FRANCHISE DISCLOSURE DOCUMENT

Body Alive Franchise, LLC
an Ohio Limited Liability Company
8110 Montgomery Rd. #3
Cincinnati, Ohio 45236
Phone: (513) 635-2728
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This Franchise Disclosure Document ("FDD") describes the "Body Alive Studio" franchise concept, offering a business that will market a boutique fitness studio featuring group fitness classes, including hot yoga, hot mat pilates, hot body sculpt, hot body challenge, and body fusion, nutritional products and services and related products operating under the name Body Alive. Your franchise will be known as "Body Alive" and the services you offer will be known as "Body Alive Studio Services." This FDD offers to you (1) type of franchises: (i) an individual unit franchise ("Individual Unit Franchise"),

The total investment necessary to begin operation of a Body Alive Studio is **$470,200 to $685,800.**

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this document and all accompanying agreements carefully. You must receive the disclosure document at least fourteen (14) calendar days before you can 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 government agency has verified the information contained in this document.**

You may wish to receive this document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Paul Bain of Body Alive Franchise, LLC, at 8110 Montgomery Rd. #3 Cincinnati, OH 45236 and (513) 635-2728.

The terms of your contract will govern your relationship with the franchisor. Don't rely on this disclosure document alone to understand your agreement. Read all of your agreements carefully. Show this document and your franchise agreement, and all related agreements, to your professional advisors, including your accountant and attorney.

Purchasing a franchise is a complex investment. The information in this disclosure document may assist you in understanding some of the relevant information. 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, DC 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: December 1, 2025

<u>How to Use This Franchise Disclosure Document</u>

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

QUESTION	WHERE TO FIND THE 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 C and Exhibit D.

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 E 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 Body Alive Studio 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 a Body Alive Studio franchisee?	Item 20 or Exhibit C and Exhibit D 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.

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<u>What You Need To Know About Franchising *Generally*</u>

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

<u>Business model can change</u>. 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.

<u>Supplier restrictions</u>. 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.

<u>Operating restrictions</u>. 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.

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

<u>Renewal</u>. 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.

<u>When your franchise ends</u>. 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.

<u>Some States Require Registration</u>

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.

<u>SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE</u>

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

1. <u>Out-of-State Dispute Resolution</u>. The franchise agreement requires you to

resolve disputes with the franchisor by arbitration and/or litigation only in Ohio. Out-of-state arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate, or litigate with the franchisor in Ohio than in your own state.

2. Spousal Guaranty. The franchise agreement will require the spouse of any owner to sign a personal guarantee of the obligations of the franchise business.

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

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EXHIBITS

Item 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

To simplify this Franchise Disclosure Document, "we, "us" "Company" or "Franchisor" means Body Alive Franchise, LLC. "You" or "Franchisee" means the person who buys the franchise.

We are an Ohio Limited Liability Company formed on August 9, 2019. Our principal business address is 8110 Montgomery Rd. #3 Cincinnati, OH 45236. We are in the business of franchising boutique fitness studio businesses under the name "Body Alive," and the trademarks described in Item 13. We do not own or operate any businesses of the type being franchised and we have not offered franchises in any other line of business. We do not engage in any business other than franchising Body Alive Studio businesses. We have offered Body Alive Studio franchises since March 1, 2022.

Our Parent, Predecessors, and Affiliates

We have no parent or predecessor. We have the following affiliates (collectively, "Affiliates"): Our Affiliate Body Alive Corporate, LLC is an Ohio Limited Liability Company formed on June 2, 2017 located at 8110 Montgomery Rd. Cincinnati OH 45236 ("Trademark Affiliate"). Trademark Affiliate owns the trademarks described in Item 13. Body Alive Corporate, LLC Affiliate ("Trademark Affiliate") is an approved supplier for the proprietary apparel and other related retail products you must use, offer and sell at your Body Alive Studio ("Proprietary Products"). Our Affiliate Body Alive Oakley, LLC is an Ohio Limited Liability Company formed on August 3, 2017 located at 3160 Madison Rd. Cincinnati OH 45209 ("BAO Affiliate"). BAO Affiliate owns and operates one (1) businesses of the type being franchised. Our Affiliate Kenwood Hot Yoga, LLC, dba Body Alive Kenwood is an Ohio Limited Liability Company formed on May 1, 2012 located at 8110 Montgomery Rd. Cincinnati OH 45236 ("KHY Affiliate"). KHY Affiliate owns and operates one (1) business of the type being franchised. Our Affiliate Body Alive Mason, LLC is an Ohio Limited Liability Company formed on June 2, 2017 located at 4700 Duke Dr. Mason OH 45040 (“BAM Affiliate”). BAM Affiliate owns and operates one (1) business of the type being franchised. Our Affiliate Body Alive Crestview Hills, LLC is a Kentucky Limited Liability Company formed on September 4, 2018 located at 2833 Town Center Blvd. Crestview Hills, KY 41017 (“BAC Affiliate”). BAC Affiliate owns and operates one (1) business of the type being franchised. Our Affiliate Body Alive North Phoenix, LLC is an Arizona Limited Liability Company formed on June 2, 2017 located at 350 E Bell Rd #10, Phoenix, AZ 85022 (“BAN Affiliate”). BAN Affiliate owns and operates one (1) business of the type being franchised. Our Affiliate Body Alive Clifton , LLC is an Ohio Limited Liability Company formed on January 17, 2024 located at 150 W McMillan St, Cincinnati, OH 45219. Body Alive Clifton, LLC owns and operates one (1) business of the type being franchised. Our Affiliate Body Alive Anderson, LLC is an Ohio Limited Liability Company formed on December 11, 2023 located at 8315 Beechmont Ave #4, Cincinnati, OH 45255. Body Alive Anderson, LLC owns and operates one (1) business of the type being franchised. Our Affiliates have never owned or offered franchises in this or any other line of business. Our Affiliate-owned locations are substantially similar to the franchises offered under the Franchise Agreement.

Our Address and Agent for Service

Our principal place of business is 8110 Montgomery Rd. #3 Cincinnati, OH 45236 and we do business under the name “Body Alive”. Our agents for service of process are listed in Exhibit A.

