclosure Document as Exhibit F or you will sign the standard form Fitness Equipment Lease along with the Personal Guaranty that is attached to this Disclosure Document as Exhibit G. We do not require any parties who do not have ownership interest in the franchise to sign the Personal Guaranty. Under the Fitness Equipment Lease, you waive (i) rights and remedies under Sections 2A-508 through 12A-522 of the Uniform Commercial Code (UCC); (ii) rights to require our affiliate to mitigate damages; and (iii) the right to trial by jury. Additionally, under the Fitness Equipment Lease, the statute of limitations for breach of warranty is limited to 1 year.

(2) At the end of the first 3-year term, the Fitness Equipment Lease will continue on a month-to-month basis unless you request or we require that certain pieces of equipment be replaced because said

equipment no longer meets system standards. Additionally, at the end of the 3-year term, you will have the option to purchase the fitness equipment in the Initial Fitness Equipment Package for 50% of MSRP.

(3) The monthly payment you will pay will be equal to 1.5% of MSRP for the Initial Fitness Equipment Package you purchase. If you are opening an Aira Fitness Business that will operate from a Fitness Center, your monthly rent will range from $352 to $1,963. If you are opening an Aira Fitness Business that will operate from a Pod, your monthly rent will range from $207 to $597.

(4) You must purchase or lease the Pod Package from us. You can pay the purchase price for the initial fitness equipment in full or we will lease you the initial fitness equipment. You will sign the standard form Pod Package Purchase Agreement along with the Personal Guaranty that is attached to this Disclosure Document as Exhibit H or you will sign the standard form Pod Package Lease along with the Personal Guaranty that is attached to this Disclosure Document as Exhibit I. We do not require any parties who do not have ownership interest in the franchise to sign the Personal Guaranty. Under the Pod Package Lease, you waive (i) rights and remedies under Sections 2A-508 through 12A-522 of the Uniform Commercial Code (UCC); (ii) rights to require our affiliate to mitigate damages; and (iii) the right to trial by jury. Additionally, under the Pod Package Lease, the statute of limitations for breach of warranty is limited to 1 year.

(5) At the end of the first 3-year term, the Pod Package Lease will continue on a month-to-month basis unless you request or we require that the Pod be replaced because said Pod no longer meets system standards. Additionally, at the end of the 3-year term, you will have the option to purchase the Pod for $20,000.

We do not arrange for financing with any other sources. We do not receive any direct or indirect payments for placing financing with any lender.

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

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

Pre-Opening Obligations

Before you open your Aira Fitness Business, we will:

1. Provide you with site selection criteria and general design requirements for your Aira Fitness Business (Franchise Agreement, Sections 5A and 5C)
2. Provide you with the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6D).
3. Provide you for purchase the Initial Fitness Equipment Package (Franchise Agreement, Section 6A)
4. Provide you with the Manual that details the specifications and procedures incidental to the operation of the Aira Fitness Business (Franchise Agreement, Section 6G).
5. Provide the initial training program described below (Franchise Agreement, Section 7B).
6. Determine whether you have met the requirements to open the Aira Fitness Business (Franchise Agreement, Section 5D)
7. Provide grand opening promotional materials and assistance (Franchise Agreement, Section 8E).

Ongoing Obligations

During the operation of your Aira Fitness Business, we will:

1. Provide you with membership services, including administering certain aspects of reciprocity and membership billing (Franchise Agreement, Section 6C and 6P).
2. Provide updates to the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6D).
3. Provide any System modifications we deem appropriate to adapt to changing conditions, competitive circumstances, business strategies and practices and other changes (Franchise Agreement, Section 6M)
4. Provide refresher training courses as we determine necessary (Franchise Agreement, Section 7C).

Advertising and Marketing

Local Marketing

You must use your best efforts to aggressively promote and advertise the Aira Fitness Business in your local area and participate in any local promotional programs that we establish (subject to applicable law). We require that you spend at least $400 per month on local advertising.

Any marketing material not designed or provided by us must be pre-approved; you must submit your marketing materials to us for approval prior to use (print, electronic or other forms of media) and actively promote your Aira Fitness Business and the System through use of approved local marketing and marketing materials. We will not unreasonably withhold approval of your marketing materials if they are factually accurate and current, dignified, up-to-date, and in good condition, adhere to brand standards, and accurately depict the Aira Fitness Marks. The marketing materials will be deemed disapproved if we do not approve or otherwise provide comments on the marketing materials within 10 business days of receipt.

Marketing & Branding System Fee

You are required to pay us a Marketing & Branding System Fee on a monthly basis. However, these monies will not be contributed to a system-wide advertising fund and we have the sole discretion in how the Marketing & Branding System Fee monies are spent.

Local Marketing Fund or Cooperative

We have the right to designate, as we deem appropriate, any geographical area in which at least two Aira Fitness franchises are located as a "designated advertising area" for the purposes of establishing a local marketing fund that we control ("Local Marketing Fund") or local or regional advertising cooperative controlled by its members ("Cooperative"). If a Local Marketing Fund or Cooperative is established in your market, you will be required to participate and contribute. Any amount contributed to a Local Marketing Fund or Cooperative will be in addition to, and not in lieu of, the National Marketing Fee. Payments you make to the cooperative are credited toward your local advertising expense requirement. We have the right to determine the amount of contribution, in our sole judgment, provided that aggregate monthly contributions will not exceed $200 per month (subject to adjustment for increases in the Consumer Price Index) unless a 2/3 vote of the members of the Cooperative approves a higher fee.

Each Cooperative will be required to adopt governing bylaws that meet our approval. We will provide each Cooperative with a sample form of bylaws, containing certain terms and conditions that we require, although the bylaws cannot modify the voting structure set forth in this paragraph. Cooperatives are not required to prepare financial statements. We reserve the right to administer the Cooperatives' funds and require payment from its members via electronic funds transfer. We have the right to require Cooperatives to be formed, changed, dissolved or merged.

We do not have an advertising council composed of franchisees. The franchise agreement does not give us the power to form an advertising council.

Technology System and Video Surveillance Equipment

You must acquire and use all computer hardware and related accessories and peripheral equipment, including door access components, camera and surveillance equipment, televisions, and related items that we prescribe for use by the Aira Fitness Business. You may not use any computer hardware, accessories or peripheral equipment that we have not approved for use. Requirements for use may include, among other things, connection to remote servers, off-site electronic repositories, and high speed Internet connections, and establishment of one or more e-mail accounts.

You must: ***(i)*** use any proprietary software programs, system documentation manuals, and other proprietary materials that we provide to you in connection with your operation of the Aira Fitness Business; ***(ii)*** input and maintain in your computer such data and information as we prescribe in the Manual and other written directives; ***(iii)*** purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then- current prices whenever we adopt such new or upgraded programs, manuals, and materials system-wide. You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner we prescribe, and pay all fees imposed by us or any third-party software and software service providers hereunder. As technology or software is developed in the future, we may, as we deem appropriate, require you to: ***(i)*** add to your technology system memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software; and ***(ii)*** replace or upgrade your technology system and software as we prescribe. There are no contractual limitations on the cost or frequency for updating or upgrading the technology system.

The Technology System will collect and compile customer identification data, other membership data, and door entry data. We may independently access from a remote location, at any time, all information (including member information) generated and stored by your Technology System (including video surveillance equipment) or an off-site server.

We estimate the purchase price for the technology system to be approximately $1,200 to $1,600. This includes the purchase of the web-based Gymmaster software. In addition, you must make monthly payments to Gymmaster which currently has the following fee structure:

- $129Month for up to 100 members
- $169/Month for up to 400 members
- $249/Month for up to 1300 members

The estimated cost for video surveillance equipment is $400 to $800. We have no obligation to provide ongoing maintenance, updating, upgrading or support for your technology system. Support services for the Gymmaster software are included in the monthly fee. The estimated annual cost of any optional or required maintenance, updating, upgrading of your hardware or other equipment is estimated to be $400. We are in the process of developing a proprietary software system that we intend to replace Gymmaster and anticipate conducting trials of this software with select franchisees in 2026.

In exchange for the Technology and Automation Fee (currently $300 per month), we currently provide you with sales performance and automated appointment scheduling and confirmation tools. We reserve the right to alter the products and services provided for in the Technology Fee.

Site Selection

You will select the site for the Aira Fitness Business within the Preliminary Designated Area that will be identified in the Summary Pages when you sign the Franchise Agreement. You will identify a site within the Preliminary Designated Area (or if no sites are available in the Preliminary Designated Area, in

proximity to it) for our approval. In evaluating the site, we will consider the following factors: rent amount, population and demographics of the surrounding area, and competition. Within 15 days after you have submitted all requested information concerning the site, we will notify you whether or not the site is approved. You must acquire a site for the Aira Fitness Business within 90 days after the Franchise Agreement is signed.

We do not generally own the premises of your Aira Fitness Business and lease it to you.

You are responsible for developing the Aira Fitness Business at your expense. It is your responsibility to prepare all required construction and remodeling plans and specifications to suit the Aira Fitness Business and to make sure that they comply with federal, state, or local laws and regulations, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. You must submit all construction and remodeling plans and specifications to us for our approval before beginning build-out for the Aira Fitness Business. You must apply for and obtain all requisite government approvals and permits to develop the Premises. (Sections 5A, 5B, and 5C)

Typical Length of Time Before You Open Your Aira Fitness Business

The typical length of time between the signing of the Franchise Agreement, or the first payment of any consideration for the franchise, and the opening of your business is approximately one to six months from the execution of the Franchise Agreement. Factors that may impact this length of time may include whether you have a site selected upon execution of the Franchise Agreement, and your ability to obtain a site, arrange leasing and financing, make leasehold improvements, install equipment and signs, decorate the Aira Fitness Business, meet local requirements and other similar factors.

You must acquire a site for the Aira Fitness Business location no later than 90 days after the Franchise Agreement is signed and must open the Aira Fitness Business for business no later than 180 days after the Franchise Agreement is signed. If you fail to acquire an acceptable site or begin operations within the required time periods, we may terminate the Franchise Agreement (Franchise Agreement, Sections 2B and 14A).

Manual

You must operate your Aira Fitness Businesses consistent with the required standards and specifications outlined in the Manual. The Manual also may contain recommended practices, polices and guidelines that you may, but are not required to follow.

We will provide you with recommended pricing for products and services. Unless stated otherwise in writing, pricing schedules are a recommendation only and you may accept or reject our recommendation without penalty. However, we reserve the right to establish minimum and maximum pricing for the products and services you sell, subject to applicable laws.

The Table of Contents for the Manual, including number of pages on each subject and total number of pages, is included at Exhibit E to this Disclosure Document. The Manual currently has 72 pages.

INITIAL TRAINING PROGRAM

We will provide the following initial training to at least two people in your organization (including your general manager, if applicable), which attendees must complete to our satisfaction. The Initial Training Program consists of 2 parts, (1) a 23-hour on-demand virtual training program and (2) an in-person training program that will last approximately 5 days and will be conducted at an affiliate Aira Fitness Business in Ingleside, Illinois or other location determined by us. Prior to attending the in-person portion of our Initial Training Program, you must, at a minimum, complete Module #1 and Module #2 of the virtual training program. You must complete both parts of the Initial Training Program prior to the date you open your Aira Fitness Business.

PART I: ON-DEMAND VIRTUAL TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Module #1: • Welcome • Our story and values • Requirements • Road map • Mindset for success • Who wins • Your first post	2	0	Virtual
Module #2: • Finding a space and build out	2	0	Virtual
Module #3: • Kickstart guide	5	0	Virtual
Module #4: • Personal Training Sales Academy	2	0	Virtual
Module #5: • Bootcamp Sales Academy	2	0	Virtual
Module #6: • Membership Sales Academy	2	0	Virtual
Module #7: • Lead generation system	1	0	Virtual

Module #8: • Team foundations	1	0	Virtual
Module #9: • Resources	1	0	Virtual
Module #10: • Equipment assembly	3	0	Virtual
Module #11: • Installing the access control system	1	0	Virtual
Module #12: • Systems	1	0	Virtual
TOTALS	**23**	**0**	

PART II: IN-PERSON CERTIFICATION PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Day 1: Learn How to Sell	0	8	Ingleside, Illinois
Day 2: Learn How to Generate Leads	0	8	Ingleside, Illinois
Day 3: Guided Execution	0	8	Ingleside, Illinois
Day 4: Run It Alone	0	8	Ingleside, Illinois
Day 5: Certification Day	0	8	Ingleside, Illinois
TOTALS	**0**	**40**	

The training is subject to change. The training program will be provided on an as needed basis. The instructional material is the Operations Manual, Handbook, sample advertising, marketing materials, pricing sheets, personal training materials, supplies list, and other reading material. Currently, the instructors for the training program are Mike Bell, Alyssa Kathan and Jasmine Ramirez. Mike Bell is our founder and CEO and has over 10 years of experience in the subjects taught. Alyssa Kathan has been our Co-Vice President of Support since December 2022 and has over 2 years of experience in the subjects

taught. Ashley Bell has been our Co-Vice President of Support since August 2021 and has over 3 years of experience in the subjects taught. Instructors are subject to change. Jasmine Ramirez has been Vice President of our affiliate Aira Fitness, LLC since 2024, General Manager of our affiliate-owned locations since 2023 and has over 3 years of experience in the subjects taught.

You will be responsible for all travel and living expenses incurred by you and any general manager in attending the initial training program.

Periodically, we may offer and may require you to attend other additional training programs and we may charge a fee for attending these training programs. You must also pay the travel and living expenses and supply costs for you and your employees.

As of the date of this disclosure document, we are contemplating requiring all franchisees to pass a re-certification program similar to Part II of the Initial Training Program on an annual basis, but do not expect this requirement to be introduced in 2026.

If you designate a new general manager after the initial training program, the new general manager must complete the training to our satisfaction. We reserve the right to charge a fee to train any replacement general manager. In addition, we may hold and require that you or your owner, if you are an entity, and general manager or other designated employees attend, at your expense, any conference, meeting, convention or seminar to present new methods and programs for operation, training, management, sales or marketing and we reserve the right to charge you a fee to attend any conference, meeting or convention we hold. We may hold a franchise convention and may require you and your manager to attend. We have not yet had a conference and cannot yet provide an estimated cost. Additionally, if you fail to attend our annual convention, we reserve the right to charge you our non-attendance fee of $500.

ITEM 12
TERRITORY

If we have not approved a site for your Aira Fitness Business at the time you execute the Franchise Agreement, you will select a general geographic area in which you intend to operate your Aira Fitness Business ("Preliminary Designated Area"). Your Preliminary Designated Area will be identified on the Summary Pages of the Franchise Agreement. Within 90 days after the Franchise Agreement is signed, you must acquire a site for the Aira Fitness Business within the Preliminary Designated Area. Once the location of your Aira Fitness Business is approved, the location ("Authorized Location") and the applicable Designated Area will be filled in at Attachment A to your Franchise Agreement.

Once you have acquired the site, we will assign a Designated Area ("Designated Area") for your Aira Fitness Business. The Designated Area will be a minimum radius of 1 mile and a maximum radius of 3 miles from the Authorized Location, depending on the nature of the area in which the Aira Fitness Business is located, and further defined by zip codes, man-made or natural boundaries, political boundaries, or traffic patterns. The following factors will be considered in defining a Designated Area, in our sole discretion as to the relevance, in addition to population density: cultural demographics, household composition and income, growth trends of population, the density of residential and business entities, and geographic boundaries.

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. We are not required to pay you if we exercise any reserved rights within your Designated Area. However, as long as you are in compliance with the Franchise Agreement and meet the minimum membership requirements described below, we will not establish an Aira Fitness Business, nor license or franchise another party the right to establish an Aira Fitness Business within your Designated Area (except Special Sites, as defined below).

We and our affiliates also have the right to develop and operate, and grant others the right to develop and

operate, businesses offering fitness services and other businesses under a different trademark within and outside the Designated Area, which may be similar to or competitive with Aira Fitness Businesses.

Certain locations are by their nature unique and separate in character from sites generally developed as Aira Fitness Businesses ("Special Sites"). These Special Sites are excluded from the Designated Area and we have the right to develop, license or franchise Aira Fitness Businesses at these locations within or outside your Designated Area: (1) military bases; (2) public transportation facilities, including, without limitation, airports, railway stations, limited access highway travel plazas and other transportation terminals; (3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) hotels, resorts or similar short-term lodging; (6) apartment or condominium complex; and (7) corporate office buildings or office parks.

We reserve to ourselves all other rights to use the System and Marks anywhere and in any manner including, without limitation, the right to offer, sell or distribute items such as training videos, equipment, athletic gear, etc., associated with the System (now or in the future) or identified by the Marks, or any other trademarks, service marks or trade names, through any distribution channels or methods, without compensation to any franchisee. These distribution channels or methods may include, without limitation, retail stores, mail order, wholesale or the internet (or any other existing or future form of electronic commerce). For instance, we currently offer online member enrollment through www.airafitness.com and Groupon.

There are no restrictions on our rights to solicit or accept orders inside or outside of your Designated Area. We are not required to compensate you for soliciting or accepting orders in the Designated Area.

Continuation of your Designated Area is dependent on achieving certain sales volumes or market penetration.

Minimum Membership Requirement

Beginning on the one-year anniversary of opening for business, you must, at all times, have at least 150 members ("Minimum Membership Requirement"). If, during your second year of operation and thereafter, you do not maintain the Minimum Membership Requirement for 2 consecutive months, we may: (1) require your Principal and General Managers we determine to attend additional training programs; or (2) provide on-site assistance and consultation at your expense. If we provide any additional training, assistance or consultation, you must cover all costs and expenses for such training, assistance or consultation. If, during your second year of operation and thereafter, you do not maintain the Minimum Membership Requirement for 6 consecutive months, we may eliminate your territorial protection or terminate the Franchise Agreement.

Minimum Monthly Gross Sales Requirement

Beginning on the one-year anniversary of opening for business, you must maintain Gross Sales of at least $10,000 per month ("Minimum Monthly Gross Sales Requirement"). If, during your second year of operation and thereafter, you do not maintain the Minimum Monthly Gross Sales Requirement for 2 consecutive months, we may: (1) require your Principal and General Managers we determine to attend additional training programs; or (2) provide on-site assistance and consultation at your expense. If we provide any additional training, assistance or consultation, you must cover all costs and expenses for such training, assistance or consultation. If, during your second year of operation and thereafter, you do not maintain the Minimum Monthly Gross Sales Requirement for 6 consecutive months, we may eliminate your territorial protection or terminate the Franchise Agreement.

Neither the Minimum Membership Requirement nor the Minimum Monthly Gross Sales Requirement

should be construed as and are not intended to be a statement of projected income by us.

Other than the Minimum Membership Requirement, Minimum Monthly Gross Sales Requirement and the occurrence of any events upon which we may terminate your Franchise Agreement, no other circumstances permit us to modify your rights in your Designated Area.

You do not have any right to sublicense or sub-franchise within or outside of the Designated Area. You do not receive the right to acquire additional franchises within or outside of your Designated Area (although we may allow you to open another Aira Fitness Business if you sign another Franchise Agreement with us and meet our requirements). You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

The franchise is granted for an Aira Fitness Business at 1 specific location which must be approved by us. You may not relocate your Aira Fitness Business without our prior written approval. We will grant you the right to relocate meeting our then current criteria as long as you are not relocating due to your breach of the lease, sublease, or mortgage of your Aira Fitness Business. We may unilaterally modify your Designated Area if you relocate your Aira Fitness Business.

If you are a Developer, the Development Schedule will be filled in at Exhibit B when you sign the Multi-Unit Development Agreement. If you fail to meet any of the deadlines set forth in the Development Schedule, we have the right to (i) terminate your Multi-Unit Development Agreement or (ii) reduce the number of Aira Fitness Businesses you may develop, among other remedies we may have. Additionally, you may be required to pay the then-current initial franchise fee for the locations to be developed under the Multi-Unit Development Agreement, as described in Item 5.

ITEM 13
TRADEMARKS

The Franchise Agreement licenses you to use the "Aira Fitness" service mark and associated logos, as well as other trademarks, service marks, trade names and commercial symbols. We have applied for and/or obtained a registration for the Marks on the Principal Register of the United States Patent and Trademark Office (the "USPTO"):

Service Mark	Registration Number	Date of Registration	Date of Filing	Serial Number
	6023134	March 31, 2020	N/A	N/A
AIRA FITNESS	N/A	N/A	April 26, 2026	99/787,910
	N/A	N/A	April 26, 2026	99/787,927
AIRA FITNESS PRIVATE STUDIO	N/A	N/A	January 9, 2026	99/585,888
AIRA FITNESS 24/7	N/A	N/A	January 9,	99/585,828

			2026	

We applied for registration on the Principal Register of the U.S. Patent and Trademark Office of our word mark "Aira Fitness" on August 22, 2019 and for registration of our AF logo with the words Aira Fitness on January 6, 2020, Serial No. 88747738. For both applications, the U.S. Patent and Trademark Office refused registration based on the existence of an existing service mark registration to a third party for the mark "Aire Fitness" for similar services. "Aire Fitness" failed to file the required maintenance application with the U.S. Patent and Trademark Office and its registration was cancelled as of April 28, 2026. Since the conflicting service mark registration has been canceled, we have re-applied for registration of our word mark "Aira Fitness" our "AF" logo with the words "Aira Fitness," as noted above.

We also claim common law rights to our Aira Fitness service marks (word and design marks) and other supplementary marks used from time to time in the operation of the franchise. We do not yet have a federal registration for either of these marks. Therefore, these trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use our trademark is challenged, you may have to change to an alternative Mark, which may increase your expenses.

You may not refer to your Aira Fitness Business as a "Pod" unless you operate your Aira Fitness Business from a Pod and may not refer to your Aira Fitness Business as a "Private Studio" unless we expressly authorize you to do so.

Your use of the Marks and any goodwill is to our and our affiliate's exclusive benefit and you retain no rights in the Marks. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing. We may change the System presently identified by the Marks including the adoption of new Marks, new program offerings, new equipment or new techniques and you must adopt the changes in the System, as if they were part of the Franchise Agreement at the time of its execution. You must comply, at your cost, within a reasonable time if we notify you to discontinue or modify your use of any Mark. We will have no liability or obligation as to your modification or discontinuance of any Mark.

There are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks.

We have granted a license to our affiliate Aira Fitness LLC to use the Marks in the operation of its Aira Fitness Businesses. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the Marks.

If there is any infringement of, or challenge to, your use of the Marks, you must immediately notify us, and we will take action that we deem appropriate. We have the right to control all administrative proceedings and litigation involving the Marks. The Franchise Agreement does not require us to take affirmative action if notified of the claim. The Franchise Agreement also does not require us to participate in your defense or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding based on your use of the Marks, or if the proceeding is resolved unfavorably to you. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make the changes or substitutions at your own expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents, pending patent applications, or copyrights currently registered that are material to the franchise, although we do claim copyright ownership and protection for the design elements of our Marks, and the content of our Manual, training materials, web site, and promotional and other materials.

There are currently no effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the patents or copyrights of which you become aware.
You must keep confidential during and after the term of the Franchise Agreement all proprietary information, including but not limited to the Manual. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including but not limited to the Manual and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the Manual at your cost.

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

We expect only business entities, and not individuals, to operate the Franchised Business. You must designate a Principal who must meet our approval. The Principal must maintain a majority ownership in your entity. The Principal must participate in and complete our Initial Training Program and must have authority to make decisions on your behalf and bind you with respect to matters and agreements between you and us. The Principal is expected to stay informed about our organizational plans, initiatives and direction by regular review of communications sent to you electronically or otherwise.

Your Aira Fitness Business must be managed and supervised by a General Manager, who may be the Principal. Your General Manager need not have any equity interest in the franchisee or the business entity that owns or operates the franchise. Your General Manager will be responsible for all day-to-day operational decisions affecting your Franchised Business. Your General Manager must exert his or her full time best-efforts to the development and operation of your Franchised Business and must attend and complete the Initial Training Program and all other training programs that we require from time to time. The General Manager must have the authority to make all day-to-day operations decisions affecting your Franchised Business, and may not engage in any other business activity, directly or indirectly, that requires substantial management responsibility or time commitments or that otherwise interferes with his or her role as your General Manager.

We may request that the Principal be present at the Aira Fitness Business for any inspection or evaluation we conduct. All officers, directors, members and all managers, instructors and other employees of yours having access to our proprietary information must execute non-disclosure agreements in a form we accept.

All owners in the franchisee must sign a personal guaranty.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer at the Aira Fitness Business all of the products, equipment and services that we periodically require and you may not offer at the Aira Fitness Business any unapproved products or use the premises for any purpose other than the operation of the Aira Fitness Business. We have the unlimited right to change the types of authorized services and products you may offer.

If permitted by state and local law, you must be open for business every day of the week for 24 hours.

You do not have the right to sell services and products identified by the Marks at any location other than the Authorized Location or through any other channels or methods of distribution, including the internet (or any other existing or future form of electronic commerce), catalog sales, telemarketing or other direct marketing. You do not have the right to sell services and products identified by the Marks to any person or entity for resale or further distribution,

We may periodically negotiate contracts with corporations, affinity groups and insurance plans that will require that certain terms or discounts be offered to members of that corporation, affinity group or insurance plan by all franchisees at all locations. You must provide the special terms and/or discounts to these National Accounts.

You are not limited in the customers to whom you may sell products or services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement (FA), Multi-Unit Development Agreement (MUDA) and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Franchise Agreement:

	Provision	Section in FA	Summary
a.	Length of the franchise term	Section 4A	Term is 10 years
b.	Renewal or extension	Section 4B	Renewal for unlimited additional 10-year terms
c.	Requirements for franchisee to renew or extend	Section 4B	You must give us written notice of your decision to renew at least six months but not more than 12 months before the end of the expiring term; you must sign our then-current form of Franchise Agreement, the terms and conditions of which may be materially different than the terms and conditions of our current Franchise Agreement and which may contain terms less favorable to you, including different fees and a different Designated Area; you have complied with the modernization requirements for your Aira Fitness Business; you are not in default and have satisfied your obligations on a timely basis; if leasing, you have written proof

	Provision	Section in FA	Summary
			of your ability to remain in possession of the Aira Fitness Business premises throughout the renewal term and provide any then-required lease addendum; you comply with our training requirements; you sign a general release (provided that any release will not be inconsistent with any state law regulating franchising), and pay renewal fee.
d.	Termination by franchisee	Section 14C	You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and allow at least 90 days' notice and opportunity to cure such breach and, if not cured, wait 60 days from the original notice of breach before terminating the Franchise Agreement.
e.	Termination by franchisor without cause	None	
f.	Termination by franchisor with cause	Sections 14A and B	We can terminate the Franchise Agreement only if you default or fail to comply with your obligations.
g.	"Cause" defined – curable defaults	Sections 14A.1	You have 10 days to cure the non-submission of reports and non-payment of amounts due and owing; and 30 days to cure defaults for the failure to abide by our standards and requirements in connection with the operation of your business, or failure to meet any requirements or specifications established by us, and any other default not listed in h below.
h.	"Cause" defined – non-curable defaults	Sections 14A.2 and A.3. and 14 B	Non-curable defaults include: failure to acquire a site for the Aira Fitness Business within 90 days after the Franchise Agreement is signed, or to open the Aira Fitness Business for business within 180 days after the Franchise Agreement is signed, misrepresentation made in application or report to us, abandonment, loss of lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to relocate, closing of Aira Fitness Business, bankruptcy, insolvency, unapproved assignments or transfers, convictions of felony or misdemeanor impairing the goodwill of the Marks, identification as terrorist, intentionally understating or underreporting Memberships or fees, multiple defaults, or failure to cure

	Provision	Section in FA	Summary
			within 24 hours of notice a default which materially impairs the goodwill associated with any of our Marks, failure to meet Minimum Membership Requirements for 6 consecutive months, or failure to meet Minimum Monthly Gross Sales Requirements for 6 consecutive months, and failure to use our approved payment processor. Also, material breach under another Franchise Agreement with us.
i.	Franchisee's obligations on termination/non-renewal	Sections 11D and 15A and B	Obligations include cease all use of Marks and proprietary information, complete de-identification, payment of amounts due, assignment of your lease to us upon our demand, assignment to us of your telephone numbers, cancel assumed name, return of the Manual and proprietary materials, refunding members, and our right to purchase assets of the Aira Fitness Business (also see o and r below).
j.	Assignment of contract by franchisor	Section 12F	No restriction on our right to assign.
k.	"Transfer" by franchisee – defined	Section 12A	Includes any transfer of your interest in the Franchise Agreement, in all or substantially all of the Aira Fitness Business assets, or in the business or any ownership change listed in Section 12A of the Franchise Agreement.
l.	Franchisor approval of transfer by franchisee	Section 12B	We have the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Sections 12C	Transferee meets all of our then-current requirements for franchisees, transferee must sign our then-current form of Franchise Agreement, the terms and conditions of which may be materially different than the terms and conditions of our current Franchise Agreement and which may contain terms less favorable to the transferee, including different fees and a different Designated Area; applicable transfer fee paid, you pay us all amounts due and submit all reports, required modernization is completed, training completed, required guarantees signed, necessary financial reports

	Provision	Section in FA	Summary
			and other data on franchise business is prepared and furnished to us or transferee, and release signed by you (provided release will not be inconsistent with any state law regulating franchising (also see r below).
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 12E	We can match any offer for your Aira Fitness Business assets and, in the case of a proposed stock sale, we can purchase your Aira Fitness Business assets at a price determined by an appraiser, unless you and we agree otherwise.
o.	Franchisor's option to purchase franchisee's business	Section 15B	Upon expiration or termination, we have the right to assume your lease for the Aira Fitness Business premises, to assume all membership contracts, to assume all telephone numbers used in connection with the operation of your Aira Fitness Business to assume all social media accounts associated with the Aira Fitness Business, and to purchase or designate a third party that will purchase all or any portion of the assets of your Aira Fitness Business, including the equipment, fixtures, signs, furnishings, supplies, leasehold improvements and inventory. Qualified appraiser(s) will determine price as described in the Franchise Agreement.
p.	Death or disability of franchisee	Section 12D	Within 180 days, you can transfer your franchise right to your heir or successor in interest like any other transfer, but if assignee is an existing franchisee, your spouse or your child, no transfer fee is required.
q.	Non-competition covenants during the term of the franchise	Section 11D	No diversion of members to other exercise facilities and no direct or indirect involvement in the operation of any fitness business other than one authorized in the Franchise Agreement.
r.	Non-competition covenants after the franchise is terminated or expires	Section 11D	No diversion of members to other exercise facilities and no direct or indirect involvement in a competing business for 2 years at the premises of the former Aira Fitness Business; within 10 miles of the former Aira Fitness Business; within any other franchisee's Designated Area; or within 10 miles of any other business or Aira Fitness Business using the System.

	Provision	Section in FA	Summary
s.	Modification of agreement	Section 18B	No modifications generally, but we have the right to change the Manual, Marks and System. We also have the right to define your Designated Area once you have acquired a site for the Aira Fitness Business.
t.	Integration/merger clause	Section 18B	Only the terms of the Franchise Agreement are binding (subject to state law). We do not disclaim any representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 13A	Except for certain claims, all disputes must first be submitted to mediation and, if not resolved by mediation, must be arbitrated in McHenry County, Illinois (subject to state law).
v.	Choice of forum	Section 13C	If arbitration not required, litigation must be in Illinois courts having jurisdiction, except as restricted or prohibited by applicable state law regulating franchising.
w.	Choice of law	Section 13C	Except for issues where federal law governs, Illinois law governs construction of the Franchise Agreement and the parties' relationship, except as restricted or prohibited by applicable state law regulating franchising.

Multi-Unit Development Agreement:

	Provision	Section in MUDA	Summary
a.	Length of the franchise term	Section 4.1	Agreement expires on our acceptance and execution of the Franchise Agreement for the last franchise to be developed.
b.	Renewal or extension	Not applicable	Not applicable
c.	Requirements for franchisee to renew or extend	Not applicable	Not applicable
d.	Termination by franchisee	Not applicable	Not applicable
e.	Termination by franchisor without cause	Not applicable	Not applicable

	Provision	Section in MUDA	Summary
f.	Termination by franchisor with cause	Section 7	We can terminate if you commit a listed violation.
g.	"Cause" defined – curable defaults	Not applicable	Not applicable
h.	"Cause" defined – non-curable defaults	Sections 7.2 and 7.3	Bankruptcy or similar proceeding, failure to comply with development schedule, unauthorized transfer, your felony conviction, dissolution of Developer, death or disability of one of your Owners, breach of Franchise Agreement.
i.	Franchisee's obligations on termination/non-renewal	Section 7.4	No further right to develop; however, termination does not affect existing franchise agreements.
j.	Assignment of contract by franchisor	Section 8.1	We have an unrestricted right to assign.
k.	"Transfer" by franchisee – defined	Section 8.2	Include any transfer of any interest in the MUDA, the development rights granted by the MUDA or in the Developer.
l.	Franchisor approval of transfer by franchisee	Section 8.3	Only if consented to by us in writing in advance.
m.	Conditions for franchisor approval of transfer	Section 8.4	Transferee must meet our qualifications, must sign new MUDA or written assignment and assumption of your MUDA, you and your owners sign general release, and pay transfer fee.
n.	Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable
o.	Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
p.	Death or disability of franchisee	Not applicable	Not applicable

	Provision	Section in MUDA	Summary
q.	Non-competition covenants during the term of the franchise	Section 6.4	You must not divert any business or customers to a competitor or employ anyone employed by us or our affiliates, or be involved in a competing business.
r.	Non-competition covenants after the franchise is terminated or expires	Section 9	For 2 years and after termination or expiration of the MUDA you will not have any interest in a fitness center, studio, or exercise facility.
s.	Modification of agreement	Section 13.4	No modifications unless in writing and signed.
t.	Integration/merger clause	Section 13.4	Only the terms of the MUDA are binding (subject to state law). Any representations or promises outside of the disclosure documents and MUDA may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Sections 12.3, 12.4, 12.5 and 12.6	Except for certain claims, all disputes must first be submitted to mediation and, if not resolved by mediation, must be arbitrated in McHenry County, Illinois (subject to state law).
v.	Choice of forum	Section 12.6	McHenry County, Illinois but subject to the laws of the State in which Franchise is registered.
w.	Choice of law	Section 12.6	Laws of the state of Illinois (subject to state law).

ITEM 18
PUBLIC FIGURES

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

The remainder of this page has been left blank intentionally.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item 19 presents the following historical results of 10 franchised Aira Fitness Businesses that are similar to the Aira Fitness Business offered in this Disclosure Document.

All the data shown on the tables below covers the first 30 days of Lead Generation for franchisees open for business as of March 1, 2026.

5 of 15 franchised Aira Fitness Businesses opened for business as of March 1, 2026 have been excluded from the data. 4 franchised Aira Fitness Businesses were excluded from the data because they were originally affiliate-owned locations sold to franchisees. 1 franchised Aira Fitness Business was excluded from the data in both Chart #1 and Chart #2 because the data was corrupted and reliable data could not be recovered.

CHART #1
STATEMENT OF ACTUAL HISTORICAL LEAD GENERATION RESULTS FOR 10 FRANCHISED AIRA FITNESS CENTERS DURING FIRST 30 DAYS OF LEAD GENERATION

City/State Where Franchisee Located	Population	Number of Leads Generated	Dollar Amount Spent on Lead Generation During 30-Day Period	Cost Per Lead
Conway, Arkansas	70,000	356	$768	$2.15
Panama City Beach, Florida	20,939	189	$882	$4.67
Marietta, Georgia	62,500	119	$601	$5.05
Mishawaka, Indiana	51,000	635	$1,242	$1.96
Stevensville, Michigan	1,200	210	$299	$1.42
Pittston, Pennsylvania	7,700	181	$623	$3.44
Horizon City, Texas	24,877	359	$931	$2.59

Round Rock, Texas	130,000	198	$999	$5.04
San Marcos, Texas	90,988	166	$324	$1.95
Magna, Utah	32,440	355	No Data	No Data

See notes below Chart #2.

CHART #2
STATEMENT OF AVERAGE HISTORICAL LEAD GENERATION RESULTS FOR 10 FRANCHISED AIRA FITNESS CENTERS DURING FIRST 30 DAYS OF LEAD GENERATION

	Number of Leads Generated	Dollar Amount Spent on Lead Generation During 30-Day Period	Cost Per Lead
Average (Mean)	308	$741	$3.14
Median	204	$768	$2.59
High	635	$1,242	$5.05
Low	119	$299	$1.42
# in Segment	10	9	9
# in Segment at or above Mean	4	5	4
% in Segment at or above Mean	40.00%	55.56%	44.44%

Notes to the charts above:

1) Nearest whole numbers are used.
2) "Lead Generation" is the process of using paid advertising on platforms like Meta Platforms and Google to attract, capture, and collect identifiable contact information from individuals who demonstrate interest in a product or service by completing a defined conversion action (e.g., submitting a form, registering, or requesting information).
3) A "Lead" is an individual who has engaged with a paid advertisement on Meta or Google platforms and has voluntarily provided identifiable contact information (such as name, email, phone number, or other qualifying details) indicating potential interest in the franchisee's services.
4) "Population" is the estimated population of the city/state in which the franchise is located at the time of the 30-day lead generation period.
5) The spending data for the Magna, Utah is unavailable because corrupted and reliable data could not be recovered. Therefore, the Magna, Utah franchise was excluded from the data for "Dollar Amount Spent on Lead Generation During 30-Day Period" and "Cost Per Lead" in both Chart #1 and Chart #2.

The source of this data is Meta analytics, Google analytics, and/or internal marketing software.

You should make your own independent investigation into the possible revenue, costs and profit potential of the Franchised Business. You should seek the advice of appropriate financial, business and legal advisors in connection with the use of the information contained in this financial

performance representation and in considering what your experience may be in operating an Aira Fitness Business.

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

Written substantiation for this statement will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mike Bell, 600 Route 59, Ingleside, IL 60041, (312) 498-6624, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
for Years 2023, 2024, and 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	2	+2
	2024	2	10	+8
	2025	10	14	+4
Affiliate Owned	2023	8	7	-1
	2024	7	6	-1
	2025	6	6	0
Total Outlets	2023	8	9	+1
	2024	9	16	+7
	2025	16	20	+4

Table No. 2

Transfer of Outlets from Franchisees to New Owners (other than Franchisor)
for Years 2023, 2024, and 2025

State	Year	Number of Transfers
Total	2023	0
	2024	0
	2025	0

Table 3
Status of Franchised Outlets
for Years 2023, 2024, and 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Arkansas	2025	1	0	0	0	0	0	1
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Florida	2025	1	1	0	0	0	0	2
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Georgia	2025	1	0	0	0	0	0	1
	2023	0	2	0	0	0	0	2
	2024	2	3	0	0	1	0	4
Illinois	2025	4	0	0	0	0	0	4
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Michigan	2025	1	0	0	0	0	0	1
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Pennsylvania	2025	0	1	0	0	0	0	1
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Texas	2026	2	2	0	0	0	0	4
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Utah	2025	1	0	0	0	0	0	1
	2023	0	2	0	0	0	0	2
	2024	2	9	0	0	1	0	10
Total	2025	10	4	0	0	0	0	14

The remainder of this page has been left blank intentionally.

Table No. 4
Status of Affiliate-Owned Outlets for Years 2023, 2024, and 2025

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Illinois	2023	8	1	0	0	2	7
	2024	7	0	2*	0	3	6
	2025	6	0	0	0	0	6
Total	2023	8	1	0	0	2	7
	2024	7	0	2*	0	3	6
	2025	6	0	0	0	0	6

*In 2024, there was one franchised location that the franchisor reacquired from a franchisee and then re-sold to another franchisee.

Table 5
Projected New Franchised Outlets
For the 12 months beginning December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
California	1	2	0
Florida	3	2	0
New Jersey	1	0	0
North Carolina	1	1	0
Texas	2	2	0
Totals	**8**	**7**	**0**

A list of current and former franchisees is attached to this Franchise Disclosure Document as Exhibit K. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the system.

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

There are currently no trademark-specific franchise organizations associated with the franchise system being offered.

ITEM 21
FINANCIAL STATEMENTS

Exhibit B contains our audited balance sheets as of December 31, 2025, December 31, 2024 and December 31, 2023, and the income statement for the periods then ended.

Our fiscal year end is December 31.

ITEM 22
CONTRACTS

This Disclosure Document includes a sample of the following contracts:

Exhibit C Franchise Agreement plus exhibits (if your state requires an addendum to the Franchise Agreement, it will be attached to the Franchise Agreement)

Exhibit D Multi-Unit Development Agreement plus exhibits (if your state requires an addendum to the Multi-Unit Development Agreement, it will be attached to the Multi-Unit Development Agreement)

Exhibit F Initial Fitness Equipment Package Purchase Agreement

Exhibit G Fitness Equipment Lease

Exhibit H Pod Package Purchase Agreement

Exhibit I Pod Package Lease

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

ITEM 23
RECEIPTS

Attached to this Disclosure Document in Exhibit M are two acknowledgments of receipt.