The Franchise Offered

We offer franchises for the right to establish and operate a Body Alive Studio (“Body Alive Studio” or “Franchised Business”) within a Designated Territory (as described in Item 12). Body Alive Studio operates under the trade name and mark “Body Alive.” These principal marks and all other marks which may be designated by us in the future in writing for use with the System (defined below) are referred to in this Disclosure Document as the “Marks” or “Proprietary Marks”. The Proprietary Marks are owned by our Affiliate, Body Alive Corporate, LLC, which has licensed them to us so that we may sublicense them to our franchisees.

You must operate the Body Alive Studio in accordance with our System, which includes a proprietary trade dress that incorporates materials and supplies; methods, uniform standards, specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, interior design, layout, décor, color scheme, fixtures and furnishings; all of which may be changed, improved and further developed (the “System”).

The Franchise Agreement

We offer the right to establish and operate a Body Alive Studio under the terms of a single unit franchise agreement (the “Franchise Agreement”). Our current form of Franchise Agreement is attached as Exhibit B to this Disclosure Document. You may be an individual, corporation, partnership or other form of legal entity. Under the Franchise Agreement, certain parties are characterized as Franchisee’s Principals. You must designate a general manager who will be the main individual responsible for your Franchised Business.

Market and Competition

A Body Alive Studio business will offer its products and services to the general public. Your franchise will compete primarily with other local businesses, as well as local, regional, national and international chains offering personal fitness training services in the same mall or center or in proximity to your location for the service of this clientele. The boutique fitness segment of the fitness industry in general is in a mature and highly competitive industry. The success of your operation will depend in large measure on the demographics of the residents of your Territory, seasonality, the competition surrounding your operation, local labor conditions and wage rates, the local costs of advertising, the availability of suitable facilities in convenient locations and at affordable rents, and your management, marketing and selling skills and work ethic.

Industry Specific Regulations

A Body Alive Studio business is subject to federal, state and local laws, ordinances and regulations specifically applicable to the fitness industry including regulations related to requiring you to

obtain various licenses and/or permits for the operation of your Body Alive Studio franchise. Each state may differ in licensing and permit requirements for the services you will offer and may have regulations relating to occupational hazards and health, individual license requirements for your employees based on the services they provide.

A Body Alive Studio business also is subject to federal, state and local laws and regulations that are applicable to businesses generally, including federal laws such as the Fair Labor Standards Act, National Labor Relations Act and Americans with Disabilities Act, and OSHA and EPA considerations and laws and regulations governing matters such as zoning, construction, business licensing, health and safety, minimum wages, overtime, working conditions, workers' compensation insurance, unemployment insurance, consumer protection, trade regulation, environmental protection, and taxation. You must comply with all laws and licensing requirements related to the operation of your Franchised Business. You may also be required by federal, state or local authorities to close or limit your business operations during a time of national pandemic.

We advise you to investigate these laws and regulations before purchasing a franchise from us.

Item 2. BUSINESS EXPERIENCE

PAUL BAIN – PRESIDENT, FOUNDER & OWNER

Mr. Bain has been the President of Body Alive Franchise, LLC since our inception in January 2020. Mr. Bain is also President and owner of Trademark Affiliate, Body Alive Corporate, LLC, since June 2017. Mr. Bain is also an owner and Managing Member of Kenwood Hot Yoga, LLC since October 2012, Body Alive Oakley, LLC since February 2018, Body Alive Mason, LLC since December 2018, Body Alive Crestview Hills, LLC since September 2019, Body Alive North Phoenix, LLC since January 2020, Body Alive Anderson since December 2023, and Body Alive Clifton, LLC since January 2024. Mr. Bain manages all key personnel decisions, training, customer service, and marketing departments for Body Alive Corporate, LLC as well Kenwood Hot Yoga, LLC, Body Alive Oakley, LLC, Body Alive Mason, LLC, Body Alive Crestview Hills, LLC, Body Alive North Phoenix, LLC, Body Alive Anderson, LLC, Body Alive Clifton, LLC, and Body Alive Loveland, LLC. Mr. Bain's other primary responsibilities are to oversee all operations, strategic growth, and franchise development for Body Alive Fitness studios.

STEPHANIE BAIN - MASTER TRAINER & OWNER

Ms. Bain has been with Body Alive Franchise, LLC since its inception in January 2021. She is also an owner and Managing Member of Kenwood Hot Yoga, LLC since October 2012, Body Alive Oakley, LLC since February 2018, Body Alive Mason, LLC since December 2018, Body Alive Crestview Hills, LLC since September 2019, Body Alive North Phoenix, LLC since January 2020, and Body Alive North RiNo, LLC since November 2021. Ms. Bain has been an instructor and the Master Trainer for all Body Alive affiliate studios since October 2012.

SAMANTHA JOHNS - PRESIDENT & MASTER TRAINER

Ms. Johns has been President of Body Alive since June 2024. Prior to that and still currently, she is a Trainer and Instructor with Body Alive Franchise, LLC since its inception in January 2021. Prior to 2021 and still currently, Ms. Johns has served as an Instructor and Studio Manager of our Trademark Affiliate Body Alive Corporate, LLC, since 2019. Prior to that, Ms. Johns worked for American Homes 4 Rent as the Field Manager and a part-time fitness instructor at LA Fitness, now Esporta, from 2017 to 2019.

KATHY ADAMS - TREASURER

Ms. Adams brings more than 35 years of experience as a full-charge bookkeeper, where she has overseen accounting operations and prepared monthly financial statements with accuracy and care, as well as managed front-office operations. Her professional path has also included a successful career in real estate as an agent with Comey & Shepherd. Since 2013, Ms. Adams has been a valued member of the Body Alive team as Treasurer, contributing her expertise and organizational skills to the company's ongoing success.