EXHIBIT A

LIST OF STATE ADMINISTRATORS

LIST OF AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINSTRATORS

California
Department of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(866) 275-2677

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

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

Indiana
Franchise Section
Indiana Securities Division
302 West Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

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

Michigan
Consumer Protection Division
Antitrust and Franchise Unit
Department of Attorney General
525 West Ottawa Street
G. Mennen Williams Bldg., 1st Floor
Lansing, Michigan 48913
(517) 335-7567

Minnesota
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1500

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
212-416-8236

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor Dept 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Oregon
Division of Consumer and Business Services
Finance and Corporate Securities
350 Winter St. N.E. Labor & Industries Bldg, Rm 21
Salem, Oregon 97310
(503) 378-4387

Rhode Island
Department of Business Regulation
Securities Division
1511 Pontiac Avenue, Bldg 69-1
Cranston, Rhode Island 02920
(401) 462-9527

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

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9051

Washington
Administrator
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501
(360) 902-8760

Wisconsin
Franchise Administrator
Division of Securities
Department of Financial Institutions 345

West Washington Street,
4th Floor Madison,
Wisconsin 53703
(608) 266-3364

LIST OF AGENTS FOR SERVICE OF PROCESS

California
Commissioner of Financial Protection
and Innovation
Department of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013

Hawaii
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana
Indiana Secretary of State
Securities Division
302 W. Washington Street., Room E-111
Indianapolis, Indiana 46204

Maryland
Maryland Securities Commissioner
Maryland Division of Securities 200
St. Paul Place
Baltimore, Maryland 21202-2021

Michigan
Michigan Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
525 West Ottawa Street
G. Mennen Williams Bldg., 1st Floor
Lansing, Michigan 48913

Minnesota
Minnesota Commissioner of Commerce
Minnesota Department of Commerce 85
7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

New York
Secretary of the State of New York
One Commerce Plaza
99 Washington Avenue
Albany, New York 12231

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor Dept 414
Bismarck, North Dakota 58505

Oregon
Division of Consumer and Business Services
Finance and Corporate Securities
350 Winter Street N.E.
Labor and Industries Building, Room 21
Salem, Oregon 97310

Rhode Island
Director, Department of Business Regulation
Securities Division
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920

South Dakota Division
of Insurance Securities
Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501

Virginia
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor Richmond,
Virginia 23219

Washington
Director of Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

Wisconsin
Administrator, Division of Securities
Department of Financial Institutions 345
West Washington Street, 4th Floor
Madison, Wisconsn 53703

EXHIBIT B
FINANCIAL STATEMENTS

AIRA FITNESS FRANCHISING LLC

FINANCIAL STATEMENTS

Financial Statements For The Years Ended December 31, 2025 & December 31, 2024 & December 31, 2023

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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NAPER CPA GROUP

924 W. 75th Street
Suite 120 - 189
Naperville, IL 60565
+1 (815) 348-2421
omar@napercpa.com

INDEPENDENT AUDITOR'S REPORT

To the Management of AIRA FITNESS FRANCHISING LLC

Opinion

We have audited the financial statements of AIRA FITNESS FRANCHISING LLC (the "Company"), which comprise the balance sheet as of December 31, 2025 & December 31, 2024 & December 31, 2023, and the related statements of income, changes in shareholders' equity, 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 the Company as of December 31, 2025 & December 31, 2024 & December 31, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

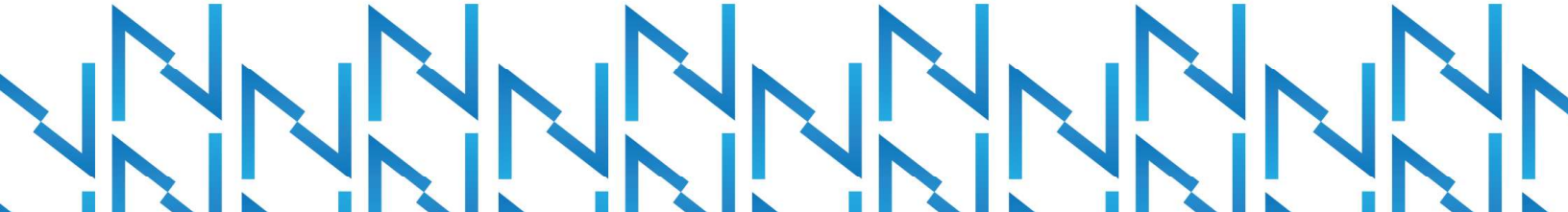
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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:



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

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

Naper CPA Group

Naperville, IL
March 4, 2026

AIRA FITNESS FRANCHISING LLC
BALANCE SHEET
AS OF DECEMBER 31, 2025 & DECEMBER 31, 2024 & DECEMBER 31, 2023

	12/31/25	12/31/24	12/31/23
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 92,358	$70,427	$73,460
TOTAL CURRENT ASSETS	92,358	70,427	73,460
NON-CURRENT ASSETS			
TOTAL NON-CURRENT ASSETS	-	-	-
TOTAL ASSETS	92,358	70,427	73,460
LIABILITIES AND OWNER'S EQUITY			
CURRENT LIABILITIES			
Deferred Revenue (current)	13,750	8,250	4,500
Company Credit Card	48,589	-	-
Accrued Liabilities	1,250	-	-
TOTAL CURRENT LIABILITIES	63,589	8,250	4,500
NON-CURRENT LIABILITIES			
Deferred Revenue	104,683	66,433	39,625
TOTAL NON-CURRENT LIABILITIES	104,683	66,433	39,625
TOTAL LIABILITIES	168,272	74,683	44,125
OWNER'S EQUITY			
Retained Earnings (Deficit)	48,741	18,334	(33,053)
Net Income (Loss)	(124,655)	(22,591)	62,388
TOTAL SHAREHOLDERS' EQUITY	(75,913)	(4,257)	29,335
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 92,358	$70,427	$73,460

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

AIRA FITNESS FRANCHISING LLC
STATEMENT OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 & DECEMBER 31, 2024 & DECEMBER 31, 2023

	2025	2024	2023
Revenue			
Franchise Fee Revenue	$ 63,250	$ 44,432	$45,875
Product & Other Revenue	30,295	1,442	46,762
Total Revenue	93,545	45,874	92,637
Cost of Sales	-	-	(5,312)
Gross Profit	93,545	45,874	87,325
Operating Expense			
Salaries & Wages Expense	-	3,000	14,999
Outside Labor	64,844	50,053	3,000
General & Administrative Expense	26,906	15,412	6,938
Advertising & Marketing Expense	59,190	-	-
Legal & Professional Fees	33,793	-	-
Office Expense	33,466	-	-
Total Operating Expenses	218,200	68,465	24,937
Net Income From Operations	(124,655)	(22,591)	62,388
Other Income (Expense)			
Total Other Income (Expense)	-	-	-
Net Income Before Provision for Income Tax	(124,655)	(22,591)	62,388
Provision for Income Taxes	-	-	-
Net Income (Loss)	$(124,655)	$(22,591)	$62,388

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

AIRA FITNESS FRANCHISING LLC
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF DECEMBER 31, 2025 & DECEMBER 31, 2024 & DECEMBER 31, 2023

	Opening Equity Balance	Yearly Changes	Total
Beginning Balance	$ 2,000	$ -	$ 2,000
Net Income for the period ending December 31, 2023	-	62,388	62,388
Equity Contributions (Distributions)	-	(35,054)	(35,054)
Balance, December 31, 2023	**$ 2,000**	**$ 27,334**	**$ 29,335**

	Opening Equity Balance	Yearly Changes	Total
Beginning Balance	$ 29,335	$ -	$ 29,335
Net Income for the period ending December 31, 2024	-	(22,591)	(22,591)
Equity Contributions (Distributions)	-	(11,000)	(11,000)
Balance, December 31, 2024	**$ 29,335**	**$ (33,591)**	**$ (4,257)**

	Opening Equity Balance	Yearly Changes	Total
Beginning Balance	$ (4,257)	$ -	$ (4,257)
Net Income for the period ending December 31, 2025	-	(124,655)	(124,655)
Equity Contributions (Distributions)	-	52,998	52,998
Balance, December 31, 2025	**$ (4,257)**	**$ (71,656)**	**$ (75,913)**

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

AIRA FITNESS FRANCHISING LLC
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 & DECEMBER 31, 2024 & DECEMBER 31, 2023

	2025	2024	2023
OPERATING ACTIVITIES			
Net Income	$(124,655)	$(22,591)	$62,388
Non-Cash Adjustments			
Changes in Deferred Revenue	43,750	30,558	44,125
Changes in Company Credit Card	48,589	-	-
Changes in Current Liabilities	1,250	-	-
	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(31,066)	7,967	106,513
INVESTING ACTIVITIES			
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	-
FINANCING ACTIVITIES			
Owner's Contribution (net)	52,998	(11,000)	(35,054)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	52,998	(11,000)	(35,054)
NET INCREASE (DECREASE) IN CASH	21,933	(3,033)	71,459
CASH AT BEGINNING OF PERIOD	70,427	73,460	2,000
CASH AT END OF PERIOD	$ 92,358	$ 70,427	$73,460

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

AIRA FITNESS FRANCHISING LLC (the “Company”) was incorporated under the laws of the State of Illinois for the purpose of offering franchise opportunities to entrepreneurs who want to own their own ‘AIRA FITNESS’ location, as a franchise.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include all adjustments necessary for the fair presentation of the Company's financial position, results of operations, and cash flows for the periods presented. The Company has adopted the calendar year as its fiscal year for financial reporting purposes.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the standalone selling prices of performance obligations in franchise arrangements, the allowance for doubtful accounts on franchisee receivables, the useful lives of long-lived assets, and the evaluation of contingencies. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The Company maintains its cash accounts at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). At times, cash balances may exceed FDIC insured limits. The Company has not experienced any losses related to these balances.

Franchisee Receivables

Franchisee receivables primarily consist of initial franchise fees, ongoing royalty fees, advertising fund contributions, and other fees charged to franchisees. Receivables are recorded when revenue is recognized prior to invoicing or when amounts are invoiced to franchisees. The Company reports receivables at their net realizable value, which includes an appropriate allowance for doubtful accounts.

The allowance for doubtful accounts is determined based on management's assessment of several factors, including historical collection experience, current economic conditions, franchisee credit quality, aging of receivable balances, and individual franchisee circumstances. Accounts receivable are written off against the allowance when management determines that collection is no longer probable. The

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Franchisee Receivables (cont.)

allowance for doubtful accounts was $0, $0, and $0 as of December 31, 2025, 2024, and 2023 respectively. Bad debt expense for the years ended December 31, 2025, 2024, and 2023 were $0, $0, and $0 respectively.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

- Computer equipment and software: 5 years
- Furniture and fixtures: 7 years
- Leasehold improvements: Shorter of lease term or useful life

Expenditures for repairs and maintenance are charged to expense as incurred. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the statements of income.

The Company reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is assessed by comparing the carrying amount to the undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured as the amount by which the carrying amount exceeds the fair value. No impairment losses were recorded during the years ended December 31, 2025, 2024, and 2023.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers. Under ASC 606, revenue is recognized when control of promised goods or services is transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company applies the following five-step model:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations
- Recognize revenue when (or as) performance obligations are satisfied

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Practical Expedient for Pre-Opening Services

The Company has elected to apply the practical expedient provided in ASC 952-606-25-2, which permits private company franchisors to account for certain pre-opening services as distinct from the franchise license. Under this practical expedient, the Company accounts for the following pre-opening services as a single performance obligation, distinct from the franchise license:

- Site selection assistance and architectural, engineering, and other professional services
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Inspection, testing, and other quality control programs

Principal Sources of Revenue

Initial Franchise Fees
The Company charges initial franchise fees to franchisees for the right to operate a franchised location. The franchise agreement grants the franchisee access to the Company's proprietary brand, trademarks, operating systems, and ongoing support services over the term of the franchise agreement.

Under ASC 606, the Company has identified the following performance obligations in its franchise agreements:

1. Pre-opening services (accounted for as a single performance obligation under the practical expedient)
2. Franchise license (right to access the Company's intellectual property over the term of the agreement)

The Company allocates the initial franchise fee to these performance obligations based on their relative standalone selling prices. The standalone selling price of pre-opening services is determined using an adjusted market assessment approach, considering the cost of similar services if acquired from third-party providers. The residual amount is allocated to the franchise license.

Revenue allocated to pre-opening services is recognized when those services are completed, typically prior to the franchise location opening. Revenue allocated to the franchise license is recognized on a straight-line basis over the term of the franchise agreement, beginning when the franchise location opens, as this is when the franchisee is able to use and benefit from the Company's intellectual property.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Continuing Royalty Fees
Franchisees are required to pay continuing royalty fees based on a percentage of their gross sales. These royalty fees relate to the ongoing franchise license and are considered sales-based royalties on licenses of intellectual property under ASC 606-10-55-65. In accordance with this guidance, royalty revenue is recognized in the period in which the underlying franchisee sales occur. The Company typically receives royalty reports and payments from franchisees by the following month.

Unearned Revenue

The Company's primarily performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including initial training and other such activities commonly referred to collectively as "pre-opening activities", which are recognized as a single performance obligation. The Company expects that certain pre-opening activities provided to the franchisee will not be brand specific and will provide the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of pre-opening activities that will be provided that is not brand specific is expected to be distinct as it will provide a benefit to the franchisee and is expected not to be highly interrelated or interdependent to the access of the Company's intellectual property, and therefore will be accounted for as a separate distinct performance obligation. All other pre-opening activities are expected to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore will be accounted for as a single performance obligation, which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration, under the franchise agreement to the standalone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, which are not brand specific are recognized ratably as those services are rendered. Consideration allocated to pre-opening activities included under Accounting Standards Update (ASU) to ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient' is recognized when the related services have been rendered.

The remaining franchisee fee not allocated to pre-opening activities are recorded as Unearned Revenue and will be recognized over the term of the franchise agreement.

Advertising Costs

Advertising costs incurred by the Company (excluding advertising fund expenditures) are expensed as incurred.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Taxes

The Company applies ASC 740 Income Taxes ("ASC 740"). Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any and the change during the period in deferred tax assets and liabilities.

Fair Value Measurements

The Company applies the provisions of ASC Topic 820, Fair Value Measurement, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

ASC 820 establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The carrying amounts reported in the balance sheet for cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate their fair values due to the short-term nature of these instruments.

Commitments and Contingencies

The Company may be subject to various legal proceedings and claims that arise in the ordinary course of business, including disputes with franchisees, employment matters, and intellectual property claims. Management evaluates contingent matters in accordance with ASC Topic 450, Contingencies, to assess the likelihood of losses and determines if accrual or disclosure is appropriate. Liabilities for

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Commitments and Contingencies (cont.)

contingencies are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. When a loss is reasonably possible, but not probable, or when a loss is probable but cannot be reasonably estimated, disclosure of the contingency is provided in the notes to the financial statements.

NOTE 3 – CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company places its cash and any cash equivalents with a limited number of high-quality financial institutions and do not exceed the amount of insurance provided on such deposits.

NOTE 4 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 4, 2026, the date on which the financial statements were available to be issued. Management has determined that none of the events occurring after the date of the balance sheet through the date of Management's review substantially affect the amounts and disclosure of the accompanying financial statements.

AIRA FITNESS FRANCHISING LLC

Financial Statements For The Years Ended December 31, 2024 & December 31, 2023 & December 31, 2022

TOGETHER WITH INDEPENDENT ACCOUNTANT AUDIT REPORT

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INDEPENDENT ACCOUNTANT AUDIT REPORT

To the Management of AIRA FITNESS FRANCHISING LLC

Opinion

We have audited the financial statements of AIRA FITNESS FRANCHISING LLC (the "Company"), which comprise the Balance Sheet as of December 31, 2024 & December 31, 2023 & December 31, 2022, the related Profit & Loss Statements, the related Statements of Cashflows, the related Statements of Shareholders' Equity, and the related notes for the twelve-month periods then ended. (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 & December 31, 2023 & December 31, 2022, and the results of its operations and its cash flows for the twelve-month periods then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

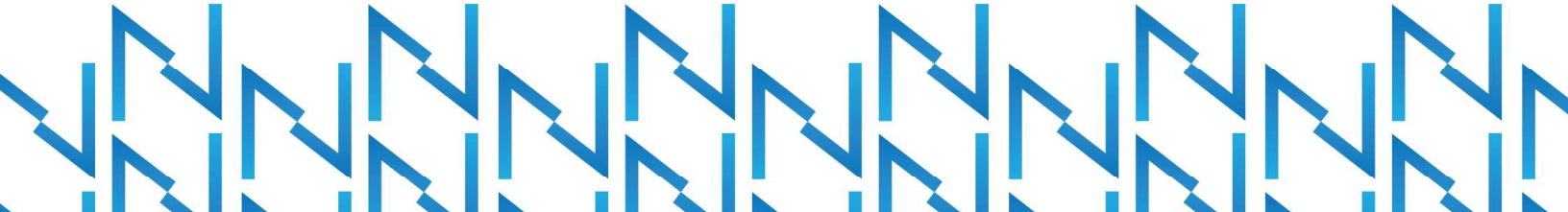
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.



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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Omar Alnuaimi, CPA

Naperville, IL
March 19, 2025

AIRA FITNESS FRANCHISING LLC
PROFIT & LOSS STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2024 & DECEMBER 31, 2023 & DECEMBER 31, 2022

	2024	2023	2022
Revenue			
Franchise Fee Revenue	$ 44,432	$45,875	$ -
Product & Other Revenue	1,442	46,762	-
Total Revenue	45,874	92,637	-
Cost of Sales	-	5,312	-
Gross Profit	45,874	87,325	-
Operating Expense			
Salaries & Wages Expense	3,000	14,999	-
Outside Labor	50,053	3,000	-
General & Administrative Expense	15,412	6,938	1,000
Total Operating Expenses	68,465	24,937	1,000
Net Income From Operations	(22,591)	62,388	(1,000)
Other Income (Expense)			
Total Other Income (Expense)	-	-	-
Net Income Before Provision for Income Tax	(22,591)	62,388	(1,000)
Provision for Income Taxes	-	-	-
Net Income (Loss)	$(22,591)	$62,388	$(1,000)

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

AIRA FITNESS FRANCHISING LLC
BALANCE SHEET
AS OF DECEMBER 31, 2024 & DECEMBER 31, 2023 & DECEMBER 31, 2022

	12/31/24	12/31/23	12/31/22
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$70,427	$73,460	$ 2,000
TOTAL CURRENT ASSETS	70,427	73,460	2,000
NON-CURRENT ASSETS			
TOTAL NON-CURRENT ASSETS	-	-	-
TOTAL ASSETS	70,427	73,460	2,000
LIABILITIES AND OWNER'S EQUITY			
CURRENT LIABILITIES			
Deferred Revenue (current)	8,250	4,500	-
TOTAL CURRENT LIABILITIES	8,250	4,500	-
NON-CURRENT LIABILITIES			
Deferred Revenue	66,433	39,625	-
TOTAL NON-CURRENT LIABILITIES	66,433	39,625	-
TOTAL LIABILITIES	74,683	44,125	-
OWNER'S EQUITY			
Retained Earnings (Deficit)	18,334	(33,053)	3,000
Net Income (Loss)	(22,591)	62,388	(1,000)
TOTAL SHAREHOLDERS' EQUITY	(4,257)	29,335	2,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$70,427	$73,460	$ 2,000

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

AIRA FITNESS FRANCHISING LLC
STATEMENT OF CASHFLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 & DECEMBER 31, 2023 & DECEMBER 31, 2022

	2024	2023	2022
OPERATING ACTIVITIES			
Net Income	$ (22,591)	$ 62,388	$ (1,000)
Non-Cash Adjustments			
Changes in Due From Related Party	-	-	6,963
Changes in Deferred Revenue	30,558	44,125	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	7,967	106,513	5,963
INVESTING ACTIVITIES			
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	-
FINANCING ACTIVITIES			
Owner's Contribution (net)	(11,000)	(35,054)	(3,963)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(11,000)	(35,054)	(3,963)
NET INCREASE (DECREASE) IN CASH	(3,033)	71,459	2,000
CASH AT BEGINNING OF PERIOD	73,460	2,000	-
CASH AT END OF PERIOD	$ 70,427	$ 73,460	$ 2,000

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

AIRA FITNESS FRANCHISING LLC
STATEMENT OF SHAREHOLDERS' EQUITY
AS OF DECEMBER 31, 2024 & DECEMBER 31, 2023 & DECEMBER 31, 2022

	Opening Equity Balance	Yearly Changes	Total
Beginning Balance	$ 6,963	$ -	$ 6,963
Net Income for the period ending December 31, 2022	-	(1,000)	(1,000)
Equity Contributions (Distributions)	-	(3,963)	(3,963)
Balance, December 31, 2022	**$ 6,963**	**$ (4,963)**	**$ 2,000**

	Opening Equity Balance	Yearly Changes	Total
Beginning Balance	$ 2,000	$ -	$ 2,000
Net Income for the period ending December 31, 2023	-	62,388	62,388
Equity Contributions (Distributions)	-	(35,054)	(35,054)
Balance, December 31, 2023	**$ 2,000**	**$ 27,334**	**$ 29,335**

	Opening Equity Balance	Yearly Changes	Total
Beginning Balance	$ 29,335	$ -	$ 29,335
Net Income for the period ending December 31, 2024	-	(22,591)	(22,591)
Equity Contributions (Distributions)	-	(11,000)	(11,000)
Balance, December 31, 2024	**$ 29,335**	**$ (33,591)**	**$ (4,257)**

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

NOTE A – ORGANIZATION AND NATURE OF ACTIVITIES

AIRA FITNESS FRANCHISING LLC (the "Company") was incorporated under the laws of the State of Illinois for the purpose of offering franchise opportunities to entrepreneurs who want to own their own 'AIRA FITNESS' location, as a franchise.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). As a result, the Company records revenue when earned and expenses when incurred. The Company has adopted the calendar year as its basis of reporting.

Use of Estimates
The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosures of contingent assets and liabilities and other items, as well as the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash and any cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Franchisee Receivables
The Company's franchisee receivables primarily result from initial franchise fees, royalty fees, brand development contributions and training fees charged to franchisees. Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. The Company reports these receivables at net realizable value.

Management determines the allowance for doubtful accounts based on historical losses, current expectations, and economic conditions. On a continuing basis, management analyzes delinquent accounts receivable and, once these accounts receivable are determined to be uncollectible, they are written off through a charge against an existing allowance account. The allowance account is reviewed regularly and adjusted against earnings as appropriate. The Company determined that an allowance on outstanding franchisee receivables of $0 was necessary as of December 31, 2024, December 31, 2023, & December 31, 2022. Franchisee bad debt expense was $0 for the year ended December 31, 2024, December 31, 2023, & December 31, 2022. Franchisee amounts written off were $0 for the year ended December 31, 2024, December 31, 2023, & December 31, 2022.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fixed Assets and Depreciation

Property and Equipment is stated at cost. Accounting principles generally accepted in the United States of America require that property and equipment be depreciated using the straight-line method. Depreciation in these financial statements reflects accelerated depreciation methods used for the tax return. The effects of these departures from accounting principles generally accepted in the United States of America on financial position, results of operations, and cash flows have not been determined. Expenditures for normal repairs and maintenance are charged to operations as incurred.

The Company reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of the undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. As of December 31, 2024, December 31, 2023, & December 31, 2022, no impairment loss has been recognized for long-lived assets.

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).
- Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

As of December 31, 2024, December 31, 2023, & December 31, 2022, the carrying amounts of the Company's financial assets and liabilities reported in the balance sheets approximate their fair value.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Revenue Recognition

Revenues are primarily derived from franchise fees (one-time and recurring monthly fees). In accordance with Accounting Standards Codification (ASC) Topic 606, Revenue will be recognized when persuasive evidence of an arrangement exists, delivery has occurred, or services have been rendered, the seller's price to the buyer is fixed or determinable, and collectability is reasonable assured. The determination of whether fees and fixed or determinable and collection is reasonable assured involves the use of assumptions. Arrangement terms and customer information are evaluated to ensure that these criteria are met prior to recognition of revenue.

Specifically for franchisors, The Financial Accounting Standards Board (FASB) has issued an Accounting Standards Update (ASU) to ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient' in 2021 which provides a new practical expedient that permits private company franchisors to account for preopening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. The Company has elected to adopt this new standard.

Unearned Revenue

The Company's primarily performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including initial training and other such activities commonly referred to collectively as "pre-opening activities", which are recognized as a single performance obligation. The Company expects that certain pre-opening activities provided to the franchisee will not be brand specific and will provide the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of pre-opening activities that will be provided that is not brand specific is expected to be distinct as it will provide a benefit to the franchisee and is expected not to be highly interrelated or interdependent to the access of the Company's intellectual property, and therefore will be accounted for as a separate distinct performance obligation. All other pre-opening activities are expected to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore will be accounted for as a single performance obligation, which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration, under the franchise agreement to the standalone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, which are not brand specific are recognized ratably as those services are rendered. Consideration allocated to pre-opening activities included under Accounting Standards Update (ASU) to ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient' is recognized when the related services have been rendered.

The remaining franchisee fee not allocated to pre-opening activities are recorded as Unearned Revenue and will be recognized over the term of the franchise agreement.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Taxes

The Company, with the consent of its shareholders, intends to elect to be an S-Corporation (for tax purposes). In lieu of corporate income taxes, the shareholder(s) of an S-Corporation is taxed based on its proportionate share of The Company's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

Commitments and Contingencies

The Company may be subject to pending legal proceedings and regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty, but the Company does not anticipate that the final outcome, if any, arising out of any such matter will have a material adverse effect on its business, financial condition or results of operations. As of December 31, 2024, December 31, 2023, & December 31, 2022, the Company has not reported any lawsuit or known plans of litigation by or against the Company.

NOTE C – CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company places its cash and any cash equivalents with a limited number of high-quality financial institutions and do not exceed the amount of insurance provided on such deposits.

NOTE D – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 19, 2025, the date on which the financial statements were available to be issued. Management has determined that none of the events occurring after the date of the balance sheet through the date of Management's review substantially affect the amounts and disclosure of the accompanying financial statements.

EXHIBIT C

FRANCHISE AGREEMENT

Franchise Agreement Summary Page

Franchisee Information:

Complete Entity Name: _____

State of incorporation or organization: _____

Owner(s):

_____ _____%
Full Name Percentage Interest

_____ _____%
Full Name Percentage Interest

_____ _____%
Full Name Percentage Interest

_____ _____%
Full Name Percentage Interest

Address for Notices (not a P.O. Box): _____

Telephone No.: _____

Facsimile No.: _____

Mobile Phone (see Sec. 6.E): _____

Email Address: _____

Preliminary Designated Area: Up to___driving miles from _____
(cross-streets or address)

Location Type **(check as applicable)**: □ Fitness Center □ Pod

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AIRA FITNESS FRANCHISE AGREEMENT

This Franchise Agreement is made between Aira Fitness Franchising LLC, an Illinois limited liability company, with its principal business located at 600 Route 59, Ingleside, Illinois 60041 ("**we**" or "**us**"), and the Franchisee identified in the Summary Pages ("**you**"), to be effective on the Effective Date identified in the Summary Pages.

RECITALS

A. We and our affiliate have developed a proprietary business format and system ("**System**") for operating an exercise facility ("**Aira Fitness Business**")

B. Aira Fitness Businesses that operate from traditional fitness center in a commercial space ("**Fitness Center**") offer personal training and bootcamps.

C. Fitness Centers and Aira Fitness Businesses that operate from pre-fabricated modular buildings ("**Pods**") provide 24-hour personal keycard access for members (excepted as restricted by law);

D. The System includes automated member billing and collection procedures and services; and use of our proprietary and confidential information; a distinct interior layout, design, décor, color scheme, graphics, fixtures and furnishings, operating and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques and procedures that we designate.

E. Aira Fitness Businesses operating under the System are identified by the trade name and service mark "AIRA FITNESS" and other trademarks, service marks and trade identifiers that we designate to identify businesses operating under the System (the "**Marks**").

F. You have applied for the right to operate an Aira Fitness Business using the System and Marks, and we have approved your application in reliance on the representations contained therein, including those concerning your financial resources, your business experience and interests, and the manner in which the Aira Fitness Business will be owned and operated.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement:

A. "**Owner**" means any person who directly or indirectly owns an interest in the franchisee.

B. All capitalized terms not defined in this Section or the Recitals have the meaning given in the text of this Agreement.

2. GRANT OF LICENSE

A. Grant of License. We hereby grant you the right and license, and you undertake the obligation, subject to the terms and conditions of this Agreement ***(i)*** to operate a single Aira Fitness Business, ***(ii)*** to sell at retail authorized products and services at and from the Aira Fitness Business premises, ***(iii)*** to use the Marks in connection with operating and promoting the Aira Fitness Business, and ***(iv)*** the right to solicit memberships for the Aira Fitness Business. Whether your Aira Fitness Business will be operated from a Fitness Center or a Pod is identified in the Summary Pages.

The license granted by this Agreement does not include ***(i)*** any right to sell services and products identified by the Marks at any location other than the Authorized Location (as defined in Section 2.B below), or through any other channels or methods of distribution, including the internet (or any other existing or future form of electronic commerce), catalog sales, telemarketing or other direct marketing ***(ii)*** any right to sell services and products

identified by the Marks to any person or entity for resale or further distribution, or ***(iii)*** except for the designated area protection described in Section 2.C., any right to exclude, control or impose conditions on our development of future franchised, company or affiliate owned Aira Fitness Businesses at any time or at any location.

B. Authorized Location. You must operate the Aira Fitness Business only at the location identified, or to be identified on the Summary Page (the "**Authorized Location**"). If the Authorized Location is not known at the time this Agreement is signed, you must acquire an acceptable site for the Aira Fitness Business premises no later than ninety (90) days from the Effective Date of this Agreement, at which time you authorize us to insert the Authorized Location on the Summary Page. You must identify a site for the Aira Fitness Business that meets our site selection criteria and that is located within the Preliminary Designated Area identified in the Summary Page (see Section 5.A). You may not use the Aira Fitness Business premises or Authorized Location for any purpose other than the operation of an Aira Fitness Business during the term of this Agreement.

C. Designated Area. The Preliminary Designated Area identified on the Summary Page, if any, is the general location where you intend to secure a site for the Aira Fitness Business. If a Preliminary Designated Area is specified on the Summary Page, we will not grant anyone else the right to develop or operate an Aira Fitness Business in the Preliminary Designated Area for ninety (90) days from the Effective Date of this Agreement. Once the Authorized Location has been identified, you hereby authorize us to define in Attachment A a "**Designated Area**" around the Authorized Location; provided that such Designated Area will be substantially the same as the Preliminary Designated Area in terms of size, shape and/or demographics. If the Authorized Location is not within the Preliminary Designated Area, the Designated Area will be defined by us based on our current criteria for size, demographics and topographical features. Once defined in Attachment A, your Designated Area will remain constant throughout the initial term of this Agreement (unless you relocate the Aira Fitness Business and upon renewal or transfer). During the term of this Agreement and provided you are in compliance with the terms of this Agreement, neither we nor our affiliates will develop or operate, or grant to anyone else the right to develop or operate an Aira Fitness Business that is physically located in the Designated Area (other than at Special Sites, as described in Section 2.D). You acknowledge and agree that we and our affiliates have the right to develop and operate and grant others the right to develop and operate Aira Fitness Businesses outside the Designated Area, regardless of their proximity to the Designated Area or any negative impact they may have on your Aira Fitness Business. We and our affiliates also have the right to develop and operate and grant others the right to develop and operate exercise facilities and other businesses under a different trademark within and outside the Designated Area which may be similar to or competitive with Aira Fitness Businesses. We will not operate, franchise, or license the operation of an exercise facility offering 24/7 keycard access and substantially similar to an Aira Fitness Business in your Designated Area, except in connection with our acquisition of a multi-unit brand. If we acquire a multi-unit brand (through a stock purchase, asset purchase, merger, or otherwise), we or our affiliate may operate, franchise, or license the operation of the acquired brand within and outside the Designated Area, without offering any rights or compensation to you. You do not have any right to sublicense or sub-franchise within or outside of the Designated Area and under this Agreement you do not have the right to operate more than one Aira Fitness Business within the Designated Area without our prior written approval and must sign a separate Franchise Agreement for any additional Aira Fitness Business.

D. Reserved Rights. We reserve to ourselves all other rights to use the System and Marks anywhere and in any manner including, without limitation, the right to offer, sell or distribute items such as training videos, equipment, athletic gear, etc., associated with the System (now or in the future) or identified by the Marks, or any other trademarks, service marks or trade names, through any distribution channels or methods, without compensation to any franchisee. These distribution channels or methods may include, without limitation, retail stores, mail order, wholesale or the internet (or any other existing or future form of electronic commerce). These rights also include the right to provide and license third parties to provide ancillary programs developed by or for us or our affiliates at host locations (such as apartments, condominium associations, corporate offices, schools, community Aira Fitness Business and other gyms and exercise facilities), within and outside your Designated Area and without

compensation to you.

You also acknowledge and agree that certain locations within and outside the Designated Area are by their nature unique and separate in character from sites generally developed as Aira Fitness Businesses. As a result, you agree that the following locations ("**Special Sites**") are excluded from the Designated Area and we have the right to develop, license or franchise Aira Fitness Businesses within such locations: (1) military bases; (2) public transportation facilities, including, without limitation, airports, railway stations, limited access highway travel plazas and other transportation terminals; (3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) hotels, resorts or similar short-term lodging; (6) apartment or condominium complex; and (7) corporate office buildings or office parks.

3. TRADEMARK STANDARDS AND REQUIREMENTS

A. Ownership of the Marks. The Marks are our valuable property, and we are the owner of all right, title and interest in and to the Marks and all past, present or future goodwill of the Aira Fitness Business and of the business conducted at the Authorized Location that is associated with or attributable to the Marks. Your use of the Marks will inure to our benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our rights in any of the Marks or the goodwill associated with the Marks, including any use of the Marks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. Use of the Marks. You may not use, or permit the use of, any trademarks, trade names or service marks in connection with the Aira Fitness Business except those listed in Attachment A or except as we otherwise direct in writing. You may use the Marks only in connection with such services and products as we specify and only in the form and manner we prescribe in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You may use the Marks only in association with services and products approved by us and that meet our standards or requirements with respect to quality, safety and performance. You must refrain, and cause each Covered Person (as defined in Section 10.D.1) and each of your employees and independent contractors to refrain from making or publishing any remarks that disparage or derogate us or the AIRA FITNESS brand. This prohibition applies to oral remarks and remarks that are published in print, electronic, and social media. Your use of the Marks on the internet is governed by Section 6.L below. A breach of your obligations under this Section 3.B is a material default under this Agreement.

C. Aira Fitness Business Identification. You must use the name "AIRA FITNESS" as the trade name of the Aira Fitness Business and you may not use any other mark or words to identify the Aira Fitness Business without our prior written consent. You may not use the words "AIRA" or "AIRA FITNESS" or any of the other Marks as part of the name of your corporation, partnership, limited liability company or other similar entity. You may use the Marks on various materials, such as business cards, stationery and checks, provided you ***(i)*** accurately depict the Marks on the materials, ***(ii)*** include a statement on the materials indicating that the business is independently owned and operated by you, ***(iii)*** do not use the Marks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing prior to such use, and ***(iv)*** make available to us, upon our request, a copy of any materials depicting the Marks. You must post a prominent sign in the Aira Fitness Business identifying you as an Aira FITNESS franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Aira Fitness Business and that the AIRA FITNESS Mark is owned by us and your use is under a license we have issued to you. WE MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS.

D. Litigation. In the event any person or entity improperly uses or infringes the Marks or challenges your use or our use or ownership of the Marks, we will control all litigation and we have the right to determine whether suit

will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Mark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Marks in violation of this Agreement.

E. Changes. You may not make any changes or substitutions to the Marks unless we direct in writing. We reserve the right to change the Marks at any time. Upon receipt of our notice to change the Marks, you must cease using the former Marks and commence using the changed Marks, at your expense.

4. TERM AND RENEWAL

The following provisions control with respect to the term and renewal of this Agreement:

A. Term. The initial term of this Agreement will commence on the Effective Date and will expire at midnight on the day preceding the tenth (10^{th}) anniversary of this Agreement unless this Agreement is sooner transferred in accordance with Section 11 or terminated in accordance with Section 13. Upon your written request, we may extend this initial term in writing for a limited period of time to correspond with the end of a calendar month.

B. Renewal Term and Conditions of Renewal. You may renew your license for unlimited renewal terms (each renewal term is 10 years), provided that with respect to each renewal you have met each of the following conditions:

(i) you have given us written notice of your decision to renew at least six months but not more than 12 months prior to the end of the expiring term;

(ii) you sign, at our option, either (a) our then-current form of franchise agreement, the terms and conditions of which may be materially different than the terms and conditions of our current franchise agreement and may reflect, among other things, different fees and advertising obligations and a modified Designated Area or (b) a document extending for the duration of the renewal term, all the covenants, conditions and provisions contained in this Agreement;

(iii) you have complied with the provisions of Section 5.F regarding modernization and have agreed, in writing, to make such capital expenditures necessary to refurbish, replace and modernize your Aira Fitness Business so that it will conform to our then-current standards for Aira Fitness Businesses;

(iv) you are not in default of this Agreement or any other agreement pertaining to the franchise, have satisfied all monetary and material obligations on a timely basis during the term and are in good standing;

(v) if leasing the Aira Fitness Business premises, you have renewed the lease and have provided written proof of your ability to remain in possession of the premises throughout the renewal period;

(vi) you comply with our then-current training requirements; and

(vii) you and your Owners and guarantors execute a general release in a form we prescribe in favor of us and our affiliates and each company's respective present and former officers, directors, managers, and employees; provided, however, that such release will not be inconsistent with any state law regulating franchising.

(viii) you pay a renewal fee in the amount of Two Thousand Dollars ($2,000.00).

C. Interim Period. If you continue to accept the benefits of this Agreement after the expiration of the initial term but do not complete the requirements in Section 4.B, then at our sole option, this Agreement may be treated as ***(i)*** expired as of the date of the expiration and you will be operating without a franchise or license to do so and

in violation of our rights to the Marks and System; or ***(ii)*** continued on a month-to-month basis (an "Interim Period") and all your obligations will remain in full force and effect during the Interim Period as if the Agreement had not expired. Each Interim Period expires at the end of each calendar month unless this Agreement is continued as provided in this Section. The Interim Period does not create any new franchise rights and upon expiration of the final Interim Period, you will be bound by all post-term obligations as provided in this Agreement.

5. DEVELOPMENT AND MAINTENANCE

You acknowledge and agree that we have the right to establish, from time to time, required quality standards regarding the business operations of Aira Fitness Businesses to protect the distinction, goodwill and uniformity symbolized by the Marks and the System. Accordingly, you agree to maintain and comply with our required quality standards and agree to the following terms and conditions:

A. Site Selection. You must identify a site for the Aira Fitness Business within the Preliminary Designated Area that meets our site selection criteria and that we have approved in writing. You must provide us notice of the site you have selected and we have fifteen (15) days to accept or reject the site. If we do not accept the site within fifteen (15) days, it will be deemed disapproved. The parties acknowledge and agree that our site approval is not an assurance that the Aira Fitness Business will achieve a certain sales volume or level of profitability; it means only that the proposed site meets our minimum site selection criteria. We assume no liability or responsibility for *(i)* evaluation of the location's soil for hazardous substances; *(ii)* inspection of any structure for asbestos or other toxic or hazardous materials; *(iii)* compliance with the Americans with Disabilities Act ("ADA"); or *(iv)* compliance with any other applicable law. It is solely your responsibility to obtain satisfactory evidence and/or assurances that the Aira Fitness Business premises (and any structures thereon) is free from environmental contamination and is in compliance with the requirements of the ADA and other applicable laws.

B. Lease. If you propose to occupy the Aira Fitness Business premises pursuant to a lease or sublease ("**Lease**"), the Lease may not prevent you from performing your obligations under this Agreement, and must permit us to exercise our rights pursuant to this Agreement. The Lease must be approved by us in writing before it is executed by you and we may condition our approval of a proposed site on the full execution of a Lease Addendum substantially in the form attached as Attachment E to this Agreement. You must provide us with a copy of the Lease and we have fifteen (15) days to accept or reject the site. You must deliver to us a fully executed copy of the approved Lease as amended by the Lease Addendum within ten (10) days after its execution. The parties acknowledge and agree that our approval of a Lease does not mean that the economic terms of the Lease are favorable; it means only that the Lease contains the lease terms that we require.

C. Construction; Future Alteration. You must construct and equip the Aira Fitness Business in strict accordance with our current approved specifications and standards pertaining to equipment, signage, fixtures and design and layout of the building. You must purchase from us or the approved supplier all items. You may not commence construction of the Aira Fitness Business until you have received our written consent to your plans. Without limiting the generality of the foregoing, you must promptly after obtaining possession of the site for the Aira Fitness Business ***(i)*** have prepared and submitted for our approval basic plans and specifications consistent with our general design and layout requirements as set forth from time to time in the manuals for an Aira Fitness Business; ***(ii)*** purchase or lease and then use only the approved equipment, fixtures, furniture and signs; ***(iii)*** complete the equipment, fixtures, furniture and sign installation and decorating of the Aira Fitness Business in full compliance with plans and specifications we approve and all applicable ordinances, building codes and permit requirements without any unauthorized alterations; ***(iv)*** obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the Americans With Disabilities Act; and ***(v)*** obtain and maintain all required zoning changes, building, utility, sign permits and licenses and any other required permits and licenses. It is your responsibility to comply with the foregoing conditions. Any change to the plans or any replacement, reconstruction, addition or

modification in the premises, interior or exterior décor or image, equipment or signage of the Aira Fitness Business made after our consent to the initial plans, whether at the request of you, us or a third party, may be made only with our prior written consent.

D. Opening. You must open the Aira Fitness Business for business no later than one hundred eighty (180) days from the Effective Date. You may not open your Aira Fitness Business for business, however, until we have notified you in writing that you have satisfied your pre-opening obligations as identified in Sections 5.A and 5.B and we have approved your opening date. We are not responsible or liable for any of your pre-opening obligations, losses or expenses you might incur for your failure to comply with these obligations or your failure to open by a particular date. We also are entitled to injunctive relief or specific performance under Section 13.B for your failure to comply with your obligations. Further, if you fail to open the Aira Fitness Business in the timeframe required by this Agreement, we may, in our sole and unilateral judgment, ***(i)*** exercise our termination rights in accordance with Section 14; or ***(ii)*** amend this Agreement to eliminate the Designated Area protection afforded by Sections 2.B and 2.C.

E. Maintenance. The building (exterior and interior), equipment, fixtures, signage and trade dress employed in the operation of your Aira Fitness Business must be maintained and refreshed in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon our periodic evaluations of the premises. Within a period of thirty (30) days (as we determine depending on the work needed) after the receipt of any particular report prepared following such an evaluation, you must affect the items of maintenance we designate, including the repair of defective equipment and items such as carpet and/or the replacement of irreparable or obsolete items of equipment and signage. If, however, any condition presents a threat to members or to public safety, you must affect the items of maintenance immediately, as further described in Section 6.F. If you fail to complete the required maintenance, we reserve the right (but no obligation) to do so on your behalf and you must reimburse us for our costs and expenses.

F. Modernization. From time to time as we require, you must modernize and/or replace items of the trade dress or equipment as may be necessary for your Aira Fitness Business to conform to the standards for similarly situated new Aira Fitness Businesses. For instance, we require that you modernize the Aira Fitness Business within five years of the Effective Date of this Agreement. We also require that you replace all fitness equipment within three years of the Effective Date of this Agreement. A transfer of any interest in this Agreement or your business governed by Section 11 or renewal covered by Section 4 is expressly conditioned upon your (or the transferee, as applicable) modernizing the Aira Fitness Business to conform to the standards for new Aira Fitness Businesses. You acknowledge and agree that the requirements of this Section are both reasonable and necessary to ensure continued public acceptance and patronage of the Aira Fitness Business and to avoid deterioration in connection with the operation of your Aira Fitness Business. If you fail to make any improvement or perform the maintenance listed above, we may, in addition to our other rights under this Agreement, effect such improvement or maintenance on your behalf and you must reimburse us for the costs we incur.

G. Equipment Modernization. From time to time as we require, you must replace items of equipment as may be necessary for your Aira Fitness Business to conform to the standards for similarly situated new Aira Fitness Businesses. For instance, we require that you replace all fitness equipment within three years of the Effective Date of this Agreement. If you choose to purchase the fitness equipment, at the end of each three year period, you may offer your old equipment to anyone, but we have the right of first refusal to buy the equipment on the same terms and conditions as any potential buyer. You must give us seven (7) days' written notice of any potential sale of your old equipment and a reasonable opportunity to match any offer you have that you intend to accept. We are under no obligation to actually exercise our right of first refusal. If you choose to lease the fitness equipment, at the end of each three year period, you must return the old equipment to the designated or approved supplier of the fitness equipment or otherwise per the terms of the equipment lease, which designated or approved supplier may be us or our affiliate. You must then enter into a purchase agreement or lease for replacement equipment with a designated

or approved, which may be us or our affiliate.

H. Relocation. You may not relocate your Aira Fitness Business without our prior written consent. If you need to relocate because of condemnation, destruction, or expiration or cancellation of your lease for reasons other than your breach, we will grant you authority to do so at a site acceptable to us that is within your Designated Area, is reasonably suited for an Aira Fitness Business and does not infringe on the rights of any other AIRA Fitness franchisee, provided that the new Aira Fitness Business is open and operating within sixty (60) days after you discontinue operation at the present Aira Fitness Business, all in accordance with our then-current standards. If you voluntarily decide to relocate the Aira Fitness Business, your right to relocate the Aira Fitness Business will be void and your interest in this Agreement will be voluntarily abandoned, unless you have given us notice of your intent to relocate not less than sixty (60) days prior to closing the Aira Fitness Business, have procured a site within your Designated Area that we accept fifteen (15) days prior to such closure, have opened the new Aira Fitness Business for business within 24 hours of such closure and complied with any other conditions that we reasonably require. You must pay the costs of any relocation, and we reserve the right to charge you for any reasonable costs that we incur. Upon relocation of your Aira Fitness Business for any reason, we may modify your Designated Area, in our sole judgment, to take into account the designated areas of neighboring Aira Fitness Businesses and other factors.

In the event your Aira Fitness Business is destroyed or damaged and you repair the Aira Fitness Business at the Authorized Location (rather than relocate the Aira Fitness Business), you must repair and reopen the Aira Fitness Business at the Authorized Location in accordance with our then-current standards for the destroyed or damaged area within twenty (20) days of the date of occurrence of the destruction or damage, or such longer time as we reasonably determine, in our sole judgment, is required given the nature and extent of the damage.

We have the right to refuse to consent to a relocation in the event you lose the right to occupy the Aira Fitness Business premises because of the termination of your lease due to your breach. Further, the cancellation of your lease due to your breach is grounds for immediate termination under Section 14.B.2.

I. Designation of Principal. You shall designate one owner of the Franchisee entity having a majority ownership interest who will be the Principal for the Aira Fitness Business ("Principal"). The Principal must successfully complete our initial training program and must have authority to make decisions on your behalf and bind you with respect to matters and agreements with us. You shall give us immediate notice of any change in the Principal and must arrange for the new Principal to attend our initial training program. The Principal may also be the general manager providing the direct full-time on-site supervision of the operation of the Aira Fitness Business.

6. PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

You must implement and abide by our requirements directed to enhancing substantial System uniformity. The following provisions control with respect to products and operations:

A. Authorized Equipment; Pod. You must use in the operation of the Aira Fitness Business only the proprietary or non- proprietary equipment that we specify in the Manual (as defined in Section 6.H) or other written directives. You must purchase or lease an initial fitness equipment package ("**Initial Fitness Equipment Package**") from a supplier approved by us that may include us, our affiliate or a third party. You must purchase or lease all other equipment we designate (including the security and door access system, signage, and software) from a supplier approved by us that may include us, our affiliate, or a third party. If you will be operating your Aira Fitness Business from a Pod, you must purchase or lease the Pod ("**Pod Package**") from a supplier approved by us that may include us, our affiliate, or a third party. Prior to opening your Aira Fitness Business to the public, you may seek our approval to add additional equipment at your location. We may approve or disapprove your request to add additional equipment in our sole judgment. You will not be allowed to open or operate the Aira Fitness Business with any unapproved equipment. Replacement fitness equipment must be purchased or leased from approved suppliers.

B. Authorized Products and Services. You may offer and sell only approved products and approved services

in the Aira Fitness Business and must offer for sale the complete range of required products and required services as listed in the approved products and approved services lists, as we may amend from time to time. You must maintain in stock an inventory of approved products sufficient to meet customer demand and as set forth in the Manual for operating an Aira Fitness Business. You may not offer, sell or supply any products or services which are not approved products or approved services (including products or services that we have withdrawn), without our prior written consent. You must also conform to all quality and customer service standards we prescribe in writing.

C. Memberships. You must sell memberships ("**Memberships**") only on such terms and conditions as we specify periodically. All Memberships must be evidenced by a written or, if approved or required by us, electronic agreement ("**Membership Agreement**") and all member and billing information must be promptly and accurately entered into the approved technology system according to our then-current policies.

a. You must use Membership Agreements that are based on our then-current standard form of Membership Agreement, with the exception, however, that there may be state and local laws that may require you to alter the Membership Agreement in the jurisdictions under which your Aira Fitness Business operates – you must abide by those laws. You are solely and exclusively responsible for ensuring that the Membership Agreements you use in connection with the operation of your Aira Fitness Business comply with all applicable laws and regulations. Any changes to the form document must be approved in writing by us. The Membership Agreement must include: ***(i)*** a reciprocity provision that permit members from your Aira Fitness Business to use other facilities and permits another facility's members to also use your Aira Fitness Business, ***(ii)*** a waiver and release of us and our affiliates, ***(iii)*** requirement for members to pay a yearly maintenance fee in addition to ongoing fees, and ***(iv)*** a statement identifying the Aira Fitness Business as an independently-owned franchised location. You must permit members of other facilities to use your Aira Fitness Business under such terms and conditions as we may state in writing from time to time. All Membership Agreements and all billings of any type must be processed through the approved technology system.

b. We have the right to prohibit or cancel memberships you sell that will expire beyond the expiration date of your Term or any exercised renewal term. You are responsible for all refunds or liabilities to your members due to the cancelation of memberships as provided in this paragraph. You must execute the Membership Contract Assignment Agreement in the form attached at Attachment G.

c. Minimum Membership Requirement. Beginning on the one-year anniversary of opening for business, you must, at all times, have at least 150 members ("Minimum Membership Requirement"). If, during your second year of operation and thereafter, you do not maintain the Minimum Membership Requirement for 2 consecutive months, we may: (1) require your Principal and General Managers we determine to attend additional training programs; or (2) provide on-site assistance and consultation at your expense. If we provide any additional training, assistance or consultation, you must cover all costs and expenses for such training, assistance or consultation. If, during your second year of operation and thereafter, you do not maintain the Minimum Membership Requirement for 6 consecutive months, we may eliminate your territorial protection or terminate the Franchise Agreement.

D. Approved Supplies and Suppliers. We will furnish to you from time to time lists of approved supplies or approved suppliers. You must only use approved equipment, products, fixtures, signs, advertising materials, trademarked items and other items (collectively, "approved supplies") in the Aira Fitness Business as listed in the approved supplies and approved suppliers lists, as we may amend from time to time. Although we do not do so for every item, we have the right to approve the manufacturer of approved supplies. You acknowledge and agree that

certain approved supplies may only be available from one source, and we or our affiliates may be that source. You will pay the then-current price in effect for approved supplies you purchase from us or our affiliates. All inventories, products, operating forms, materials and other items and supplies used in the operation of the Aira Fitness Business must be purchased from approved suppliers and any items not included on the approved supplies or approved suppliers list must conform to the specifications and standards we establish from time to time. ALTHOUGH APPROVED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION AND ANY REQUIRED TECHNOLOGY SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS.

E. Technology System. You must purchase and use any technology system that we develop or select for the Aira Fitness Business or System, including all future updates, supplements and modifications (the "**Technology System**"). The Technology System may include all hardware and software used in the operation of the Aira Fitness Business, including ***(i)*** all computer hardware and related accessories and peripheral equipment for video surveillance, door access, digital media and telephone systems and ***(ii)*** the billing, electronic point-of-sale cash registers, Aira Fitness Business management and back office programs used to record, analyze and report sales and Aira Fitness Business operations. Requirements for use may include, among other things, connection to remote servers, off-site electronic repositories, and high-speed Internet connections, and establishment of one or more e-mail accounts. You further agree and provide your express consent that we may contact you using any of the contact information we have on file, including by telephone, email, SMS text message, messages sent by automated technology and messages sent by future technologies. Providing your mobile number (and thereby consenting to receive SMS text messages and messages sent by automated and future technologies) is not a condition of doing business with or becoming a franchisee.

You must: ***(i)*** use any proprietary software programs, system documentation manuals, and other proprietary materials that we provide to you in connection with your operation of the Aira Fitness Business; ***(ii)*** input and maintain in your technology system such data and information as we prescribe in the Manual and other written directives; ***(iii)*** purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt such new or upgraded programs, manuals, and materials system-wide. You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner we prescribe, and pay all fees imposed by us, our affiliate or any third-party software and software service providers there under.

You acknowledge that we may independently access from a remote location, at any time, all information input to and compiled by your Technology System (including video surveillance equipment) or an off-site server, including Member Information (as defined in Section 6.I below).

You acknowledge that technology is ever changing and that, as technology or software is developed in the future, we may, at our sole option, require you to: ***(i)*** add to your Technology System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software; and ***(ii)*** replace or upgrade your Aira Fitness Business Technology System or any part thereof and software as we prescribe.

We reserve the right to designate a single source from whom you must purchase the Technology System, including video surveillance equipment. It is your responsibility to make sure you are in compliance with all laws that are applicable to the Technology System, including all data privacy and protection or security laws.

Your point-of-sale system and related payment processing systems must be compliant with current Payment Card Industry Data Security standards, all applicable data privacy laws, and any procedures required by the Manual to prevent credit card fraud. You shall defend at your own cost and indemnify and hold us harmless from and against any and all loss, costs, expenses (including attorneys' fees), taxes, damages and liabilities, however caused, resulting

directly or indirectly from your failure to comply with Payment Credit Industry Data Security Standards or data privacy laws.

F. Period of Operation. Subject to any contrary requirements of state or local law, your Aira Fitness Business must be open to the public and operated 24 hours each day of the year. We also reserve the right to require a minimum number of staffed hours. Any variance from this provision must be authorized by us in writing. You acknowledge and agree that if your Aira Fitness Business is closed for a period of two (2) consecutive days or five (5) or more days in any 12-month period without our prior written consent, such closure constitutes your voluntary abandonment of the franchise and business and we have the right, in addition to other remedies provided for herein, to terminate this Agreement.

G. Operating Procedures; Manual. You must adopt and use as your continuing operational routine the required standards, procedures, methods of operation and management and security systems described in our operations manual or other written directives, including, but not limited to, system newsletters or bulletins that may be sent to all franchisees from time to time (collectively, "**Manual**"). We will revise the Manual and these standards and systems periodically to meet changing conditions of operation and we will send out system newsletters and bulletins from time to time.

The Manual may be delivered to you by hard copy or through electronic access on a franchisee portal we maintain. The Manual at all times is our sole property. You must at all times treat the Manual, and the information it contains, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. You will be required to sign a confidentiality agreement at the time of access. We may from time to time revise the contents of the Manual and you expressly agree to comply with each new or changed requirement. You acknowledge and agree that the Manual and other system communications may only be available on the Internet or other online or computer communications.

H. Confidential Information. You may not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees as must have access to it in order to operate the Aira Fitness Business. For purposes of this Agreement, "**Confidential Information**" means and includes, without limitation, all member information, contact information, and payment information concerning prospective and former members, without limitation, from management software, payment processors or otherwise (collectively, "**Member Information**"), and all proprietary information contained in the Manual or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Aira Fitness Business. You hereby acknowledge and agree that all Confidential Information, including Member Information, belongs exclusively to us. You and each Owner agree to maintain the confidentiality of all Confidential Information, including Member Information, not to duplicate any materials containing Confidential Information, including Member Information, and not to divulge any Confidential Information, except to other franchisees and to your employees and professional advisors on a need to know basis. You may use the Confidential Information, including Member Information, only for the purpose of operating the Aira Fitness Business. This provision will survive the transfer, expiration or termination of this Agreement. You must cause your general manager and any employee with access to Confidential Information, including Member Information, to sign a nondisclosure and confidentiality agreement in a form satisfactory to us. You must provide a copy of each such agreement to us to us upon our request.

J. Compliance with Standards and Specifications; Participation in Joint Advertising Campaigns and Endorsements. You further agree to comply with all required System specifications, standards and operating procedures (whether contained in the Manual or any other written communication) relating to the appearance, function, cleanliness, operation and promotion of an Aira Fitness Business including, without limitation ***(i)*** sales and marketing procedures and customer service; ***(ii)*** advertising and promotional programs; ***(iii)*** member loyalty

and rewards programs; ***(iv)*** layout, décor and color scheme of the Aira Fitness Business; ***(v)*** appearance and dress of employees; ***(vi)*** safety, maintenance, appearance, cleanliness, sanitation, standards of service, and operation of the Aira Fitness Business; ***(vii)*** submission of requests for approval of brands of products, supplies and suppliers; ***(viii)*** use and illumination of signs, posters, displays, standard formats and similar items; ***(ix)*** use of audio equipment and type and decibel levels of music; ***(x)*** use of video equipment and type and decibel level of television broadcasts (including closed captioning requirements); ***(xi)*** types of fixtures, furnishings, and equipment; and ***(xii)*** the make, type, location and decibel level of any game, entertainment or vending machine (and restrictions against the use of gaming, entertainment or vending machines)**.**

From time to time, we and our affiliates also may participate in and require your participation in joint advertising campaigns and endorsement of third party products or services (which participation may include, among other things, broadcasting audio-visual advertising on televisions or computer monitors and/or placing promotional items at prescribed locations throughout the Aira Fitness Business). You agree to participate in all such campaigns and endorsements according to our directives, provided that we will provide you all promotional items necessary for participation free of charge. You further acknowledge and agree that we or our affiliates may receive revenue, and may retain all revenue received, on account of your participation and other franchisee's participation in such campaigns and endorsements.

Any required standards exist to protect our interests in the System and Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be set forth in the Manual or other written materials. The Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

K. Compliance with Law; Licenses and Permits. You have an obligation, both prior to and after purchasing the franchise, to review the laws of the area in which you will be operating to determine what statutes, regulations, ordinances, or other laws may have an impact on your ability to operate the franchise. We are not responsible for reviewing the laws, and we make no representation or warranty (express or implied) that the System we have developed complies with the laws of your particular area. You represent and agree that you have conducted a review of the potentially-applicable laws and that you have provided to us, in writing, a statement of all legal issues that you feel may have a significant impact on your ability to follow the system or to operate your business. You must at all times maintain your premises and conduct your Aira Fitness Business operations in compliance with all applicable laws, regulations, codes and ordinances including, without limitation, ***(i)*** all governmental regulations relating to sales, advertising and membership cancellation rights of health Aira Fitness Business memberships, and all bonding requirements, ***(ii)*** all governmental regulations relating to the services offered at the Aira Fitness Business (where applicable), and ***(iii)*** all applicable laws pertaining to the privacy of consumer, employee and transactional information ("Privacy Laws"). If there is a conflict between our standards and policies and actual applicable law, you must comply with the requirements of applicable law, immediately give us notice of said conflict and promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies within the bounds of applicable law. You must secure and maintain in force all required licenses, permits and certificates relating to your Aira Fitness Business. You must not publish, disseminate, implement, revise or rescind a data privacy policy without our prior written consent. You must have in place appropriate security measures (administrative, physical and technical) to prevent customer or employee personal data from being accidentally lost, altered, disclosed, used or accessed in an unauthorized way. You must immediately notify us in writing of any claim, litigation, proceeding or complaint (whether from individuals or

governmental agencies) that arises from or affects the operation or financial condition of your AIRA FITNESS business or Aira Fitness Business. As between you and us, you are solely responsible for the safety and wellbeing of your employees and the customers of the franchise business.

L. Participation in Internet Web Sites or Other Online Communications. You must, at your expense, participate in our AIRA FITNESS web site, any intranet or extranet system we may develop or other online communications as we may require. Upon opening for business, you shall begin paying our then-current monthly website fee ("Website Fee"), which shall not exceed Four Hundred Dollars ($400.00) per month. We reserve the right to alter the products and services provided for the Website Fee. We have the right to determine the content and use of our web site and any intranet or extranet system we may develop and will establish the rules under which franchisees may or must participate. You may not use the Marks or any part or derivative thereof on the internet, except as we expressly permit in writing and as authorized by our then-current policies. Without limiting the generality of the foregoing, you may not use the Marks or any part or derivative of the Marks as part of any URL or domain name or as part of any unauthorized e-mail address and may only register the Marks or any part or derivative of the Marks as part of any username on any gaming website or social networking website (such as FACEBOOK, TWITTER or INSTAGRAM) in accordance with our then-current policies. You also may not display on any website (including commercial websites, gaming websites, and social networking websites) any of our copyrighted or proprietary works, which include the design portion of our Marks, or any collateral merchandise identified by the Marks. We retain all rights relating to our web site and any intranet or extranet system we may develop and may alter or terminate our web site, intranet or extranet system. Your general conduct on our web site, intranet and extranet system or other online communications and specifically your use of the Marks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our web site, intranet or extranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our web site, intranet and extranet system, or otherwise use the Marks or System on the internet or other online communications, will terminate when this Agreement expires or terminates or is transferred by you.

M. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions, competitive circumstances, business strategies, business practices and other changes as we deem appropriate. This right includes, but is not limited to, the right to introduce new products and services. You must comply with these modifications, additions or rescissions at your expense, subject to the express limitations listed in this Agreement.

You must operate your Aira Fitness Business in strict compliance with all applicable laws and with the required standard procedures, policies, rules and regulations established by us and incorporated herein or in the Manual or in AIRA FITNESS System bulletins or other publications that are distributed to franchisees from time to time. Such required standard procedures, policies, rules and regulations established by us may be revised from time to time as circumstances warrant, and you must comply with all such required procedures as they exist from time to time as though they were specifically listed in this Agreement and when incorporated in a system bulletin or other written notice to franchisees, the same is incorporated herein by reference. These required standard procedures, policies, rules, and regulations may include operational matters, advertising or marketing matters, membership issues, relationships between you and other franchisees, accounting issues, and any other issues that we believe, in our business judgment, are required to generally benefit the AIRA FITNESS System and its franchisees.

N. Suggested Pricing Policies. We reserve the right to establish prices for the products and services you sell, both minimum and maximum, subject to applicable law. Unless stated otherwise in writing, any list or schedule of prices we furnish you is a recommendation only and any decision you make to accept or reject the suggestion will not affect the relationship between us.

O. National Accounts. We reserve the right to negotiate contracts with companies, affinity groups and

insurance plans that will require that certain terms and/or discounts be offered to members of that corporation, affinity group or insurance plan by all franchisees at all locations ("**National Accounts**"). You are required to provide the special terms and/or discounts to these National Accounts.

P. Member Administration. We or an affiliate may from time to time engage in administrative tasks related to member administration such as administering online enrollment or membership transfer and reciprocity programs. You agree that we may take those actions in accordance with our then-current policies, which may include transferring members to and from your Aira Fitness Business and providing on-line member enrollment. You agree that we may make such corrections as necessary, including that if a member is mistakenly transferred to the wrong Aira Fitness Business, we may issue credits and charges for the membership dues to the affected Aira Fitness Businesses. Any actions we take for member administration are for the benefit of the brand and uniformity in the System and not to exercise control over your business.

7. TRAINING, PERSONNEL AND SUPERVISION STANDARDS

A. Supervision. You must insure that the Aira Fitness Business is operated in accordance with the terms and conditions of this Agreement. Your Principal or a general manager must devote full time and best efforts to the on-premises management of the Aira Fitness Business. If you employ a general manager to manage the Aira Fitness Business, he or she must attend and successfully complete all required training, as listed in Sections 7.B and C.

B. Training. You must, at your expense, comply with all of the training requirements we prescribe for the Aira Fitness Business to be developed under this Agreement. If you employ a general manager, he or she also must comply with all training requirements. Specifically, prior to opening, you must attend our initial training program and complete the training to our satisfaction. In the event you are given notice of default as described in Sections 14.A and B and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require as a condition of curing the default that you, at your expense, comply with the additional training requirements we prescribe. Any new general manager must comply with our training requirements within a reasonable time as we specify. Under no circumstances may you permit management of the Aira Fitness Business' operations on a regular basis by a person who has not successfully completed to our reasonable satisfaction all applicable training we require.

C. Ongoing Training. We may require you and other key employees of the Aira Fitness Business to attend, at your expense, ongoing training at our training Aira Fitness Business, the Authorized Location or other location we designate. Beyond our initial training program, you must pay our then-current per diem training fee for all training we conduct for you, not to exceed One Thousand Dollars ($1,000.00) per day, plus travel and living expenses incurred by our trainers.

D. Staffing. You agree to staff the Aira Fitness Business with the number of managers and employees sufficient to operate the Aira Fitness Business in compliance with this Agreement and any mandatory standards and specifications in the Operations Manual and to provide proper customer service during all hours of operation in order to protect the quality of the services and products offered by you at the Aira Fitness Business for protection of the Marks. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System and Marks in any way shifts any employee or employment related responsibility from you to us. You acknowledge that you are an independent business and responsible for control and management of your Aira Fitness Business, including, but not limited to, the hiring, discharging, training, compliance with wage and hour requirements, personnel policies, benefits, record keeping, scheduling, supervision and discipline of employees, regardless of whether you receive advice from us on these subjects. You acknowledge that we have no power, responsibility or liability for personnel decisions regarding your employees.

E. Attendance at Meetings. Unless we approve otherwise, you and your manager must attend all quarterly sales and operations meetings and annual franchise conventions we may hold or sponsor, and we reserve the right to charge you a fee to attend any franchise convention or meeting we hold or sponsor. If you are not able to attend

a meeting or convention, you must notify us prior to the meeting, and we may mandate that you substitute a person acceptable to us to attend on your behalf. If you fail to attend a franchise convention or meeting, we reserve the right to charge you a non-attendance fee of Five Hundred Dollars ($500.00).

8. MARKETING

You agree to actively promote your Aira Fitness Business, to abide by all of our advertising requirements and to comply with the following provisions:

A. Local Advertising Expenditures; Approved Materials. You must use your best efforts to aggressively promote and advertise the Aira Fitness Business in your local area, and participate in any local marketing and promotional programs that we establish from time to time, including but not limited to any marketing or promotions we may choose to run (subject to applicable law). You must conduct an initial promotional campaign in accordance with our standards and specifications. We strongly recommend that you spend money every month on local advertising, but you may want to spend more on local advertising during peak months and less during non-peak months. At a minimum, you must spend at least Four Thousand Eight Hundred Dollars ($4,800.00) per year on local advertising ("Local Advertising Minimum"). You must use only such marketing materials as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, any promotional activities you conduct in the Aira Fitness Business or on its premises are subject to our approval. We will not unreasonably withhold approval of any sales promotion materials and activities; provided that they are current, in good condition, adhere to brand standards, in good taste, dignified, and accurately depict the Marks (any use of the Marks, or a new variation you propose to the Marks, without our prior written approval is prohibited).

B. Local Marketing Fund and Advertising Co-ops.

We may, at our option, designate any geographic area in which at least two AIRA FITNESS franchises are located as a "designated advertising area" for the purposes of establishing a local marketing fund that we control ("**Local Marketing Fund**") or local or regional advertising cooperative controlled by majority vote of its members ("**Cooperative**"), and may require you to make a contribution to a local marketing fund and/or a Cooperative, as provided in this paragraph. Any amount contributed to a Local Marketing Fund or Cooperative will be in addition to, and not in lieu of, the Marketing & Branding System Fee described above. We have the right to determine the amount of contribution, in our sole judgment, provided that aggregate monthly contributions will not exceed Two Hundred Dollars ($200) per month (subject to adjustment based on the CPI as provided in Section 9.E). If, however, a Cooperative chooses to contribute a greater amount and the amount is approved by a two-thirds majority of the members of the Cooperative, you must contribute such amount. Any contribution you make to a Local Marketing Fund or Cooperative will count towards the minimum local advertising expenditures outlined in Section 8.B.

If established, you must participate in any Local Marketing Fund and/or Cooperative formed to serve the geographic area in which the Aira Fitness Business is located, and must promptly execute all participation documents that we require. For Cooperatives only, each Aira Fitness Business in the Cooperative will have one vote. Each Cooperative will be required to adopt governing bylaws that meet our approval. We will provide each Cooperative with a sample form of bylaws, containing certain terms and conditions that we require, although the bylaws cannot modify the voting structure set forth in this paragraph. Cooperatives must submit to us their meeting minutes on our request. All Cooperatives must obtain our written approval of all promotional and advertising materials, creative execution and media schedules prior to their implementation. Each Cooperative must use only the approved media buyer and advertising agency. The members of each Cooperative and their elected officers will be responsible for the administration of the Cooperative. We reserve the right to administer the Cooperatives' funds and require payment from its members through our payment processing system. The members of each Cooperative and their elected officers will be responsible for the administration of the Cooperative. We have the right to require Cooperatives to be formed, changed, dissolved or merged.

D. Sponsorships and Partnerships. You may not enter into any sponsorship agreements or arrangements or any marketing partnerships without our prior written consent.

9. FEES AND PAYMENT

A. Initial Franchise Fee. Upon execution of this Agreement you must pay us an initial franchise fee equal to Thirty Thousand Dollars ($30,000.00). The initial franchise fee is deemed fully earned upon payment in consideration for our expenses incurred and services rendered in granting you the franchise and is non- refundable.

B. Royalties. Beginning thirty (30) days after you open for business and continuing throughout the remainder of the Term, you must pay us a monthly royalty fee (the "Royalty") equal to Nine Hundred Ninety-Seven Dollars ($997).

C. Marketing & Branding System Fee. Beginning thirty (30) days after you open for business and continuing throughout the remainder of the Term, you must pay us a monthly marketing and branding system fee (the "Marketing & Branding System Fee") equal to Two Hundred Dollars ($200).

D. Minimum Monthly Performance Requirement. Beginning on the one-year anniversary of opening for business, you must, at all times, maintain Gross Sales of at least Ten Thousand Dollars ($10,000.00) per month. If, during your second year of operation and thereafter, you do not maintain the Minimum Monthly Gross Sales Requirement for 2 consecutive months, we may: (1) require your Principal and General Managers we determine to attend additional training programs; or (2) provide on-site assistance and consultation at your expense. If we provide any additional training, assistance or consultation, you must cover all costs and expenses for such training, assistance or consultation. If, during your second year of operation and thereafter, you do not maintain the Minimum Monthly Gross Sales Requirement for 6 consecutive months, we may eliminate your territorial protection or terminate the Franchise Agreement.

E. Gross Sales. "Gross Sales" as used herein means the total gross sales from the provision of all products and services sold or performed by or for you or the Aira Fitness Business in, at, from or away from the Aira Fitness Business, or through or by means of the Aira Fitness Business' business, whether from cash, check, credit card, debit card, barter or exchange, or other credit transactions, and irrespective of the collection thereof, and including, without limitation, the following: (a) membership fees, including, without limitation, initiation fees, enrollment fees, processing fees, paid-in-full dues, renewal fees, corporate/third party payor fees, monthly dues and any fees or revenue generated and derived during any presales; (b) fees and charges for optional or ancillary services; and (c) revenue derived from merchandise and product sales. Notwithstanding the foregoing, the following amounts will be deducted from "Gross Sales": (i) sales taxes, use taxes, and other similar taxes added to the sales price and collected from the customer and paid to the appropriate taxing authority; and (ii) any bona fide refunds and credits that are actually provided to customers.

F. CPI Adjustment. All fixed fees (those not calculated as a percentage of sales) under this Agreement, including the Local Advertising expenditure and Local Marketing Fund or Cooperative contribution, are subject to adjustment based on any increase in the Consumer Price Index (meaning the annual average of the Consumer Price Index for All Urban Consumers, Other goods and services, 1982- 1984=100, published by the Bureau of Labor Statistics of the United States Department of Labor). If the Bureau of Labor Statistics ceases publishing the Consumer Price Index, then the successor or most nearly comparable index as we select will be used. Fees will be changed no more than once per year. The increase will be based on the increase in the Index from January 1 of any year to January 1, 2025 or the previous CPI adjustment. We will provide you with reasonable notice of such adjustment.

G. Computations and Remittances. The Royalties, Website Fees, and any monthly fees are due and owing on the first day of each calendar month. You may not withhold payment of any amounts owed to us and hereby waive any and all existing and future claims and offsets against any amounts due under this Agreement. Notwithstanding

any designation by you, we will be entitled to apply your payments against any amounts due to us. We also may set off any amounts that may be held by us or our affiliates on your behalf or owed to you by us or through our affiliates against amounts you owe to us or our affiliates.

H. Method of Payment.

1. Approved Payment Processor. You must make payments to us and our affiliates through our payment processing system or such alternative methods as we may designate. You shall make certain payments, including but not limited to (a) membership fees, including, without limitation, initiation fees, enrollment fees, processing fees, paid-in-full dues, renewal fees, corporate/third party payor fees, monthly dues and any fees or revenue generated and derived during any presales; (b) fees and charges for optional or ancillary services; and (c) revenue derived from merchandise and product sales exclusively through our designated payment processing system ("Approved Payment Processor").

2. Merchant Account. We will maintain a master account with the Approved Payment Processor and will establish a sub-merchant account for you ("Merchant Account"). You must execute and deliver to us all forms and documents that we request to permit us to use any payment method we designate, including the merchant account authorization attached as Attachment D. You must comply with all procedures we specify from time to time, and take such reasonable action as we request to assist in any of the payment methods. Specifically, you agree that upon notice by us, all payments to us and our affiliates may be deducted from the monies your billing and payment processor collects on your behalf and you hereby authorize the billing and payment processor to deduct such amounts and to pay those amounts to us on the due date of such amount. You must maintain a balance in your Merchant Account sufficient to allow us and our affiliates to collect the amounts owed to us. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section.

I. Maintenance Fees. In consideration for the ongoing support and guidance we provide to our franchisees, you must pay to us Nineteen Dollars and Fifty Cents ($19.50) per member at the time a client signs up as a member of your gym ("Maintenance Fee"). This amount shall be payable monthly along with the Royalty and Marketing & Branding System Fee as provided in Paragraph 9.H. above. This amount is subject to CPI adjustments as described in Section 9.F.

J. Technology & Automation Fee. Upon opening for business, you must pay us a monthly technology fee of up to Five Hundred Dollars ($500.00) per month ("Technology & Automation Fee"). We have the right to determine how and for what purposes the technology fees will be used, which may include covering our costs or paying fees to third party providers for technology development, maintenance, and usage for the franchise system, and subscription and license fees paid by us in order for franchisees to have access to and use certain technology tools. This Technology & Automation Fee will be payable monthly along with the Royalty and Marketing & Branding System Fee as provided in Paragraph 9.H. above. We will give you at least sixty (60) days written notice before increasing or decreasing the Technology & Automation Fee.

K. Non-Compliance.

A. Re-Inspection Fees. If we conduct an inspection of the Aira Fitness Business and determine that the Business or business operations are not in full compliance with this Agreement, and/or any mandatory standards, procedures or specifications in the Manual or otherwise provided to you in writing, we may conduct a re-inspection after you have been provided a reasonable opportunity to correct all deficiencies, which need not be more than 30 days, to ensure that you have addressed all of the deficiencies. In the event that we determine on the re-inspection that the Business or business operations are still not in full compliance, you shall be in default and shall be obligated to pay a non-compliance fee in the amount of Five Hundred Dollars ($500.00) for each subsequent monthly inspection in which you continue to not be in full compliance with this Agreement, and/or any mandatory standards, procedures or specifications in the Manual or otherwise provided to you in

writing, as we determine in our sole discretion. In addition, if the Business or business operations are still not in full compliance as of the date of the re-inspection or new deficiencies are found, you shall pay us One Hundred Fifty Dollars ($150.00) per hour for our representative to conduct a second or subsequent re-inspection. Your payment of re-inspection fees and non-compliance royalties shall not be considered a cure of the non-compliance default, and our acceptance of such fees and royalties shall be without prejudice to taking any other action based on the defaults, including but not limited to, termination of this Agreement. Notwithstanding the foregoing, you shall pay us a fee equal to the actual costs and expenses related to the compensation, travel, lodging and living expenses of our representatives when conducting each re-inspection or inspections which you request. Either your Principal or your general manager must be present during each inspection or re-inspection.

B. Monetary Fees for Non-Compliance. In addition to any and all other remedies available to us under this Agreement or under the law upon your default, we may impose monetary non-compliance fees for the defaults described in this Section 9.I.B.:

A. Unapproved Fitness Equipment. You shall pay us a fee of One Thousand Dollars ($1,000.00) for each and every piece of unapproved fitness equipment you purchase and use in the operation of your Business.

B. Unapproved Modifications. You shall pay us a fee of Two Thousand Five Hundred Dollars ($2,500.00) for each unapproved modification you make to the interior layout, design, décor, color scheme, graphics, fixtures, or furnishing in your Business.

C. Other Non-Compliance. In addition to any and all other remedies available to us under this Agreement or under the law upon your default, we may impose monetary non-compliance fees of up to Five Hundred Dollars ($500) per day or per occurrence (whichever is applicable) for defaults under this Agreement.

L. Interest Charges. Any and all amounts that you owe to us or to our affiliates will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the due dates.

M. Taxes. If any taxes, fees, or assessments are imposed on royalties or other fees by reason of us acting as franchisor or licensing the Marks or the System under this Agreement (for example, sales tax), you will reimburse us the amount of those taxes, fees, or assessments within fifteen (15) days after receipt of our written notice to you.

10. REPORTING AND AUDIT RIGHTS

A. Accounting and Record Keeping. Franchisee shall use the bookkeeping, accounting, and record keeping system prescribed by us and submit to us such periodic reports, forms, and records as specified, and in the manner and at the time specified, in the Operations Manual. To ensure uniform financial statements are submitted by you, we reserve the right to require you to use a standard Chart of Accounts for tracking income and expense items for the Aira Fitness Business and the right to require you to have a fiscal year-end of December 31. For a period of five (5) years from their date of preparation, you will keep on file at your principal office and make available to the us all such records, including, without limitation, the following: receipts, invoices, payroll records, check stubs, bank deposit receipts, sales tax records and returns, business and personal tax returns, and such journals and transactions which properly summarize the transactions of the business operations of the Aira Fitness Business. You hereby grant permission to us to have access to all electronic records maintained in Technology Systems that we require you to use.

B. Reporting. You shall furnish to us on the first day of each calendar month a report of the Gross Sales of the Aira Fitness Business for the preceding calendar month in the manner we designate which may occur through required software programs. You will furnish to us at our request the following reports in the manner and the time we designate: monthly profit and loss statement and balance sheet; calendar year-end balance sheet and an annual profit and loss statement for the calendar year reflecting all year-end adjustments; all state and local sales tax returns and all federal, state and local income tax returns; reports on membership; and such other reports as we may require from time to time. You must verify and sign all reports submitted to us. If you fail to report your monthly Gross Sales on a timely basis, we may estimate your Gross Sales; we may then withdraw any unpaid Royalties, Marketing & Branding System Fees or other amount due by use of our Approved Payment Processor. You authorize us to utilize the data supplied by you in such manner and for such purposes as we desire, including but not limited to, operations reports, advertising reports, other business reports and in any publication, disclosure statement, franchise disclosure document, or advertisement related to the sale of franchised businesses or related entities by us, anywhere, at any time, without specific compensation therefore. Such data will not include any records or information relating to your employees, as you exclusively control its employment matters and practices.

C. Our Right to Audit. You will allow our representatives to enter, without prior notice, the Aira Fitness Business at any time to inspect and audit your business operations, records, and reports. For purposes of this inspection and audit, records and reports exclude your employment records for your employees. In the event any such inspection or audit shall disclose an understatement of the Gross Sales of the Aira Fitness Business for any period, you shall pay to us within ten (10) days after receipt of the inspection or the audit report, the Royalties, the Marketing & Branding System Fees, and other fees plus interest and late fees due on the amount of the understatement. Further, if the audit is made necessary by your failure to furnish reports, financial statements, tax returns or schedules as herein required, or if an understatement of Gross Sales for any period is determined by any such inspection or audit to be greater than two percent (2%), you shall reimburse us for the cost of such inspection or audit including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees or agents, and we shall have the right to require you to furnish, at your sole cost and expense, financial statements prepared by an independent certified public accountant thereafter. In addition, you shall pay for all costs, as specified above, of the inspection and audit if your books and records are not produced at the time of the inspection and audit, provided that we notified you at least five (5) days prior to the scheduled inspection and audit date. We shall have the right to review the operation and administration of the Aira Fitness Business by quality control testing, periodic field reviews and such other tests, reviews and inspections and other reasonable actions deemed desirable by us.

D. Inspections. You acknowledge that to assure your compliance with this Agreement, the mandatory provisions of the Operations Manual, and System, we shall have the unrestricted right to enter the Aira Fitness Business to examine the operations and facilities including, but not limited to, inspecting and observing the rendering of the services and products sold by you in order to ascertain compliance or noncompliance with this Agreement. You shall cooperate with us or our duly authorized representatives in any such inspection by rendering any assistance as may be reasonably requested. We shall have the right to observe, photograph and video tape the business operations of the Aira Fitness Business for such consecutive or intermittent periods as we deem necessary. We shall have the right to interview personnel and members of the Aira Fitness Business. Any inspection we conduct is not intended to exercise, and does not constitute, control over your day-to-day operations. We reserve the right to require that your Principal be present at any inspection we conduct pursuant to this Section.

E. Third Parties. Upon our request, you must provide us the current information regarding the name and telephone number of the landlord, lender or vendors and suppliers for the Aira Fitness Business. You agree that we have the right to communicate with the landlord, lender and other vendors related to your operation of the Aira Fitness Business regarding the Aira Fitness Business or any default by you under an agreement with the landlord,

lender or vender. You hereby authorize the landlord, lender and any vendor associated with your Aira Fitness Business to communication with us and provide us information regarding the Aira Fitness Business.

11. YOUR OTHER OBLIGATIONS; NON-COMPETE COVENANTS

A. Payment of Debts. You agree to pay promptly when due: ***(i)*** all payments, obligations, assessments and taxes due and payable to us and our affiliates, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; ***(ii)*** amounts related to all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Aira Fitness Business or business; and ***(iii)*** all accounts and other indebtedness of every kind incurred by you in the conduct of the Aira Fitness Business or business. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

B. Insurance. You must maintain in full force and effect throughout the term of this Agreement that insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Aira Fitness Business. Such insurance must include, at a minimum: ***(i)*** special/causes of loss coverage forms, including mechanical/equipment breakdown (previously called "All Risk coverage") on the Aira Fitness Business and all fixtures, equipment and other property used in the operation of the Aira Fitness Business, for full replacement value of the equipment and improvements; ***(ii)*** business interruption insurance covering a minimum 12 months loss of income, written on an actual loss sustained basis, including coverage for our monthly fees with us named as a loss payee with respect to those fees; ***(iii)*** comprehensive general liability insurance with minimum limits of at least $1,000,000 per occurrence and $2,000,000 aggregate (including product liability and personal and advertising injury) and "Per Location" aggregate limits when multiple Aira Fitness Business locations are insured under one comprehensive general liability policy; ***(iv)*** automobile liability insurance, including owned, hired and non-owned vehicle coverage with a minimum combined single limit of at least $1,000,000 per claim; ***(v)*** workers' compensation and employer's liability insurance covering all of your employees where required by state statute; ***(vi)*** professional liability insurance, including abuse and molestation, with a minimum limit of at least $1,000,000 per occurrence; ***(vii)*** Commercial Umbrella Liability of at least $10,000,000 per occurrence and $10,000,000 aggregate with "Per Location" aggregate limits when multiple Aira Fitness Business locations are insured under one comprehensive umbrella liability policy ***(viii)*** cyber liability with minimum limits of at least $25,000 per occurrence; ***(ix)*** medical expense coverage of at least $1,000 per accident; ***(x)*** crime (employee dishonesty, theft and robbery) with minimum limits of at least $10,000 per occurrence; ***(xi)*** employment practices liability with minimum limits of at least $100,000 per occurrence and inclusive of both first and third party coverage; ***(xii)*** AIRA Fitness Franchising LLC and any entity with an insurable interest that we designate (the "**Additional Insureds**") must be an additional insured on all liability policies required by this subparagraph to the extent each has an insurable interest; ***(xiii)*** each policy of insurance maintained pursuant to this Agreement must contain a waiver of subrogation in favor of the Additional Insureds; and ***(xiv)*** any other such insurance coverage's or amounts as required by law or other agreement related to the Aira Fitness Business..

All insurance policies must be written by an insurance company or companies satisfactory to us (generally, companies with an AM Best rating of A- or better). We may require you to purchase insurance from a supplier we have approved. You must participate in any insurance plan we establish for the benefit of the System and pay all required premiums due there under, unless we agree otherwise in writing.

The required insurance coverage must commence as of the date the building lease or building purchase agreement has been signed for your Authorized Location. You must deliver to us at commencement and thereafter annually or at our request a proper certificate, endorsement, or other documentation as we require evidencing the existence of such insurance coverage and your compliance with the provisions of this subparagraph. The insurance certificate or endorsement must show all required Additional Insureds (as noted in (xii) and (xiii) above) and provide that we will be given thirty (30) days' prior written notice of material change in or termination or cancellation of the policy. We also may request copies of all policies. We may modify the required minimum limits from time to

time and by written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the AIRA FITNESS system, standards of liability and higher damage awards. If you do not procure and maintain the insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage and to charge the same to you, together with the actual costs and expenses we incur in doing so, payable by you immediately upon notice.

You acknowledge that the foregoing minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect you from losses in connection with the Aira Fitness Business. Nothing in this Agreement prevents or restricts you from acquiring and maintaining insurance with higher policy limits or lower deductibles than we require.

D. Non-compete Covenants. You agree that you will receive training and Confidential Information that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following non-competition covenants:

1. Persons Bound. Unless otherwise specified, the term "Covered Person" as used in this Section 10.D includes, collectively and individually, your Owners and all guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you. We may require you to obtain from your individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this Section 11.D.

2. During Term. During the term of this Agreement, Covered Persons must not directly or indirectly, for themselves or through, on behalf of or in conjunction with any individual or business entity: ***(i)*** divert any Aira Fitness Business member, potential Aira Fitness Business member or former Aira Fitness Business member to any exercise facility except another Aira Fitness Business; or ***(ii)*** own, operate, lease, franchise, engage in, be connected with, have any interest in, or assist any person or entity engaged in any other exercise facility (including, but not limited to a 24/7 fitness center, studio or exercise facility; a fitness center, studio or exercise facility featuring keycard access or a structured fitness/training program or complete body overhaul program for individuals) in the United States, except another Aira Fitness Business pursuant to a valid franchise agreement with us.

3. After Termination. For a period of two years after the transfer, expiration or termination of this Agreement (and with respect to any Owner, for a period of two years after such person ceases to be an Owner, regardless of the reason), Covered Persons must not directly or indirectly, for themselves or through, on behalf of or in conjunction with any individual or business entity: ***(i)*** divert any Aira Fitness Business member, potential Aira Fitness Business member or former Aira Fitness Business member to any exercise facility except another Aira Fitness Business; or ***(ii)*** own, operate, lease, franchise, engage in, be connected with, have any interest in, or assist any person or entity engaged in any other exercise facility (including, but not limited to a 24/7 fitness center, studio or exercise facility; a fitness center, studio or exercise facility featuring keycard access or a structured fitness/training program or complete body overhaul program for individuals) that is located at or within a 10-mile radius of the Authorized Location, that is located within a 10-mile radius of any other Aira Fitness Business in operation or under construction, or that is located in the Designated Area of any other AIRA FITNESS franchisee. The two-year period described in this paragraph will be tolled during any period of noncompliance.

4. Reasonableness. You agree that the scope of the prohibitions stated in this Section 11.D is reasonable and necessary to protect us and the System (including other franchisees of the System). You agree that the prohibitions in this Section 11.D must be very broad in order to prevent you from taking information, materials and training we are providing to you on an ongoing basis and using them to either compete with us, or preempt or otherwise restrict our ability to enter new markets. You agree that the time period and the scope of the prohibitions stated in this Section 11.D are the reasonable and necessary time and distance needed to protect us if this Agreement expires or is terminated for any reason. You also agree that you have many other opportunities available to earn a living, and that these restrictions will not preclude you from engaging in a lawful trade or business for which you

otherwise are qualified.