MARINA VOLLHARDT - DIRECTOR OF STUDIO OPERATIONS

Ms. Vollhardt brings more than 30 years of customer service experience across retail, property management, healthcare, and fitness. She joined Body Alive in 2018, starting part-time at the original Kenwood studio before moving into the full-time role of Studio Coordinator. Today, Ms. Vollhardt oversees all existing studio operations and ensures company-wide policy compliance. Known as the go-to resource for many aspects of operations, Ms. Vollhardt is dedicated to supporting both employees and studios in every way possible. Her organizational expertise, problem-solving skills, and genuine passion for Body Alive create a welcoming, efficient environment where staff and members thrive.

ANETA MOSORIAKOVA - DIRECTOR OF STUDIO DEVELOPMENT

Aneta joined Body Alive in December 2023 as Director of Studio Development. Prior to joining Body Alive, Anita was the Gym Manager from February 2019 until March 2022 at Cocoa Beach Health and Fitness in Cocoa Beach Florida. From March 2022 to November 2023, Aneta was the Onboarding Specialist for Trustaff in Cincinnati, Ohio.

GRACE KELLUM – FRANCHISE COORDINATOR

Ms. Kellum joined Body Alive in December 2025 as Franchise Coordinator. In this role, she supports franchise marketing, sales, promotions, compliance, and coordination between corporate and franchise locations. Her background in education and fitness provides a strong foundation for client communication and operational organization. Prior to joining Body Alive, Ms. Kellum worked as a gymnastics instructor at The Little Gym in Mason, Ohio, from August 2020 to July 2023, a lead infant teacher at The Gingerbread Academy in Blue Ash, Ohio, from June 2022 to February 2024, Student at Miami University in Oxford, Ohio, August 2023-December 2024, a private nanny in Liberty, Ohio, from May 2024 to August 2025, and continues to serve as a part time group fitness instructor in Cincinnati, Ohio, from March 2024 to present.

MADDY BAIN - DIRECTOR OF ADMIN & CLIENT SERVICES

Ms. Bain has been a member of the Body Alive team since July 2023. In her role as Director of Administration & Client Services, she is responsible for overseeing marketing initiatives, systems management, client relations, operational support for both new, franchise and established studios, and recruiting efforts. A graduate of the University of Cincinnati, Ms. Bain is also the daughter of founder and owner, Paul Bain. From August 2021 until June 2023, Ms. Bain was the Marketing and promotions Manager for AT Hospitality in Cincinnati, Ohio where she oversaw marketing campaigns, brand partnerships and promotional strategy for hospitality venues.

Item 3. LITIGATION

No litigation information is required to be disclosed in this Item.

Item 4. BANKRUPTCY

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

Item 5. INITIAL FEES

INDIVIDUAL UNIT FRANCHISE

Initial Franchise Fee**:** You will pay us an initial franchise fee of $35,000 (“Initial Franchise Fee”) for the right to establish a single Body Alive Studio under a Franchise Agreement.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you.

You will pay this Initial Franchise Fee in a lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is imposed uniformly on all franchisees and it is not refundable under any circumstance.

***Opening Assistance Fee*:** In addition to the Initial Franchise Fee, we will charge an opening assistance fee of $0. This opening assistance fee is imposed uniformly on all franchisees and is not refundable under any circumstance. You are not required to pay us an opening assistance fee for your second or any additional Body Alive Studios unless we provide opening assistance to you. As noted in Item 6 below, we offer optional assistance with studio openings.

***Store Layout Assistance Fee*:** We or our affiliates will provide services with respect to the design and specifications for your location. You will pay us a fee of $0 for this service (the "Store Layout Assistance Fee"). You are not required to pay us an opening assistance fee for your second or any additional Body Alive Studios unless we provide opening assistance to you. As noted in Item 6 below, we offer optional services for assistance with preliminary design/layout of your studio.

Other than the fees and purchase requirements for the products and services identified above, there are no other purchases from or payments to us or any Affiliate of ours that you must make before your Body Alive Studio opens for business.

Item 6. OTHER FEES

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Royalty Fee [1, 2]	10% of Gross Sales	Payable on the Fifteenth day of each month (or the next business day if the Fifteenth day of the month is not a business day).	Royalty Fees are calculated based on Gross Sales for the previous ending month. Amounts due will be withdrawn by EFT from your designated bank account.
Brand Development Fee	0% of Gross Sales	.	The Brand Development Fund is described in Item 11.
Local Marketing	0% of Gross Sales		

Cooperative Marketing (3)	0% of gross Sales		We may form (or approve the formation of) advertising cooperatives where there are multiple franchises in a geographical area. Any amounts you contribute to an advertising cooperative will count toward your local marketing requirement
Training Program – New or Additional Employees or Refresher Training	In Cincinnati = $0 Franchisee covers the cost of travel and accommodations for trainees. On site = $300 + costs (travel, accommodations, etc. for trainers)	Before training begins	We will train up to three (3) people, including you or your general manager, at no additional charge. If you request that we train additional or replacement employees (including managers and coaching staff), you will pay our training fee. You must also pay any expenses these trainees incur while attending training, including travel, lodging, meals and applicable wages
Additional Store Opening Assistance	See Note 4	Ten (10) days after billing	We offer additional store opening assistance at your request.
Additional On-Site Training	Our then-current per diem rate per trainer, plus expenses Current per diem rate = $300 +costs	Ten (10) days after billing	If you request that we provide additional assistance training at your Franchised Business to you and/or your employees, or if we determine that additional training is needed. You must also reimburse our trainers' expenses while providing on-site training, including travel, lodging and meals.

Transfer Fee (Franchise Agreement)	$0	With request for approval of transfer	No fee is imposed for a one-time transfer to a corporate entity formed by you for the convenience of ownership.