5. Exception. The purchase of a publicly traded security of a corporation engaged in a competitive business or service will not in itself be deemed violative of this Section 11.D so long as you do not own, directly or indirectly, more than 5% of the securities of such corporation.

6. Reformation and Reduction of Scope of Covenants. If all or a portion of any covenant contained in this Section 11.D. is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you and each Covered Person will 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 11.D. Notwithstanding the foregoing, we have the unilateral right to reduce the scope of any covenant set forth in Section 11.D, or any portion thereof, which reduction will be effective immediately upon delivery of notice of the reduction.

7. Injunctive Relief. You and each Covered Person agree that the violation of any covenant contained in this Section 11.D. would result in immediate and irreparable injury to us for which there is no adequate remedy at law. You and each Covered Person therefore agree that in case of an alleged breach or violation of this Section, we may seek injunctive relief, in addition to all other remedies that may be available to us at equity or law. We will not be required to post a bond or other security for any injunctive proceeding.

8. Severability. Each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

E. Innovations. You agree to fully and promptly disclose to us all ideas, plans, improvements, concepts, methods and techniques relating to the development or operation (including marketing, advertising and promotions) of the Aira Fitness Business or any similar aspect of the business conceived or developed by you, any Owner or your employees during the term of this Agreement ("**Innovations**"). We and our affiliates own and have the right to authorize other Aira Fitness Businesses to use any Innovations without any compensation to you, any Owner, or your employees. Nothing in this Section modifies your obligations to comply with the System and the Manual.

F. Copyright. You hereby acknowledge and agree that the ownership of all printed, audio and visual material and any other material whatsoever (including all Confidential Information) being part of the Aira Fitness Business or System (the "**Work**") belongs to us or our affiliates and any copyright in respect to the Work belongs to us. In addition, you acknowledge that you have no right to manufacture any component of the Work or duplicate the Work and agree to purchase all components of (or rights of access to) the Work exclusively from us. You have no right to claim any proprietary interest in any of the Work. You must immediately notify us of any known infringement to the Work or to our copyright interest therein. We have the right to control any litigation related to our copyrights or the Work. You agree to assist us, as directed by us, in any claim or action against the infringer.

12. TRANSFER OF FRANCHISE

A. Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Aira Fitness Business. Consequently, your interest in this Agreement or in the Aira Fitness Business, or all or substantially all of the assets of the Aira Fitness Business, or any Owner's interest in a franchisee that is a partnership or entity may be transferred or assigned to or assumed by any other person or entity (the "transferee"), in whole or in part, unless you have first tendered to us the right of first refusal to acquire this Agreement in accordance with Section 12.E , and if we do not exercise such right, unless our prior written consent is obtained, the transfer fee provided for in Section 12.C is paid, if applicable, and the transfer conditions described in Section 12.C are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other

than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer and you must comply with the right of first refusal, consent, transfer fee, and other transfer conditions in this Section 12:

1. Any change or series of changes in the percentage of the franchisee entity owned, directly or indirectly, by the Owner (including any addition or deletion of any person or entity who qualifies as an Owner);

2. Any change in the general partner of a franchisee that is a general, limited or other partnership entity; or

3. For purposes of this Section 12.A, a pledge or seizure of any ownership interests in you or in any Owner that affects the ownership of 25% or more of you or Owner, which we have not approved in advance in writing.

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in Section 12.E, and if we do not exercise such right, must apply for and obtain our consent to the transfer, pay the transfer fee provided for in Section 12.C, if applicable, and satisfy the transfer conditions described in Section 12.C. In addition, you or the transferee must pay the attorneys' fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

You may not place in, on or upon the location of the Aira Fitness Business, or in any communication media or any form of advertising, any information relating to the sale of the Aira Fitness Business or the rights under this Agreement, without our prior written consent.

B. Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided we determine that all of the conditions described in this Section 12 have been satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in Section 12.E must be made by submission of our form of application for consent to transfer, which must be accompanied by the documents (including a copy of the proposed purchase or other transfer agreement) or other required information. The application must indicate whether you or an Owner proposes to retain a security interest in the property to be transferred. No security interest may be retained or created, however, without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer is subject to our prior written approval, which approval will not be withheld unreasonably. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void and will provide us with the right to elect either to default and terminate this Agreement or to collect from you and the guarantors a transfer fee equal to two times the transfer fee provided for in Section 12.C.

C. Conditions of Transfer. We condition our consent to any proposed transfer, whether to an individual, a corporation, a partnership or any other entity upon the following:

1. Transferee Qualifications. The transferee must meet all of our then-current requirements for the franchise we are offering at the time of the proposed transfer.

2. Payment of Amounts Owed. All amounts owed by you to us or any of our affiliates, your suppliers or any landlord for the Aira Fitness Business premises and Authorized Location, or upon which we or any of our affiliates have any contingent liability must be paid in full.

3. Reports. You must have provided all required reports to us in accordance with Section 10.

4. Modernization. You must have complied with the provisions of Section 5.F.

5. Guarantee. In the case of an installment sale for which we have consented to you or any Owner retaining a security interest or other financial interest in this Agreement or the business operated hereunder, you or such Owner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

6. Consent to Transfer; General Release. You, each Owner and each guarantor must execute all transfer documents that we require and in the form we designate, which documents will include a general release of all claims arising out of or relating to this Agreement, your Aira Fitness Business or the parties' business relationship; provided, however, that the release will not be inconsistent with any state law regulating franchising.

7. Training. The transferee must, at your or the transferee's expense, comply with the training requirements of Section 7.B.

8. Financial Reports and Data. We have the right to require you to prepare and furnish to transferee and/or us such financial reports and other data relating to the Aira Fitness Business and its operations as we deem reasonably necessary or appropriate for transferee and/or us to evaluate the Aira Fitness Business and the proposed transfer. You agree that we have the right to confer with proposed transferees and furnish them with information concerning the Aira Fitness Business and proposed transfer without being held liable to you, except for intentional misstatements made to a transferee. Any information furnished by us to proposed transferees is for the sole purpose of permitting the transferees to evaluate the Aira Fitness Business and proposed transfer and must not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.

9. Transfer Fee. If the transferee is an existing AIRA FITNESS franchisee, you must pay us a transfer fee equal to Five Thousand Dollars ($5,000); if the transferee is not an existing AIRA FITNESS franchisee, you must pay us a transfer fee equal to our then-current initial franchise fee.

10. New Franchise Agreement. If the proposed transfer (or a series of transfers) would result in a change in control of the franchisee, the transferee must execute our then-current form of franchise agreement (provided that no initial franchise fee will be due there under); and each of transferee's owners execute our then-current form of personal guaranty and undertaking. The parties acknowledge and agree that our then-current form of franchise agreement may be materially different than this Agreement and may include, among other things, different fees. Additionally, in the event of a transfer, we have the unilateral right to change or modify the boundaries of the Designated Area under the new franchise agreement. The Designated Area modification, if any, will be noted in the new franchise agreement issued with respect to the transfer.

11. Transaction Terms. You or the proposed transferee have provided us with all information we have reasonably requested regarding the terms of the proposed transfer, and we are satisfied that the financial terms and conditions of the proposed transfer will not have a materially adverse effect on the business' post-transfer ability to continue in operation and to meet its liabilities as the fall due.

12. Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

D. Death, Disability or Incapacity. If any individual who is an Owner dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as an Owner, such person or entity must apply for our consent under Section 12.B, comply with the training requirements of Section 7.B, pay the transfer fee, if applicable, under Section 12.C, and satisfy the transfer conditions under Section 12.C, as in any other case of a proposed transfer, all within one hundred eighty (180) days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Aira Fitness Business still must be operated in accordance with the terms and conditions of this Agreement. If the transferee of

the decedent or disabled or incapacitated person is the spouse or child of such person, the transfer conditions in Section 12.C will apply; provided no transfer fee will be payable to us and we will not have a right of first refusal as stated in Section 12.E.

Upon request by your executor, administrator, or personal representatives, we, in our sole discretion, may agree to enter upon the premises and exercise complete authority with respect to the operation of the Business until such time as your executor, administrator or personal representative transfers your interest in the Business as provided herein. You acknowledge and agree that our agent or other representative we designate may take over, control and operate the Business, that you shall pay Franchisor a fee for such management service of up to three percent (3%) of Gross Sales or Five Hundred Dollars ($500.00) per day, whichever is higher, plus all travel expenses, room and board and other expenses actually incurred by such agent or representative so long as we are operating the Business. You further acknowledge that if we temporarily operate the Business on your behalf under this Paragraph 12.D., you will indemnify and hold us and our agent or representative harmless respecting any and all claims arising out of our operation of the Business under this Paragraph 12.D. Nothing herein shall require us to operate the Business upon the request of your executor, administrator or personal representative.

E. Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in the business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by Section 12.D or any transfer described in Section 12.A, you first must offer to sell to us your interest. In the event of a bona fide offer from such third party, you must obtain from the third-party offeror and deliver to us a statement in writing, signed by the offeror and by you, of the terms of the offer. In the event the proposed transfer results from a change in control of the franchisee or an Owner under Section 12.A.1 through 12.A.3, or your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, you first must offer to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures, and any leasehold interest used in the operation of your Aira Fitness Business. Unless otherwise agreed to in writing by us and you, the purchase price for our purchase of assets in the event of a transfer that occurs by a change in control or insolvency or bankruptcy filing will be established by a qualified appraiser selected by the parties and in accordance with the price determination formula established in Section 15.B in connection with an asset purchase upon expiration. In addition, unless otherwise agreed to in writing by us and you, the transaction documents, which we will prepare, will be those customary for this type of transaction and will include representations and warranties then customary for this type of transaction. If the parties cannot agree upon the selection of such an appraiser, a Judge of the United States District Court for the District in which the Authorized Location is located will appoint one upon petition of either party.

You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested. We then have forty-five (45) days from our receipt of the statement setting forth the third-party offer or the appraiser's report and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be on the same price and terms listed in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the forty-five (45) day period, you will be free for sixty (60) days after such period to effect the disposition described in the statement delivered to us provided such transfer is in accordance with this Section 12. You may effect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with this Section 12.E.

F. Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement and you hereby consent to any such sale or assignment.

G. Transfer to a New Entity. If a proposed transfer is among existing shareholders, partners, or members of Franchisee, the transfer will not be subject to the conditions in Section 11.C, however, the corporation or other

similar entity must execute a document in a form approved by us in which it agrees to become a party to and be bound by all the provisions of this Agreement and the owners must agree to remain personally liable under this Agreement.

H. Securities Offerings.

1. No Public Offerings. Neither you nor any of your Owners may issue or sell your securities or the securities of any of your affiliates if: (a) such securities would be required to be registered pursuant to the Securities Act of 1933, as amended, or such securities would be owned by more than 35 persons; or (2) after the issuance or sale, you or such affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended.

2. Private Placements. You, your Owners and affiliates may offer securities or partnership interests, by private offering or otherwise, only with our prior written consent, which will not be unreasonably withheld (except for public offerings prohibited above). All materials required for such offering by federal or state law must be submitted to us for review prior to their being filed with any government agency; and any materials to be used in any exempt offering must be submitted to us for review prior to their use. No offering may imply (by use of the Marks or otherwise) that we are participating in the underwriting, issuance or offer of securities and our review of any offering will be limited solely to the subject of the relationship between you and us. In preparing a prospectus or other offering materials, you must make any changes and incorporate any disclaimers we require with respect to your relationship with us and your use of the Marks. You, your Owners and the other participants in the offering must fully indemnify us in connection with the offering. For each proposed offering, you must pay us for our reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. You must give us written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Section.

13. DISPUTE RESOLUTION

A. Arbitration; Mediation. Except as qualified below, any dispute between you and us and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or owners arising under, out of, in connection with or in relation to this Agreement, any lease for the Aira Fitness Business or Authorized Location, the parties' relationship, the Aira Fitness Business, our Standards, or the scope or validity of the arbitration obligations under this Section must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the then-current rules and procedures and under the auspices of the American Arbitration Association ("AAA"). Any arbitration must be on an individual basis, and not as part of a consolidated, common, or class action, and you and/or your Owners waive any right to proceed on a consolidated, common, or class basis. Multiparty arbitration is specifically excluded, and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any claim or other proceeding involving third parties. In the event a court or arbitrator determines that this exclusion of multiparty arbitration (including class arbitration) is unenforceable, then this entire commitment to arbitrate will be null and void and the parties must submit all claims to the jurisdiction of the courts. Arbitration shall take place in the Chicago, Illinois metropolitan area. The arbitrators must follow the law and not disregard the terms of this Agreement. Any arbitrator must have at least five years' experience in franchising or in franchise law.

Any unappealed decision of the arbitrator(s) will be final and binding on all parties to the dispute; however, the arbitrator(s) shall have no authority to: ***(i)*** stay the effectiveness of any pending termination of this Agreement; ***(ii)*** assess punitive or exemplary damages; ***(iii)*** certify a class or consolidate an action, or ***(iv)*** make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business

performance that we set. A judgment may be entered upon the arbitration award by any court of competent jurisdiction.

We and you agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under this Agreement or applicable law, whichever expires first. We and you further agree that, in connection with any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Section 13.D. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration under this Section 13 without the prior written consent of both parties. The provisions of this Section are intended to benefit and bind certain third-party non- signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any award rendered by the arbitrator(s) may be appealed pursuant to the AAA's Optional Appellate Arbitration Rules in effect as of the Effective Date of this agreement ("Appellate Rules"). Any award will, at a minimum, be a reasoned award. The award will not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of an award, as defined by Rule A-3 of the existing Appellate Rules, by filing a notice of appeal with any AAA office. The appeal tribunal may affirm, reverse, or modify the award of the arbitrator(s), or return the matter to the arbitrator(s) for further action. A final award may be entered once the appeal process is complete or the time for filing an appeal has expired, and a judgment may be entered upon the arbitration award in accordance with the procedures identified above.

Before the filing of any arbitration, the parties agree to mediate any dispute that does not include injunctive relief or specific performance actions covered under Section 13.B, provided that the party seeking mediation must notify the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted by a mediator or mediation program agreed to by the parties and will take place in McHenry County, Illinois. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. If not resolved within thirty (30) days, the parties are free to pursue arbitration.

B. Injunctive Relief. Notwithstanding Section 13.A, the parties agree that the following claims will not be subject to arbitration or mediation: ***(i)*** any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including without limitation, prior to or during the pendency or any arbitration proceeding initiated under Section 13.A; or ***(ii)*** any action in ejectment or for possession of any interest in real or personal property; or ***(iii)*** our decision in the first instance to issue a notice of default and/or notice of termination, or undertake any other conduct with respect to the franchise relationship that might later result in a dispute or controversy between us.

C. Governing Law/Consent to Jurisdiction. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act 15 U.S.C. Section 1051 et. seq.), and except that all issues relating to arbitrability or the enforcement or interpretation of the agreement to arbitrate set forth in this Section shall be governed by the United States Arbitration Act (9 U.S.C. Section 1 et seq) and the federal common law relating to arbitration, this Agreement and the franchise shall be governed by the internal laws of the State of Illinois (without reference to its choice of

law and conflict of law rules), except that the provisions of any franchise law of such state shall not apply unless the jurisdictional requirements of said law have been met independently of this provision. You agree that we may institute any action against your arising out of or relating to this Agreement, which is not required to be arbitrated under this Agreement or as to which arbitration has been waived by the parties, in any state or federal court of jurisdiction located in the State of Illinois and Franchisee irrevocably submits to the exclusive jurisdiction or venue of such courts.

D. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement or other dispute between the parties, any lease or sublease for the Aira Fitness Business or Authorized Location, or the business will be entitled to recover its reasonable attorneys' fees and costs. If any party initiates litigation in violation of this arbitration provision and the other party successfully moves to compel arbitration, the party moving to compel arbitration will be entitled to reimbursement of its attorneys' fees and costs incurred in connection with defending the litigation and compelling arbitration.

E. **Jury Waiver. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.**

F. **Waiver of Punitive Damages. You, us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.**

14. DEFAULT AND TERMINATION AND OTHER REMEDIES

A. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this Section 13.B: ***(i)*** you will have thirty (30) days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due, including any financed amounts, or submit required reports, in which case you will have ten (10) days to cure those defaults; ***(ii)*** your failure to cure a default within the thirty (30) day or ten (10) day period will provide us with good cause to terminate this Agreement; ***(iii)*** the termination will be accomplished after the applicable cure period by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and ***(iv)*** the termination will be effective immediately upon our issuance of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: ***(i)*** you have failed to identify a mutually acceptable site for the operation of the Aira Fitness Business or to open the Aira Fitness Business for business within the time period provided by this Agreement; ***(ii)*** you or any Owner has made any material misrepresentation or omission in your franchise application or any other report to us; ***(iii)*** your voluntary abandonment of this Agreement or the Authorized Location, ***(iv)*** the loss of your lease, or the failure to timely cure a default under the lease, ***(v)*** the loss of your right of possession or failure to reopen or relocate under Section 5.G.; ***(vi)*** the closing of the Aira Fitness Business by any state or local authorities for health or public safety reasons; ***(vii)*** any unauthorized use of the Confidential Information; ***(viii)*** voluntary or involuntary bankruptcy by or against you or any Owner or guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors; ***(ix)*** conviction of you, any Owners, or guarantors of (or pleading no contest to) any felony or misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of the Marks or the Aira Fitness Business, ***(x)*** you, any Owner,

guarantor or an affiliate of any of you are listed by the United States or United Nations as being a terrorist, financier of terrorism or otherwise restricted from doing business in or with the United States; ***(xi)*** intentionally underreport membership sales or Gross Sales, falsify financial data, or otherwise commit an act of fraud with respect to your acquisition of this franchise or your rights or obligations under this Agreement, or any understatement or 2% variance on a subsequent audit within a two- year period under Section 10.C., ***(xii)*** any unauthorized transfer or assignment in violation of Section 12; ***(xiii)*** your failure to use the approved payment processor, ***(xiv)*** you failed to meet the Minimum Membership Requirement for six (6) consecutive months, ***(xv)*** you failed to meet the Minimum Monthly Gross Sales Requirement for six (6) consecutive months, or ***(xv)***any default by you that is the second same or similar default within any 12-month consecutive period or the third default of any type within any 24-month consecutive period.

3. Immediate Termination After No More than 24 Hours to Cure. In the event that a default under this Agreement occurs that materially impairs the goodwill associated with any of the Marks, violates any health, safety or sanitation law or regulation, or if the operation of the Aira Fitness Business presents a health or safety hazard to your members or to the public: ***(i)*** you will have no more than 24 hours after we provide written notice of the default to cure the default; and ***(ii)*** this Agreement will terminate effective immediately on our issuance of written notice of termination.

4. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

B. Cross Default. Where there is more than one agreement in existence between you and us (including agreements guaranteed by the Owners), you agree that we have the right to treat a material breach or default of any one agreement between the parties as a material breach or default of all or any of the other agreements between the parties, and any such material breach or default of any one agreement shall be treated, in respect of any of the other agreements, as a material breach or default of each such agreement in accordance with its own terms.

C. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement provided that: ***(i)*** you provide us with written notice of the breach that identifies the grounds for the breach; and ***(ii)*** we fail to cure the breach within a reasonable time, which will in no event be less than ninety (90) days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective sixty (60) days after our receipt of your written notice of breach. Your termination of this Agreement under this Section will not release or modify your post-term obligations under Section 11.D and Section 15 of this Agreement.

D. Right to Operate Upon Default. In addition to our right to terminate this Agreement and not in lieu of such right or any other rights, in the event that you have not cured a default under this Agreement within fourteen (14) days after receipt of a written notice of default, we may, at our option, enter upon the premises and exercise complete authority with respect to the operation of the Aira Fitness Business until such time as we determine that the default has been cured and that there is compliance with the requirements of this Agreement. You acknowledge and agree that our agent or other representative we designate may take over, control and operate the Business, that you shall pay us a fee for such management service, not to exceed fifteen percent (15%) of Gross Sales plus all travel expenses, room and board and other expenses actually incurred by such agent or representative so long as it shall be required to enforce compliance with this Agreement. You further acknowledge that if we temporarily operate the Business on your behalf under this Paragraph 14.D., you will indemnify us and hold us and our agent or representative harmless and respecting any and all claims arising out of our operation of the Business under this Paragraph 14.D.. Nothing herein shall require us to operate the Business when you are in default.

E. Other Remedies. In addition to and without limiting our rights and remedies under this Agreement, any other agreement and applicable law, upon any events upon which we may terminate this Agreement under this Article 14, we may, at our sole option and upon delivery of written notice to you, elect to take any or all of the

following actions without terminating this Agreement:

(1) temporarily or permanently reduce the size of the Designated Area, in which even the restrictions upon Paragraph 2.C. will not apply in the geographic area that was removed from the Designated Area;

(2) suspend online enrollment;

(3) suspend our facilitation of the member billing process;

(2) refuse to provide any operation support that this Agreement required or we have elected to provide or suspend any other services that we or our affiliates provide to you under this Agreement or any other agreement; and/or

(3) remove your Aira Fitness Business from any website we manage.

F. Liquidated Damages. In the event of any default by you that results in a premature termination of this Agreement (regardless of which party actually terminates this Agreement), without prejudice to any other remedy we may have under the terms of this Agreement or otherwise, you must pay us, as liquidated damages and not as a penalty, an amount equal to thirty-six (36) times the Royalty owed to us over the past twelve (12) month period immediately preceding the date of termination (or if you have been in business less than twelve (12) months, then during the entire period you have been in business). The parties acknowledge and agree that such amount represents a reasonable estimate of the damages we will incur as a result of such default and premature termination.

15. POST-TERM OBLIGATIONS

A. Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Marks and all other rights and licenses granted in this Agreement and the right and license to conduct business under the Marks at the Authorized Location will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. You must immediately comply with the post-term non-compete obligations under Section 11.D, cease all use and display of the Marks and of any proprietary material (including the Manual) and of all or any portion of promotional materials furnished or approved by us, assign all right, title and interest in the telephone numbers for the Aira Fitness Business and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You must pay all sums due to us, our affiliates or designees and all sums you owe to third parties that have been guaranteed by us or any of our affiliates. You must immediately return to us, at your expense, all copies of the Manuals then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of Section 6.I. You must promptly at your expense and subject to Section 15.B, remove or obliterate all Aira Fitness Business signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any of the Marks or names or material confusingly similar to the Marks and so alter the appearance of the Aira Fitness Business as to differentiate the Aira Fitness Business unmistakably from duly licensed Aira Fitness Businesses identified by the Marks. If, however, you refuse to comply with the provisions of the preceding sentence within thirty (30) days, we have the right to enter the Authorized Location and remove all Aira Fitness Business signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any of the Marks or names or material confusingly similar to the Marks, and you must reimburse us for our costs incurred. You are responsible for reimbursing members for all pre-paid services not rendered. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement.

B. Option to Assume Lease; Assume Telephone Numbers and Membership Contracts, and Purchase Assets. Upon termination or expiration of this Agreement, we will have the option (but not the obligation) to do any or all of the following: ***(i)*** assume your Lease for the Aira Fitness Business premises; ***(ii)*** assume all telephone numbers

used in connection with the operation of the Aira Fitness Business; ***(iii)*** assume all utilities used in connection with the operation of the Aira Fitness Business; ***(iv)*** assume your rights and interest in and to any Membership Contract to which you are a party, by delivering to you written notice of our election within thirty (30) days after termination or expiration of this Agreement; ***(v)*** assume your rights in management software and data processing accounts used in connection with the operation of the Aira Fitness Business; and/or ***(vi)*** assume all social media accounts associated with the Aira Fitness Business.

Upon termination or expiration of this Agreement, we also will have the option, to purchase any or all of the assets used in connection with the operation of the Aira Fitness Business including, without limitation, equipment, fixtures, signage, furnishings, supplies and leasehold improvements. The purchase price for the assets will be determined by a qualified appraiser selected with the consent of both parties, provided we give you written notice of our preliminary intent to exercise our purchase rights under this Section 15.B. within thirty (30) days after the date of the expiration or termination of this Agreement. If the parties cannot agree upon the selection of an appraiser(s), each party will appoint their own appraiser and the two appraisers will select a neutral appraiser, who will independently perform the appraiser. Within forty-five (45) days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraiser's fees and expenses. Our interest in the assets of the Aira Fitness Business that are owned by you or your affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause your affiliates to execute and deliver, to us or our designated purchaser a bill of sale therefore, and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

You must execute all additional documentation that we designate to give effect to the options described in this Section 15.B. We may assign our option rights to any person of our choice.

C. Claims. You and your Owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or the business contemplated under this Agreement after the shorter period of the applicable statute of limitations or one year following the effective date of termination or expiration of this Agreement; provided that where the one-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit, arbitration proceeding, or other action may be commenced or maintained unless commenced within the applicable statute of limitations.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. Independent Contractor; No Fiduciary Relationship. It is understood and agreed by both you and us that this Agreement does not create a fiduciary relationship between us, that we are independent contractors and that nothing in this Agreement is intended to make either of us a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. You agree to conspicuously identify yourself at the Aira Fitness Business and in all dealings with potential and existing customers, employees, suppliers, and others as the owner of an independent Aira Fitness Business pursuant to a franchise agreement with us. You further agree to place any notices of independent ownership on your signs, forms, business cards, stationery, advertising and other materials that we may require from time to time.

B. No Liabilities, No Warranties. We have not authorized or empowered you to use the Marks except as provided by this Agreement. You agree not use any Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, application for any license or permit, or any other legal obligation, or in any manner that may result in liability to us for any indebtedness or obligation of yours. Except as expressly authorized by this Agreement, neither of us will make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name of or on behalf of the other or represent that our relationship is other than that of franchisor and franchisee.

C. Indemnification; Tax Liability. We will not be obligated by, or have any liability under, any agreements, representations or warranties you make that are not expressly authorized under this Agreement, nor will we be obligated for any damages to any person or property directly or indirectly arising out of your construction, development and/or operation of your Aira Fitness Business, whether or not caused by the negligent or willful action or failure to act on the part of you, the Owners, managers, employees or agents. We will have no liability for any sales, use, excise, income, gross receipts, property or other taxes, whether levied against you, the Aira Fitness Business or your assets, or on us, in connection with the business you conduct, or on any payments you make to us pursuant to this Agreement or any franchise agreement, including but not limited to royalty fees (except for our own income taxes). You agree to indemnify, defend and hold us, our affiliates, and our and our affiliates' shareholders, directors, officers, employees, agents and transferees, harmless against and to reimburse us for: (1) all such obligations, damages, and taxes for which we are held liable and for all costs we reasonably incur in the defense of any such claim brought against us or in any such action in which we are named as a party; (2) any liability, cost or expense we suffer, sustain or incur arising out of or relating to your development and/or operation of your Aira Fitness Business or any of your Owners', managers', employees', or other agents' acts or failure to act in connection therewith; and (3) all cost, expense or loss we incur in enforcing the provisions of this Agreement, in defending our actions taken relating to this Agreement, or resulting from your breach of this Agreement. This indemnification includes without limitation actual and consequential damages, reasonable arbitrators', attorneys', accountants' and expert witness fees (including those for appeal), costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. We have the right to defend any such claim against us. Your indemnification obligations described above will continue in full force and effect after, and notwithstanding, the expiration or termination of this Agreement.

D. No Employment Relationship. You expressly acknowledge that we are not your employer or an employer of any of your employees. In addition, we are not a joint employer with you. You acknowledge that our training, guidance, advice and assistance, your obligations under this Agreement and the standards, specifications, policies and procedures required by Company under this Agreement and in the Manual are imposed not for the purpose of exercising control over you but rather for the limited purpose of protecting the Marks, System and Confidential Information, goodwill and brand consistency. You shall notify and communicate clearly with your employees in all dealings, including without limitation, employment applications and other employment forms, written and electronic correspondence, paychecks, employee handbooks, employment policies and procedures, and other written materials that you (and only you) are their employer and that we are not their employer. You are solely responsible for the management and supervision of the Aira Fitness Business as an independent franchise owner/operator.

17. SECURITY INTEREST

In order to secure the timely performance by you of the obligations of this Agreement and all related agreements, including Promissory Notes and Equipment Purchase Agreements, you hereby grant to us a security interest in all rights, entitlements, licenses and interests granted under this Agreement or otherwise inuring to you by reason hereof, and all goods, products, inventory, accounts, proceeds, furniture, equipment, fixtures, general intangibles and all other personal property interests of Franchisee arising or used in connection with the Franchised Business, whether at the Franchise Location or elsewhere, and whether now owned or hereafter acquired by you. This Agreement shall, in and of itself, constitute a Security Agreement within the meaning of the Uniform Commercial

Code. In addition, and as a supplement to this Agreement, Franchisee shall execute the Security Agreement as set forth in Attachment H to this Agreement In order to perfect the security interest granted hereby and by the Security Agreement attached hereto, you authorize us to file any financing statement, continuation statement, statement of amendment, other statement or filing used or useful under the Uniform Commercial Code, including any amendment or replacement thereof, to perfect Company's security interest as provided herein.

18. GENERAL PROVISIONS

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the Marks, System, Manual, and to designate the Authorized Location and Designated Area as stated in this Agreement, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and an executive officer of ours. This Agreement together with the addenda and appendices and the application form executed by you requesting us to enter into this Agreement constitute the sole agreement between the parties with respect to the entire subject matter of this Agreement and embody all prior agreements and negotiations with respect to the business. There are no representations or warranties of any kind, express or implied, except as contained in this Agreement and in the aforesaid application. 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. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for in this Agreement must be in writing and signed by the party serving the same and ***(i)*** delivered personally or ***(ii)*** delivered by a reputable overnight service (such as UPS or FedEx) or ***(iii)*** deposited in the United States mail, service or postage prepaid, by registered or certified mail, and addressed as follows:

1. If intended for us, addressed to CEO; AIRA Fitness Franchising, LLC, 600 Route 59, Ingleside, Illinois 60041.

2. If intended for you, addressed to you at Address for Notices set forth on the Summary Pages or at the Authorized Location; or, in either case, to such other address as may have been designated by notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

D. Authority. Any modification, consent, approval, authorization or waiver granted in this Agreement required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by an authorized officer.

E. References. If the franchisee is two or more persons, the persons are jointly and severally liable, and references to you in this Agreement includes all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

F. Guarantee. All Owners of a franchisee that is a corporation, limited liability company or partnership or other legal entity must execute the form of undertaking and guarantee at the end of this Agreement. Any person or entity that at any time after the date of this Agreement becomes an Owner pursuant to the provisions of Section 11 or otherwise must execute the form of undertaking and guarantee at the end of this Agreement. In the event no individual meets the definition of Owner, all owners we designate must provide the guarantee.

G. Successors/Assigns. Subject to the terms of Section 11 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

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

1. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 12 of this Agreement, all claims arising out of or relating to this Agreement and the parties' relationship will be governed by, and will be interpreted in accordance with, the substantive laws of the state of Illinois (irrespective of any conflicts of laws); provided that the Illinois Franchise Act and any other law or regulation applicable to the offer or sale of franchises or the franchise relationship will apply only if the jurisdictional provisions of the law are otherwise met. The choice of Illinois law is not intended to incorporate into this Agreement any provisions not expressly stated herein.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations stated in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Marks, improving member service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

I. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the equipment offerings and other standards, specifications, and requirements for any franchised Aira Fitness Business or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such Aira Fitness Business, franchisee's business or the System. We are not required to grant to you a similar or other variation as a result of any variation from standard operations, specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other franchisees operate under a number of different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

J. Notice of Potential Profit. We and/or our affiliates may from time to time make available to you supplies, equipment, products and/or services for use in your Aira Fitness Business on the sale of which we and/or our affiliates may make a profit. Further, we and/or our affiliates may from time to time receive consideration from

suppliers and/or manufacturers in respect to sales of supplies, equipment, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration.

K. Force Majeure. If a party's default under this Agreement (other than your obligations with respect to insurance and indemnification, to obtain a site and open the Aira Fitness Business within a specified period, and to pay all fees and other amounts due to us and our affiliates under this Agreement and any other agreement between you and us or our affiliates), is caused in whole or in part by a force majeure, such default and any right of the other party to terminate this Agreement for such default is suspended for as long as the default is reasonably caused by such force majeure. Any suspension is effective only from the delivery of a notice of the force majeure to the other party stating the party's intention to invoke the force majeure. However, if such suspension continues for longer than six months and the default still exists, either party has the right to terminate this Agreement upon thirty (30) days' notice to the other party. Events of force majeure are those that cannot be prevented, avoided or removed by the party invoking the force majeure despite the exercise of reasonably diligence, including acts of God, actions of the elements, cyber-attacks, lockouts, strikes, wars, riots, acts of terrorism, civil commotion, and acts of governmental authorities (not including a governmental authority's delaying or refusing to grant building permits, licenses and other permissions and approvals), and except as specifically provided for elsewhere in this Agreement.

L. Representations of Franchisee. As an inducement to us to grant you the franchise contemplated by this Agreement, you hereby acknowledge and represent to us the following (and agree to notify us immediately in writing upon the occurrence of any act or event that would render any representation incorrect):

1. Entity Ownership. If you are a corporation, limited liability company, partnership or similar entity, you and each of your Owners represents and warrants that your ownership is completely and accurately listed on the Summary Page and that you will provide us with updated ownership information so that at all times the ownership information is current, complete and accurate. In addition, you represent and warrant that: **(*i*)** you are duly organized, in good standing and authorized to conduct business in your state of incorporation and the state where the Aira Fitness Business is located; **(*ii*)** you will confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Aira Fitness Business or another Aira Fitness Business under a franchise agreement with us; **(*iii*)** all assets used in the operation of the Aira Fitness Business are owned or leased by you; and **(*iv*)** you have and will maintain stop transfer instructions on your records against the transfer of equity securities except in compliance with this Agreement and will only issue securities upon the face of which bear a legend, in a form satisfactory to us, which references the transfer restrictions imposed by this Agreement.

2. Patriot Act. You represent, warrant and certify that none of you, your affiliates, officers or directors or holders of any equity interest in you is or will be named as a "specially designated national" or "blocked person" (or other similar classification) as designed by the United States Department of The Treasury's Office of Foreign Assets Control (or other applicable governmental agency).

3. Applicable Laws. You acknowledge that there may be federal, state and local laws ("**Applicable Laws**") that may affect the operation of the Aira Fitness Business, that may conflict with your obligation to comply with our Standards, and that may negatively impact the financial performance of the Aira Fitness Business. These laws may exist today, or may be enacted in the future. It is solely your responsibility, both prior to and after purchasing the franchise, to identify, understand and comply with all Applicable Laws. In entering into this Agreement, you are not relying in any way upon any representation or warranty (express or implied) by us or anyone associated with us that our System or Standards complies with Applicable Laws.

M. Set-Off by the Franchisor. Notwithstanding anything contained in this Agreement, upon your failure to pay to us as and when due, any amounts of money provided for herein or in any other agreement between you and us or our affiliates, we shall have the right, at our election, to deduct any and all such amounts remaining unpaid from

any monies or credits held by us for your account.

N. Submission of Agreement. The submission of this Agreement to you does not constitute an offer, and this Agreement shall become effective only upon execution by both you and us.

[Signature Page Follows.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement as of the dates written below.

FRANCHISEE:

Name of Entity: _____

Signature:_____ Printed Name: __ Title:_____
Date: _____

FRANCHISOR: AIRA FITNESS FRANCHISING LLC

Signature:_____ Printed Name: Mike Bell
Title: CEO
Date: _____

Attachment A to the Franchise Agreement

MARKS AND DESIGNATED AREA

A. MARKS. You have the right to use the following Marks in accordance with the terms of the Franchise Agreement:

AIRA FITNESS

AIRA FITNESS design

We may amend this Attachment A from time to time in order to make available additional Marks or to delete those Marks that become unavailable. You agree to use only those Marks that are then currently authorized in this Attachment or the Manual.

B. DESIGNATED AREA. The "**Designated Area**" means the following area:

If the Designated Area is not identified as of the date of this Franchise Agreement, we will determine the Designated Area when you sign the lease for the Authorized Location. The Designated Area will be an area of ***up to*** 3 driving miles from the Authorized Location as we determine in our sole judgment after a review of relevant factors (see Section 2.C).

The Designated Area may overlap with designated areas of other Aira Fitness Businesses. In the overlapping areas, each Aira Fitness Business is permitted to market and solicit for members (see Section 6.B). Once identified by us, the Designated Area is fixed for the initial term of the Franchise Agreement unless you relocate the Aira Fitness Business and upon renewal or transfer (see Sections 4.B, 5.G, and 12.C). The driving miles are fixed as of the date the Designated Area is determined by us based on our mapping program used at the time the Designated Area is determined (currently, ESRI). No Designated Area will be enlarged due to any future road construction or other alteration.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____

FRANCHISOR:

AIRA FITNESS FRANCHISING LLC

Signature: _____
Printed Name: Mike Bell
Title: CEO

FRANCHISEE: (For an individual)

Signature: _____
Printed Name: _____

Signature: _____
Printed Name: _____

Signature: _____
Printed Name: _____

Signature: _____
Printed Name: _____

Attachment B to the Franchise Agreement

INFORMATION RELEASE CONSENT

The undersigned entered into a Franchise Agreement for the operation of an Aira Fitness Business under a license from AIRA Fitness Franchising LLC. In connection with the Franchise Agreement, I authorize AIRA Fitness Franchising LLC. to discuss with and obtain information from the third party providers for any Aira Fitness Business owned or guaranteed by my Owners (directly or indirectly), including: (1) the landlord of the Aira Fitness Business, (2) any lender providing financing for the Aira Fitness Business or that holds any security interest in any of the assets of the Aira Fitness Business or in the Franchisee (if a corporate entity), and (3) any other vendor or supplier for the Aira Fitness Business. I authorize such persons to provide information regarding the Aira Fitness Business to AIRA Fitness Franchising LLC.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature:_____
Printed Name: _____
Title: _____

FRANCHISEE: (For an individual)

Signature:_____
Printed Name: _____

Signature:_____
Printed Name: _____

Signature:_____
Printed Name: _____

Signature:_____
Printed Name: _____

Attachment C to the Franchise Agreement

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement by us, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including but not limited to the non-compete provisions in paragraph 11.D, the dispute resolution provision in Section 13, and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or non-performance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of our successors and assigns.

FRANCHISEE:_____(insert name of entity)

PERSONAL GUARANTORS:

Individually

Individually

Print Name	Print Name
Address	Address
City State Zip Code	City State Zip Code
Telephone	Telephone
% ownership in Franchisee	% ownership in Franchisee

Individually

Print Name

Address

City State Zip Code

Telephone

% ownership in Franchisee

Individually

Print Name

Address

City State Zip Code

Telephone

% ownership in Franchisee

Attachment D to the Franchise Agreement

MERCHANT ACCOUNT AUTHORIZATION

As a duly authorized signer on the Merchant Account, I authorize Aira Fitness Franchising, LLC ("Company") to initiate monthly Merchant Account debits for payments due or when applicable, apply Merchant Account credits to the same. Said debits may be for Royalty Fees, Marketing & Branding System Fees, Technology & Automation Fees, website fees, maintenance fees, interest, late fees, and any other amounts Franchisee owes to the Company or its affiliates pursuant to the Franchise Agreement between Franchisee and Company, and in amounts required by the Franchise Agreement. The dollar amount to be debited for each debit will vary.

Currently, Company is initiating monthly debits on the first day of every calendar week for payment of the Royalty Fees, Marketing & Branding System Fees, website fees, yearly maintenance fees, interest, late fees, and any other amounts then due, unless that day falls on a holiday, in which case the debit will be initiated the following business day. The dates and intervals for initiating debits for amounts due under the Franchise Agreement may be changed upon delivery of notice to Franchisee.

If, at the time of any debit, the Merchant Account does not contain sufficient credit for all amounts then due (Non-Sufficient or Uncollected Funds), I understand that Company shall be entitled to collect interest and late fees as provided in the Franchise Agreement, and to debit same from the Merchant Account once there are sufficient funds to cover it.

Franchisee is responsible for, and shall pay on demand, all costs or fee charged by the Approved Payment Processor holding the account relating to the handling of debits pursuant to this authorization. I understand and authorize all of the above.

FRANCHISEE: _____

AUTHORIZING SIGNATURE: _____

PRINT NAME AND TITLE: _____

DATE: _____

BUSINESS ADDRESS: _____

Attachment E to the Franchise Agreement

LEASE ADDENDUM

This Lease Addendum ("**Addendum**") dated_____, 20__, is entered into between _____ _____("**Landlord**"), and_____("**Tenant**").

RECITALS

A. The parties have entered into a Lease Agreement, dated_____(the "**Lease**") for the premises ***[Note: Or land, as applicable for Aira Fitness Businesses that operate from Pods.]*** located at (the "**Premises**").

B. Tenant has agreed to use the Premises only for the operation of an Aira Fitness Business pursuant to a franchise agreement ("Franchise Agreement") with Aira Fitness Franchising LLC. ("**Aira Fitness**").

C. The parties desire to amend the Lease in accordance with the terms and conditions contained in this Addendum.

AGREEMENT

1. Remodeling and Décor. Landlord agrees to allow Tenant to remodel, equip, paint and decorate the interior of the Premises and to display such proprietary marks and signs on the interior and exterior of the Premises pursuant to the Franchise Agreement and any successor Franchise Agreement.

2. Assignment. Tenant has the right to assign all of its right, title and interest in the Lease to Aira Fitness or its successor, or either company's affiliates, at any time during the term of the Lease, including any extensions or renewals, without first obtaining Landlord's consent. No assignment will be effective, however, until Aira Fitness or its successor or designated affiliate gives Landlord written notice of its acceptance of the assignment. If Aira Fitness elects to assume the lease under this paragraph or unilaterally assumes the lease as provided for in subparagraphs 4(c) or 5(a), Landlord and Tenant agree that ***(i)*** Tenant will remain liable for the responsibilities and obligations, including amounts owed to Landlord, prior to the date of assignment and assumption, and ***(ii)*** Aira Fitness will have the right to sublease the Premises to another AIRA FITNESS franchisee, without further need for Landlord approval, provided the franchisee agrees to operate the Aira Fitness Business as an Aira Fitness Business pursuant to a franchise agreement with Aira Fitness. Aira Fitness will be responsible for the lease obligations incurred after the effective date of the assignment.

3. No Lien. Landlord agrees not to require a security interest or lien on any of the personal property of the Tenant located on the Premises used for the operation of the Aira Fitness franchise.

4. Default and Notice.

(a) In the event there is a default or violation by Tenant under the terms of the Lease, Landlord agrees to give Tenant and Aira Fitness written notice of such default or violation within a reasonable time after Landlord knows of its occurrence. Landlord agrees to provide Aira Fitness the written notice of default as written and on the same day Landlord gives it to Tenant. Although Aira Fitness is under no obligation to cure the default, Aira Fitness will notify Landlord it intends to cure the default and unilaterally assume Tenant's interest in the lease as provided in Paragraph 4(c). Aira Fitness will have an additional fifteen (15) days from the expiration of Tenant's cure period in which to cure the default or violation.

(b) All notices to Aira Fitness must be sent by registered or certified mail, postage prepaid, to the following address:

Aira Fitness Franchising LLC.
600 Route 59
Ingleside, Illinois 60041
(815) 529-7260

Aira Fitness may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees to notify both Tenant and Aira Fitness of any change in Landlord's mailing address to which notices should be sent.

(c) Upon Tenant's default and failure to cure a default under either the Lease or the Franchise Agreement, Aira Fitness has the right (but not the obligation) to unilaterally assume Tenant's interest in the Lease in accordance with Paragraph 2.