Renewal Fee	$0	On renewal of the Franchise Agreement	This fee covers our administrative expenses when it is time to renew
Interest, Late Fees and NSF	Late charge of $50 per day, NSF fees of at least $30 and interest of 1.5% per month or maximum rate allowed by law	Upon demand	Interest may be charged on all overdue amounts and other amounts due to us that are not received within five (5) days of their due date. Interest accrues from the original due date until payment is received in full
Audit	All costs and expenses associated with audit Estimated to be $1,500	Upon demand	Payable only if the audit is required due to your failure to provide required reports, or if the audit shows you understated any amount you owe to us on Gross Sales by 3% or more. You must also pay the understated amount plus interest.
Product or Supplier Evaluation Fee	$0	Time of evaluation	Applies to new suppliers you wish to purchase from or products you wish to purchase that we have not previously approved. We are not required to approve any additional products or suppliers.
Proprietary Products	No charge for Inventory completed online	Upon billing	Payable to us. You must purchase your continuing inventory of Proprietary Products through Us our Approved Vendors using your franchisee discount code.
Insurance	Reimbursement of premiums plus 10% administrative fee	Upon demand	We may, but are not required to, obtain insurance coverage for your Franchised Business if you fail to do so.
Software Fees and POS Fees	$1,500 estimated	Monthly	Payable to approved suppliers. These fees are subject to change by the approved suppliers.

Internal Accounting Services	$400-$600 estimated	Monthly	You will be required to engage Us, through our internal accounting group, to prepare internal monthly bookkeeping reports and profit and loss statements using the information obtained through Mariana Tek. The current cost is $40/hour, which may be increased no more than 10% each calendar year.

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Computer System Maintenance	Up to $1,200	Annually	You may choose to have a maintenance contract for your computer system, but we do not require it
Website, Email, Social Media Maintenance	$0	As arranged	After the initial set up and launch, you may choose to retain the services of our webmaster to update, refresh, and maintain your website
Repair, Maintenance, and Remodeling/ Redecorating	$0	As incurred	You must regularly clean and maintain your franchise and its equipment. We may require you to remodel or redecorate your franchise to meet our then current image for all Body Alive Studio Franchises. We will not require you to remodel or redecorate your franchise more frequently than every five (5) years.
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating the agreement.
Indemnification	Will vary under circumstances	On demand	You must reimburse us if we are held liable for claims arising from your franchise's operations.

Liquidated Damages	Will vary under circumstances	On demand	See Note 5
Gift Cards and Loyalty Cards	Will vary under the circumstances	As incurred	You must participate in any gift card or loyalty card program we may develop.
Noncompliance Fee	$500 per occurrence	As incurred	The fee applies if you are not in compliance with the Franchise Agreement and may be implemented without issuance of a written notice of default
Annual Convention Fee (When implemented)	$0	As incurred	Payable to us; expenses for travel, lodging, meals are paid to vendor
Operations Manual Replacement Fee	$0	As incurred	Payable to us
Online Ordering Fee	If applicable a reasonable fee may be charged for costs associated with fulfillment of on-line orders	As incurred	Payable to us to offset costs of service
Relocation Fee	$0	As incurred	Payable to us to offset administrative and legal expenses
Broker Fees	$0	As incurred	If you transfer your Body Alive Studio Business to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.
De-Identification	All amounts incurred by us related to de identification	As incurred	Payable if we must de-identify your Body Alive Studio Franchise upon its termination, relocation or expiration.

Customer Issue Resolution	The reasonable costs we incur for responding to a customer complaint	Within 5 days of receipt of invoice	Payable if a customer of your Body Alive Studio Business contacts us with a complaint and we provide a gift card, refund or other value to the customer as part of our addressing the issue.
Payment Service Fee	$0	As incurred	We may charge this fee if you make a payment to us or our affiliate by credit card.
Unauthorized Advertising Fee	$500 per occurrence	On demand	This fee is payable to us or, if established, the Brand Fund, if you use unauthorized advertising in violation of the terms of the Franchise Agreement.

NOTES:

1. All fees described in this Item 6 are non-refundable. Except as otherwise indicated in the above table, we impose all fees and expenses listed and you will pay them to us. Except as specifically stated above, the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes. We cannot predict whether or when an approved supplier will change its fees for any products or services you must purchase from an approved supplier.

2. For the purposes of determining the fees to be paid under the Franchise Agreement, "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point of sale system. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority, customer refunds or adjustments, and tips paid by clients to your employees.

We may authorize certain other items to be excluded from Gross Sales. Any exclusion may be revoked or withdrawn at any time by us. The Royalty Fee and Brand Development Fees will be withdrawn from your designated bank account by electronic funds transfer ("EFT"). You must sign any documents required by us, our bank and/or your bank to permit us to make EFT transactions from your bank account. If you do not report Gross Sales, we may debit your account for 100% of the last Royalty Fee and Brand Development Fee that we debited. If the Royalty Fee and Brand Development Fee we debit are less than the Royalty Fee and Brand Development Fee you actually owe us, once we have been able to determine the true and correct Gross Sales for your Franchised Business, we will debit your account for the balance on a day we specify. If the Royalty

Fee and Brand Development Fee we debit are greater than the Royalty Fee and Brand Development Fee you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due.

If any state imposes a sales or other tax on the royalty fees, then we have the right to collect this tax from you.

3. Members of a Cooperative will include all Body Alive Studios within the Cooperative's area, including any owned and operated by us and/or our Affiliates. All Body Alive Studios in the Cooperative, including those owned by us and/or our Affiliates, will have the same voting rights as franchisees, but no one (1) Body Alive Studio (or commonly controlled group of Body Alive Studios) will have more than 50% of the total vote.

4. We offer the following services to assist you in opening your Body Alive Studio. Below is a menu of optional services, current hourly rates for such services, which may increase by up to 10% per calendar year, the estimated number of hours we anticipate spending for each task and a total estimated cost for each service.