5. Termination or Expiration.

(a) Upon the expiration or termination of the Franchise Agreement, Aira Fitness has the right (but not the obligation) to unilaterally assume Tenant's interest in the Lease in accordance with Paragraph 2.

(b) Upon the expiration or termination of the Lease, if Aira Fitness does not assume Tenant's interest in the Lease, Landlord agrees to cooperate and allow Aira Fitness to enter the Premises, without cost and without being guilty of trespass and without incurring any liability to Landlord, to remove all signs and all other items identifying the Premises as an Aira Fitness Business and to make such other modifications as are reasonably necessary to protect the marks and system, and to distinguish the Premises from Aira Fitness Businesses. In the event Aira Fitness exercises its option to purchase assets of Tenant, Landlord agrees to permit Aira Fitness to remove all such assets being purchased by Aira Fitness.

6. Consideration; No Liability.

(a) Landlord acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement and that Tenant may not lease the Premises without this Addendum.

(b) Landlord acknowledges that Tenant is not an agent or employee of Aira Fitness and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Aira Fitness or any affiliate of Aira Fitness and that Landlord has entered into this Addendum with full understanding that it creates no duties, obligations, or liabilities of or against Aira Fitness or any affiliate of Aira Fitness.

(c) Nothing contained in this Addendum makes Aira Fitness or its affiliates a party or guarantor to the Lease, and does not create any liability or obligation of Aira Fitness or its affiliates.

7. Modification. No amendment or variation of the terms of this Addendum is valid unless made in writing and signed by the parties and the parties have obtained Aira Fitness's written consent.

8. Reaffirmation of Lease. Except as amended or modified by this Addendum, all of the terms, conditions, and covenants of the Lease remain in full force and effect.

9. Miscellaneous.

(a) Aira Fitness Franchising LLC is a third-party beneficiary of this Addendum, with independent rights of enforcement.

(b) References to the Lease and to the Franchise Agreement include all amendments, addenda, extensions, and renewals to the documents.

(c) References to Landlord, Tenant, and Aira Fitness include the successors and assigns of each of the parties.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date written above.

TENANT:	LANDLORD:
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Attachment F to the Franchise Agreement

TELEPHONE NUMBER ASSIGNMENT AGREEMENT

THIS TELEPHONE NUMBER ASSIGNMENT AGREEMENT by and between the Franchisee identified below ("**Franchisee**") and Aira Fitness Franchising LLC. (hereinafter the "**Aira Fitness**").

BACKGROUND:

A. Aira Fitness has developed and owns the proprietary system ("**System**") for the operation of an exercise facility under the trademark and logo Aira FITNESS (the "**Aira Fitness Business**");

B. Franchisee has been granted a franchise to operate an Aira Fitness Business pursuant to a Franchise Agreement and in accordance with the System;

C. In order to operate its Aira Fitness Business, the Franchisee will be acquiring one or more telephone numbers, telephone listings and telephone directory advertisements; and

D. As a condition to the execution of the Franchise Agreement, Aira Fitness has required that the Franchisee collaterally assign all of its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements to the AIRA Fitness in the event of expiration or termination of the Franchise Agreement.

AGREEMENT

In consideration of the foregoing, the mutual premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. In the event of expiration or termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the Aira Fitness Business, Franchisee hereby sells, assigns, transfers and conveys to the Aira Fitness all of its rights, title and interest in and to all telephone numbers, telephone listings and telephone directory advertisements used in connection with the operation of the Aira Fitness Business; provided, however, such Assignment will not be effective unless and until the Franchise Agreement has expired or is terminated in accordance with the provisions thereof and Aira Fitness has delivered to Franchisee written notice of acceptance of the assignment. In the event of such assignment, Aira Fitness assumes no liability for monies owed or other liabilities relating to the telephone numbers, telephone listings, and telephone directory advertisements that have accrued prior to the effective date of the assignment.

Franchisee hereby grants to Aira Fitness an irrevocable power of attorney and appoint Aira Fitness as your attorney-in-fact to take any necessary actions to assign the telephone numbers, including but not limited to, executing any forms that the telephone companies may require to effectuate the assignment. This assignment is also for the benefit of the telephone companies, and Franchisee agrees that the telephone companies may accept this assignment and Aira Fitness's instructions as conclusive evidence of its rights in the telephone numbers and our authority to direct the amendment, termination or transfer of the telephone numbers, as if they had originally been issued to Aira Fitness. In addition, Franchisee agrees to hold the telephone companies harmless from any and all claims against them arising out of any actions or instructions by Aira Fitness regarding the assignment contemplated in this Assignment.

2. Representation and Warranties of the Franchisee. Franchisee hereby represents, warrants and covenants to the AIRA Fitness that: (a) As of the effective date of the Assignment, all of Franchisee's obligations and indebtedness for telephone, telephone listing services and telephone directory advertisement services will be paid and current; (b) As of the date hereof, Franchisee has full power and legal right to enter into, execute, deliver and perform this Agreement; (c) This Agreement is a legal and binding obligation of Franchisee, enforceable in accordance with the terms hereof; (d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default

under any contract, agreement or instrument to which Franchisee is a party or by which Franchisee is bound, and no consent of nor approval by any third party is required in connection herewith; and (e) Franchisee has the specific power to assign and transfer its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements, and Franchisee has obtained all necessary consents to this Assignment.

3. Cancellation. Notwithstanding the foregoing, Aira Fitness may, in its sole discretion and at any time prior to effectiveness of the assignment, declare this Agreement and the assignment contemplated hereunder null and void.

4. Miscellaneous. The validity, construction and performance of this Assignment is governed by the laws of the State of Illinois. All agreements, covenants, representations and warranties made herein will survive the execution hereof. All rights of the Aira Fitness inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the Effective Date of the Franchise Agreement.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature:_____
Printed Name: _____
Title: _____

FRANCHISEE: (For an individual)

Signature:_____
Printed Name: _____

Signature:_____
Printed Name: _____

FRANCHISOR:

AIRA FITNESS FRANCHISING LLC

Signature:_____
Printed Name: Mike Bell
Title: CEO

Signature:_____
Printed Name: _____

Signature:_____
Printed Name: _____

Attachment G to the Franchise Agreement

MEMBERSHIP CONTRACT ASSIGNMENT AGREEMENT

THIS MEMBERSHIP CONTRACT ASSIGNMENT AGREEMENT by and between the Franchisee identified below ("**Franchisee**") and Aira Fitness Franchising LLC (hereinafter the "**Aira Fitness**").

BACKGROUND:

A. Aira Fitness has developed and owns the proprietary system ("**System**") for the operation of an exercise facility under the trademark and logo Aira FITNESS (the "**Aira Fitness Business**");

B. Franchisee has been granted a franchise to operate an Aira Fitness Business pursuant to a Franchise Agreement and in accordance with the System;

C. During the term of the franchise, Franchisee will be entering into membership contracts with Aira Fitness Business members permitting them access to the Aira Fitness Business facilities ("**Membership Contracts**"); and

D. As a condition to the execution of the Franchise Agreement, Aira Fitness has required that Franchisee collaterally assign all of its right, title and interest in the Membership Contracts to Aira Fitness in the event of expiration or termination of the Franchise Agreement;

AGREEMENT

In consideration of the foregoing, the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. In the event of expiration or termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the Aira Fitness Business, Franchisee hereby sells, assigns, transfers and conveys to the Aira Fitness all of its rights, title and interest in and to all Membership Contracts; provided, however, such Assignment will not be effective unless and until the Franchise Agreement has expired or is terminated in accordance with the provisions thereof and Aira Fitness has delivered to Franchisee written notice of its acceptance of the assignment. In the event of such assignment, AIRA Fitness will assume no liability for monies owed or other liabilities relating to the Membership Contracts that have accrued prior to the effective date of the assignment.

2. Representation and Warranties of the Franchisee. Franchisee hereby represents, warrants and covenants to Aira Fitness that:

(a) As of the effective date of the Assignment, all of Franchisee's obligations under the Memberships Contracts have been satisfied;

(b) As of the date hereof, Franchisee has full power and legal right to enter into, execute, deliver and perform this Agreement;

(c) This Agreement is a legal and binding obligation of Franchisee, enforceable in accordance with the terms hereof;

(d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which Franchisee is a party or by which Franchisee is bound, and no consent of nor approval by any third party is required in connection herewith; and

(e) Franchisee has the specific power to assign and transfer its right, title and interest in its Membership Contracts and Franchisee has obtained all necessary consents to this Assignment.

3. Cancellation. Notwithstanding the foregoing, Aira Fitness may, in its sole discretion and at any time prior to effectiveness of the assignment, declare this Agreement and the assignment contemplated

hereunder null and void.

4. Miscellaneous. The validity, construction and performance of this Assignment is governed by the laws of the State of Illinois. All agreements, covenants, representations and warranties made herein will survive the execution hereof. All rights of the Aira Fitness inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the Effective Date of the Franchise Agreement.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature:_____
Printed Name: _____
Title: _____

FRANCHISEE: (For an individual)

Signature:_____
Printed Name: _____

Signature:_____
Printed Name: _____

FRANCHISOR:

AIRA FITNESS FRANCHISING LLC

Signature:_____
Printed Name: Mike Bell
Title: CEO

Attachment H to the Franchise Agreement

SECURITY AGREEMENT

Aira Fitness Franchising LLC, an Illinois limited liability company ("Secured Party"), and _____, a(n) _____ ("Debtor"), agree as follows:

1. Background.

Secured party, as franchisor, and Debtor, as franchisee, are parties to a Franchise Agreement of even date (the "Franchise Agreement") pursuant to which, among other things, Debtor is obligated to pay, from time to time, certain sums to Secured Party. In order to induce Secured Party to enter into the Franchise Agreement, Debtor, among other things, is entering into this Security Agreement pursuant to which Debtor's payment and performance of all obligations under the Franchise Agreement are secured on the terms and conditions hereinafter provided for. Capitalized terms defined in the Franchise Agreement shall have the same meaning herein as therein.

2. Security Interest.

To secure the payment and performance by Debtor of all obligations and liabilities under the Franchise Agreement (such payment and performance of such obligations and liabilities collectively, "Obligations"), Debtor shall and hereby does grant, convey, assign and transfer to Secured Party, a security interest in and to the Franchise Agreement and all signs and other personal property bearing any of the Marks used at, located on or affixed to the Aira Fitness Business operated by Debtor, and all fitness equipment, other equipment, fixtures, furniture, inventory and supplies located at Debtor Aira Fitness Business, whether now owned or hereafter acquired by Debtor (the "Collateral").

3. Default.

3.1. Definitions. The term "Event of Default" means the occurrence and continuation of any one (1) or more of the following events:

(a) any failure of Debtor promptly and faithfully to pay, observe and perform, when due, any of the Obligations;

(b) if Debtor becomes insolvent, commits an act of bankruptcy, files a voluntary petition in bankruptcy, or an involuntary petition in bankruptcy is filed, or a permanent or temporary receiver or trustee for the Aira Fitness Business, or all or substantially all of the Debtor's property, is appointed by any court and such appointment is not actively opposed through legal action, or Debtor makes an assignment or arrangement for the benefit of creditors, or calls a meeting of creditors, or Debtor makes a written statement to the effect that he or it is unable to pay his or its debts as they become due, or a levy of execution is made upon Debtor, or an attachment or lien outstanding with respect to the Aira Fitness Business for thirty (30) days, unless the attachment or lien is being duly contested in good faith by Debtor and Secured Party is advised in writing

(c) if Debtor loses possession or the right of possession of all or a significant part of the Aira Fitness Business through condemnation or casualty and the Aira Fitness Business is not relocated or reopened as required by the Franchise Agreement;

(d) if Debtor abandons, surrenders or transfers control of the operation of the Aira Fitness Business without Secured Party's prior written consent; or

(e) if Debtor is a corporation, limited liability company, partnership, joint venture or other legal entity, any action is taken which purports to merge, consolidate, dissolve or liquidate Debtor without the prior written consent of Secured Party.

3.2. Remedies. Upon the occurrence of an Event of Default, all amounts payable to Secured Party shall become immediately due and payable and Secured Party shall have all the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the state or states in which the Collateral may be located, including, but not limited to, the right to enter upon the Aira Fitness Business peaceably and remove all Collateral. Secured Party shall give Debtor reasonable notice of the time and place of any public or private sale or other intended disposition of all or any particular Collateral, as the case may be. Debtor agrees that the requirement of reasonable notice shall be met if notice is mailed to Debtor at its address first above written not less than five (5) business days prior to the sale or other disposition. Expenses of retaking, holding, preparing for sale, selling or the like, shall include, without limitation, Secured Party's reasonable attorneys' fees and other legal expenses. Secured Party's rights and remedies, whether pursuant hereto or pursuant to the Illinois Uniform Commercial Code or any other statute or rule of law conferring rights similar to those conferred by the Illinois Uniform Commercial Code, shall be cumulative and not alternative.

4. Notices. Any notice, request or other communication to either party by the other as provided for herein shall be given in writing and shall be deemed given on the date the same is (i) actually received or (ii) three (3) days after being mailed by certified or registered mail, return receipt requested, postage prepaid and addressed to the addresses first set forth below. The person and the place to which notices or copies of notices are to be mailed to either party may be changed from time to time by such party by written notice to the other party.

5. Applicable Law. This Agreement shall be governed by and interpreted under the laws of the State of Illinois, without regard to the principles of conflict of laws thereof.

6. Miscellaneous.

6.1. This Security Agreement shall inure to the benefit of, and shall be binding upon the respective successors, assigns, and legal representatives of the parties hereto.

6.2. The captions used herein are inserted for reference purposes only and shall not affect the interpretation or meaning of this Security Agreement.

6.3. Debtor hereby authorizes Secured Party, from time to time, to file financing statements in such form as may be necessary to perfect the security interest in the Collateral in any or all pertinent jurisdictions and in this regard, to execute said financing statements for itself (as secured party) and for Debtor (as debtor), as Debtor's agent. Upon Secured Party's request, Debtor shall execute any such financing statement as debtor.

[Signature Page Follows.]

SECURED PARTY:
AIR FITNESS FRANCHISING LLC

By: _____
Name: _____
Title: _____
Address for Notice:
_____
_____

DEBTOR:

By: _____
Name: _____
Title: _____
Address for Notice:
_____
_____

EXHIBIT D

MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

AIRA FITNESS FRANCHISING LLC

with

_____

_____

AIRA FITNESS FRANCHISING LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement ("this Agreement") is entered into by and between Aira Fitness Franchising LLC, an Illinois limited liability Franchisor, having its principal place of business at 600 Route 59, Ingleside, Illinois 60041 (“Franchisor", “we” or “us”), and _____, a _____ with a principal address of _____ ("Developer" or “you”). Certain provisions of this Agreement are applicable to the owners of Developer (“Owners”) on whose business skill, financial capability and personal character we are relying in entering into this Agreement.

WITNESSETH:

WHEREAS, Franchisor is in the business of offering and selling franchises for a 24/7 fitness center with personal training and bootcamp services under the name, service marks and trademarks “AIRA FITNESS,” “AF” and similar marks and logos (the “Marks”) using certain procedures, techniques, business methods, business forms, business policies and a body of knowledge pertaining to the establishment and operation of Aira Fitness centers (the “System”).

WHEREAS, Franchisor also grants development rights to persons or entities who meet our qualifications and who are willing to undertake the investment and effort necessary to establish, develop, own and operate multiple Aira Fitness centers in accordance with the System.

WHEREAS, you have expressed a desire to and have applied for the right to develop, own and operate a total of three (3) or more Aira Fitness centers and Franchisor has approved your application in reliance upon all of the representations made therein and is willing to grant to Developer the right to develop multiple Aira Fitness centers within a certain agreed upon territory on the terms and conditions set forth herein.

WHEREAS, Developer is signing simultaneously with this Agreement a Franchise Agreement for the establishment of its first Aira Fitness center.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other set forth in this Agreement, hereby agree as follows:

1. GRANT

1.1 We hereby grant to you, pursuant to the terms and conditions of this Agreement, the right to obtain licenses, subject to the terms of this Agreement, to establish and operate AIRA FITNESS centers (“Aira Fitness Center”) within the geographic area described in Exhibit A attached hereto and incorporated herein by this reference ("Development Area"). Notwithstanding Section 4.2 below, any and all rights in the Development Area granted to you under this Agreement expire upon the expiration of this Agreement, as defined in Section 4.1 below, or under the termination of this Agreement pursuant to Section 7 below.

1.2 You agree to be bound by the development schedule set forth in Exhibit B attached hereto (“Development Schedule”). Time is of the essence of this Agreement. Each Aira Fitness center franchise

must be established and operated pursuant to a separate Franchise Agreement ("Franchise Agreement") to be entered into by you (or an entity owned by your Owners) and us. Each Franchise Agreement shall be in the form of Franchise Agreement being offered by us at the time you execute the Franchise Agreement, which may differ from the form of Franchise Agreement being offered by us on the date of execution of this Agreement, except that an addendum to the Franchise Agreement shall be entered into to incorporate terms of this Agreement relating to payments due under each Franchise Agreement. The terms and conditions of each such Franchise Agreement shall control the establishment and operation of such Aira Fitness Center.

1.3 Except as otherwise provided in this Agreement, and as long you are in compliance with the Development Schedule and otherwise in compliance with this Agreement, we shall not establish, nor license anyone other than Developer the right to establish any Aira Fitness Center in the Development Area prior to the expiration of the Development Schedule set forth in Exhibit B. We (and any affiliate) reserve the right to:

(a) distribute products and services which comprise, may in the future comprise or which do not comprise, a part of the System through any alternative distribution channels including, but not limited to, supermarkets and other retail facilities, wholesale sale, catalogs, direct marketing, the Internet or similar electronic media, using the Marks ("Alternate Distribution Channels");

(b) establish businesses which are franchised, licensed or owned by Franchisor or any affiliate at any locations Franchisor deems appropriate or distribute products or services which are similar to the products and services offered under the System under trade names, trademarks, service marks, trade dress or other commercial symbols other than the Marks.

(c) to acquire or be acquired by a Franchisor establishing businesses identical or similar to the Franchised Business, even if the other business operates, franchises, and/or licenses competitive businesses anywhere, including the Protected Area; and

(d) to implement and maintain multi-area marketing programs at any time, including internet and regional or national accounts. Franchisor reserves the right to establish mandatory policies and procedures for these multi-area marketing programs; and

(e) to engage in any other business activities not expressly prohibited by this Agreement.

1.4 This Agreement is not a Franchise Agreement, and you shall have no right to use in any manner the System or the Marks by virtue of entering into this Agreement.

1.5 Developer shall have no right under this Agreement to license others to operate a business or use the System or the Marks.

2. FEES

2.1 Concurrent with the execution of this Agreement, you must execute a Franchise Agreement for the first Aira Fitness Center to be developed and pay the initial franchise fee of Thirty Thousand Dollars ($30,000.00) due under said Franchise Agreement. The initial franchise fee for the second Franchise Agreements shall be Ten Thousand Dollars ($10,000.00) on the condition that, at the time you sign any additional Franchise Agreement under this Agreement, you are currently in compliance with the Development Schedule. The initial franchise fee for the third or other multiple Franchise Agreements above two shall be

Eight Thousand Dollars ($8,000.00) on the condition that, at the time you sign any additional Franchise Agreement under this Agreement, you are currently in compliance with the Development Schedule. If you are not in compliance with the Development Schedule at the time of signing any additional franchise agreement, you will pay the then-current initial franchise fee being charged to new franchisees if it is greater than Ten Thousand Dollars ($10,000) for the second or greater than Eight Thousand Dollars ($8,000.00) for the third or other multiple Franchise Agreements above two.

2.2 Upon the execution of this Development Agreement, you shall pay a fee ("Development Fee") in the amount of Six Thousand Dollars ($6,000.00) times the number of additional Aira Fitness Center to be developed after the one for which Developer is signing a Franchise Agreement contemporaneously with this Development Agreement. The Development Fee is consideration for this Development Agreement, is fully earned by Franchisor upon execution of this Development Agreement and is non-refundable, notwithstanding any provision to the contrary contained in any Franchise Agreement. However, we will credit Six Thousand Dollars ($6,000.00) of the Development Fee against the Initial Franchise Fee for each additional Franchise Agreement for a Aira Fitness Center executed pursuant to, and in accordance with, this Development Agreement.

Pursuant to the above paragraph and the Development Schedule, the Development Fee under this Agreement is _____ Dollars ($_____).

2.3 A separate Franchise Agreement shall be executed for each additional Aira Fitness Center. Upon the execution of each Franchise Agreement, the terms and conditions of such Franchise Agreement shall control the establishment and operation of such Aira Fitness Center.

3. DEVELOPMENT OBLIGATIONS

3.1 The terms and conditions of this Agreement are contingent upon you being in full compliance with the Development Schedule. In addition, you must at all times after the opening of each Aira Fitness Center continuously maintain in operation pursuant to each Franchise Agreement at least the number of Aira Fitness Centers set forth in the Development Schedule, and your Owners must at all times own a majority control over the entity that owns each Aira Fitness franchise developed hereunder. You may develop and open any Aira Fitness Center earlier than the date set forth in the Development Schedule as long as you do so in compliance with this Agreement and the applicable Franchise Agreement.

3.2 You must develop each Aira Fitness Center in the following manner:

(a) By giving us written notice of your intention to begin development of the next Aira Fitness Center at least thirty (30) days before the execution of the Franchise Agreement for the applicable center;

(b) By submitting to us a description of the proposed site, together with a letter of intent in a form approved by us or other evidence satisfactory to us which confirms your favorable prospects for obtaining the proposed site;

(c) By executing the then-current form of the Franchise Agreement for the applicable center at the approved site and complying with its terms. We acknowledge that the franchisee for each Franchise Agreement may be a separate entity owned by your Owners.

(d) By executing a lease, in a form approved by us, or purchase agreement for the proposed site; and

(e) By meeting all of the requirements for developing and opening the Aira Fitness Center under the terms of the applicable Franchise Agreement.

3.3 We will be obligated to execute the Franchise Agreement only if (i) you continue to maintain the requisite knowledge, experience, skills, and financial resources to perform as a franchisee, (ii) you are in compliance with this Agreement, including but not limited to compliance with the Development Schedule and in compliance with the in-term covenants set forth in Paragraph 6.4, (iii) you (and/or an affiliate) are in compliance any and all existing Franchise Agreements between us.

3.4 Subject to our prior written approval, you may develop and open more Aira Fitness Centers in the Development Area than you are required to develop under the Development Schedule.

3.5 At Franchisor's request, Developer shall provide to Franchisor a periodic report of Developer's activities and progress in developing and establishing Aira Fitness franchises under this Agreement. The reports shall be submitted in the form and in the manner specified by Franchisor.

4. TERM AND RIGHT OF FIRST REFUSAL

4.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement shall expire on the date you sign a Franchise Agreement for the last franchise to be developed under this Agreement. The term of this Agreement is not related or affected by the term of any franchise agreement, lease, or other agreement related to any Aira Fitness Center. This Agreement does not contain or create any right to renewal. Notwithstanding Section 4.2 below, any and all rights in the Development Area granted to you under this Agreement expire upon the expiration of this Agreement.

4.2 Following the completion of the Development Schedule and the termination of your exclusive rights to the Development Area, provided you are in full compliance with this Agreement, you shall have the rights of first refusal set forth below:

(a) In the event we seek to establish or license others to establish a Aira Fitness Center within the Development Area, we shall first offer you the option to establish such additional Franchised Business under our then-current terms and conditions. We shall provide you with written notice of our intent to establish or license another to establish an additional Franchised Business along with a general description of the proposed Franchised Business, a copy of the then-current Franchise Disclosure Document and Franchise Agreement and all other documents we deem necessary to include with the notice. You shall have thirty (30) days from the receipt of our notice to exercise the option to establish such additional Franchised Businesses by executing the Franchise Agreement and all other documents we require for such additional Franchised Businesses and to pay the initial fee due under the agreement. If you fail to execute the Franchise Agreement and other required documents and to pay the initial fee required under the Franchise Agreement within the said thirty (30) day period, you shall have no further right to establish or operate such additional Franchised Business. Notwithstanding the foregoing, in the event our bona fide arrangements or agreements with a bona fide third party, the lease restrictions for the proposed premises of the Franchised Business, or other circumstances or conditions related to the establishment of the additional Franchised Business, prevent

or restrict you from operating the additional Franchised Business or restrict or prevent us from offering you the rights set forth in this Paragraph, we shall have no obligation to offer you the right to establish or operate the additional Franchised Business.

5. DUTIES OF THE DEVELOPER

5.1 You shall perform the following obligations:

(a) You shall comply with all terms and conditions set forth in this Agreement.

(b) You shall comply with all of the terms and conditions of each Franchise Agreement including, without limitation, the operating requirements specified in each Franchise Agreement; however, we shall determine what, if any, initial training at our headquarters will be required of your Owners and managers in connection with the second or any subsequent Franchise Agreements.

(c) You shall comply with the non-disclosure and non-competition obligations under Section 6 of this Agreement.

6. PROPRIETARY MARKS/CONFIDENTIAL INFORMATION

6.1 Notwithstanding any provision to the contrary under this Agreement, it is understood and agreed that under this Agreement we do not grant you any right to use the Marks. Any right to use the Marks is granted under the individual franchise agreements executed by you in connection with this Agreement. You must not use the Marks, or any portion of any Mark or any name confusingly similar to any Mark as part of your business entity name.

6.2 Confidential Information. For purposes of this Agreement, the term "Confidential Information" means and includes, without limitation, all member information and information concerning prospective and former members (collectively, "**Member Information**"), and all proprietary information contained in the Manual or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Center.

6.3 Non-disclosure Agreement. You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development of Aira Fitness Centers under this Agreement, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition, a breach of this Agreement and copyright infringement. You acknowledge and agree that the Confidential Information belongs to us and our affiliate, is proprietary information, and may contain trade secrets belonging to us and our affiliate and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree herein, that you: (1) will not use the Confidential Information during and after the term of this Agreement in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (4) will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to your employees and the use of non-disclosure and/or non-competition agreements we may prescribe for your employees who have access to the Confidential

Information. Upon our request, you must provide us with copies of signed non-disclosure and/or non-competition agreements signed by any Owners, managers or employees. The restrictions on your disclosure and use of the Confidential Information will not apply to the following: (a) information, processes, or techniques which are generally known and used in the fitness industry (as long as the availability is not because of a disclosure by you) and (b) disclosure of the Confidential Information in legal proceedings when you are legally required to disclose it and you have first given us the opportunity to obtain an appropriate legal protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

6.4 In-Term Non-Competition Agreement. You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information between you and us if you or your Owners were permitted to hold interests in any competitive businesses, as described below. You also acknowledge that we have entered into this Agreement with you in part in consideration of, and in reliance on, your agreement to deal exclusively with us. Therefore, during the term of this Agreement, neither you, nor any Owner, may, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with, any person or legal entity, own, maintain, operate, engage in, consult with or have any interest in (as disclosed or beneficial owner) any business which offers products or services which are the same as, or similar to, those offered by a Aira Fitness Center (other than through a franchise agreement with Franchisor), or any entity which is granting franchises or licenses for any business which offers products or services which are the same as, or similar to, those offered by a Aira Fitness Center. (The ownership of five percent (5%) or less of a publicly traded Franchisor will not be deemed to be prohibited by this paragraph.) Further, during the term of this Agreement, you will not (1) divert customers or business from any Aira Fitness Centers to any other business or (2) hire any employees of ours or our affiliates.

7. DEFAULT AND TERMINATION

7.1 The right to open Aira Fitness Centers has been granted in reliance on your representations and warranties, and strictly on the conditions set forth in this Development Agreement including, without limitation, the condition that you comply strictly with the Development Schedule.

7.2 You shall be in default under this Agreement, and all rights granted herein to you shall automatically terminate without notice or an opportunity to cure if:

(a) you are adjudicated bankrupt, become insolvent, commits any affirmative action of insolvency or files any action or petition of insolvency, or if a receiver (permanent or temporary) of your property or any part thereof is appointed by a court of competent authority, or if you make a general assignment for the benefit of its creditors;

(b) if a final judgment against your business assets remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed);

(c) if execution is levied against your business or property;

(d) if suit to foreclose any lien or mortgage against Developer's premises or business assets is instituted against you and not dismissed within thirty (30) days, or is not in the process of being dismissed; provided, however, that Franchisor reserves the right to be named as trustee or receiver in any voluntary

petition for bankruptcy or insolvency filed by you;

(e) upon the dissolution of the entity that is Developer is dissolved, or upon the death of one or more of your Owners;

(f) Developer or any of its shareholders, members, managers, partners, officers, directors or guarantors, is indicted for, convicted of, or pleads guilty 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, or the goodwill associated with the System and the Marks, or Franchisor's interest in the System or the Marks; or

(g) Developer, or any of its shareholders, members, managers, partners, officers or directors verbally or physically assaults or abuses any officer, director, member, manager or employee of Franchisor or any of its Affiliates, or any Aira Fitness franchisee or employees of franchisees, after receiving a verbal or written warning against this conduct from Franchisor regarding this conduct.

7.3 If you (i) fail to meet any of the deadlines set forth in the Development Schedule; (ii) fail to comply with any other term and condition of this Agreement; (iii) make or attempt to make a transfer, sale or assignment of this Agreement in violation of this Agreement; or (iv) you or other entity owned by the Owners are in default under any individual Franchise Agreement with us, or of any other agreement to which we are parties; any such event shall constitute a default under this Agreement. Upon any such default, we, in our sole discretion, may do any one or more of the following:

(a) Terminate this Agreement and all rights granted hereunder to you without affording you any opportunity to cure the default effective immediately upon delivery to you of a written notice from us;

(b) Reduce the number of Aira Fitness Centers which you have the right to establish and open pursuant to this Agreement; or

(c) Exercise any other rights and remedies which we may have under applicable law.

7.4 Upon termination or expiration of this Agreement, all remaining rights granted to you to establish and open Aira Fitness Centers under this Agreement for which a Franchise Agreement has not been executed shall automatically be null and void. You shall have no right to establish, open or operate any Aira Fitness Centers for which a Franchise Agreement has not been executed by us prior to the date of termination or expiration of this Agreement. Upon termination or expiration of this Agreement, we will have the right to establish ourselves or through an affiliate or grant to a third party the right to establish a Aira Fitness Center within the Development Territory as long as there is no violation of the territorial protections granted to you under existing individual Franchise Agreements.

7.5 No default under this Agreement shall constitute a default under any Franchise Agreement between the parties hereto. The terms and conditions of each Franchise Agreement must be complied with by you or your affiliate as franchisee thereunder and shall control in determining whether any default exists under such Franchise Agreement.

7.6 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 equity.

8. TRANSFERABILITY; ENTITY AS DEVELOPER

8.1 This Agreement is fully assignable by us and will inure to the benefit of any assignee or other legal successor to the interest of the Franchisor herein.

8.2 You understand and acknowledge that the rights and duties set forth in this Development Agreement are personal to you and are granted in reliance upon your personal, business and financial qualifications. You have represented and hereby represent to us that you are entering into this Development Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the developmental or option rights hereunder.

8.3 Neither you nor any Owner shall, without our prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Development Agreement, the development rights granted to you hereunder, or in you. Any such proposed assignment occurring by operation of law or otherwise, including any assignment by or to any trustee in bankruptcy, without our prior written consent, shall be a material default of this Development Agreement.

8.4 Neither you nor any Owner, without our prior written consent, by operation of law or otherwise, shall sell, assign, transfer, convey, give away or encumber to any person or entity, all or any part of your interest in this Development Agreement or your interest in the rights granted hereby or any interest in you if you are an entity, nor offer, permit or suffer the same to be sold, assigned, transferred, conveyed, given away or encumbered in any way to any person or entity. Any purported assignment of any of your or any Owner's rights herein not having the aforesaid consent shall be null and void and shall constitute a material default hereunder. Subject to Paragraph 8.5 of this Development Agreement, so long as you and your Owners, directors and officers executing this Development Agreement are in full compliance with this Development Agreement and any other agreements to which you and the Franchisor are parties, we will not unreasonably withhold our approval of an assignment or transfer, to proposed assignees or transferees if such persons or entities (i) are of good moral character and have sufficient business experience, aptitude and financial resources, (ii) otherwise meet our then applicable standards for developers, (iii) are willing to assume all of your obligations hereunder and to execute and be bound by, at our option, either (a) an assignment and assumption agreement satisfactory to use whereby the assignee assumes your obligations under this Development Agreement or (b) the then-current form of Multi-Unit Development Agreement for a term equal to the remaining term hereof, and (iv) except to the extent limited or prohibited by applicable law, you and each of your Owners must execute a general release in a form satisfactory to us, of any and all claims against us or our Affiliates, shareholders, officers, directors, employees or agents. As a condition to granting our approval of any such assignment or transfer, you or the assignee or transferee to pay to us a transfer fee of Fifteen Thousand Dollars ($15,000.00) to defray expenses incurred by us in connection with the assignment or transfer, legal and accounting fees, credit and other investigation charges and evaluation of the assignee or transferee and the terms of the assignment or transfer. The failure of you or the proposed transferee to meet in any way the conditions for transfer set forth herein shall be good cause for us to withhold our consent to any proposed transfer.

8.5 You agree that in connection with any proposed assignment or transfer hereunder, you will comply at your own expense with any applicable state and federal franchise registration and disclosure laws or

rules governing the offer and sale of franchises and other laws. You further agree to indemnify us for any expense (including attorneys' fees) incurred in connection with your failure to comply with any such franchise registration and disclosure laws or other laws and to hold us and our officers, directors, shareholders and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with any alleged failure on your part to comply with any such franchise registration and disclosure laws or other laws.

8.6 No sale, assignment, transfer, conveyance, encumbrance or gift of any interest in this Development Agreement or in the options granted thereby, shall relieve you or your Owners of the obligations of the covenants not to compete contained in this Development Agreement except where we shall expressly authorize in writing.

9. POST-TERMINATION COVENANTS

9.1 Unless otherwise specified, the term "Developer" as used in this Section 9 shall include each and every Owner of Developer.

9.2 Developer specifically acknowledges that, pursuant to this Agreement, Developer will have access to the Confidential Information. Accordingly, Developer covenants that Developer and its Owners shall not, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or entity:

(a) own, maintain, operate, engage in, consult with or have any interest in (as disclosed or beneficial owner) any Competitive Business or any entity which is franchises, licenses or develops Competitive Businesses within the Development Area, or within a ten (10) mile radius of any existing Aira Fitness Center, except under a validly existing Franchise Agreement with Franchisor. You acknowledge and agree that, after the date of this Agreement, other Aira Fitness Centers may open, thereby expanding the geographical area in which you will not be able to compete with us. For purposes of this Section 9, a "**Competitive Business**" is defined as any fitness center, studio or exercise facility;

(b) directly or indirectly divert or attempt to divert any former business or customer of a Aira Fitness Center to any competitive business; and

(c) employ or seek to employ any person employed by us or our affiliate or by any other Aira Fitness Center franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment;

The ownership of two percent (2%) or less of a publicly traded Franchisor will not be deemed to be prohibited by this paragraph.

9.3 Court Modification of Agreement**.** You agree that this form of Agreement is prepared for use in many jurisdictions with differing public policies and that such public policies change. Accordingly, you agree that the prevailing non-competition restrictions set forth above may be modified by a Court to the extent necessary to make the non-competition agreements valid and enforceable against you.

9.4 Enforcement of Covenants Not to Compete. You acknowledge that violation of the covenants

not to compete contained in this Agreement would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you hereby acknowledge that we may seek to obtain the entry of an injunction prohibiting any conduct by you or your Owners in violation of the terms of the covenants not to compete set forth in this Agreement. You expressly agree that it may conclusively be presumed that any violation of the terms of said covenants not to compete was accomplished by and through your unlawful use of the Confidential Information. Further, you expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants not to compete set forth in this Agreement. You further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by us in connection with the enforcement of those covenants not to compete set forth in this Agreement.

9.5 In addition to the foregoing covenants, you, your Owners, and/or affiliates shall be bound by and comply with the covenants contained in each Franchise Agreement entered into by them.

10. NOTICES

All notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by U.S. Certified mail, Return Receipt Requested, or commercial overnight delivery service to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to Franchisor:
Aira Fitness Franchising LLC
600 Route 59
Ingleside, IL 60041
Attn: Mike Bell
CEO
mikebell@airafitness.com

Notice to Developer:

_____
_____
_____

All written notices and reports permitted or required to be delivered by the provisions of this Agreement shall be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified and shall be deemed so delivered (i) at the time delivered by hand; (ii) one (1) business day after deposit within commercial overnight courier, (iii) three (3) business days after placement in the U.S. Mail by Certified Mail, Return Receipt Requested, postage prepaid and addressed, or (iv) on the date of transmission if an e-mail is sent on business days during business hours and there is confirmation of transmission (and if not sent during business hours, as of the next business day).

11. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

11.1. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

11.2 Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. You agree to take such actions as shall be necessary or as directed by us to that end.

11.3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall we be deemed liable by reason of, any act or omission by you in the conduct of your business, or any claim or judgment arising therefrom. You shall indemnify and hold us, our officers, directors, employees and agents harmless against any and all such claims directly or indirectly from, as a result of, or in connection with your business operations under this Agreement or under any Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

12. DISPUTE RESOLUTION

12.1 Mandatory Mediation. Except as otherwise specifically provided herein, prior to the initiation of litigation by either party pursuant to this Agreement, the parties must make a good faith effort to resolve any controversies between them by non-binding mediation either through a mutually acceptable mediator or through an established mediation service selected by Franchisor (in either case, "Mediator"). Mediation shall take place in the McHenry County, Illinois. Prior to mediation, each party involved in mediation shall sign the standard confidentiality agreement reasonably required by Mediator or a confidentiality agreement reasonably required by Franchisor if the Mediator does not have a standard confidentiality agreement. No litigation proceeding may be commenced until the earlier of thirty (30) days from the selection of the Mediator, or the mutual agreement by both parties that mediation has been unsuccessful, or if the notified party fails to respond to the requesting party within thirty (30) days of the delivery of notice requesting mediation. The parties will share equally all fees and expenses of the mediator, and each part shall bear its own costs otherwise. Each party hereby agrees that all statements made in the course of mediation shall be strictly confidential, and shall not be disclosed to or shared with any third parties, other than the mediator. Each party also agrees that any documents or data specifically prepared for use in good faith negotiations and/or mediation shall not be disclosed to or shared with any third party except those parties whose presence is necessary to facilitate the mediation process. The parties agree not to make copies of any such documents, and to return them to the other party upon the conclusion of the mediation. Each party agrees and acknowledges that no statements made in, or evidence specifically prepared for mediation shall be admissible for any purpose in any subsequent proceedings. Notwithstanding the foregoing, Franchisor shall have no obligation to mediate claims that are the subject of Paragraph 12.2 herein.

12.2 Specific Performance; Injunctive Relief. Provided we give you the appropriate notice, we will be entitled, without being required to post a bond, to seek the entry of temporary and permanent injunctions

and orders of specific performance to: (i) enforce the provisions of this Agreement relating to your use of the Marks and the non-disclosure and non-competition obligations under this Agreement; (ii) prohibit any act or omission by Developer or its Owners that constitutes a violation of any applicable law, ordinance or regulation, constitutes a danger to the public, or may impair the goodwill associated with the Marks or the AIRA FITNESS franchises; (iii) prevent any other irreparable harm to our interests; (iv) enforce your obligations upon termination or expiration of this Agreement; and (v) prohibit an assignment or attempted assignment of any interest in this Agreement or Developer in violation of the applicable provisions of this Agreement. If we obtain an injunction or order of specific performance, you agree to pay us an amount equal to the total of our costs of obtaining it, including, without limitation, reasonable attorneys' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, and any damages we incur as a result of the breach of any such provision. You further agree to waive any claims for damages in the event there is a later determination that an injunction or specific performance order was issued improperly.

12.3 Arbitration. Except for controversies, disputes or claims related to or based on Developer's use of the Marks or Confidential Information, Developer's compliance with its non-competition obligations, all controversies, disputes or claims between Franchisor, its affiliates, and their respective owners, officers, directors, agents, employees and attorneys, and Developer (its affiliates and owners and guarantors, if applicable), arising out of or related to this Agreement or any other agreement between the parties; the parties' rights and obligations under this Agreement; Franchisor's relationship with Developer or the obligations by and between the parties; or the validity of this Agreement or any other agreement between Franchisor and Developer or any provision of such agreements, will be submitted to binding Arbitration administered by the American Arbitration Association ("AAA") in accordance with the AAA's then-current Commercial Arbitration Rules. The arbitration hearing shall take place in McHenry County, Illinois, before a single arbitrator. Any party who fails or refuses to submit any dispute to binding arbitration following a lawful demand by the opposing party shall bear all costs and expenses incurred by the opposing party in compelling arbitration. The parties shall have thirty days after the service of a Statement of Claim and demand for arbitration to agree on a single arbitrator. If the parties cannot agree on a single arbitrator, the matter will be filed with and administered by the AAA, or if AAA is not available, any comparable arbitration body.

12.4 Scope of Arbitration. The arbitrator shall have the right to award or include in the award any relief which he or she deems proper in the circumstances including but not limited to money damages (with interest on unpaid amounts from the date due), specific performance and attorneys' fees and costs, in accordance with this Agreement. THE FOREGOING TO THE CONTRARY NOTWITHSTANDING, THE ARBITRATOR MUST NOT AWARD CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES. THE PARTIES (AND THEIR OWNERS AND GUARANTORS, IF APPLICABLE) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER AND AGREE THAT IN A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT. The award and decision of the arbitrator shall be conclusive and binding upon all parties to this Agreement and judgment upon the award may be entered in any court of competent jurisdiction. Franchisor and Developer agree that, in connection with any arbitration proceeding, each shall file any compulsory counterclaim (as defined by the Federal Rules of Civil Procedure) within thirty (30) days after the date of the filing of the claim to which it relates.

12.5 Limitations on Proceedings.

(a) Franchisor and Developer agree that arbitration will be conducted on an individual basis only, and not on a joint, collective or class-wide basis, and that an arbitration proceeding between Franchisor and its Affiliates, and Developer and its shareholders, officers, directors, members, managers, employees and agents, may not be consolidated or joined with any other arbitration proceeding between Franchisor and any other person or entity. Neither party shall commence any arbitration with a third party against the other, or join with any third party in any arbitration involving Franchisor and Developer. Further, neither Franchisor nor Developer shall attempt to consolidate or otherwise combine in any manner, an arbitration proceeding involving Franchisor and Developer with another arbitration of any kind, nor shall Franchisor or Developer attempt to certify a class or participate as a party in a class action against the other.

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

12.6 Governing Law/Consent to Jurisdiction. All arbitration proceedings between Franchisor and Developer shall be governed by the Federal Arbitration Act ("FAA") and no procedural arbitration issues are to be resolved pursuant to any state statutes, regulations or common law. Except to the extent governed by the FAA, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051, *et seq*.) or other federal law, this Agreement shall be interpreted and governed under the laws of the State of Illinois and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of Illinois, which laws shall prevail if there is any conflict of law. Developer and Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Developer and/or any affiliate of Developer and Franchisor, its Affiliates and their respective officers, directors, members, managers, and employees, the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of McHenry County, Illinois or in arbitration in McHenry County, Illinois pursuant to this Article XII, and each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of McHenry County, Illinois or to arbitration in McHenry County, Illinois pursuant to this Article XII. Franchisor, Franchisor's Affiliates, Developer and Developer's Affiliates each waive their rights to a trial by jury.

12.7 Cumulative Remedies. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy herein, or by law or equity provided or permitted, but each shall be cumulative of any other right or remedy provided in this Agreement.

12.8 Injunctive Relief. Notwithstanding the above arbitration provisions, Franchisor and Developer will each have the right in a proper case to seek injunctive relief and any damages incidental thereto from a court of competent jurisdiction. Developer agrees that Franchisor may obtain this injunctive relief, without posting a bond or bonds in excess of a total of One Thousand Dollars ($1,000.00), but upon due notice, and Developer's sole remedy in the event of the entry of any

injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing duly had; however, all claims for damages by reason of the wrongful issuance of any such injunction are expressly waived by Developer. Any such action will be brought as provided in this Article and the prevailing party shall be entitled to its costs and attorneys' fees.

12.9 Limitations on Actions. Except for payments owed by one party to the other, and unless prohibited by applicable law, any and all claims and actions arising out of or relating to this Agreement (including, but not limited to, the offer and sale of this franchise), the relationship of Developer and Franchisor, or Developer's Development Schedule, brought by Developer must be commenced within one (1) year from the occurrence of the events giving rise to such claims or action, or such claim or action shall be barred.

12.10 DAMAGES. FRANCHISOR AND DEVELOPER HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

12.11 Costs and Attorney's Fees. If a claim for amounts owed by Developer to Franchisor or its affiliates is asserted in any legal proceeding before a court of competent jurisdiction, or if Developer or Franchisor is required to enforce this Agreement in a judicial proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees, expert witness fees, court costs and other expenses of litigation, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce the obligations of this Agreement.

13. MISCELLANEOUS.

13.1 Invalid Provisions; Substitution of Valid Provisions. To the extent that any provision of this Agreement is deemed unenforceable, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in that provision under the laws applied in the forum in which we are seeking to enforce it.

13.2 Severability; Construction. The provisions of this Agreement are deemed to be severable. The parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement. All headings of the various Sections and Paragraphs of this Agreement are for convenience only and do not affect the meaning or construction of any provision. All references in this Agreement to masculine, neuter or singular usage will be construed to include the masculine, feminine, neuter or plural, wherever applicable.

13.3 Waiver of Obligations. Either you or the Franchisor may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Any waiver granted by us will be without prejudice to any other rights we may have, will be subject to our continuing review, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to

you of ten (10) days prior written notice.

Neither you nor the Franchisor will be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate the Franchise prior to the expiration of its terms), by virtue of any failure, refusal or neglect of either of us to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder.

13.4 Entire Agreement; Modification. This Agreement and all exhibits to this Agreement constitute the entire understanding and agreement between the parties and there are no other oral or written understandings or agreements between the parties, and no oral or written representations by the Franchisor relating to the subject matter of this Agreement, except for those contained in the Franchise Disclosure Document provided to Developer (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). 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. Except for modifications permitted to be made unilaterally by us, this Agreement may be modified only by written agreement signed by both you and us.

13.5 Force Majeure**.** Neither you nor the Franchisor will be liable for loss or damage or deemed to be in breach of this Agreement if the failure to perform our respective obligations results from: (1) transportation shortages or inadequate supply of labor, material or energy beyond the control of the parties, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) acts or omissions of the other party; (5) fires, strikes, embargoes, war, riot, acts of terrorism, or pandemic; or (6) any other similar event or cause. Any delay resulting from any of the causes set forth above will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable. However, this clause shall not apply or not result in an extension of the term of this Agreement.

13.6 No Liability to Others; No Other Beneficiaries**.** We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this Agreement, and no other party will have, or is intended to have, any rights because of this Agreement. We do not warrant that the obligations of this Agreement have been agreed to by or will be enforced against any of our other developers.

14. SUPERIORITY OF FRANCHISE AGREEMENT

For each Aira Fitness Center developed in the Development Area, a separate Franchise Agreement shall be executed and the individual franchise fee as prescribed hereunder shall be paid to us. It is understood and agreed by you that any and all Franchise Agreements executed in connection with Aira Fitness Centers developed by you within the Development Area under this Agreement are independent of this Agreement. The continued existence of any such Franchise Agreement shall not depend on the continuing existence of this Agreement. If any conflict shall arise in connection with this Agreement and any Franchise Agreement executed within the Development Area, the Franchise Agreement shall have precedence and superiority over this Agreement.

15. OWNER GUARANTY.

This Agreement must be personally guaranteed and the obligations hereunder assumed by all of the Owners of the Developer, and all such Owners must execute the Guaranty and Assumption of Obligations which is attached hereto as Exhibit C concurrently with the execution of this Agreement by Developer.

16. ACKNOWLEDGEMENTS

16.1 You and your Owners affirm that all information you have given to us in any and all applications, financial statements and other submissions is true, complete and accurate in all respects, with you expressly acknowledging that we are relying upon the truthfulness, completeness and accuracy of such information.

17. EXECUTION OF AGREEMENT.

This Agreement may be signed with full legal force and effect using electronic signatures and records. Delivery of this Agreement by facsimile, e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement on the dates set forth below each signature.

FRANCHISOR: **AIRA FITNESS** **FRANCHISING LLC** An Illinois limited liability Franchisor	**DEVELOPER:** **[ENTITY NAME]** A _____
By:_____ Name:_____ Title: _____	By: _____ Name:_____ Title: _____
Dated: _____	Dated: _____

EXHIBIT A TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

DESCRIPTION OF DEVELOPMENT AREA

[Insert description]

FRANCHISOR: **AIRA FITNESS** **FRANCHISING, LLC** An Illinois limited liability Franchisor	**DEVELOPER:** **[ENTITY NAME]** A _____
By:_____ Name:_____ Title: _____	By: _____ Name:_____ Title: _____
Dated: _____	Dated: _____

EXHIBIT B TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

Developer is obligated under this Agreement to develop, open and operate a minimum of three (3) Aira Fitness centers. On or before the date set forth below, Developer is obligated by this Agreement to have signed Franchise Agreements, signed leases or purchase agreements, and commenced operating Aira Fitness Centers:

Last date for Execution of Franchise Agreement	Last date for Execution of Lease or Purchase Agreement for Franchisor Approved Site	Date for Commencement of Operations
Upon the execution of this Agreement	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FRANCHISOR:
AIRA FITNESS
FRANCHISING LLC
An Illinois limited liability Franchisor

By:_____
Name:_____
Title: _____

Dated: _____

DEVELOPER:
[ENTITY NAME]

A _____

By: _____
Name:_____
Title: _____

Dated: _____

EXHIBIT C TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

THIS GUARANTY AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS ("**Guaranty**") is made as of _____, 20__, in consideration of, and as an inducement to, the execution of the Franchise Agreement by Aira Fitness Franchising LLC, an Illinois limited liability company ("Franchisor"). In consideration thereof, each of the undersigned hereby jointly and severally, personally and unconditionally agrees as follows:

1. **Guaranty**. Guarantor(s) hereby unconditionally and absolutely warrants and guarantees to Franchisor that _____ ("Developer") shall punctually pay and perform in full each and every undertaking, agreement and covenant set forth in the Franchise Agreement;

2. **Obligations of Guarantor Upon Event of Default**. Should a Default (as defined in the Franchise Agreement) occur, Guarantor(s) shall diligently proceed to cure such Default at Guarantor's sole cost and expense;

3. **Nature of Guaranty**. This Guaranty is an original and independent obligation of Guarantor(s), separate and distinct from Developer's obligations to Franchisor under the Multi-Unit Development Agreement. The obligations of Guarantor to Franchisor under this Guaranty are direct and primary, regardless of the validity or enforceability of the Franchise Agreement. This Guaranty is for the benefit of Franchisor and is not for the benefit of any third party. This Guaranty shall continue until all obligations of Guarantor to Franchisor under this Guaranty have been performed in full.

4. **Guarantor's Authorization to Franchisor**. Guarantor(s) authorizes Franchisor, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (a) to make or approve changes to the Franchise Agreement; (b) to repeatedly compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Franchise Agreement; (c) to take and hold security for the payment of amounts due under the Franchise Agreement or this Guaranty, and exchange, enforce, waive, and release any such security, with or without the substitution of new collateral; (d) to determine how, when, and what application of payments and credits shall be made on amounts due under the Franchise Agreement; and (j) to assign or transfer this Guaranty, in whole or in part.

5. **Guarantor's Representations and Warranties**. Guarantor(s) represents and warrants to Franchisor that: (a) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (b) this Guaranty is executed at Developer's request and Franchisor would not execute the Franchise Agreement were it not for the execution and delivery of this Guaranty; (c) Guarantor has not and will not, without the prior written consent of Franchisor, sell, lease, assign, encumber, hypothecate, transfer or otherwise dispose of all, or substantially all, of Guarantor's assets, or any interest therein if any such event would have a material negative effect on Guarantor's ability to perform its obligations under this Guarantor or the Franchise Agreement; (d) neither the execution nor the delivery of this Guaranty, nor compliance with the terms hereof, will conflict with or result in the breach of any law or statute, will constitute a breach or default under any agreement or instrument to which Guarantor may be a party, or will result in the creation or imposition of any charge or lien upon any property or assets of Guarantor; (e)

Franchisor has made no representation to Guarantor as to the creditworthiness of Guarantor; and (f) Guarantor has established adequate means of obtaining from Developer, on a continuing basis, information regarding Developer's financial condition. Guarantor agrees to keep adequately informed of any facts, events or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information from Guarantor, Franchisor shall have no obligation to disclose to Guarantor any information or documents acquired by Franchisor in the course of its relationship with Developer.

6. **Guarantor's Waivers**. Except as prohibited by applicable law, Guarantor waives any right to require Franchisor: (a) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any amount due to Franchisor under the Franchise Agreement or related to any security agreement; (b) to resort for payment or to proceed direction or at once against any person, including Guarantor or any other guarantor; (c) to proceed directly against or exhaust any collateral held by Franchisor against Developer, any other guarantor or any other person; (d) to give notice of the terms, time and place of any public or private sale of personal property security held by Franchisor from Developer, except as required under applicable provisions of the Uniform Commercial Code; or (e) to pursue any other remedy within Franchisor's power.

Guarantor also waives any and all rights or defenses arising by reason of (a) any "one action" or "anti-deficiency" law or any other law which may prevent Franchisor from bringing any action, including a claim for deficiency, against Guarantor, before or after Franchisor's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (b) any election of remedies by Franchisor which, until Developer's indebtedness is paid in full, destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Developer for reimbursement, including, without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging any payments due to Franchisor under the Franchise Agreement; (c) any disability or other defense of Guarantor, or any other guarantor, or of any other person, or by reason of the cessation of Guarantor's liability from any cause whatsoever, other than payment in full in legal tender of any amount due from Developer to Franchisor; (d) any failure or invalidity of, or any defect in, the Franchise Agreement or Multi-Unit Development Agreement; (e) any right to claim discharge of any amounts due to Franchisor on the basis of unjustified impairment of any collateral for any payments due; or (f) any statute of limitations, if at any time any action or suit brought by Franchisor against Guarantor is commenced there is outstanding payment due to Franchisor by Developer which is not barred by any application statute of limitations.

Until all amounts due and owing to Franchisor by Developer are paid in full, Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment, or similar right, whether such claim, demand, or right, may be asserted by Developer, Guarantor, or both.

7. **Guarantor's Understanding with Respect to Waivers**. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of the significance and consequences thereof, and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law.

8. **Rights and Remedies**. If Guarantor shall fail to perform promptly as provided in this Guaranty, Franchisor shall have the following rights and remedies:

(a) Perform Work. Franchisor may, at its option, proceed to perform on behalf of Guarantor any and all work related to the Franchise Business (as that term is described in the Franchise Agreement) and to pay any costs incurred in connection with the work. Guarantor, upon Franchisor's demand, shall promptly pay to Franchisor all such sums expended together with interest thereon at the lesser of the rate of 1.5% per month or the highest rate of interest allowable under applicable law.

(b) Cure Defaults. Franchisor may, but without any obligation to do so, cure any defaults, including without limitation, paying any unpaid bills and liens, including without limitation those for construction, labor, and materials. Guarantor, upon Franchisor's demand, shall promptly pay to Franchisor all such sums expended together with interest thereon at the lesser of the rate of 1.5% per month or the highest rate of interest allowable under applicable law.

(c) Specific Performance. From time to time and without first requiring performance on the part of Developer and without being required to exhaust any security held by Franchisor, to require Guarantor specifically to perform Guarantor's obligations under this Guaranty, by action at law or in equity or both, and further, to collect in any such action, compensation for all loss, cost, damage, injury and expense sustained or incurred by Franchisor as a direct or indirect consequence of Guarantor's failure to perform, with interest thereon at the lesser of the rate of 1.5% per month or the highest rate of interest allowable under applicable law.

(d) Other Rights and Remedies. In addition, Franchisor shall have and may exercise any or all of the rights and remedies it may have available at law, in equity, or otherwise.

9. **Subordination of Developer's Debt to Guarantor**. Guarantor agrees that, until full payment of the amounts due to Franchisor from Developer under the Franchise Agreement, these amounts, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Developer, whether or not Developer becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Developer, upon any account whatsoever, to any claim that Franchisor may now or hereafter have against Developer. In the event of insolvency and consequent liquidation of the assets of Developer through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Developer applicable to the payment of the claims of both Franchisor and Guarantor shall be paid to Franchisor and shall be first applied by Franchisor to the amounts due to Franchisor from Developer. Guarantor does hereby assign to Franchisor all claims which they may have or acquire against Developer or against any assignee or trustee in bankruptcy of Developer; provided however, that such assignment

shall be effective only for the purpose of assuring to Franchisor full payment of all amounts due under the Franchise Agreement. Guarantor agrees, and Franchisor is hereby authorized, in the name of Guarantor and from time to time, to execute and file financing statements and continuation statements and to execute such other documents and to take such other actions as Franchisor deems reasonably necessary or appropriate under applicable law to perfect, preserve and enforce its rights under this Guaranty.

10. **Miscellaneous Provisions**. The following miscellaneous provisions are a part of this Guaranty:

(a) Amendments. This Guaranty, together with any related documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of, or amendment to, this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound with the alteration or amendment.

(b) Attorneys' Fees; Expenses. Guarantor agrees to pay, upon demand, all of Franchisor's costs and expenses, including Franchisor's reasonable attorneys' fees and Franchisor's legal expenses, incurred in connection with the enforcement of this Guaranty. Franchisor may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Franchisor's reasonable attorneys' fees and legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

(c) Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

(d) Governing Law. This Guaranty will be governed by, construed and enforced in accordance with, federal law and the laws of the State of Illinois. This Guaranty has been accepted by Franchisor in the State of Illinois.

(e) Choice of Venue. If there is a lawsuit, Guarantor agrees, upon Franchisor's request, to submit to the jurisdiction of the courts of the State of Illinois.

(f) No Waiver by Franchisor. Franchisor shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Franchisor. No delay or omission on the part of Franchisor in exercising any right shall operate as a waiver of such right or any other right. A waiver by Franchisor of a provision of this Guaranty shall not prejudice or constitute a waiver of Franchisor's right otherwise to demand strict compliance with that

provision or any other provision of this Guaranty. No prior waiver by Franchisor, nor any course of dealing between Franchisor and Guarantor, shall constitute a waiver of any of Franchisor's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Franchisor is required under this Guaranty, the granting of such consent by Franchisor in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Franchisor.

(g) Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified mail, postage prepaid, and addressed as prescribed in the Franchise Agreement and as disclosed in the Statement of Ownership attached thereto.

Any party may change its address for notices under this Guaranty by giving formal written notice in accordance herewith, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Franchisor informed at all times of Guarantor's current address.

(h) Severability. If a court of competent jurisdiction finds any provision of this Guaranty to be illegal, invalid or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid or unenforceable as to any other circumstances. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Guaranty. Unless otherwise required by law, the illegality, invalidity or unenforceability of any provision of this Guaranty shall not affect the legality validity or enforceability of any other provision of this Guaranty.

(i) Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interests, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Guarantor, Franchisor, without notice to Guarantor, may deal with Guarantor's successors with reference to this Guaranty and the Loan by way of forbearance or extension without releasing Guarantor from the obligations of this Guaranty or liability for payments due under the Franchise Agreement.

11. **Definitions**. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used

in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code.

(a) Developer. The word "**Developer**" means _____, and all other persons and entities signing the Franchise Agreement in whatever capacity.

(b) Guarantor. The word "**Guarantor**" means each and every person or entity signing this Guaranty.

(c) Franchisor. The word "**Franchisor**" means Aira Fitness Franchising LLC, its successors and assigns.

[remainder of page intentionally left blank]

THE UNDERSIGNED GUARANTOR(S) ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO FRANCHISOR. NO FORMAL ACCEPTANCE BY FRANCHISOR IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AS OF _____, 20__.

_____

_____, an _____

Print Name: _____
Title, as applicable: _____

Percentage ownership
in Developer: ____%

_____

_____, an _____

Print Name: _____
Title, as applicable: _____

Percentage ownership
in Developer: ____%

Percentage ownership must equal 100

EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS

OPERATIONS MANUAL TABLE OF CONTENTS

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EXHIBIT F

INITIAL FITNESS EQUIPMENT PACKAGE

PURCHASE AGREEMENT

INITIAL FITNESS EQUIPMENT PACKAGE
PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is made on the _____ day of _____, 20__, (the "Effective Date") by and between Pure Gym Equipment, LLC, an Illinois limited liability company ("Franchisor's Affiliate") and _____, a _____, (hereinafter called "You" or "Franchisee") for the purchase of the Initial Fitness Equipment Package for Franchisee's Aira Fitness franchise business located at _____ ("Business Premises").

1. EQUIPMENT TO BE PURCHASED.

Franchisee is purchasing from Franchisor's Affiliate and Franchisor's Affiliate is selling to Franchisee the equipment listed on Exhibit 1 to this Agreement ("Equipment") for a purchase price of $_____ ("Equipment Purchase Price") on the terms described in this Agreement. Franchisee must arrange for and is responsible for payment for delivery of the Equipment to Franchisee's Business Premises.

2. PAYMENT TERMS. Franchisee shall pay the Equipment Purchase Price in cash, due upon signing this Agreement. The Equipment Purchase Price is not refundable.

3. TERMS OF SALE

Condition of Equipment: The parties acknowledge that the Equipment is: *[initial as applicable]*

____ used and refurbished OR

____ new

The Equipment is accepted by Franchisee "AS IS."

No Warranties: FRANCHISOR'S AFFILIATE MAKES NO WARRANTIES TO THE FULLEST EXTENT PERMITTED BY LAW, EITHER EXPRESS OR IMPLIED, AND NO REPRESENTATION OR WARRANTY AS TO FITNESS, DESIGN, CONDITION OR QUALITY OF EQUIPMENT OR THE EQUIPMENT MATERIAL OR WORKMANSHIP.

Indemnification: Franchisor's Affiliate shall have no liability to Franchisee for, and Franchisee shall indemnify and hold Franchisor's Affiliate harmless in connection with, any third party claims involving or relating to the Equipment, its use and/or its performance and any costs, expenses, damages, and other liabilities of any kind or nature arising out of or relating to any such claims.

Taxes: Franchisee shall pay all personal property and sales and use taxes and all other taxes assessed against or incurred by Franchisee or Franchisor's Affiliate in connection with the Equipment.

Default: If Franchisee does not meet its payment and other obligations under this Agreement, then Franchisee will be in default and Franchisor's Affiliate will be entitled to pursue all legal and equitable remedies. Franchisee shall be responsible for all costs of collection and enforcement incurred by Franchisor's Affiliate , including reasonable attorneys' fees.

Assignment: Franchisor's Affiliate may assign some or all of Franchisor's Affiliate 's rights under this Agreement to a third party. So long as any of Franchisee's payment obligations under this Agreement remain outstanding, Franchisee shall not assign this Agreement or sell or transfer the Equipment without Franchisor's Affiliate 's prior written consent.

Agreed and accepted by the undersigned. This Agreement is not effective until signed by an authorized representative of Franchisor's Affiliate.

FRANCHISOR'S AFFILIATE :

Pure Gym Equipment, LLC

By:_____

Title:_____

FRANCHISEE

_____
(Legal Name of Franchisee Entity)

By: _____

Print Name: _____

Title: _____

DELIVERY RECEIPT:

FRANCHISEE HEREBY CONFIRMS: (i) RECEIPT OF THE PURCHASED EQUIPMENT, (ii) THAT FRANCHISEE HAS HAD THE OPPORTUNITY TO INSPECT THE CONDITION OF THE PURCHASED EQUIPMENT, AND (iii) FRANCHISEE ACCEPTS THE CONDITION OF THE EQUIPMENT AS DELIVERED ON:

Date:_____

Franchisee: _____

By: _____

(Print Name) _____

EXHIBIT 1 TO PURCHASE AGREEMENT

List of Initial Fitness Equipment

EXHIBIT G

FITNESS EQUIPMENT LEASE

FITNESS EQUIPMENT

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Agreement") is made on the _____ day of _____, 20__, (the "Effective Date") by and between Pure Gym Equipment LLC, an Illinois limited liability company ("Franchisor's Affiliate") and _____, a _____, (hereinafter called "You" or "Franchisee") for the lease of Fitness Equipment for Franchisee's Aira Fitness franchise business located at _____ ("Business Premises").

WITNESSETH

WHEREAS, Franchisee owns and operates an Aira Fitness franchise business and Franchisor's Affiliate is in the business of leasing and selling fitness equipment to Aira Fitness franchisees;

WHEREAS, Franchisor's Affiliate desires to provide for Franchisee's equipment needs as they arise from time to time by supplying it equipment.

WHEREAS, Franchisee is leasing from Franchisor's Affiliate and Franchisor's Affiliate is leasing to Franchisee the equipment listed on Schedule 1 to this Agreement on the terms described in this Agreement.

NOW THEREFORE, intending to be legally bound, the parties agree as follows:

1. Basic Lease Terms.

(a) Franchisor's Affiliate's Address for Notice:

Pure Gym Equipment LLC
600 Rt. 59
Ingleside, IL 60041
Attn: Mike Bell

With a copy of all notices going to:
(Franchisor's Affiliate)

Huck Bouma PC
1755 S. Naperville Rd., Ste. 200
Wheaton, IL 60189
Attn: Alissa Carter Verson

(b) Franchisee's Address for Notice:

With a copy of all notices going to:
(Franchisee):

(c) Concurrently with the execution of this Agreement by Franchisee, as a condition of and a material inducement of Franchisor's Affiliate's obligations under this Agreement, all owners of Franchisee ("Guarantor"), shall execute and shall deliver to Franchisor's Affiliate a Guaranty in the form attached hereto as Schedule 2, guaranteeing Franchisee's full performance under this Agreement.

(d) The period commencing on the Commencement Date of the Term and ending on the Expiration Date of the Term, is referred to in this Agreement as the "Term."

(e) The "Commencement Date" of the Term shall be upon delivery of the Fitness Equipment as listed in Schedule 1 to this Agreement.

(f) The "Expiration Date" of the Term shall be the last day of the thirty-sixth (36th) full calendar month following the Commencement Date.

(g) On the Effective Date, Franchisee shall pay to Franchisor a nonrefundable deposit equal to _____ ("Nonrefundable Deposit Amount").

(h) Total MSRP of all Equipment: _____ ("Total MSRP").

(i) Amount of monthly rent: _____ (equal to 1.5% of Total MSRP).

(j) On the Effective Date, Franchisee shall pay to Franchisor's Affiliate a nonrefundable delivery fee equal to: _____ ("Delivery Fee").

2. Lease.

(a) Franchisor's Affiliate hereby agrees to lease to Franchisee and Franchisee hereby agrees to lease from Franchisor's Affiliate, subject to the terms of this Fitness Equipment Lease Agreement (the "Fitness Equipment Lease"), the personal property (together with all attachments, replacements, parts, substitutions, additions, repairs, accessions and accessories, incorporated therein and/or affixed, thereto) (the "Equipment") described in any Schedule to Equipment Lease (a "Schedule") subsequently executed by the parties hereto and incorporating the terms of this Equipment Lease by reference therein (the "Lease").

(b) The Equipment is and shall at all times be and remain the sole and exclusive personal property of Franchisor's Affiliate, and notwithstanding any trade-in or down payment by Franchisee or on its behalf with respect to the Equipment, Franchisee shall have no right, title or interest therein or thereto except as to the use thereof subject to the terms or conditions of this Lease.

3. Term and Rent; Purchase Option. Franchisee shall pay as monthly rent for use of the Equipment the amount described in Paragraph 1(h) above on the 1st day of each month following the Commencement Date. If any rental shall be unpaid for more than five (5) days after the due date thereof, Franchisee will pay on demand, as an additional late service and/or overhead charge, but not as interest, on amounts not paid when due, the greater of One Hundred Dollars ($100.00) or, in amount equal to eighteen percent (18%) of any such unpaid amount but in no event to exceed maximum lawful charges. ***TIME IS OF THE ESSENCE FOR THE PAYMENT OF RENT UNDER THIS PROVISION.***

THIS LEASE IS NON-CANCELABLE FOR ITS ENTIRE TERM and Franchisee has no right of prepayment unless specifically granted to Franchisee in a written rider signed by the parties hereto. Upon expiration of the term of this Lease, and until return to Franchisor's Affiliate of all Equipment leased hereunder, or until any purchase option price is paid, this Lease shall remain effective and shall become a month-to-month lease between the parties on the same terms and conditions, and the monthly rent then in effect shall be the rent payable during such month-to-month term under each applicable schedule ("Month-to-Month Period").

Franchisee may purchase the Equipment at the end of the term and during any Month-to-Month Period of this Lease in an amount equal to fifty percent (50%) of Total MSRP, provided that (a) Franchisee gives Franchisor's Affiliate written notice of Franchisee's intention to exercise the option at least 30 days prior to the exercise of such option; (b) Franchisee is not in default under any covenant or condition of this Lease, and (c) Franchisee pays all rent and other charges due hereunder together with the full purchase price set forth above. Upon exercise of option and payment by Franchisee of the purchase price and all charges, Franchisor's Affiliate will execute and deliver a bill of sale for the Equipment to Franchisee. **Disclaimer and Limited Warranty; Consequential Damages Excluded.**

(a) **Disclaimer.** Franchisee acknowledges that: Franchisor's Affiliate is not the manufacturer of the Equipment nor the manufacturer's agent or representative nor a dealer therein; the Equipment is of a size, design, capacity, description and manufacture selected by the Franchisee; Franchisee is satisfied that the Equipment is suitable and fit for its purposes; and **FRANCHISOR'S AFFILIATE HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF THE EQUIPMENT, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE EQUIPMENT OR WORKMANSHIP IN THE EQUIPMENT, FRANCHISOR'S AFFILIATE'S TITLE TO THE EQUIPMENT;** Franchisor's Affiliate shall not be liable to Franchisee for any loss, damage, or expense of any kind or nature caused, directly or indirectly, by the Equipment or the use or maintenance thereof or the failure or operation thereof, or the repair, service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused. Franchisor's Affiliate shall not be liable for any consequential damages as that term is used in U.C.C. Article 2A. No defect or unfitness of the Equipment shall relieve Franchisee of the obligation to pay any installment of rent or any other obligation under this Lease. Franchisor's Affiliate shall have no obligation under this Lease in respect of the Equipment and shall have no obligation to ship, deliver, assemble, install, erect, test, adjust or service the Equipment. Franchisor's Affiliate agrees, so long as there shall not have occurred or be any Event of Default as defined in Paragraph 10 or event which with lapse of time or notice, or both, might become an Event of Default hereunder, that Franchisor's Affiliate shall provide to Franchisee such limited warranty as described in Schedule 3 hereto.

(b) **Exclusion of Consequential Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, FRANCHISOR'S AFFILIATE SHALL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE TO FRANCHISEE OR ANY THIRD PARTY, FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED TO THE TRANSACTION CONTEMPLATED HEREUNDER, WHETHER IN AN ACTION BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR ANY OTHER LEGAL THEORY, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS,**

OR BENEFITS OF USE OR LOSS OF BUSINESS, REGARDLESS OF WHETHER SUCH LOSSES ARE CONSTRUED TO BE CONSEQUENTIAL, INCIDENTAL, SPECIAL OR EXEMPLARY DAMAGES, AND EVEN IF FRANCHISOR'S AFFILIATE IS APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING.

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT EACH AND EVERY PROVISION OF THIS AGREEMENT WHICH PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES OR EXCLUSION OF DAMAGES, IS INTENDED BY THE PARTIES TO BE SEVERABLE FROM ANY OTHER PROVISION AND IS A SEPARABLE AND INDEPENDENT ELEMENT OF RISK ALLOCATION AND IS INTENDED TO BE ENFORCED AS SUCH. THE PARTIES ALSO AGREE THAT, REGARDLESS OF THE FAILURE OF ANY SOLE OR EXCLUSIVE REMEDY APPLICABLE TO THE EQUIPMENT, FRANCHISEE WILL NOT BE ENTITLED TO ANY CONSEQUENTIAL DAMAGES OF WHATSOEVER KIND OR NATURE. THE PARTIES INTEND THE EXCLUSION OF CONSEQUENTIAL DAMAGES AS AN INDEPENDENT AGREEMENT APART FROM ANY SOLE AND EXCLUSIVE REMEDY APPLICABLE TO THE EQUIPMENT.

4. **No Agency.** Franchisee acknowledges and agrees that neither the manufacturer, the Supplier, nor any salesman, representative or other agent of the manufacturer or Supplier, is an agent of Franchisor's Affiliate. No salesman, representative or agent of the manufacturer or Supplier is authorized to waive or alter any term or condition of this Lease and no representation as to the Equipment or any other matter by the manufacturer or Supplier shall in any way affect Franchisee's duty to pay rent and perform its other obligations as set forth in this Lease.

5. **Loss or Damage to Equipment; Insurance.**

(a) **Risk of Loss.** From the date the Supplier ships the Equipment to Franchisee or the date Franchisor's Affiliate confirms Franchisee's purchase order or contract to Supplier, whichever occurs first, Franchisee hereby assumes and shall bear the entire risk of loss for theft, damage, destruction or other injury to the Equipment from any and every cause whatsoever. **NO SUCH LOSS OR DAMAGE SHALL IMPAIR ANY OBLIGATION OF FRANCHISEE UNDER THIS LEASE WHICH SHALL CONTINUE IN FULL FORCE AND EFFECT.** In the event of damage or loss to the Equipment (or any part thereof) and irrespective of payment from any insurances coverage maintained by Franchisee, but applying full credit therefor, Franchisee shall at the option of Franchisor's Affiliate, (a) place the Equipment in good repair, condition and working order; or (b) replace the Equipment (or any part thereof) with like equipment in good repair, condition and working order and transfer clear title to such replacement equipment to Franchisor's Affiliate, whereupon such replacement equipment shall be deemed the Equipment for all purposes; or (c) pay to Franchisor's Affiliate, not as a penalty, but herein liquidated for all purposes, an amount equal to the sum of (A) any accrued and unpaid rent as of the date the loss, theft, damage or

destruction occurred ("Date of Loss") plus interest at the rate of eighteen percent (18%) per annum or the highest rate allowed by law; (B) the present value of all future rentals reserved in the Lease and contracted to be paid over the unexpired term of the Lease discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the Date of Loss; (C) the present value of the agreed upon or estimated residual value of the Equipment as of the expiration of this Lease or any renewal thereof discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the Date of Loss; and (D) any other amount otherwise then due and owing under the Lease or which otherwise will become due and owing irrespective of the fact that the Equipment has been damaged, destroyed, lost or stolen including any additional taxes or other charges that may otherwise arise by reason of the damage, destruction, loss or theft of the Equipment. Upon Franchisor's Affiliate's receipt of such payment, Franchisee shall be entitled to the proceeds of any recovery in respect of any such item of Equipment from insurance or otherwise to the extent that any excess shall be retained by Franchisor's Affiliate.

(b) **Insurance.** Franchisee shall obtain and maintain for the entire term of this Lease, at its own expense (as primary insurance for Franchisor's Affiliate and Franchisee), property damage and liability insurance and insurance against loss or damage to the Equipment including, without limitation, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against on the type of Equipment leased hereunder and by businesses in which Franchisee is engaged, in such amounts, in such form and with such insurers as shall be reasonably satisfactory to Franchisor's Affiliate provided, however, that the amount of insurance against loss or damage to the Equipment shall be the replacement value of the Equipment. Each insurance policy will name Franchisee as an insured and Franchisor's Affiliate as an additional insured and loss payee thereof as Franchisor's Affiliate's interests may appear, shall contain cross-liability endorsements and shall contain a clause requiring the insurer to give Franchisor's Affiliate at least 30 days prior written notice of any material alteration in the terms of such policy or of the cancellation thereof. Franchisee shall furnish to Franchisor's Affiliate a certificate of insurance or other evidence satisfactory to Franchisor's Affiliate that such insurance coverage is in effect, provided, however, that Franchisor's Affiliate shall be under no duty either to ascertain the existence of or to examine such insurance policy or to advise Franchisee in the event such insurance coverage shall not comply with the requirements hereof. Franchisee further agrees to give Franchisor's Affiliate prompt notice of any damage to, or loss of, the Equipment, or any part thereof; all insurance covering loss or damage to the Equipment shall contain a breach of warranty clause satisfactory to Franchisor's Affiliate. In the event Franchisee fails to obtain insurance in accordance with this provision, the Franchisor's Affiliate may, at its option, obtain the insurance or declare Franchisee's failure an event of default. In the event that Franchisor's Affiliate obtains insurance, it shall be entitled to prompt reimbursement from the Franchisee of the costs, including reasonable administrative costs, of doing so.

6. Franchisee Representations. If Franchisee is a corporation, a partnership, or a limited liability company, Franchisee represents and warrants that:

(a) **Corporate Franchisee.** If Franchisee is a corporation, it is duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation, duly qualified to do business in each jurisdiction where any Equipment is, or is to be, located, and has full corporate power and authority to hold property under lease and to enter into and perform its obligations under this Lease; the execution, delivery and performance by Franchisee of this Lease have been duly authorized by all necessary corporate action on the part of Franchisee, and are not inconsistent with its Certificate of Incorporation or By-Laws.

(b) **No Violations; Lease Valid and Binding.** The execution, delivery and performance by Franchisee of this Lease do not violate any law or governmental rule, regulation, or order applicable to Franchisee, do not and will not contravene any provision, or constitute a default under, any indenture, mortgage, contract, or other instrument to which it is bound, and, upon execution and delivery hereof, will constitute a legal, valid and binding agreement of Franchisee, enforceable in accordance with its terms.

(c) **No Governmental Authority Required.** No action, including any permits or consents, in respect of or by any state, federal or other governmental authority or agency is required with respect to the execution, delivery, and performance by Franchisee of this Lease.

7. Affirmative Covenants of Franchisee.

(a) **Maintenance.** Franchisee shall maintain the Equipment in good repair, condition and working order, and shall furnish any and all parts, mechanisms, and devices required to keep the Equipment in good repair, condition and working order, at the sole cost and expense of Franchisee. Franchisee, at its sole expense, shall enter into and maintain in force, for the term of each Schedule, any maintenance contracts required by the manufacturer of the Equipment, and shall provide to Franchisor's Affiliate a copy of such contract and all supplements thereto. If Franchisee enters into such maintenance contract with a party other than the manufacturer of the Equipment, Franchisee shall, at its sole expense, have the manufacturer recertify the Equipment at the expiration of this Lease or any renewals or extensions thereof. The term of this Lease shall continue upon the same terms and conditions until such recertification has been obtained.

(b) **Taxes, Fees and Assessments.** Franchisee shall pay when due or reimburse, and on a net after-tax basis, shall indemnify and defend Franchisor's Affiliate against, all fees, assessments and sales, use, property, excise and other taxes and governmental charges including, without limitation, interest and penalties now and hereafter imposed by any federal, foreign, state or local governmental body or agency upon any Equipment, or the use thereof, exclusive, however, of any taxes based on the net income of Franchisor's Affiliate, and assume the risk of liability arising from or pertaining to the delivery, installation, leasing, possession, operation, use, storage, and return of such Equipment. Franchisee agrees to file all tax returns and informational statements required by any federal, state and/or local governmental agency and provide evidence of payment to Franchisor's Affiliate.

(c) **Transportation Charges; Return of Equipment.** Franchisee shall pay all shipping and delivery charges and other expenses incurred in connection with the Equipment. At the expiration or earlier termination of this Lease or any Schedule, unless Franchisee purchases the Equipment or renews this Lease under the Lease or any Schedule, Franchisee, at Franchisee's risk and expense, shall assemble, prepare for shipment, and immediately return each item of Equipment to Franchisor's Affiliate to any location designated by Franchisor's Affiliate. The returned Equipment shall be in good condition, repair, and working order, ordinary wear and tear excepted. Franchisee, upon request of Franchisor's Affiliate, shall provide suitable and adequate storage space at the place where the Equipment was delivered hereunder or to which it was moved in accordance with this Lease, and shall permit Franchisor's Affiliate to store such Equipment free of charge, and at risk of Franchisee for public liability and physical damage exposures, for a period not to exceed 90 days, during which period Franchisor's Affiliate will be allowed reasonable access thereto.

(d) **Laws, Regulations and Rules.** Franchisee shall comply with all governmental laws, regulations, requirements and rules, all manufacturer's instructions and warranty requirements, and with the conditions and requirements of all policies of insurance with respect to the Equipment and this Lease.

(e) **Marking of Equipment.** Franchisee shall mark and identify the Equipment with all information and in such manner as Franchisor's Affiliate may request from time to time and replace promptly any such markings or identification which are removed, defaced or destroyed; and Franchisee shall not permit the name of any person, association or corporation other than Franchisor's Affiliate to be placed on the Equipment as a designation that might be interpreted as a claim of ownership or security interest.

(f) **Franchisor's Affiliate's Access to Equipment.** Franchisee shall at any and all times during business hours, grant Franchisor's Affiliate free access to enter upon the premises wherein the Equipment shall be located or used and permit Franchisor's Affiliate to inspect the Equipment.

(g) **Franchisee's Books of Account.** Franchisee shall maintain a system of accounts established and administered in accordance with generally accepted accounting principles and practices consistently applied, and shall deliver to Franchisor's Affiliate financial statements in such form and at such times as Franchisor's Affiliate may require. Franchisee shall permit Franchisor's Affiliate to examine and audit the books of the business of Franchisee at any reasonable time.

8. Negative Covenants of Franchisee.

(a) **No Liens.** Franchisee shall not create, incur, assume or suffer to exist any mortgage, lien, pledge or other encumbrance or attachment of any kind whatsoever upon, affecting or with respect to the Equipment or this Lease or any of Franchisor's Affiliate's interests thereunder.

(b) **No Alterations to Equipment; Accessions.** Franchisee shall not make any changes or alterations in or to the Equipment except as necessary for compliance with any

maintenance contract required by this Lease. All repairs, parts, supplies, accessories, equipment, and devices furnished, affixed, or installed to or on the Equipment or any part or unit thereof, shall become the property of Franchisor's Affiliate.

(c) **Location of Equipment.** Franchisee shall not part with possession or control of, or suffer or allow to pass out of its possession or control, items of Equipment or change the location of the Equipment or any part thereof from the address shown above without the prior written consent of Franchisor's Affiliate.

(d) **Franchisee's Identity, Structure, Name and Address.** Franchisee shall not change its name or address from that set forth above, unless it shall have given Franchisor's Affiliate or its assigns no less than 30 days' prior written notice; Franchisee, if an organization, shall not merge or consolidate with any other person or entity or change its identity.

(e) **No Assignment or Sublease by Franchisee. FRANCHISEE SHALL NOT ASSIGN OR IN ANY WAY DISPOSE OF ALL OR ANY PART OF ITS RIGHTS OR OBLIGATIONS UNDER THIS LEASE OR ENTER INTO ANY SUBLEASE OF ALL OR ANY PART OF THE EQUIPMENT WITHOUT THE PRIOR WRITTEN CONSENT OF FRANCHISOR'S AFFILIATE. ANY ATTEMPTED ASSIGNMENT IN BREACH OF THIS PROVISION SHALL BE NULL AND VOID.**

9. Use of Equipment. So long as no Event of Default (as defined in 11., below) shall have occurred, Franchisee shall be entitled to possession and use of the Equipment for the term of this Lease in its lawful business in accordance with the provisions of this Lease. The Equipment is, and shall at all times be and remain, personal property notwithstanding that the Equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon, real property or any building thereon. If requested by Franchisor's Affiliate with respect to any item of the Equipment, Franchisee will obtain and deliver to Franchisor's Affiliate waivers of interest or liens in recordable form, satisfactory to Franchisor's Affiliate, from all persons claiming any interest in the real property on which such item of the Equipment is installed or located.

10. Events of Default. An Event of Default shall occur hereunder if Franchisee:

(a) fails to pay any installment of rent or other payment required hereunder when due and payable, by acceleration or otherwise, and such failure continues for a period of 5 days; or

(b) breaches any representation or warranty contained herein or made any incorrect representation or warranty in any other document furnished to Franchisor's Affiliate in connection herewith; or

(c) fails to keep the Equipment insured as required by § 5(b) herein, or fails to repair or replace any Equipment that suffers any material uninsured damage, loss, theft, or destruction, or fails to pay any amount demanded by Franchisor's Affiliate pursuant to Section 5(a) herein; or

(d) fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder, and such failure or breach shall continue unremedied for a period of 7 days after such failure or breach first occurs; or

(e) without Franchisor's Affiliate's consent attempts to remove, sell, transfer, encumber, part with possession, or sublet any item of Equipment or permit a judgment or other claim to become a lien upon any or all of Franchisee's assets or upon the Equipment; or

(f) shall (i) be adjudicated insolvent or a bankrupt, or cease, be unable, or admit its inability, to pay its debts as they mature, or make a general assignment for the benefit of, or enter into any composition or arrangement with creditors; (ii) apply for or consent to the appointment of a receiver, trustee or liquidator of it or of a substantial part of its property, or authorize such application or consent, or proceedings seeking such appointment shall be instituted against it without such authorization, consent or application and shall continue undismissed for a period of 60 days; (iii) authorize or file a voluntary petition in bankruptcy or apply for or consent to the application of any bankruptcy, reorganization in bankruptcy, arrangement, readjustment of debt, insolvency, dissolution, moratorium or other similar law of any jurisdiction, or authorize such application or consent; or proceedings to such end shall be instituted against it without such authorization, application or consent and such proceeding instituted against it shall continue undismissed for a period of 60 days; or

(g) shall suffer an adverse material change in its financial condition from the date hereof, and as a result thereof Franchisor's Affiliate deems itself or any of its Equipment to be insecure; or

(h) shall be in default under any other agreement at any time executed with Franchisor's Affiliate.