Task	Hours	Hourly Rate	Cost
Site Selection & due diligence	20	$40	$800
LOI/Lease Negotiation	20	$40	$800.00
Operating Agreement	4	$40	$160.00
Preliminary Design/Layout/Budget	15	$40	$600.00
Manage Build out: Preconstruction *estimated (2 months at 2hrs/day)	80	$40	$3,200.00
Manage Build out: Construction *estimated (4 months at 1hr/day)	80	$40	$3,200.00
Onsite Project Manager (4 months)	640	$30	$19,200
Equipment & Supplies Ordering	24	$40	$960.00
Studio Setup	60	$40	$2,400.00
Recruiting	70	$40	$2,800.00
Legal Admin	5	$40	$200.00

Franchisee Business Operations Set-Up Assistance			
• Initial company setup with liability insurance, bank account, and credit card	2	$80	$160
• Obtain & record lease and operating agreement details	1	$40	$40
• Collect investor capital and set up bank account access	2	$80	$160
• Research tax requirements for state and local taxes	2	$80	$160
• Register new company with State and local government agencies and departments of revenues and set up tax accounts	8	$320	$2,560
• Start payroll account with ADP and obtain unemployment insurance account	2	$80	$160
• If an Ohio company, set up workers compensation account and enroll in MCO and group rating program	2	$80	$160
• Establish and maintain start-up and tracking sheets for investor details, account numbers and tasks	5	$200	$1,000

5. If the Franchise Agreement is terminated by mutual agreement before its expiration, there will be no fee or liquidated damages.

Item 7. Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

A. Individual Unit Franchises

(1) Type of Expenditure	(2) Amount Low to High	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Initial Franchise Fee (1)	$35,000	Lump sum	On signing Franchise Agreement	Us
Opening Assistance Fee (1)	$0	Lump sum	On signing Franchise Agreement	Us
Store Layout Fee (1)	$0	Lump sum	On signing Franchise Agreement	Us
Leasehold Improvements (2)	$300,000 to $400,000	As arranged	As arranged	Contractor, Suppliers
Blue Prints	$20,000 to $30,000	As arranged	As arranged	Architect, Contractors
Licenses/Permits (3)	$1,000 to $5,000	As arranged	As arranged	Contractor
Security Deposit (4)	$6,000 to $8,000	As arranged	As arranged	Utility Companies, Landlord
Professional Fees (5)	$2,000 to $6,000	As arranged	As arranged	Attorney, Accountant
Signage (6)	$8,000 to $12,000	As arranged	As arranged	Suppliers
Furniture, Fixtures and Equipment (7)	$5,000 to $25,000	As arranged	As arranged	Suppliers
Audio System (8)	$20,000 to $35,000	As arranged	As arranged	Suppliers
Initial Proprietary Inventory (9)	$0	As arranged	As arranged	Affiliate, Approved Suppliers
Mariana Tek (10)	$3,000	As arranged	As arranged	Suppliers
Pre-Opening Wages for Training (11)	$10,000 to $15,000	As arranged	As arranged	Employees
Travel, Lodging and Meals for Initial Training (12)	$5,000 to $10,000	As arranged	As arranged	Airline, Hotel, Restaurants, etc.
Grand Opening Advertising Campaign (13)	$5,000 to $10,000	As arranged	As arranged	Suppliers or Us

Marketing – 3 Months (14)	$5,000 to $7,000	As arranged	As arranged	Suppliers
Insurance – 3 Months (15)	$2,000 to $3,000	As arranged	As arranged	Insurance Companies
Rent – 3 Months (16)	$18,000 to $24,000	As arranged	Monthly	Landlord
Computer System Monthly Fee - 3 Months (17)	$2,000 to $3000	As arranged	As arranged	Suppliers
Other Setup and Monthly Service Fees – 3 Months (18)	$2,000 to $3,000	As arranged	As arranged	Suppliers
Internal Accounting Services – 3 Months (19)	$1,200-$,1800	Monthly	As arranged	Us
Additional Funds – 3 Months (20)	$50,000 to $80,000	As arranged	As arranged	Various
Total (20)	**$500,200 to $715,800**			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment. All of our estimates assume that you will purchase the required items. Your costs may be lower if you choose to lease some items.

NOTES:

1. ***Initial Franchise Fee; Opening Assistance Fee; Store Layout Fee.*** The Initial Franchise Fee, Opening Assistance Fee and Store Layout Fee are discussed in Item 5.

2. ***Leasehold Improvements.*** The location that you select for your Body Alive Studio (subject to our approval) must be built-out according to our specifications for the trade dress, interior appearance, exterior appearance and presentation of the Proprietary Marks (such as on signage). Your total costs may vary depending on the type of location you have for your Body Alive Studio, including whether it is a "vanilla box" location, the size of the location or whether the building has previously been used in a similar business. Leasehold improvement costs – plumbing, electrical, HVAC, floor coverings, lighting,

ceilings, painting, carpentry, and similar work, and contractor's fees – depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Body Alive Studio; and any construction or other allowances the landlord grants. The low end of the leasehold improvement estimate referenced directly above is just an estimate and our estimate only based on the possibility of you either: (i) leasing a location that is already built out for a fitness studio; or (ii) your landlord funds the leasehold improvements needed for your Body Alive Studio. You may also receive the maximum tenant improvement allowances which may fund or reimburse some or all of the leasehold improvements required. Obtaining a tenant improvement allowance is in no way guaranteed to you. Landlord allowances might be paid to you directly or your landlord may agree to provide you with a tenant improvement credit, whereby the landlord credits some of the costs you incur in building out your Body Alive Studio towards your monthly rent; however this is in no way guaranteed to you. If you're in a highly populated metropolitan area, or a high rent upscale suburban market, could also significantly reduce the amount of tenant improvement you might receive.

3. ***Licenses and Permits.*** You must obtain all required licenses and permits for operating your Body Alive Studio in compliance with applicable laws. We recommend that you determine all of the licenses and/or permits that you need for the Franchised Business, and their related cost, before purchasing the franchise.

4. ***Security Deposits.*** Our estimate assumes you will have to pay your landlord a security deposit equal to one (1) months' rent. In addition, if you are a new customer of your local utilities, you will generally have to pay deposits in connection with services such

as electric, telephone, gas and water. The amount of deposit will vary depending upon the policies of the local utilities.

5. ***Professional Fees.*** We strongly recommend that you engage an attorney and/or accountant to assist you in your review of this franchise offering. You may also need to employ an attorney, an accountant and other consultants to assist you in establishing your Franchised Business. These fees may vary from location to location depending upon the prevailing rates of local attorneys, accountants and consultants.