11. Remedies. Upon the occurrence of any Event of Default and at any time thereafter, Franchisor's Affiliate may, with or without cancelling this Lease, in its sole discretion, do any one or more of the following:

(a) Upon written notice to Franchisee cancel this Lease and any or all Lease Schedules executed pursuant thereto;

(b) If Franchisor's Affiliate decides, in its sole discretion, not to take possession of the Equipment, Franchisor's Affiliate continues to be the owner of the Equipment and may, but is not obligated to, dispose of the Equipment by sale or otherwise, all of which determinations may be made by Franchisor's Affiliate in its sole discretion and for its own account;

(c) Declare immediately due and payable all sums due and to become due hereunder for the full term of the Lease (including any renewal or purchase options which Franchisee has contracted to pay);

(d) With or without terminating this Lease, recover from Franchisee damages, not as a penalty, but in an amount equal to the sum of (i) any accrued and all unpaid rent as of the date of entry of judgment in favor of Franchisor's Affiliate plus interest at the rate of

eighteen percent (18%) per annum, or the highest amount allowed by law; (ii) the present value of all future rentals reserved in the Lease and contracted to be paid over the unexpired term of the Lease discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the date of entry of judgment in favor of Franchisor's Affiliate; (iii) all commercially reasonable costs and expenses incurred by Franchisor's Affiliate in any repossession, recovery, storage, repair, sale, re-lease or other disposition of the Equipment including reasonable attorneys' fees and costs incurred in connection therewith or otherwise resulting or arising from Franchisee's default; (iv) present value of the agreed upon or estimated residual value of the Equipment (as of the expiration of this Lease or any renewal thereof) discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the date of entry of judgment in favor of the Franchisor's Affiliate; and (v) any indemnity, if then determinable, plus interest at eighteen percent (18%) per annum, or the highest amount allowed by law;

(e) Without notice to Franchisee, repossess the Equipment wherever found, with or without legal process, and for this purpose Franchisor's Affiliate and/or its agents may enter upon any premises of or under the control or jurisdiction of Franchisee or any agent of Franchisee, without liability for suit, action or other proceeding by Franchisee (any damages occasioned by such repossession being hereby expressly waived by Franchisee) and remove the Equipment therefrom; Franchisee further agrees on demand, to assemble the Equipment and make it available to Franchisor's Affiliate at a place to be designated by Franchisor's Affiliate which is reasonably convenient to Franchisor's Affiliate;

(f) In its sole discretion, re-lease or sell any or all of the Equipment at a public or private sale on such terms and notice as Franchisor's Affiliate shall deem reasonable (such sale may, at Franchisor's Affiliate's sole option, be conducted at Franchisee's premises), and recover from Franchisee damages, not as a penalty, but herein liquidated for all purposes and in an amount equal to the sum of (i) any accrued and all unpaid rent as of the later of (A) the date of default or (B) the date that Franchisor's Affiliate has obtained possession of the Equipment or such other date as Franchisee has made an effective tender of possession of the Equipment back to Franchisor's Affiliate ("Default Date"), plus interest at the rate of eighteen percent (18%) per annum; (ii) the present value of all future rentals reserved in the Lease and contracted to be paid over the unexpired term of the Lease discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the Default Date plus interest on said sum at the rate of eighteen percent (18%) per annum until paid; (iii) all commercially reasonable costs and expenses incurred by Franchisor's Affiliate in any repossession, recovery, storage, repair, sale, release or other disposition of the Equipment including reasonable attorneys' fees and costs incurred in connection with or otherwise resulting from the Franchisee's default; (iv) present value of the agreed upon or estimated residual value of the Equipment (as of the expiration of this Lease or any renewal thereof) discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the date of Default; and (v) any indemnity, if then determinable, plus interest at eighteen percent (18%) per annum, LESS the amount received by Franchisor's Affiliate upon such public or private sale or re-lease of such items of Equipment, if any;

(g) Exercise any other right or remedy which may be available to it under the Uniform Commercial Code or any other applicable law;

(h) A cancellation hereunder shall occur only upon notice by Franchisor's Affiliate and only as to such items of Equipment as Franchisor's Affiliate specifically elects to cancel and this Lease shall continue in full force and effect as to the remaining items, if any;

(i) In the event Franchisor's Affiliate in good faith believes the Equipment to be in danger of misuse, abuse, or confiscation or to be in any other way threatened; or believes in good faith that the Equipment is no longer sufficient or has declined or may decline in value; or believes in good faith for any other reason that the prospect of payment or performance has become impaired, Franchisor's Affiliate shall have the right, at its option, to either require additional collateral or declare the entire indebtedness immediately due and payable;

(j) If this Lease is deemed at any time to be one intended as security, Franchisee agrees that the Equipment shall secure, in addition to the indebtedness set forth herein, indebtedness at any time owing by Franchisee to Franchisor's Affiliate. No remedy referred to in this Paragraph is intended to be exclusive, but shall be cumulative and in addition to any other remedy referred to above or otherwise available to Franchisor's Affiliate at law or in equity. No express or implied waiver by Franchisor's Affiliate of any default shall constitute a waiver of any other default by Franchisee or a waiver of any of Franchisor's Affiliate's rights.

12. Indemnity. Franchisee shall indemnify and hold Franchisor's Affiliate harmless from and against all claims, losses, liabilities (including, but not limited to, negligence, tort, breaches of statutory duties, and strict liability), damages, judgments, suits, and all legal proceedings, and any and all costs and expenses in connection therewith (including attorneys' fees) arising out of or in any manner related to the manufacture, purchase, financing, ownership, delivery, rejection, non-delivery, possession, use, transportation, storage, operation, maintenance, repair, return or other disposition of the Equipment or with this Lease, including, without limitation,(a) claims for injury to or death of persons and for damage to property, (b) claims relating to patent, copyright, or trademark infringement, and (c) claims relating to defects in the equipment whether or not discoverable by Franchisor's Affiliate. Franchisee agrees to give Franchisor's Affiliate prompt notice of any such claim or liability.

13. Franchisee's Waivers. To the extent permitted by applicable law, Franchisee hereby waives any and all rights and remedies conferred upon a Franchisee by sections 2A-508 through 12A-522 of the UCC, including but not limited to Franchisee's rights to: (i) cancel this Lease; (ii) repudiate this Lease; (iii) reject the Equipment; (iv) revoke acceptance of the Equipment; (v) recover damages from Franchisor's Affiliate for any breaches of warranty or for any other reason; (vi) a security interest in the Equipment in Franchisee's possession or control for any reason; (vii) deduct all or any part of any claimed damages resulting from Franchisor's Affiliate's default, if any, under this Lease; (viii) accept partial delivery of the Equipment; (ix) "cover" by making any purchase, or lease of, or contract to purchase or lease Equipment in substitution for those due from Franchisor's Affiliate; (x) recover any general, special,

incidental or consequential damages, for any reason whatsoever; and (xi) specific performance, replevin, detinue, sequestration, claim and delivery or the like for any Equipment identified to this Lease. To the extent permitted by applicable law, Franchisee also hereby waives any rights now or hereafter conferred by statute or otherwise, which may require Franchisor's Affiliate to sell, lease or otherwise use any Equipment in mitigation of Franchisor's Affiliate's damages as set forth in Section 11 or which may otherwise limit or modify any of Franchisor's Affiliate's rights or remedies under Section 11 Any claim or action for breach of warranty shall be commenced within one (1) year after any such cause of action accrues.

14. Franchisor's Affiliate's Right to Perform for Franchisee. If Franchisee fails to perform or comply with any of its agreements contained herein, Franchisor's Affiliate may perform or comply with such agreements and the amount of any payments and expenses of Franchisor's Affiliate incurred in connection with such performance or compliance (including reasonable attorneys' fees), together with interest thereon at the highest legal contract rate, shall be deemed additional rent payable by Franchisee upon demand.

15. Notice. Any notices or demands required to be given herein shall be given to the parties in writing and by regular mail email, of facsimile to the addresses, or email addresses herein set forth, or to such other addresses, email addresses, or telecopier numbers as the parties may hereafter substitute by written notice given in the manner prescribed in this Paragraph.

16. Non-Cancelable Lease; Obligations Unconditional. The Lease cannot be cancelled or terminated except as expressly provided herein. Franchisee hereby agrees that Franchisee's obligation to pay all rent and any other amounts owing hereunder shall be absolute and unconditional.

17. Miscellaneous.

(a) **Governing Law; Waiver of Trial by Jury.** ANY AND ALL MATTERS OF DISPUTE BETWEEN THE PARTIES TO THIS LEASE, WHETHER ARISING FROM THE LEASE ITSELF OR ARISING FROM ALLEGED EXTRA CONTRACTUAL FACTS PRIOR TO, DURING OR SUBSEQUENT TO THE FORMATION OF THE LEASE, INCLUDING, WITHOUT LIMITATION, FRAUD, MISREPRESENTATION, NEGLIGENCE OR ANY OTHER ALLEGED TORT OR VIOLATION OF THE LEASE, SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS. FRANCHISEE AGREES TO SUBMIT TO THE JURISDICTION OF THE STATE AND/OR FEDERAL COURTS IN THE STATE OF ILLINOIS, THE COUNTY OF MCHENRY. THIS LEASE WAS EXECUTED IN THE STATE OF ILLINOIS (BY THE FRANCHISOR'S AFFILIATE HAVING COUNTERSIGNED IT IN). AND IS TO BE PREFORMED IN THE STATE OF ILLINOIS (BY REASON OF PAYMENTS REQUIRED TO BE MADE TO FRANCHISOR'S AFFILIATE IN ILLINOIS). FRANCHISOR'S AFFILIATE AND FRANCHISEE HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS LEASE OR THE

CONDUCT OF THE RELATIONSHIP BETWEEN FRANCHISOR'S AFFILIATE AND FRANCHISEE.

(b) **Attorney's Fees.** Franchisee shall reimburse Franchisor's Affiliate for all charges, costs, expenses and attorneys' fees incurred by Franchisor's Affiliate: (a) in defending or protecting its interests in the Equipment; (b) in the execution, delivery, administration, amendment and enforcement of this Lease or the collection of any installment of rent under this Lease; and (c) in any lawsuit or other legal proceeding to which this Lease gives rise, including, but not limited to, actions in tort.

(c) **Assignment by Franchisor's Affiliate.** Franchisor's Affiliate may assign or transfer this Lease or any Schedule or Franchisor's Affiliate's interest in the Equipment without notice to Franchisee. Any assignee of Franchisor's Affiliate shall have all of the rights, but none of the obligations, of Franchisor's Affiliate under this Lease and Franchisee agrees that it will not assert against any assignee of Franchisor's Affiliate any defense, counterclaim or offset that Franchisee may have against Franchisor's Affiliate and that upon notice of such assignment or transfer, it will pay all rent and other sums due under this Lease to such assignee or transferee. Franchisee acknowledges that any assignment or transfer by Franchisor's Affiliate shall not materially change Franchisee's duties or obligations under this Lease nor materially increase the burdens or risks imposed on Franchisee.

(d) **Waiver.** Franchisor's Affiliate's failure at any time to require strict performance by Franchisee of any of the provisions hereof shall not waive or diminish Franchisor's Affiliate's right thereafter to demand strict compliance therewith or with any other provision. Waiver of any default shall not waive any other default.

(e) **Provisions Severable.** Any provision of this Lease which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The captions in this Lease are for convenience only and shall not define or limit any of the terms hereof.

18. **Survival of Franchisee's Covenants, Indemnities, Representations and Warranties.** All representations, warranties, covenants and indemnities of Franchisee made or agreed to in this Lease and any certificates delivered in connection herewith shall survive the expiration, termination or cancellation of this Lease for any reason for a period of ten years.

19. **Entire Agreement; No Oral Modification; Negation of Trade Usage and Course of Dealing.** This Lease constitutes the entire, final, complete, and fully integrated understanding or agreement between Franchisor's Affiliate and Franchisee and there is no understanding or agreement, oral or written, which is not set forth herein. This Lease may not be supplement, explained, or interpreted by any evidence of trade usage or course of dealing.

This Lease may not be amended except by a writing signed by Franchisor's Affiliate and Franchisee and shall be binding upon and inure to the benefit of the parties hereto, their permitted successors and assigns.

Franchisee's Initials _____

[Signature Page to Follow]

BY EXECUTION HEREOF, THE SIGNER CERTIFIES (S)HE HAS READ THIS ENTIRE LEASE, THAT FRANCHISOR'S AFFILIATE OR ITS REPRESENTATIVES HAVE MADE NO AGREEMENTS OR REPRESENTATIONS EXCEPT AS SET FORTH HEREIN AND THAT (S)HE IS DULY AUTHORIZED TO EXECUTE THIS LEASE ON BEHALF OF FRANCHISEE.

FRANCHISOR'S AFFILIATE:

Pure Gym Equipment LLC
an Illinois limited liability company

By: _____

Name: _____

Title: _____

FRANCHISEE

_____
(Legal Name of Franchisee Entity)

By: _____

Name: _____

Title: _____

SCHEDULE 1
LIST OF FITNESS EQUIPMENT TO BE LEASED

SCHEDULE 2
GUARANTY

This Guaranty is made as of _____, 20__, by _____ ("Guarantor"), in favor of **PURE GYM EQUIPMENT LLC**, an Illinois limited liability company ("Franchisor's Affiliate") with respect to that certain Equipment Lease, dated as of _____, 20____ (the "Lease"), by and between Franchisor's Affiliate and _____ ("Franchisee").

The undersigned Guarantor is _____ of Franchisee. Guarantor has agreed to guarantee the obligations of Franchisee under the Lease, and the execution of this Guaranty is a condition of, and a material inducement to, Franchisor's Affiliate entering into the Lease. Therefore, Guarantor hereby unconditionally guarantees the prompt, full and complete performance of all of the obligations of Franchisee under the Lease. If Franchisee at any time fails to make any payment under the Lease when due or fails to perform to comply with any covenant, condition, agreement or term of the Lease, Guarantor shall, upon notice from Franchisor's Affiliate and without further demand, pay, perform or comply with the same in the same manner and to the same extent as is required of Franchisee. Guarantor understands and acknowledges that the Lease may, and likely will, be amended or modified from time to time by agreement of Franchisor's Affiliate and Franchisee and that this may be done without notice to or approval of Guarantor, it being understood that Guarantor is relying solely on Franchisee to protect its interests in connection with such matters. Guarantor hereby waives any suretyship rights or defenses that may be available to Guarantor and agrees that:

The Lease may be assigned, modified or amended in whole or in part or the Premises may be sublet in whole or in part without notice to Guarantor and without releasing Guarantor or affecting Guarantor's obligations under this Guaranty in any way.

Franchisor's Affiliate may, from time to time, and without notice to Guarantor, release any security that Franchisor's Affiliate may have for the obligations of Franchisee under the Lease or accept security therefor; add, substitute or release guarantors; or compromise or settle any amount due or owing; or claimed to be owing under the Lease; and no such action by Franchisor's Affiliate or any other action which Franchisor's Affiliate may take or omit in connection with the Lease shall affect this Guaranty or Guarantor's obligations in any way.

Guarantor expressly waives notice of acceptance of this Guaranty and diligence of collecting any sums due under the Lease or the taking of any action with reference to any default under the Lease or to any liability under this Guaranty.

Franchisor's Affiliate has no duty to disclose to Guarantor any information it receives regarding the financial status of Franchisee, whether or not such information indicates that the risk of Guarantor under this Guaranty has been or may be increased. Guarantor assumes full responsibility for being and keeping informed of Franchisee's financial condition, Franchisee's performance under the Lease, and Franchisee's use and operation of the Premises.

Guarantor hereby subordinates all its claims for payment of any indebtedness of Franchisee to Guarantor, if any, to Franchisor's Affiliate's right to receive payment from Franchisee of all sums due under the Lease and waives any rights it may have to participate in any security for the Lease or to enforce any remedy which Franchisor's Affiliate may have against Franchisee or any other person or entity that may now or hereafter by liable on the Lease.

The obligations of Guarantor under this Guaranty are independent of the obligations of Franchisee, and Franchisor's Affiliate may directly enforce its rights under this Guaranty without proceeding against or joining Franchisee or any other guarantor of the Lease, and without applying or enforcing any security for the Lease.

In the event any payment by Franchisee to Franchisor's Affiliate is held to constitute a preference, fraudulent conveyance or similar voidable payment under any law now or hereafter in effect, and is rescinded or otherwise required to be returned by Franchisor's Affiliate, such payment by Franchisee to Franchisor's Affiliate shall not constitute a release of Guarantor from any liability hereunder and this Guaranty shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

Guarantor agrees to indemnify Franchisor's Affiliate for all costs and expenses, including court costs and attorneys' fees, incurred or paid by Franchisor's Affiliate in enforcing this Guaranty and the Lease.

This Guaranty shall inure to the benefit of any person or persons, entity or entities who at any time may be entitled to the benefits and obligated to perform the duties of Franchisor's Affiliate under the Lease and shall be binding upon the heirs, administrators, successors and assigns of Guarantor.

Notwithstanding anything to the contrary contained in this Guaranty, Guarantor shall be released from liability thirty-six (36) months from the date of the Lease, on condition that Franchisee has fully complied with its obligations under this Lease during said 36 months.

This Guaranty is the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to Guarantor's guarantee of the Lease and supersedes any and all prior or contemporaneous understandings, agreements, representations or communications between or among the parties, either oral or written, concerning this Guaranty.

This Guaranty shall be construed in accordance with the fair meaning of the language used. No rule of construction to the effect that ambiguities are to be resolved against the drafting party shall apply in interpreting this Guaranty.

This Guaranty may not be changed orally, and no obligation of Guarantor can be released or waived except by a writing signed by Franchisor's Affiliate.

If any term or provision of this Guaranty is ever determined to be illegal or unenforceable, all other terms and provisions of this Guaranty shall remain effective and enforceable to the fullest extent permitted by law.

This Guaranty and the rights and obligations of Guarantor and Franchisor's Affiliate under this Guaranty shall be governed by and construed in accordance with the laws of the State of Illinois, excluding its conflicts of law principles.

If this Guaranty is executed by two or more individuals, corporations or other entities, then the liability of each such individual, corporation or entity to perform all of the obligations hereunder shall be deemed to be joint and several.

IN WITNESS WHEREOF, the Guaranty has been executed by Guarantor, effective as of _____, 20____.

GUARANTOR:

_____

Name: [_____]

Address of Guarantor:

_____

_____

_____

SCHEDULE 3
LIMITED WARRANTY

1. Limited Warranty Disclaimer by Franchisor's Affiliate

   Franchisor's Affiliate is not the manufacturer of the Equipment and makes no independent warranties, express or implied, including merchantability or fitness for a particular purpose. All Equipment is leased subject to applicable manufacturer warranties.

2. Manufacturer Warranties

   All warranty claims must be submitted directly to Franchisor's Affiliate. Franchisee shall have no right to enforce such warranties directly with the manufacturer. This warranty is non-transferable, non-assignable, and does not create any direct rights between the Franchisee and any manufacturer or supplier. Franchisee acknowledges that all manufacturer relationships, sourcing, and supplier communications are proprietary to Franchisor's Affiliate.

3. Warranty Coverage, Administration, and Remedies

   Franchisor's Affiliate provides a limited equipment warranty covering manufacturer defects in materials and workmanship under normal commercial use. The limited warranty commences upon delivery of the Initial Equipment Package to Franchisee ("Warranty Commencement Date") and for the following lengths of time from the Warranty Commencement Date:

   (a) Up to 5 years for structural frames.

   (b) Up to 2 years for motors and drive systems.

   (c) Up to 1 year for electronics, consoles, and wear components.

   However, the above warranty periods only apply during the Term of the Equipment Lease.

   Franchisor's Affiliate shall be the sole decision-maker with respect to (1) whether and to what extent a claim is covered under this limited warranty; (2) the appropriate remedy and the method and timing of the resolution, in Franchisor's Affiliate's sole discretion.

1. Equipment Covered

   The equipment covered under this Limited Warranty is described in Schedule 1 herein.

2. Service & Maintenance Responsibilities

   Franchisee shall be responsible for routine maintenance, including cleaning, lubrication, and safe operation. Franchisor's Affiliate shall not be responsible for maintenance unless a separate service agreement is executed. Any unauthorized repairs or modifications void applicable warranties.

3. Commercial Use Acknowledgment

   Franchisee acknowledges the Equipment will be used in a high-traffic commercial fitness environment, which may accelerate wear and tear. Normal wear and tear is not covered under warranty.

4. Downtime & Repair Handling

   Franchisee agrees to promptly notify the manufacturer (or authorized service provider) of any defect. Franchisor's Affiliate may, at its discretion, assist in coordinating warranty service but has no obligation to do so. Temporary downtime of Equipment shall not relieve Franchisee of lease obligations.

5. Limitation of Liability

   Franchisor's Affiliate shall not be liable for any injuries, losses, or damages arising from use of the Equipment, including lost membership revenue, business interruption, or reputational harm.

6. Continued Payment Obligation

   Franchisee's obligation to make lease payments is absolute and unconditional, regardless of Equipment condition, subject to applicable law.

7. Exclusions

   This limited warranty does not cover the following:

   a) Normal wear and tear, as described in paragraph 5 above.
   b) Improper use, abuse, neglect, or failure to follow maintenance guidelines.
   c) Unauthorized modifications or third-party repairs.
   d) Cosmetic damage.
   e) The cost of labor, service calls, and downtime.
   f) Damage caused by power issues, environmental conditions, or acts of God.

EXHIBIT H

POD PURCHASE AGREEMENT

POD PACKAGE
PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is made on the _____ day of _____, 20__, (the "Effective Date") by and between Pure Gym Equipment, LLC, an Illinois limited liability company ("Franchisor's Affiliate") and _____, a _____, (hereinafter called "You" or "Franchisee") for the purchase of the Pod Package for Franchisee's Aira Fitness franchise business located at _____ ("Business Premises").

1. EQUIPMENT TO BE PURCHASED.

Franchisee is purchasing from Franchisor's Affiliate and Franchisor's Affiliate is selling to Franchisee the pre-fabricated modular building ("Pod"), the specifications of which are listed on Exhibit 1 to this Agreement ("Equipment") for a purchase price of Forty Thousand Dollars ($40,000.00) ("Equipment Purchase Price") on the terms described in this Agreement. Franchisee must arrange for and is responsible for payment for delivery of the Equipment to Franchisee's Business Premises.

2. PAYMENT TERMS. Franchisee shall pay the Equipment Purchase Price in cash, due upon signing this Agreement. The Equipment Purchase Price is not refundable.

3. TERMS OF SALE

Condition of Equipment: The Equipment is accepted by Franchisee "AS IS."

No Warranties: FRANCHISOR'S AFFILIATE MAKES NO WARRANTIES TO THE FULLEST EXTENT PERMITTED BY LAW, EITHER EXPRESS OR IMPLIED, AND NO REPRESENTATION OR WARRANTY AS TO FITNESS, DESIGN, CONDITION OR QUALITY OF EQUIPMENT OR THE EQUIPMENT MATERIAL OR WORKMANSHIP.

Indemnification: Franchisor's Affiliate shall have no liability to Franchisee for, and Franchisee shall indemnify and hold Franchisor's Affiliate harmless in connection with, any third party claims involving or relating to the Equipment, its use and/or its performance and any costs, expenses, damages, and other liabilities of any kind or nature arising out of or relating to any such claims.

Taxes: Franchisee shall pay all personal property and sales and use taxes and all other taxes assessed against or incurred by Franchisee or Franchisor's Affiliate in connection with the Equipment.

Default: If Franchisee does not meet its payment and other obligations under this Agreement, then Franchisee will be in default and Franchisor's Affiliate will be entitled to pursue all legal and equitable remedies. Franchisee shall be responsible for all costs of collection and enforcement incurred by Franchisor's Affiliate , including reasonable attorneys' fees.

Assignment: Franchisor's Affiliate may assign some or all of Franchisor's Affiliate 's rights under this Agreement to a third party. So long as any of Franchisee's payment obligations under this Agreement remain outstanding, Franchisee shall not assign this Agreement or sell or transfer the Equipment without Franchisor's Affiliate 's prior written consent.

[Signature Page Follows]

Agreed and accepted by the undersigned. This Agreement is not effective until signed by an authorized representative of Franchisor's Affiliate.

FRANCHISOR'S AFFILIATE :

Pure Gym Equipment, LLC

By:_____

Title:_____

FRANCHISEE

_____
(Legal Name of Franchisee Entity)

By: _____

Print Name: _____

Title: _____

DELIVERY RECEIPT:

FRANCHISEE HEREBY CONFIRMS: (i) RECEIPT OF THE PURCHASED EQUIPMENT, (ii) THAT FRANCHISEE HAS HAD THE OPPORTUNITY TO INSPECT THE CONDITION OF THE PURCHASED EQUIPMENT, AND (iii) FRANCHISEE ACCEPTS THE CONDITION OF THE EQUIPMENT AS DELIVERED ON:

Date:_____

Franchisee: _____

By: _____

(Print Name) _____

EXHIBIT 1 TO PURCHASE AGREEMENT

Pod Specifications

EXHIBIT I

POD PACKAGE LEASE

POD LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Agreement") is made on the _____ day of _____, 20__, (the "Effective Date") by and between Pure Gym Equipment LLC, an Illinois limited liability company ("Franchisor's Affiliate") and _____, a _____, (hereinafter called "You" or "Franchisee") for the lease of Pod (as hereinafter defined) for Franchisee's Aira Fitness franchise business located at _____ ("Business Premises").

WITNESSETH

WHEREAS, Franchisee owns and operates an Aira Fitness franchise business and Franchisor's Affiliate is in the business of leasing and selling fitness equipment and pre-fabricated modular buildings ("Pods") to Aira Fitness franchisees;

WHEREAS, Franchisee is leasing from Franchisor's Affiliate and Franchisor's Affiliate is leasing to Franchisee a Pod on the terms described in this Agreement.

NOW THEREFORE, intending to be legally bound, the parties agree as follows:

1. Basic Lease Terms.

(a) Franchisor's Affiliate's Address for Notice:

Pure Gym Equipment LLC
521 S. Jade Lane
Round Lake, IL 60073
Attn: Mike Bell

With a copy of all notices going to:
(Franchisor's Affiliate)

Huck Bouma PC
1755 S. Naperville Rd., Ste. 200
Wheaton, IL 60189
Attn: Alissa Carter Verson

(b) Franchisee's Address for Notice:

With a copy of all notices going to:
(Franchisee):

(c) Concurrently with the execution of this Agreement by Franchisee, as a condition of and a material inducement of Franchisor's Affiliate's obligations under this Agreement, _____, who is currently _____ of Franchisee ("Guarantor"), shall execute and shall deliver to Franchisor's Affiliate a Guaranty in the form attached hereto as Schedule 2, guaranteeing Franchisee's full performance under this Agreement.

(d) The period commencing on the Commencement Date of the Term and ending on the Expiration Date of the Term, is referred to in this Agreement as the "Term."

(e) The "Commencement Date" of the Term shall be upon delivery of the Pod, the specifications of which are listed in Schedule 1 to this Agreement.

(f) The "Expiration Date" of the Term shall be the last day of the thirty-sixth (36th) full calendar month following the Commencement Date.

(g) On the Effective Date, Franchisee shall pay to Franchisor a nonrefundable deposit equal to Twelve Thousand Dollars ("Nonrefundable Deposit Amount").

(h) On the Effective Date, Franchisee shall pay to Franchisor's Affiliate a nonrefundable delivery fee equal to: _____ ("Delivery Fee").

2. Lease.

(a) Franchisor's Affiliate hereby agrees to lease to Franchisee and Franchisee hereby agrees to lease from Franchisor's Affiliate, subject to the terms of this Pod Lease Agreement (the "Pod Lease"), the Pod (together with all attachments, replacements, parts, substitutions, additions, repairs, accessions and accessories, incorporated therein and/or affixed, thereto) (the "Pod") described in any Schedule to Pod Lease (a "Schedule") subsequently executed by the parties hereto and incorporating the terms of this Pod Lease by reference therein (the "Lease").

(b) The Pod is and shall at all times be and remain the sole and exclusive personal property of Franchisor's Affiliate, and notwithstanding any trade-in or down payment by Franchisee or on its behalf with respect to the Pod, Franchisee shall have no right, title or interest therein or thereto except as to the use thereof subject to the terms or conditions of this Lease.

3. Term and Rent; Purchase Option. Franchisee shall pay as monthly rent for use of the Pod the amount described in Paragraph 1(h) above on the 1st day of each month following the Commencement Date. If any rental shall be unpaid for more than five (5) days after the due date thereof, Franchisee will pay on demand, as an additional late service and/or overhead charge, but not as interest, on amounts not paid when due, the greater of One Hundred Dollars ($100.00) or, in amount equal to eighteen percent (18%) of any such unpaid amount but in no event to exceed maximum lawful charges. ***TIME IS OF THE ESSENCE FOR THE PAYMENT OF RENT UNDER THIS PROVISION.***

THIS LEASE IS NON-CANCELABLE FOR ITS ENTIRE TERM and Franchisee has no right of prepayment unless specifically granted to Franchisee in a written rider signed by the parties hereto. Upon expiration of the term of this Lease, and until return to Franchisor's Affiliate of the Pod and any and all other equipment leased hereunder, or until any purchase option price is paid, this Lease shall remain effective and shall become a month-to-month lease between the parties on the same terms and conditions, and the monthly rent then in effect shall be the rent payable during such month-to-month term under each applicable schedule ("Month-to-Month Period").

Franchisee may purchase the Pod at the end of the term and during any Month-to-Month Period of this Lease in an amount equal to Twenty Thousand Dollars ($20,000.00), provided that (a) Franchisee gives Franchisor's Affiliate written notice of Franchisee's intention to exercise the option at least 30 days prior to the exercise of such option; (b) Franchisee is not in default under any covenant or condition of this Lease, and (c) Franchisee pays all rent and other

charges due hereunder together with the full purchase price set forth above. Upon exercise of option and payment by Franchisee of the purchase price and all charges, Franchisor's Affiliate will execute and deliver a bill of sale for the Pod to Franchisee. THIS SALE WILL BE WITHOUT ANY REPRESENTATION OR WARRANTY OF ANY KIND BY OWNER, WHETHER EXPRESS OR IMPLIED IN FACT OR LAW and, Franchisee will accept Pod "AS IS" and "WHERE IS".

4. No Warranties; Consequential Damages Excluded.

(a) **Disclaimer of Warranties.** Franchisee acknowledges that: Franchisor's Affiliate is not the manufacturer of the Pod nor the manufacturer's agent or representative nor a dealer therein; the Pod is of a size, design, capacity, description and manufacture selected by the Franchisee; Franchisee is satisfied that the Pod is suitable and fit for its purposes; and **FRANCHISOR'S AFFILIATE HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF THE POD, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE POD OR WORKMANSHIP IN THE POD, FRANCHISOR'S AFFILIATE'S TITLE TO THE POD, NOR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER;** Franchisor's Affiliate shall not be liable to Franchisee for any loss, damage, or expense of any kind or nature caused, directly or indirectly, by the Pod or the use or maintenance thereof or the failure or operation thereof, or the repair, service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused. Franchisor's Affiliate shall not be liable for any consequential damages as that term is used in U.C.C. Article 2A. No defect or unfitness of the Pod shall relieve Franchisee of the obligation to pay any installment of rent or any other obligation under this Lease. Franchisor's Affiliate shall have no obligation under this Lease in respect of the Pod and shall have no obligation to ship, deliver, assemble, install, erect, test, adjust or service the Pod. Franchisor's Affiliate agrees, so long as there shall not have occurred or be any Event of Default as defined in Paragraph 11 or event which with lapse of time or notice, or both, might become an Event of Default hereunder, that Franchisor's Affiliate will permit Franchisee, as Franchisee's sole and exclusive remedy hereunder, to enforce in Franchisee's own name and at Franchisee's sole expense any Supplier's or manufacturer's warranty or agreement in respect of the Pod to the extent that such warranty or agreement is assignable.

(b) **Exclusion of Consequential Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, FRANCHISOR'S AFFILIATE SHALL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE TO FRANCHISEE OR ANY THIRD PARTY, FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED TO THE TRANSACTION CONTEMPLATED HEREUNDER, WHETHER IN AN ACTION BASED ON CONTRACT, TORT (INCLUDING**

NEGLIGENCE OR STRICT LIABILITY) OR ANY OTHER LEGAL THEORY, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS, OR BENEFITS OF USE OR LOSS OF BUSINESS, REGARDLESS OF WHETHER SUCH LOSSES ARE CONSTRUED TO BE CONSEQUENTIAL, INCIDENTAL, SPECIAL OR EXEMPLARY DAMAGES, AND EVEN IF FRANCHISOR'S AFFILIATE IS APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING.

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT EACH AND EVERY PROVISION OF THIS AGREEMENT WHICH PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES OR EXCLUSION OF DAMAGES, IS INTENDED BY THE PARTIES TO BE SEVERABLE FROM ANY OTHER PROVISION AND IS A SEPARABLE AND INDEPENDENT ELEMENT OF RISK ALLOCATION AND IS INTENDED TO BE ENFORCED AS SUCH. THE PARTIES ALSO AGREE THAT, REGARDLESS OF THE FAILURE OF ANY SOLE OR EXCLUSIVE REMEDY APPLICABLE TO THE POD, FRANCHISEE WILL NOT BE ENTITLED TO ANY CONSEQUENTIAL DAMAGES OF WHATSOEVER KIND OR NATURE. THE PARTIES INTEND THE EXCLUSION OF CONSEQUENTIAL DAMAGES AS AN INDEPENDENT AGREEMENT APART FROM ANY SOLE AND EXCLUSIVE REMEDY APPLICABLE TO THE POD.

5. No Agency. Franchisee acknowledges and agrees that neither the manufacturer, the Supplier, nor any salesman, representative or other agent of the manufacturer or Supplier, is an agent of Franchisor's Affiliate. No salesman, representative or agent of the manufacturer or Supplier is authorized to waive or alter any term or condition of this Lease and no representation as to the Pod or any other matter by the manufacturer or Supplier shall in any way affect Franchisee's duty to pay rent and perform its other obligations as set forth in this Lease.

6. Loss or Damage to Pod; Insurance.

(a) **Risk of Loss.** From the date the Supplier ships the Pod to Franchisee or the date Franchisor's Affiliate confirms Franchisee's purchase order or contract to Supplier, whichever occurs first, Franchisee hereby assumes and shall bear the entire risk of loss for theft, damage, destruction or other injury to the Pod from any and every cause whatsoever. **NO SUCH LOSS OR DAMAGE SHALL IMPAIR ANY OBLIGATION OF FRANCHISEE UNDER THIS LEASE WHICH SHALL CONTINUE IN FULL FORCE AND EFFECT.** In the event of damage or loss to the Pod (or any part thereof) and irrespective of payment from any insurances coverage maintained by Franchisee, but applying full credit therefor, Franchisee shall at the option of Franchisor's Affiliate, (a) place the Pod in good repair, condition and working order; or (b) replace the Pod (or any part thereof) with like equipment in good repair, condition and working order and transfer clear title to such replacement equipment to Franchisor's Affiliate, whereupon such replacement equipment shall be deemed the Pod for all purposes; or (c) pay to Franchisor's Affiliate, not as a penalty, but herein liquidated for all purposes, an amount equal to the sum of (A) any accrued and unpaid rent as of the

date the loss, theft, damage or destruction occurred ("Date of Loss") plus interest at the rate of eighteen percent (18%) per annum or the highest rate allowed by law; (B) the present value of all future rentals reserved in the Lease and contracted to be paid over the unexpired term of the Lease discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the Date of Loss; (C) the present value of the agreed upon or estimated residual value of the Pod as of the expiration of this Lease or any renewal thereof discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the Date of Loss; and (D) any other amount otherwise then due and owing under the Lease or which otherwise will become due and owing irrespective of the fact that the Pod has been damaged, destroyed, lost or stolen including any additional taxes or other charges that may otherwise arise by reason of the damage, destruction, loss or theft of the Pod. Upon Franchisor's Affiliate's receipt of such payment, Franchisee shall be entitled to the proceeds of any recovery in respect of any such item of Pod from insurance or otherwise to the extent that any excess shall be retained by Franchisor's Affiliate.

(b) **Insurance.** Franchisee shall obtain and maintain for the entire term of this Lease, at its own expense (as primary insurance for Franchisor's Affiliate and Franchisee), property damage and liability insurance and insurance against loss or damage to the Pod including, without limitation, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against on the type of Pod leased hereunder and by businesses in which Franchisee is engaged, in such amounts, in such form and with such insurers as shall be reasonably satisfactory to Franchisor's Affiliate provided, however, that the amount of insurance against loss or damage to the Pod shall be the replacement value of the Pod. Each insurance policy will name Franchisee as an insured and Franchisor's Affiliate as an additional insured and loss payee thereof as Franchisor's Affiliate's interests may appear, shall contain cross-liability endorsements and shall contain a clause requiring the insurer to give Franchisor's Affiliate at least 30 days prior written notice of any material alteration in the terms of such policy or of the cancellation thereof. Franchisee shall furnish to Franchisor's Affiliate a certificate of insurance or other evidence satisfactory to Franchisor's Affiliate that such insurance coverage is in effect, provided, however, that Franchisor's Affiliate shall be under no duty either to ascertain the existence of or to examine such insurance policy or to advise Franchisee in the event such insurance coverage shall not comply with the requirements hereof. Franchisee further agrees to give Franchisor's Affiliate prompt notice of any damage to, or loss of, the Pod, or any part thereof; all insurance covering loss or damage to the Pod shall contain a breach of warranty clause satisfactory to Franchisor's Affiliate. In the event Franchisee fails to obtain insurance in accordance with this provision, the Franchisor's Affiliate may, at its option, obtain the insurance or declare Franchisee's failure an event of default. In the event that Franchisor's Affiliate obtains insurance, it shall be entitled to prompt reimbursement from the Franchisee of the costs, including reasonable administrative costs, of doing so.

7. Franchisee Representations. If Franchisee is a corporation, a partnership, or a limited liability company, Franchisee represents and warrants that:

(a) **Corporate Franchisee.** If Franchisee is a corporation, it is duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation, duly qualified to do business in each jurisdiction where any Pod is, or is to be, located, and has full corporate power and authority to hold property under lease and to enter into and perform its obligations under this Lease; the execution, delivery and performance by Franchisee of this Lease have been duly authorized by all necessary corporate action on the part of Franchisee, and are not inconsistent with its Certificate of Incorporation or By-Laws.

(b) **No Violations; Lease Valid and Binding.** The execution, delivery and performance by Franchisee of this Lease do not violate any law or governmental rule, regulation, or order applicable to Franchisee, do not and will not contravene any provision, or constitute a default under, any indenture, mortgage, contract, or other instrument to which it is bound, and, upon execution and delivery hereof, will constitute a legal, valid and binding agreement of Franchisee, enforceable in accordance with its terms.

No Governmental Authority Required. No action, including, any permits or consents, in respect of or by any state, federal or other governmental authority or agency is required with respect to the execution, delivery, and performance by Franchisee of this Lease.

8. Affirmative Covenants of Franchisee.

(a) **Maintenance.** Franchisee shall maintain the Pod in good repair, condition and working order, and shall furnish any and all parts, mechanisms, and devices required to keep the Pod in good repair, condition and working order, at the sole cost and expense of Franchisee. Franchisee, at its sole expense, shall enter into and maintain in force, for the term of each Schedule, any maintenance contracts required by the manufacturer of the Pod, and shall provide to Franchisor's Affiliate a copy of such contract and all supplements thereto. If Franchisee enters into such maintenance contract with a party other than the manufacturer of the Pod, Franchisee shall, at its sole expense, have the manufacturer recertify the Pod at the expiration of this Lease or any renewals or extensions thereof. The term of this Lease shall continue upon the same terms and conditions until such recertification has been obtained.

(b) **Taxes, Fees and Assessments.** Franchisee shall pay when due or reimburse, and on a net after-tax basis, shall indemnify and defend Franchisor's Affiliate against, all fees, assessments and sales, use, property, excise and other taxes and governmental charges including, without limitation, interest and penalties now and hereafter imposed by any federal, foreign, state or local governmental body or agency upon any Pod, or the use thereof, exclusive, however, of any taxes based on the net income of Franchisor's Affiliate, and assume the risk of liability arising from or pertaining to the delivery, installation, leasing, possession, operation, use, storage, and return of such Pod. Franchisee agrees to file all tax returns and informational statements required by any federal, state and/or local governmental agency and provide evidence of payment to Franchisor's Affiliate.

(c) **Transportation Charges; Return of Pod.** Franchisee shall pay all shipping and delivery charges and other expenses incurred in connection with the Pod. At the expiration or earlier termination of this Lease or any Schedule, unless Franchisee purchases the Pod or renews this Lease under the Lease or any Schedule, Franchisee, at Franchisee's risk and expense, shall assemble, prepare for shipment, and immediately return each item of Pod to Franchisor's Affiliate to any location designated by Franchisor's Affiliate. The returned Pod shall be in good condition, repair, and working order, ordinary wear and tear excepted. Franchisee, upon request of Franchisor's Affiliate, shall provide suitable and adequate storage space at the place where the Pod was delivered hereunder or to which it was moved in accordance with this Lease, and shall permit Franchisor's Affiliate to store such Pod free of charge, and at risk of Franchisee for public liability and physical damage exposures, for a period not to exceed 90 days, during which period Franchisor's Affiliate will be allowed reasonable access thereto.

(d) **Laws, Regulations and Rules.** Franchisee shall comply with all governmental laws, regulations, requirements and rules, all manufacturer's instructions and warranty requirements, and with the conditions and requirements of all policies of insurance with respect to the Pod and this Lease.

(e) **Marking of Pod.** Franchisee shall mark and identify the Pod with all information and in such manner as Franchisor's Affiliate may request from time to time and replace promptly any such markings or identification which are removed, defaced or destroyed; and Franchisee shall not permit the name of any person, association or corporation other than Franchisor's Affiliate to be placed on the Pod as a designation that might be interpreted as a claim of ownership or security interest.

(f) **Franchisor's Affiliate's Access to Pod.** Franchisee shall at any and all times during business hours, grant Franchisor's Affiliate free access to enter upon the premises wherein the Pod shall be located or used and permit Franchisor's Affiliate to inspect the Pod.

(g) **Franchisee's Books of Account.** Franchisee shall maintain a system of accounts established and administered in accordance with generally accepted accounting principles and practices consistently applied, and shall deliver to Franchisor's Affiliate financial statements in such form and at such times as Franchisor's Affiliate may require. Franchisee shall permit Franchisor's Affiliate to examine and audit the books of the business of Franchisee at any reasonable time.

9. Negative Covenants of Franchisee.

(a) **No Liens.** Franchisee shall not create, incur, assume or suffer to exist any mortgage, lien, pledge or other encumbrance or attachment of any kind whatsoever upon, affecting or with respect to the Pod or this Lease or any of Franchisor's Affiliate's interests thereunder.

(b) **No Alterations to Pod; Accessions.** Franchisee shall not make any changes or alterations in or to the Pod except as necessary for compliance with any maintenance

contract required by this Lease. All repairs, parts, supplies, accessories, equipment, and devices furnished, affixed, or installed to or on the Pod or any part or unit thereof, shall become the property of Franchisor's Affiliate.

(c) **Location of Pod.** Franchisee shall not part with possession or control of, or suffer or allow to pass out of its possession or control, items of Pod or change the location of the Pod or any part thereof from the address shown above without the prior written consent of Franchisor's Affiliate.

(d) **Franchisee's Identity, Structure, Name and Address.** Franchisee shall not change its name or address from that set forth above, unless it shall have given Franchisor's Affiliate or its assigns no less than 30 days' prior written notice; Franchisee, if an organization, shall not merge or consolidate with any other person or entity or change its identity.