6. ***Signage.*** You will need to install interior and exterior signage. The signage requirements and costs will vary based upon the size and location of the Body Alive Studio, local zoning requirements, landlord requirements and local wage rates for installation.

7. ***Furniture, Fixtures, Equipment.*** All equipment for your Body Alive Studio must be purchased from our list of approved vendors. You will be provided with various options for an equipment package in which you must select. These packages vary based on the square footage of your Body Alive Studio, price, and aesthetic preference. Equipment includes but not limited to fitness equipment, operating equipment like a washer/dryer, televisions, computers, approved lighting fixtures and proper approved seating furniture

and tools, as well as esthetics determined by Body Alive Studio design layout and esthetic concept design. Additional equipment for day to day operations can also be purchased from the approved vendors.

8. ***Audio System.*** All equipment Audio system should be installed by an approved Body Alive vendor. This includes your audio system for the classroom as well as in the lobby.

9. ***Initial Proprietary Inventory.*** You must purchase an initial inventory of Proprietary Products, in the amount of $1,000 to use for staff uniform shirts, promotional marketing, and/or retail sales. You will receive these products at a discounted rate.

10. ***Mariana Tek.*** Mariana Tek is a management software platform that performs point of-sale transactions, manages the schedule, allows customers to reserve classes, etc. The $1,000 mentioned above is a set-up fee.

11. ***Pre-Opening Wages for Training.*** You should plan to hire instructors/managers 1-2 months ahead of your opening date, which you will need to compensate them for any work/training performed during that time.

12. ***Travel, Lodging and Meals for Initial Training.*** Our initial training program is provided to up to three (3) people, including you or your general manager, at no additional charge, but you will pay for all costs you and/or your trainees incur while attending the initial training program, including travel, lodging, meals and applicable wages. Our estimates include only the out-of-pocket costs for three (3) trainees. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. The low end of our estimate assumes that all trainers are in close proximity

to Ohio and need only to travel locally while the high end estimates the costs for airfare and hotel accommodations.

13. ***Grand Opening Advertising Campaign.*** Your grand opening advertising campaign must be conducted as early as thirty (30) days prior to your Body Alive Studio opening, or within thirty (30) days after your Body Alive Studio opens. Your grand opening advertising campaign must be approved by us, including the advertising to be used and where it will be placed, before you may begin the campaign. Your campaign must include, but are not limited to certain elements, such as approved social media outreach and brand awareness, demonstrations within the community, advertising, grand opening event, flyers, handouts, and other swag such as T-shirts, and other branded merchandise. At our request, you will pay to us the money for your grand opening advertising campaign, and we will conduct the campaign on your behalf.

14. ***Marketing.*** You should have money budgeted for the first 3 months of marketing that may or may not include printed marketing materials, social media ads, community partnerships, etc.

15. ***Insurance.*** You must purchase the type and amount of insurance we require. Additional information about our insurance requirements is included in Item 8. Depending on your insurance company's practices, you may have to pay the entire annual premium in a lump sum; generally, you pay your premiums quarterly or semi-annually.

16. ***Rent.*** You must lease or otherwise provide a suitable facility for the operation of the Franchised Business. Typically, a Body Alive Studio will be located either within a free-standing retail location or within a shopping center and should have approximately 2,000 to 3,000 square feet of space. Lease costs will vary based upon the square footage leased, the cost per square foot and the required maintenance costs. Our estimates are based on a three (3) month time period.

If you choose to purchase real estate for your Franchised Business this will increase your initial investment and we cannot estimate how much this would increase your initial investment. Our estimates assume that you will lease an existing building and build it out to our specifications.

17. ***Computer System.*** Body Alive Studio operates using several software programs. The programs include Mariana Tek, Quickbooks, Google (Gmail, Google Drive, HVAC controls, Wordpress, IP Studio (Alive Online), Livestream Studio (Alive Online) and Spotify. The cost of this combined software system is included in your total monthly software fees of $1,300 listed above (Item 6). The estimated initial investment includes 3 months of software fees along with the estimated cost of $1,797 for the computer system needed for daily operations. More information about the computer system is included in Item 11. To keep continuity of the brand image, we require all websites, Email domains, and Social Media accounts initially be set up and designed by our approved webmaster. You can choose from several packages of various prices and complexity of services.

18. ***Other Setup and Monthly Service Fees.*** You will be required to setup internet and phone and a security system. We also recommend you partner with a service company like Cintas to change out your rugs, supply toilet paper, etc.

19. ***Internal Accounting Services.*** You will be required to engage Us, through our internal accounting group, to prepare internal monthly bookkeeping reports and profit and loss statements using the information obtained through Mariana Tek. We have included the estimated cost of these services for the first three months.

20. ***Additional Funds.*** We recommend that you have a minimum amount of working capital available to cover operating expenses, including employees' salaries, Royalty Fees, Brand Development Fees, for the first three (3) months that the Franchised Business is open. Our estimate does not include any revenue that you may earn during your initial operating period, which we estimate is three (3) months, but we cannot guarantee that our recommendation will be sufficient. Additional working capital may be

required if sales are low or operating costs are high.

21. ***Total.*** In compiling this chart, we relied on our Affiliate's experience in operating a Body Alive Studio since 2012. The amounts shown are estimates only and may vary for many reasons including the size of the facility you lease, the capabilities of your management team, where you locate your Franchised Business and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting the Franchised Business. The costs outlined in this Item 7 are based on our Affiliate's pre-opening costs. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

Item 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We do not require you to lease space, but if you decide to enter into a lease or purchase agreement for space for your Franchised Business, we may require you to purchase or lease and install all fixtures, furnishings, equipment (including point of sales system), décor items, signs and related items we require, all of which must conform to the standards and specifications stated in our Confidential Operations Manual ("Manual") or otherwise in writing, unless you have first obtained our written consent to do otherwise.

You must purchase all fixtures, furnishings, equipment, décor items, signs and related items we require for the development and operation of your franchise of the type and in the amounts we specify, in accordance with our specifications and only from manufacturers, suppliers or distributors we designate or approve ("Approved Suppliers"). We and our Affiliates may be Approved Suppliers. Currently, we and or our Affiliate Body Alive Corporate, LLC are the sole approved supplier for the Proprietary Products you must use, offer and/or sell at your Body Alive Studio.

We may periodically change our standards and specifications related to the operation of your franchise, the services and products you may offer and the suppliers for the products you purchase. Any changes to our standards and specifications will be provided to you in writing, including by e-mail, newsletters and/or updates to the Manual. You must comply with any updated standards and specifications.

A complete list of our approved products and suppliers will be included in the Manual and is subject to change over time. We will provide you notice in the Manual or otherwise in writing (including by e-mail) of any changes to the lists of approved products and approved suppliers. If we develop a proprietary line of Proprietary Products, we or our Affiliate will be the sole approved supplier of the Proprietary Products you must use, offer and sell at your Body Alive Studio, and we and our Affiliate reserves the right to earn a profit from the sale of Proprietary Products to our franchisees. We and our Affiliate may, in the future, offer additional products and/or programs. During the fiscal year ended December 31, 2021, neither we nor our Affiliate earned any revenue from the sale of Proprietary Products to our franchisees because we had no franchisees in the System. Our Owner, Paul Bain has an ownership interest in our Affiliate Body Alive Corporate, LLC. None of our officers has an ownership interest in any other approved supplier.

If you want to use any product in establishing or operating the Franchised Business that we have not approved or if you wish to purchase from a supplier that we have not yet approved for the System, you must first send us sufficient information, specifications or samples for us to determine whether the product or supplier meets our standards and specifications. You must reimburse us for all of our reasonable expenses in evaluating a proposed product or supplier. We will decide within a reasonable time (usually thirty (30) days) after receiving your request and the required information whether the proposed product or supplier is approved. We are not required to provide you or any proposed supplier with our evaluation criteria, and we are not required to approve or authorize any additional products or suppliers for the System if we do not believe that it is in the best interests of the System to do so. We will notify you and/or the supplier, as applicable, in writing (which may include e-mail) whether the proposed product or supplier has been approved by us. There may be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be considered an approved supplier.

We may revoke our previously granted approval of a product or supplier at any time, and you will be notified of any revocation in writing. If you are notified that we have revoked our approval of a product or supplier, you must immediately stop purchasing that product and/or stop purchasing from that supplier.

We may negotiate purchase arrangements with approved suppliers, including price terms, for the benefit of all Body Alive Studio businesses in the System. Currently there are no purchasing or distribution cooperatives that you must join, but we reserve the right to establish a purchasing or distribution cooperative in the future. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Body Alive Studio businesses in our System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that approval

would not be in the best interests of the System or the franchised network of Body Alive Studio businesses.

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, “Allowances”) offered by manufacturers, suppliers, and distributors to you, to us, or to our Affiliates, based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our Affiliates will have all of your rights, title, and interest in and to any and all of these Allowances. We or our Affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). We reserve the right to mark-up the price of Proprietary Products or equipment we supply to you by up to 20%. For the fiscal year ended December 31, 2021, we did not earn any Allowances.

The location that you select for your Franchised Business must be approved by us. We will not unreasonably withhold our approval of a site that meets our criteria for a Body Alive Studio. We reserve the right to review and approve any optional lease for the site we have approved. At our request, you and your landlord must sign our form of Collateral Assignment of Lease that will be an exhibit to the Franchise Agreement.

Any blueprints developed for the build-out of the approved site must be submitted to us for our approval before you may use them. Our review of your blueprints is only intended to verify compliance with our System, layout of the Body Alive Studio and presentation of the Proprietary Marks. You and your architect must make sure that the blueprints comply with all applicable laws, ordinances and building codes. We reserve the right to approve or designate the architect you use. We also reserve the right to inspect the Body Alive Studio while it is being constructed and to approve the Body Alive Studio for opening.

We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional Body Alive Studio businesses) based on whether or not you purchase through the sources we designate or approve; however, purchases of unapproved products or from unapproved suppliers in violation of the Franchise Agreement will entitle us to terminate the Franchise Agreement.

In addition to the optional purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverages that we require. We may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims. Our specific insurance requirements will be contained in the Manual.

We may require you to purchase insurance from our Approved Suppliers. Currently you must have the following insurance coverages: (1) general commercial liability insurance with limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate; (2) business interruption insurance;

(3) workers compensation, employer’s liability and other insurance required by the state in which your Body Alive Studio is located; (4) any insurance required according to the terms of the lease or purchase agreement for the Body Alive Studio; and (5) any other insurance we may require in the future.

You must maintain all required policies in force during the entire term of the Franchise Agreement and any renewal terms. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us and our Affiliate (and, if we request, our directors, employees or shareholders) as additional insureds and must provide us with thirty (30) days' advance written notice of any material modification, cancellation or expiration of the policy. All of your insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as we periodically specify). These insurance policies must be in effect on or before the deadlines we specify. All coverage must be on an "occurrence" basis, except for the employment practices liability insurance coverage, which is on a "claims made" basis. All policies shall apply on a primary and noncontributory basis to any other insurance or self-insurance that we or our Affiliates maintain. If you do not maintain the insurance that we require we may, but are not obligated to, purchase insurance on your behalf. If we do this, you must reimburse our costs related to obtaining insurance for you plus a ten percent (10%) administrative fee. Upon our request or as specified in the Manuals, you must provide us with certificates of insurance evidencing the required coverage and naming Body Alive Franchise, LLC and Body Alive Corporate, LLC as additional insureds. We may require additional types of coverage or increase the required minimum amount of coverage upon sixty (60) days' notice to you.

All of your purchases from Approved Suppliers and in accordance with our specifications will represent 90% to 100% of your total purchases in the establishment of your franchise and 90% to 100% of your total purchases in the ongoing operation of your Franchise Business.

We do not have any formal purchasing or distribution cooperatives. We do not provide any material benefits to franchisees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers.

Item 9. FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS FRANCHISE DISCLOSURE DOCUMENT.