(e) **No Assignment or Sublease by Franchisee. FRANCHISEE SHALL NOT ASSIGN OR IN ANY WAY DISPOSE OF ALL OR ANY PART OF ITS RIGHTS OR OBLIGATIONS UNDER THIS LEASE OR ENTER INTO ANY SUBLEASE OF ALL OR ANY PART OF THE POD WITHOUT THE PRIOR WRITTEN CONSENT OF FRANCHISOR'S AFFILIATE. ANY ATTEMPTED ASSIGNMENT IN BREACH OF THIS PROVISION SHALL BE NULL AND VOID.**

10. Use of Pod. So long as no Event of Default (as defined in 11., below) shall have occurred, Franchisee shall be entitled to possession and use of the Pod for the term of this Lease in its lawful business in accordance with the provisions of this Lease. The Pod is, and shall at all times be and remain, personal property notwithstanding that the Pod or any part thereof may now be, or hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon, real property or any building thereon. If requested by Franchisor's Affiliate with respect to any item of the Pod, Franchisee will obtain and deliver to Franchisor's Affiliate waivers of interest or liens in recordable form, satisfactory to Franchisor's Affiliate, from all persons claiming any interest in the real property on which such item of the Pod is installed or located.

11. Events of Default. An Event of Default shall occur hereunder if Franchisee:

(a) fails to pay any installment of rent or other payment required hereunder when due and payable, by acceleration or otherwise, and such failure continues for a period of 5 days; or

(b) breaches any representation or warranty contained herein or made any incorrect representation or warranty in any other document furnished to Franchisor's Affiliate in connection herewith; or

(c) fails to keep the Pod insured as required by § 6(b) herein, or fails to repair or replace any Pod that suffers any material uninsured damage, loss, theft, or destruction, or fails to pay any amount demanded by Franchisor's Affiliate pursuant to Section 6(a) herein; or

(d) fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder, and such failure or breach shall continue unremedied for a period of 7 days after such failure or breach first occurs; or

(e) without Franchisor's Affiliate's consent attempts to remove, sell, transfer, encumber, part with possession, or sublet any item of Pod or permit a judgment or other claim to become a lien upon any or all of Franchisee's assets or upon the Pod; or

(f) shall (i) be adjudicated insolvent or a bankrupt, or cease, be unable, or admit its inability, to pay its debts as they mature, or make a general assignment for the benefit of, or enter into any composition or arrangement with creditors; (ii) apply for or consent to the appointment of a receiver, trustee or liquidator of it or of a substantial part of its property, or authorize such application or consent, or proceedings seeking such appointment shall be instituted against it without such authorization, consent or application and shall continue undismissed for a period of 60 days; (iii) authorize or file a voluntary petition in bankruptcy or apply for or consent to the application of any bankruptcy, reorganization in bankruptcy, arrangement, readjustment of debt, insolvency, dissolution, moratorium or other similar law of any jurisdiction, or authorize such application or consent; or proceedings to such end shall be instituted against it without such authorization, application or consent and such proceeding instituted against it shall continue undismissed for a period of 60 days; or

(g) shall suffer an adverse material change in its financial condition from the date hereof, and as a result thereof Franchisor's Affiliate deems itself or any of its Pod to be insecure; or

(h) shall be in default under any other agreement at any time executed with Franchisor's Affiliate.

12. Remedies. Upon the occurrence of any Event of Default and at any time thereafter, Franchisor's Affiliate may, with or without cancelling this Lease, in its sole discretion, do any one or more of the following:

(a) Upon written notice to Franchisee cancel this Lease and any or all Lease Schedules executed pursuant thereto;

(b) If Franchisor's Affiliate decides, in its sole discretion, not to take possession of the Pod, Franchisor's Affiliate continues to be the owner of the Pod and may, but is not obligated to, dispose of the Pod by sale or otherwise, all of which determinations may be made by Franchisor's Affiliate in its sole discretion and for its own account;

(c) Declare immediately due and payable all sums due and to become due hereunder for the full term of the Lease (including any renewal or purchase options which Franchisee has contracted to pay);

(d) With or without terminating this Lease, recover from Franchisee damages, not as a penalty, but in an amount equal to the sum of (i) any accrued and all unpaid rent as of the date of entry of judgment in favor of Franchisor's Affiliate plus interest at the rate of eighteen percent (18%) per annum, or the highest amount allowed by law; (ii) the present

value of all future rentals reserved in the Lease and contracted to be paid over the unexpired term of the Lease discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the date of entry of judgment in favor of Franchisor's Affiliate; (iii) all commercially reasonable costs and expenses incurred by Franchisor's Affiliate in any repossession, recovery, storage, repair, sale, re-lease or other disposition of the Pod including reasonable attorneys' fees and costs incurred in connection therewith or otherwise resulting or arising from Franchisee's default; (iv) present value of the agreed upon or estimated residual value of the Pod (as of the expiration of this Lease or any renewal thereof) discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the date of entry of judgment in favor of the Franchisor's Affiliate; and (v) any indemnity, if then determinable, plus interest at eighteen percent (18%) per annum, or the highest amount allowed by law;

(e) Without notice to Franchisee, repossess the Pod wherever found, with or without legal process, and for this purpose Franchisor's Affiliate and/or its agents may enter upon any premises of or under the control or jurisdiction of Franchisee or any agent of Franchisee, without liability for suit, action or other proceeding by Franchisee (any damages occasioned by such repossession being hereby expressly waived by Franchisee) and remove the Pod therefrom; Franchisee further agrees on demand, to assemble the Pod and make it available to Franchisor's Affiliate at a place to be designated by Franchisor's Affiliate which is reasonably convenient to Franchisor's Affiliate;

(f) In its sole discretion, re-lease or sell any or all of the Pod at a public or private sale on such terms and notice as Franchisor's Affiliate shall deem reasonable (such sale may, at Franchisor's Affiliate's sole option, be conducted at Franchisee's premises), and recover from Franchisee damages, not as a penalty, but herein liquidated for all purposes and in an amount equal to the sum of (i) any accrued and all unpaid rent as of the later of (A) the date of default or (B) the date that Franchisor's Affiliate has obtained possession of the Pod or such other date as Franchisee has made an effective tender of possession of the Pod back to Franchisor's Affiliate ("Default Date"), plus interest at the rate of eighteen percent (18%) per annum; (ii) the present value of all future rentals reserved in the Lease and contracted to be paid over the unexpired term of the Lease discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the Default Date plus interest on said sum at the rate of eighteen percent (18%) per annum until paid; (iii) all commercially reasonable costs and expenses incurred by Franchisor's Affiliate in any repossession, recovery, storage, repair, sale, release or other disposition of the Pod including reasonable attorneys' fees and costs incurred in connection with or otherwise resulting from the Franchisee's default; (iv) present value of the agreed upon or estimated residual value of the Pod (as of the expiration of this Lease or any renewal thereof) discounted at a rate equal to the discount rate of the Federal Reserve Bank of Chicago as of the date of Default; and (v) any indemnity, if then determinable, plus interest at eighteen percent (18%) per annum, LESS the amount received by Franchisor's Affiliate upon such public or private sale or re-lease of such items of Pod, if any;

(g) Exercise any other right or remedy which may be available to it under the Uniform Commercial Code or any other applicable law;

(h) A cancellation hereunder shall occur only upon notice by Franchisor's Affiliate and only as to such items of Pod as Franchisor's Affiliate specifically elects to cancel and this Lease shall continue in full force and effect as to the remaining items, if any;

(i) In the event Franchisor's Affiliate in good faith believes the Pod to be in danger of misuse, abuse, or confiscation or to be in any other way threatened; or believes in good faith that the Pod is no longer sufficient or has declined or may decline in value; or believes in good faith for any other reason that the prospect of payment or performance has become impaired, Franchisor's Affiliate shall have the right, at its option, to either require additional collateral or declare the entire indebtedness immediately due and payable;

(j) If this Lease is deemed at any time to be one intended as security, Franchisee agrees that the Pod shall secure, in addition to the indebtedness set forth herein, indebtedness at any time owing by Franchisee to Franchisor's Affiliate. No remedy referred to in this Paragraph is intended to be exclusive, but shall be cumulative and in addition to any other remedy referred to above or otherwise available to Franchisor's Affiliate at law or in equity. No express or implied waiver by Franchisor's Affiliate of any default shall constitute a waiver of any other default by Franchisee or a waiver of any of Franchisor's Affiliate's rights.

13. Indemnity. Franchisee shall indemnify and hold Franchisor's Affiliate harmless from and against all claims, losses, liabilities (including, but not limited to, negligence, tort, breaches of statutory duties, and strict liability), damages, judgments, suits, and all legal proceedings, and any and all costs and expenses in connection therewith (including attorneys' fees) arising out of or in any manner related to the manufacture, purchase, financing, ownership, delivery, rejection, non-delivery, possession, use, transportation, storage, operation, maintenance, repair, return or other disposition of the Pod or with this Lease, including, without limitation,(a) claims for injury to or death of persons and for damage to property, (b) claims relating to patent, copyright, or trademark infringement, and (c) claims relating to defects in the equipment whether or not discoverable by Franchisor's Affiliate. Franchisee agrees to give Franchisor's Affiliate prompt notice of any such claim or liability.

14. Franchisee's Waivers. To the extent permitted by applicable law, Franchisee hereby waives any and all rights and remedies conferred upon a Franchisee by sections 2A-508 through 12A-522 of the UCC, including but not limited to Franchisee's rights to: (i) cancel this Lease; (ii) repudiate this Lease; (iii) reject the Pod; (iv) revoke acceptance of the Pod; (v) recover damages from Franchisor's Affiliate for any breaches of warranty or for any other reason; (vi) a security interest in the Pod in Franchisee's possession or control for any reason; (vii) deduct all or any part of any claimed damages resulting from Franchisor's Affiliate's default, if any, under this Lease; (viii) accept partial delivery of the Pod; (ix) "cover" by making any purchase, or lease of, or contract to purchase or lease Pod in substitution for those due from Franchisor's Affiliate; (x) recover any general, special, incidental or consequential damages, for any reason whatsoever; and (xi) specific performance, replevin, detinue, sequestration, claim and delivery or the like for any Pod identified to this Lease. To the extent permitted by applicable law, Franchisee also hereby waives any rights now or hereafter conferred by statute or otherwise,

which may require Franchisor's Affiliate to sell, lease or otherwise use any Pod in mitigation of Franchisor's Affiliate's damages as set forth in Section 12 or which may otherwise limit or modify any of Franchisor's Affiliate's rights or remedies under Section 12 Any claim or action for breach of warranty shall be commenced within one (1) year after any such cause of action accrues.

15. **Franchisor's Affiliate's Right to Perform for Franchisee.** If Franchisee fails to perform or comply with any of its agreements contained herein, Franchisor's Affiliate may perform or comply with such agreements and the amount of any payments and expenses of Franchisor's Affiliate incurred in connection with such performance or compliance (including reasonable attorneys' fees), together with interest thereon at the highest legal contract rate, shall be deemed additional rent payable by Franchisee upon demand.

16. **Notice.** Any notices or demands required to be given herein shall be given to the parties in writing and by regular mail email, of facsimile to the addresses, or email addresses herein set forth, or to such other addresses, email addresses, or telecopier numbers as the parties may hereafter substitute by written notice given in the manner prescribed in this Paragraph.

17. **Non-Cancelable Lease; Obligations Unconditional.** The Lease cannot be cancelled or terminated except as expressly provided herein. Franchisee hereby agrees that Franchisee's obligation to pay all rent and any other amounts owing hereunder shall be absolute and unconditional.

18. **Miscellaneous.**

(a) **Governing Law; Waiver of Trial by Jury.** ANY AND ALL MATTERS OF DISPUTE BETWEEN THE PARTIES TO THIS LEASE, WHETHER ARISING FROM THE LEASE ITSELF OR ARISING FROM ALLEGED EXTRA CONTRACTUAL FACTS PRIOR TO, DURING OR SUBSEQUENT TO THE FORMATION OF THE LEASE, INCLUDING, WITHOUT LIMITATION, FRAUD, MISREPRESENTATION, NEGLIGENCE OR ANY OTHER ALLEGED TORT OR VIOLATION OF THE LEASE, SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS. FRANCHISEE AGREES TO SUBMIT TO THE JURISDICTION OF THE STATE AND/OR FEDERAL COURTS IN THE STATE OF ILLINOIS, THE COUNTY OF MCHENRY. THIS LEASE WAS EXECUTED IN THE STATE OF ILLINOIS (BY THE FRANCHISOR'S AFFILIATE HAVING COUNTERSIGNED IT IN). AND IS TO BE PREFORMED IN THE STATE OF ILLINOIS (BY REASON OF PAYMENTS REQUIRED TO BE MADE TO FRANCHISOR'S AFFILIATE IN ILLINOIS). FRANCHISOR'S AFFILIATE AND FRANCHISEE HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS LEASE OR THE CONDUCT OF THE RELATIONSHIP BETWEEN FRANCHISOR'S AFFILIATE AND FRANCHISEE.

(b) **Attorney's Fees.** Franchisee shall reimburse Franchisor's Affiliate for all charges, costs, expenses and attorneys' fees incurred by Franchisor's Affiliate: (a) in defending or protecting its interests in the Pod; (b) in the execution, delivery, administration, amendment and enforcement of this Lease or the collection of any installment of rent under this Lease; and (c) in any lawsuit or other legal proceeding to which this Lease gives rise, including, but not limited to, actions in tort.

(c) **Assignment by Franchisor's Affiliate.** Franchisor's Affiliate may assign or transfer this Lease or any Schedule or Franchisor's Affiliate's interest in the Pod without notice to Franchisee. Any assignee of Franchisor's Affiliate shall have all of the rights, but none of the obligations, of Franchisor's Affiliate under this Lease and Franchisee agrees that it will not assert against any assignee of Franchisor's Affiliate any defense, counterclaim or offset that Franchisee may have against Franchisor's Affiliate and that upon notice of such assignment or transfer, it will pay all rent and other sums due under this Lease to such assignee or transferee. Franchisee acknowledges that any assignment or transfer by Franchisor's Affiliate shall not materially change Franchisee's duties or obligations under this Lease nor materially increase the burdens or risks imposed on Franchisee.

(d) **Waiver.** Franchisor's Affiliate's failure at any time to require strict performance by Franchisee of any of the provisions hereof shall not waive or diminish Franchisor's Affiliate's right thereafter to demand strict compliance therewith or with any other provision. Waiver of any default shall not waive any other default.

(e) **Provisions Severable.** Any provision of this Lease which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The captions in this Lease are for convenience only and shall not define or limit any of the terms hereof.

19. **Survival of Franchisee's Covenants, Indemnities, Representations and Warranties.** All representations, warranties, covenants and indemnities of Franchisee made or agreed to in this Lease and any certificates delivered in connection herewith shall survive the expiration, termination or cancellation of this Lease for any reason for a period of ten years.

20. **Entire Agreement; No Oral Modification; Negation of Trade Usage and Course of Dealing.** This Lease constitutes the entire, final, complete, and fully integrated understanding or agreement between Franchisor's Affiliate and Franchisee and there is no understanding or agreement, oral or written, which is not set forth herein. This Lease may not be supplement, explained, or interpreted by any evidence of trade usage or course of dealing.

    This Lease may not be amended except by a writing signed by Franchisor's Affiliate and Franchisee and shall be binding upon and inure to the benefit of the parties hereto, their permitted successors and assigns.

BY EXECUTION HEREOF, THE SIGNER CERTIFIES (S)HE HAS READ THIS ENTIRE LEASE, THAT FRANCHISOR'S AFFILIATE OR ITS REPRESENTATIVES HAVE MADE NO AGREEMENTS OR REPRESENTATIONS EXCEPT AS SET FORTH HEREIN AND THAT (S)HE IS DULY AUTHORIZED TO EXECUTE THIS LEASE ON BEHALF OF FRANCHISEE.

FRANCHISOR'S AFFILIATE:

Pure Gym Equipment LLC
an Illinois limited liability company

By: _____

Name: _____

Title: _____

FRANCHISEE

_____
(Legal Name of Franchisee Entity)

By: _____

Name: _____

Title: _____

SCHEDULE 1
SPECIFICATIONS OF THE POD

SCHEDULE 2
GUARANTY

This Guaranty is made as of _____, 20__, by _____ ("Guarantor"), in favor of **PURE GYM EQUIPMENT LLC**, an Illinois limited liability company ("Franchisor's Affiliate") with respect to that certain Pod Lease, dated as of _____, 20____ (the "Lease"), by and between Franchisor's Affiliate and _____ ("Franchisee").

The undersigned Guarantor is _____ of Franchisee. Guarantor has agreed to guarantee the obligations of Franchisee under the Lease, and the execution of this Guaranty is a condition of, and a material inducement to, Franchisor's Affiliate entering into the Lease. Therefore, Guarantor hereby unconditionally guarantees the prompt, full and complete performance of all of the obligations of Franchisee under the Lease. If Franchisee at any time fails to make any payment under the Lease when due or fails to perform to comply with any covenant, condition, agreement or term of the Lease, Guarantor shall, upon notice from Franchisor's Affiliate and without further demand, pay, perform or comply with the same in the same manner and to the same extent as is required of Franchisee. Guarantor understands and acknowledges that the Lease may, and likely will, be amended or modified from time to time by agreement of Franchisor's Affiliate and Franchisee and that this may be done without notice to or approval of Guarantor, it being understood that Guarantor is relying solely on Franchisee to protect its interests in connection with such matters. Guarantor hereby waives any suretyship rights or defenses that may be available to Guarantor and agrees that:

The Lease may be assigned, modified or amended in whole or in part or the Premises may be sublet in whole or in part without notice to Guarantor and without releasing Guarantor or affecting Guarantor's obligations under this Guaranty in any way.

Franchisor's Affiliate may, from time to time, and without notice to Guarantor, release any security that Franchisor's Affiliate may have for the obligations of Franchisee under the Lease or accept security therefor; add, substitute or release guarantors; or compromise or settle any amount due or owing; or claimed to be owing under the Lease; and no such action by Franchisor's Affiliate or any other action which Franchisor's Affiliate may take or omit in connection with the Lease shall affect this Guaranty or Guarantor's obligations in any way.

Guarantor expressly waives notice of acceptance of this Guaranty and diligence of collecting any sums due under the Lease or the taking of any action with reference to any default under the Lease or to any liability under this Guaranty.

Franchisor's Affiliate has no duty to disclose to Guarantor any information it receives regarding the financial status of Franchisee, whether or not such information indicates that the risk of Guarantor under this Guaranty has been or may be increased. Guarantor assumes full responsibility for being and keeping informed of Franchisee's financial condition, Franchisee's performance under the Lease, and Franchisee's use and operation of the Premises.

Guarantor hereby subordinates all its claims for payment of any indebtedness of Franchisee to Guarantor, if any, to Franchisor's Affiliate's right to receive payment from Franchisee of all sums due under the Lease and waives any rights it may have to participate in any security for the Lease or to enforce any remedy which Franchisor's Affiliate may have against Franchisee or any other person or entity that may now or hereafter by liable on the Lease.

The obligations of Guarantor under this Guaranty are independent of the obligations of Franchisee, and Franchisor's Affiliate may directly enforce its rights under this Guaranty without proceeding against or joining Franchisee or any other guarantor of the Lease, and without applying or enforcing any security for the Lease.

In the event any payment by Franchisee to Franchisor's Affiliate is held to constitute a preference, fraudulent conveyance or similar voidable payment under any law now or hereafter in effect, and is rescinded or otherwise required to be returned by Franchisor's Affiliate, such payment by Franchisee to Franchisor's Affiliate shall not constitute a release of Guarantor from any liability hereunder and this Guaranty shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

Guarantor agrees to indemnify Franchisor's Affiliate for all costs and expenses, including court costs and attorneys' fees, incurred or paid by Franchisor's Affiliate in enforcing this Guaranty and the Lease.

This Guaranty shall inure to the benefit of any person or persons, entity or entities who at any time may be entitled to the benefits and obligated to perform the duties of Franchisor's Affiliate under the Lease and shall be binding upon the heirs, administrators, successors and assigns of Guarantor.

Notwithstanding anything to the contrary contained in this Guaranty, Guarantor shall be released from liability thirty-six (36) months from the date of the Lease, on condition that Franchisee has fully complied with its obligations under this Lease during said 36 months.

This Guaranty is the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to Guarantor's guarantee of the Lease and supersedes any and all prior or contemporaneous understandings, agreements, representations or communications between or among the parties, either oral or written, concerning this Guaranty.

This Guaranty shall be construed in accordance with the fair meaning of the language used. No rule of construction to the effect that ambiguities are to be resolved against the drafting party shall apply in interpreting this Guaranty.

This Guaranty may not be changed orally, and no obligation of Guarantor can be released or waived except by a writing signed by Franchisor's Affiliate.

If any term or provision of this Guaranty is ever determined to be illegal or unenforceable, all other terms and provisions of this Guaranty shall remain effective and enforceable to the fullest extent permitted by law.

This Guaranty and the rights and obligations of Guarantor and Franchisor's Affiliate under this Guaranty shall be governed by and construed in accordance with the laws of the State of Illinois, excluding its conflicts of law principles.

If this Guaranty is executed by two or more individuals, corporations or other entities, then the liability of each such individual, corporation or entity to perform all of the obligations hereunder shall be deemed to be joint and several.

IN WITNESS WHEREOF, the Guaranty has been executed by Guarantor, effective as of _____, 2022.

GUARANTOR:

_____

Name: [_____]

Address of Guarantor:

_____

_____

_____

EXHIBIT J

STATE SPECIFIC ADDENDA TO FDD

Some administrators of franchise registration states may require us to include an addendum to the Aira Fitness Franchise Disclosure Document describing certain state laws or regulations which may supersede the Franchise Disclosure Document. If you are in a registration state which requires an addendum to the Franchise Disclosure Document, it will follow this page.

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

The Aira Fitness Franchise Disclosure Document for use in the State of California is modified in accordance with the following:

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

2. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**

3. Item 3 of the Disclosure Document on "Litigation" is amended by the addition of the following:

Neither the Company, nor 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. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

4. Item 17 of the Disclosure Document on "Renewal, Termination, Transfer and Dispute Resolution" is amended by the addition of the following:

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

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

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

The Franchise Agreement requires binding arbitration. The arbitration will occur in the State of Illinois with the costs being borne by the losing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as the Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of the State of California.

The Franchise Agreement requires application of the laws of the State of Illinois. This provision may not be enforceable under California law.

Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

5. The Company's website address is www.airafitness.com.

OUR WEBSITE 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.

6. Item 5 of the Franchise Disclosure Document on Initial Fees is amended as follows:

The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

7. Each owner of the franchise is required to execute a personal guaranty. Doing so could jeopardize the marital assets of non-owner spouses domiciled in community property state such as California.

8. The maximum allowable interest rate in California is 10% per year.

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

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

11. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your

ability to rely on any representations it makes to you, or (iii) any violations of the law.

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

This Addendum is to a Franchise Agreement by and between Aira Fitness Franchising, LLC (Company) and (Franchisee) to amend said Agreement as follows:

1. Paragraph 9(A) is revised in its entirety to read as follows:

9(A) Initial Franchise Fee. Once our initial obligations to you are completed and you are open for business, you must pay us an initial franchise fee in the amount set forth on the Summary Page. The initial franchise fee is deemed fully earned upon payment in consideration for our expenses incurred and services rendered in granting you the franchise and is non-refundable.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective on the date below the signatures.

"FRANCHISEE"

_____

By:_____

Its: _____

Date: _____

"COMPANY"

AIRA FITNESS FRANCHISING, LLC
an Illinois limited liability company

By: _____

Its: _____

Date: _____

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII

The Aira Fitness Franchising, LLC Disclosure Document for use in the State of Hawaii is modified in accordance with the following:

1. For Hawaii franchisees, the conditions under which the franchise can be terminated and rights upon nonrenewal may be affected by Hawaii Revised Statutes, Section 482E-6.

AIRA FITNESS FRANCHISING LLC
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

Illinois law governs the Franchise Agreement and Multi-Unit Development Agreement. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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

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

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

ADDENDUM TO THE AIRA FITNESS FRANCHISE AGREEMENT FOR THE STATE OF ILLINOIS

1. Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.
2. Illinois law governs the Franchise Agreement and Multi-Unit Development Agreement. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. 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.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. Section 9.A of the Franchise Agreement on "Initial Franchise Fee" is amended by the addition of the following:

> The Office of the Illinois Attorney General requires Franchisor to defer all initial franchise fees until such time as the Franchisor has completed all initial obligations owed to the Franchisee under the Franchise Agreement and the Franchisee has commenced doing business. This deferral of the initial franchise fees is required based on the Franchisor's financial condition.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

[Signature Page Follows]

FRANCHISOR:
AIRA FITNESS FRANCHISING LLC
An Illinois limited liability company

By:_____
Title:_____
Date: _____

FRANCHISEE:
_____
A _____

By: _____
Title: _____
Date: _____

or if Franchisee is not an entity:

_____
Franchisee

Date: _____

_____
Franchisee

Date: _____

ADDENDUM TO THE AIRA FITNESS MULTI- UNIT DEVELOPMENT AGREEMENT FOR THE STATE OF ILLINOIS

This Addendum is to the Multi-Unit Development Agreement dated _____, 20__between Aira Fitness Franchising, LLC and _____(Developer) to amend said Agreement as follows:

1. Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.
2. Illinois law governs the Franchise Agreement and Multi-Unit Development Agreement. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. 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.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. Section 2 on Fees is amended by the addition of the following:

   The Office of the Illinois Attorney General requires Franchisor to defer all initial franchise fees until such time as the Franchisor has completed all initial obligations owed to the Franchisee under the Franchise Agreement and the Franchisee has commenced doing business. This deferral of the initial franchise fees is required based on the Franchisor's financial condition.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum effective on the date below each signature.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**DEVELOPER:** _____ [Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

AIRA FITNESS FRANCHISING LLC
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA

This Addendum is to Franchise Agreement dated _____, 20__between Aira Fitness Franchising LLC and _____(Franchisee) to amend said Agreement as follows:

The Indiana Franchises Law, Title 23, Chapter 2.5, Sections 1 through 51 of the Indiana Code, supersedes any provisions of the Franchise Agreement if such provisions are in conflict with that law.

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

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the date below each signature.

FRANCHISOR:
AIRA FITNESS FRANCHISING LLC
An Illinois limited liability company

By:_____
Title:_____
Date: _____

FRANCHISEE:
_____
A _____

By: _____
Title: _____
Date: _____

or if Franchisee is not an entity:

_____
Franchisee

Date: _____

_____
Franchisee

Date: _____

AIRA FITNESS FRANCHISING LLC
ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE STATE OF INDIANA

This Addendum is to Multi-Unit Development Agreement dated _____, 20__between Aira Fitness Franchising LLC and _____(Franchisee) to amend said Agreement as follows:

The Indiana Franchises Law, Title 23, Chapter 2.5, Sections 1 through 51 of the Indiana Code, supersedes any provisions of the Franchise Agreement if such provisions are in conflict with that law.

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

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become as of the date below each signature.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**DEVELOPER:** _____ [Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

The Aira Fitness Franchising, LLC Offering Prospectus for use in the State of New York is modified in accordance with the following:

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

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21st FLOOR, NEW YORK, NEW YORK 10005-1495. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

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

   (a) No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

   (b) No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

   (c) No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been 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 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 Item 4:

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

4. The following is added to the end of Item 5:

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

5. The following is added to the end of the "Summary" sections of Item 17(c), titled **"Requirements for franchise 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; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee"**:

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

7. The following is added to the end of the "Summary" section of Item 17(j), titled **"Assignment of contract by franchisor"**:

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

8. The following 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 upon the franchisee by Article 33 of the General Business Law of the State of New York.

9. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming any 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.

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK

This Addendum is to a Franchise Agreement between Aira Fitness Franchising LLC and _____ ("Franchisee") amend said Agreement as follows:

1. Paragraph 4(B) of the Franchise Agreement on Renewal and Paragraph 12(C) of the Franchise Agreement on Conditions to Transfer shall be amended by the addition of the following language to the original language that appears therein:

> "All rights enjoyed by the Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied."

2. Paragraph 12(F) of the Franchise Agreement on Transfer by Franchisor shall be amended by the addition of the following language to the original language that appears herein:

> "However, Franchisor shall not assign its rights and obligations to a transferee unless in its reasonable judgment, the transferee is able to fulfill the Franchisor's obligations under its Franchise Agreements."

3. Paragraph 13(C) of the Franchise Agreement on Governing Law/Consent to Jurisdiction shall be amended by the addition of the following language to the original language that appears therein:

> "The foregoing choice of law shall not be considered a waiver of any right conferred upon the Franchisee by the provisions of Article 33 of the General Business Law of the State of New York."
>
> No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[Signature Page Follows.]

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum and understands and agrees to be bound by all of its terms as of the dates below.

FRANCHISOR:
AIRA FITNESS FRANCHISING LLC
An Illinois limited liability company

By:_____
Title:_____
Date: _____

FRANCHISEE:
_____
A _____

By: _____
Title: _____
Date: _____

or if Franchisee is not an entity:

_____
Franchisee

Date: _____

_____
Franchisee

Date: _____

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE STATE OF NEW YORK

This Addendum is to an Multi-Unit Development Agreement between Aira Fitness Franchising, LLC and (Developer) to amend said Agreement as follows:

1. Paragraph 12.6 of the Multi-Unit Development Agreement on Governing Law/Consent to Jurisdiction shall be amended by the addition of the following language to the original language that appears therein:

> "The foregoing choice of law shall not be considered a waiver of any right conferred upon the Franchisee by the provisions of Article 33 of the General Business Law of the State of New York."

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

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum and understands and agrees to be bound by all of its terms as of the dates below.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**DEVELOPER:**
	_____
	[Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA

This Addendum is to a Franchise Agreement dated by and between Aira Fitness Franchising, LLC and (Franchisee) to amend said Agreement as follows:

1. Section 4.B. of the Franchise Agreement on "Renewal Term and Conditions of Renewal" and Section 12.C. of the Franchise Agreement on "Conditions of Transfer" are amended by the addition of the following language to the original language that appears therein:

   "The execution of a general release upon renewal, assignment or termination shall be inapplicable to franchises operating under the North Dakota Franchise Investment Law."

2. Section 11.D.3. of the Franchise Agreement on "Non-Compete Covenants – After Termination" is amended by the addition of the following language to the original language that appears therein:

   "Covenants not to compete such as those mentioned above are generally unenforceable in the State of North Dakota."

3. Section 13.A. of the Franchise Agreement on "Arbitration; Mediation" is revised as follows:

   "Arbitration shall take place ~~in the Chicago metropolitan area~~ at a location agreeable to all parties."

4. Section 13.C. of the Franchise Agreement on "Governing Law/Consent to Jurisdiction" is deleted in its entirety.

5. Section 13.E. of the Franchise Agreement on "Waiver of Jury Trial" is deleted in its entirety.

6. Section 13F. of the Franchise Agreement on "Waiver of Punitive Damages" is deleted in its entirety.

7. Section 14.E. of the Franchise Agreement on "Liquidated Damages" is deleted in its entirety.

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

9. The North Dakota Securities Department requires the Franchisor or affiliates to defer all initial franchise fees until such time as the Franchisor or affiliates have completed all initial obligations owed to the Franchisee under the Franchise Agreement and the Franchisee has commenced doing business. This deferral of the initial franchise fee is required based on the Franchisor's financial condition.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed, sealed and delivered this Agreement in duplicate the day and year first above written.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company

By: _____

Its: _____

Date: _____

FRANCHISEE:

_____
[Insert individual name or company]

By: _____

Its: _____

Date: _____

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE STATE OF NORTH DAKOTA

This Addendum is to a Multi-Unit Development Agreement dated by and between Aira Fitness Franchising, LLC and (Developer) to amend said Agreement as follows:

1. Section 8 of the Multi-Unit Development Agreement on "Transferability; Entity as Developer" is amended by the addition of the following language to the original language that appears therein:

   "The execution of a general release upon renewal, assignment or termination shall be inapplicable to franchises operating under the North Dakota Franchise Investment Law."

2. Section 9 of the Multi-Unit Development Agreement on "Post-Termination Covenants" is amended by the addition of the following language to the original language that appears therein:

   "Covenants not to compete such as those mentioned above are generally unenforceable in the State of North Dakota."

3. Section 12.3 of the Multi-Unit Development Agreement on "Arbitration; Mediation" is revised as follows:

   "Arbitration shall take place ~~in McHenry County, Illinois~~ at a location agreeable to all parties."

4. Section 12.6 of the Multi-Unit Development Agreement on "Governing Law/Consent to Jurisdiction" is deleted in its entirety.

5. Section 12.7 of the Multi-Unit Development Agreement on "Waiver of Jury Trial" is deleted in its entirety.

6. Section 12.8 of the Multi-Unit Development Agreement on "Limitation of Claims" is deleted in its entirety.

7. Section 12.9 of the Multi-Unit Development Agreement on "Limitation of Damages" is deleted in its entirety.

8. Section 12.10 of the Multi-Unit Development Agreement on "Costs and Attorneys' Fees" shall be amended as follows:

   "The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees."

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

10. The North Dakota Securities Department requires the Franchisor or affiliates to defer all initial franchise fees until such time as the Franchisor or affiliates have completed all initial obligations owed to the Franchisee under the Franchise Agreement and the Franchisee has commenced doing business. This deferral of the initial franchise fee is required based on the Franchisor's financial condition.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed, sealed and delivered this Agreement in duplicate the day and year first above written.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**DEVELOPER:** _____ [Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND

1. Item 17 of the Franchise Disclosure Document is amended by the addition of the following:

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

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND

This addendum to the Franchise Agreement is by and between Aira Fitness Franchising, LLC and _____ (Franchisee) to amend said Agreement as follows:

1. Section 13(C) of the Franchise Agreement on Governing Law/Consent to Jurisdiction is amended by the addition of the following language to the original language that appears therein:

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

2. Section 13(A) of the Franchise Agreement on Agreement to Arbitrate is amended by the addition of the following language to the original language that appears therein:

> "Rhode Island law provides with respect to a claim enforceable under the Rhode Island Franchise Investment Act, that any provision in a franchise agreement which restricts jurisdiction or venue outside of Rhode Island is void. Accordingly, arbitration of a claim enforceable under the Act will be conducted in Rhode Island unless the franchisee agrees otherwise."

IN WITNESS WHEREOF, this Agreement has been executed by the Company and Developer on the date below the signatures.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**FRANCHISEE:** _____ [Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE STATE OF RHODE ISLAND

This addendum to the Multi-Unit Development Agreement is by and between Aira Fitness Franchising, LLC and _____ (Developer) to amend said Agreement as follows:

1. Section 12.6 of the Multi-Unit Development Agreement on Governing Law/Consent to Jurisdiction is amended by the addition of the following language to the original language that appears therein:

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

2. Section 12.3 of the Multi-Unit Development Agreement on Agreement to Arbitrate is amended by the addition of the following language to the original language that appears therein:

> "Rhode Island law provides with respect to a claim enforceable under the Rhode Island Franchise Investment Act, that any provision in a franchise agreement which restricts jurisdiction or venue outside of Rhode Island is void. Accordingly, arbitration of a claim enforceable under the Act will be conducted in Rhode Island unless the franchisee agrees otherwise."

IN WITNESS WHEREOF, this Agreement has been executed by the Company and Developer on the date below the signatures.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**DEVELOPER:** _____ [Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

AIRA FITNESS FRANCHISING LLC
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF SOUTH DAKOTA

This addendum to the Franchise Agreement is by and between Aira Fitness Franchising LLC (Company) and _____ (Franchisee) to amend said Agreement as follows:

1. Paragraph 9(A) of the Agreement on "Initial Franchise Fee" is amended by the addition of the following:

   Notwithstanding the language in Paragraph 9(A), payment of the initial franchise fee is deferred until Franchisee is open for business.

2. Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

3. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on 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 executed, sealed and delivered this Agreement as of the date below each signature.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company

By: _____

Its: _____

Date: _____

FRANCHISEE:

_____
[Insert individual name or company]

By: _____

Its: _____

Date: _____

AIRA FITNESS FRANCHISING LLC
ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE STATE OF SOUTH DAKOTA

This addendum to the Multi-Unit Development Agreement is by and between Aira Fitness Franchising LLC (Company) and _____ (Franchisee) to amend said Agreement as follows:

1. Section 2 of the Multi-Unit Development Agreement on "Fees" is amended by the addition of the following:

   Notwithstanding the language in Section 2, payment of the development fee is deferred until each of Developer's Aira Fitness franchises is open for business.

2. Except as expressly modified hereby, the Multi-Unit Development Agreement shall remain in full force and effect in accordance with its terms.

3. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on 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 executed, sealed and delivered this Agreement as of the date below each signature.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**DEVELOPER:** _____ [Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO DISCLOSURE DOCUMENT
FOR THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Aira Fitness Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following is added to Item 5:

The Virginial State Corporate Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owned by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The following statements are 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 grounds for default or termination stated in the franchise 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."

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE COMMONWEATLH OF VIRGINIA

This addendum to the Franchise Agreement is by and between Aira Fitness Franchising, LLC ("Company") and _____ ("Franchisee") to amend said Agreement as follows:

1. Section 2 of the Franchise Agreement is amended by the addition of the following:

The Virginial State Corporate Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owned by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

2. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming any 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.

3. Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF the parties hereto have executed, sealed and delivered this Agreement in counterparts on the date below the signatures.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**FRANCHISEE:** _____ [Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE COMMONWEATLH OF VIRGINIA

This addendum to the Multi-Unit Development Agreement is by and between Aira Fitness Franchising, LLC ("Company") and _____ ("Developer") to amend said Agreement as follows:

1. Section 2 of the Multi-Unit Development Agreement is amended by the addition of the following:

> The Virginial State Corporate Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owned by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

2. Except as expressly modified hereby, the Multi-Unit Development Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF the parties hereto have executed, sealed and delivered this Agreement in counterparts on the date below the signatures.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**DEVELOPER:** _____ [Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

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

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

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

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

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully

evaluate any information provided by the franchise broker about a franchise.

19. Sections 2.1 and 2.2 of the Multi-Unit Development Agreement on "Fees" are amended by the addition of the following:

Notwithstanding the language in Sections 2.2., payment of the development fee is deferred until the franchisor has fulfilled its pre-opening obligations to the franchisee and the franchisee is open for business.

20. Sections 9.4 and 12.8 of the Multi-Unit Development Agreement shall be deleted in their entirety.

21. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business. Because franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Multi- Unit Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location.

The undersigned parties do hereby acknowledge receipt of this Addendum.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**FRANCHISEE:** _____ [Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN

This Addendum is to a Franchise Agreement between Aira Fitness Franchising, LLC and (Franchisee) to amend said Agreement by including the following language:

> The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provisions of the Franchise Contract or Agreement if such provisions are in conflict with that law.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the date below the signatures.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**FRANCHISEE:** _____ [Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

AIRA FITNESS FRANCHISING, LLC
ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE STATE OF WISCONSIN

This Addendum is to a Multi-Unit Development Agreement between Aira Fitness Franchising, LLC and (Developer) to amend said Agreement by including the following language:

> The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provisions of the Franchise Contract or Agreement if such provisions are in conflict with that law.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the date below the signatures.

AIRA FITNESS FRANCHISING, LLC, an Illinois limited liability company	**DEVELOPER:** _____ [Insert individual name or company]
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

EXHIBIT K

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2025

State	Name	Phone	Business Location
Arkansas	Anthony and Jacklyn Tufu	501-733-9806	1100 Bob Courtway Dr. #15 Conway, AR 72032
Florida	DDfitness LLC	708-915-0810	6060 Collier Blvd. Suite 52 Naples, FL 34114
Florida	Derek Whitney	815-703-4096	8406 Panama City Beach Parkway, Ste. M., Panama City Beach, FL 32407
Georgia	OTNA Investments, LLC	678-790-6880	2520 E. Piedmont Rd. Ste. 104 Marietta, GA 30062
Illinois	Eric Thompson	847-775-9136	10007 N Main St. Richmond, IL 60071
Illinois	Scott Hejna	224-303-6539	5101 Washington St. Gurnee, IL 60031
Illinois	Scott Hejna	224-302-6420	34121 US-45 St. 10 Grayslake, IL 60030
Illinois	Scott Hejna	708-674-9481	7407 Hancock Dr. Wonder Lake, IL 60097
Michigan	Jacob Good	269-586-4325	2620 W John Beers Rd. Stevensville, MI 49127
Pennsylvania	JMA Investment Properties LLC	570-814-1988	390 PA-315 Suite 170B390 PA-315 Suite 170B390 PA-315 Suite 170B, Pittston, PA

			18640
Texas	David Gonzalez	915-443-9339	13800 Eastlake Blvd. #100, Horizon City, TX 79928
Texas	Jeremy & Sara Nadeau	802-309-0346	100 N Edward Gary St., San Marcos, TX 78666
Texas	Mutt and Muscles LLC	512-751-6472	1500 S. A.W. Grimes Blvd. #165 Round Rock, TX 78664
Utah	Elijiah Reynolds	801-347-8687	2836 S 5600 W West Valley City, UT 84120

Franchise Agreement Signed but Outlet not yet open as of December 31, 2025

State	Name	Phone	City/State	Comments
California	Perry Enterprises LLC	530-771-7788	Rio Linda, CA	
Florida	Marcio & Christina Teixeira		Tampa, FL	
Florida	Jason Russell	352-512-5772	Panama City Beach, FL	
Indiana	Andrew Zack	574-315-3805	South Bend, IN	*Opened January 2026*
North Carolina	Deborah Costa	919-279-8999	Raleigh, NC	

Former Franchisees as of December 31, 2025

None.

EXHIBIT L

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	April 29, 2026
Michigan	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

COPY FOR AIRA FITNESS FRANCHISING LLC

Exhibit M

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully.

If AIRA Fitness 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 (or sooner if required by state law). 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 AIRA Fitness 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 agencies listed in Exhibit A to this disclosure document.

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

Mike Bell, 600 Route 59, Ingleside, IL 60041 (815)529-7260
Megan Roberts, 600 Route 59, Ingleside, IL 60041 (815)529-7260
Alyssa Kathan, 600 Route 59, Ingleside, IL 60041 (815)529-7260
Ashley Bell, 600 Route 59, Ingleside, IL 60041 (815)529-7260 ***and check and fill in if applicable***

□ _____

See Exhibit A for our registered agents authorized to receive service of process.

Issuance Date: April 20, 2026

I acknowledge receiving this Franchise Disclosure Document issued April 20, 2026, including the following exhibits:

EXHIBIT A	List of State Administrators and List of Agents for Service of Process
EXHIBIT B	Financial Statements
EXHIBIT C	Franchise Agreement
EXHIBIT D	Multi-Unit Development Agreement
EXHIBIT E	Operations Manual Table of Contents
EXHIBIT F	Initial Fitness Equipment Package Purchase Agreement
EXHIBIT G	Fitness Equipment Lease
EXHIBIT H	Pod Package Purchase Agreement
EXHIBIT I	Pod Package Lease
EXHIBIT J	State Addenda
EXHIBIT K	List of Current and Former Franchisees
EXHIBIT L	State Effective Dates
EXHIBIT M	Receipts

Date FDD Received:__

Signed*: _____

Print Name: _____

On behalf of (if an entity):

_____

COPY FOR YOU

Exhibit M

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully.

If AIRA Fitness 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 (or sooner if required by state law). 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.

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EXHIBIT L	State Effective Dates
EXHIBIT M	Receipts

Date FDD Received:_____

Signed*: _____

Print Name: _____

On behalf of (if an entity): _____