Obligation	Article in Agreement	Disclosure Document Item
a. Office selection and acquisition/ lease	FA – Article 5	Items 11 and 12
b. Pre-opening purchases/ leases	FA – Article 5	Items 7, 8 and 11

c. Office development and other pre opening requirements	FA – Article 5	Items 7, 8 and 11
d. Initial and ongoing training	FA – Article 8	Items 6, 7 and 11
e. Opening	FA – Article 5	Item 11
f. Fees	FA – Articles 3, 4, 11, 15, 18	Items 5, 6, and 7
g. Compliance with standards and policies/ operating manual	FA – Articles 9, 10 and 13	Items 8, 14 and 16
h. Trademarks and proprietary information	FA – Articles 6 and 7	Items 13 and 14
i. Restrictions on products/ services offered	FA – Article 13	Items 8 and 16
j. Warranty and customer service requirements	FA – Article 13	Item 16
k. Territorial development and sales quotas	FA – Article 13	Item 12
l. Ongoing product/ service purchases	FA – Article 13	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	FA – Article 13	Item 6
n. Insurance	FA – Article 15	Items 6, 7 and 8
o. Marketing	FA – Article 11	Items 6, 8 and 11
p. Indemnification	FA – Article 21	Item 6
q. Owner’s participation/ management/ staffing	FA – Article 13	Item 15
r. Records and reports	FA – Article 12	Item 11
s. Inspections and audits	FA – Articles 6, 12, 13	Items 6, 11 and 13
t. Transfer	FA – Article 18	Items 6 and 17
u. Renewal	FA – Article 4	Items 6 and 17
v. Post-termination obligations	FA – Article 17	Item 17
w. Non-competition covenants	FA – Articles 7 and 17	Item 17
x. Dispute resolution	FA – Article 23	Item 17

y. Liquidated damages	FA – Article 17	Item 6

Item 10. FINANCING

We do not offer direct or indirect financing for your franchise for any purpose. We do not guarantee any of your notes, leases or other obligations.

Item 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

***Franchise Agreement*:** Before you open your Franchised Business, we will provide you with the following assistance and services:

1. If we have not already approved a site that you have selected before you sign the Franchise Agreement, we will provide you with our criteria for site selection and review the site you have selected for the location of the Franchised Business. If the site you select meets our criteria, we will not unreasonably withhold our approval of the site. Our site criteria is listed under the Site Selection and Opening heading of this Item 11. (Franchise Agreement – Sections 2.5 and 5.1)

   NEITHER WE NOR ANY OF OUR EMPLOYEES HAVE SPECIAL EXPERTISE IN SELECTING SITES; WE MAKE NO REPRESENTATIONS THAT YOUR FRANCHISED BUSINESS WILL BE PROFITABLE OR SUCCESSFUL BY BEING LOCATED AT LOCATION WE HAVE APPROVED. ANY APPROVAL IS INTENDED ONLY TO INDICATE THAT THE PROPOSED SITE MEETS OUR MINIMUM CRITERIA BASED UPON OUR GENERAL BUSINESS EXPERIENCE.

2. We will describe the boundaries of your Designated Territory. (Franchise Agreement – Section 2.5)

3. We will review your lease or purchase agreement for the site for the Approved Location. (Franchise Agreement – Section 5.2)

   OUR REVIEW OF YOUR LEASE OR PURCHASE AGREEMENT AND ANY ADVICE OR RECOMMENDATIONS WE MAY OFFER IS NOT A REPRESENTATION OR GUARANTEE BY US THAT YOU WILL SUCCEED AT THE LEASED OR PURCHASED PREMISES.

4. We will review and, if they meet our requirements for layout and presentation of the Proprietary Marks, approve the blueprints for the build-out of your Franchised

Business. (Franchise Agreement – Section 5.3) You must engage the services of a designer or architect that we have designated or approved to develop plans for the build-out of your Franchised Business that are specific to the location we have approved. You and your architect must make sure that the blueprints comply with

all applicable laws, ordinances and building codes. We also reserve the right to inspect the Body Alive Studio while it is being constructed and to approve the Body Alive Studio for opening.

5. We will provide up to three (3) trainees, including you and your general manager, with an initial training program to be held at our Affiliate's Ohio location or at another location we designate. You will pay for all out-of-pocket costs you and/or your trainees incur associated with attending our initial training program. (Franchise Agreement – Section 8.1) We will also provide you with up to five (5) days of on-site opening assistance for your first Body Alive Studio. We may offer on-site assistance for any additional locations you may open in our discretion.

6. We will provide to you, on loan, one (1) copy of our Manual, or grant you access to an electronic copy of the Manual. (Franchise Agreement – Section 9.1)

Continuing Obligations

***Franchise Agreement*:** During the operation of your Body Alive Studio, we will provide you with the following assistance and services:

1. We may periodically advise you and offer you general guidance by telephone, e mail, newsletters and other methods concerning authorized services or products, operational methods, accounting procedures, and marketing and sales strategies. (Franchise Agreement – Section 14.1)

2. We may periodically visit the Franchised Business to inspect your operation of the Franchised Business and to advise, assist and guide you in various aspects of the operation and management of the Franchised Business. We may prepare written reports outlining any suggested changes or improvements in the operations of the Franchised Business and detail any deficiencies that become evident as a result of any visit. If we prepare a report, you may request a copy from us. (Franchise Agreement – Section 14.2)

3. We may make available to you certain operations assistance and ongoing training, as we deem necessary in our sole and absolute discretion. (Franchise Agreement – Sections 8.2 and 8.5)

4. We may make available to you changes and additions to the System as generally made available to all franchisees. (Franchise Agreement – Section 14.3)

5. We may, in our sole and absolute discretion, periodically provide formats for advertising and promotional materials including ad-slicks, brochures, flyers and other materials for you to produce and use. (Franchise Agreement – Section 14.4)

6. We will review forms of advertising materials to be used for Local Marketing and Cooperative Marketing. (Franchise Agreement – Section 11)

7. We may provide you with modifications and updates to the Manual as they are made available to franchisees. (Franchise Agreement – Section 9.2)

Brand Development Fund

We reserve the right to establish a System-wide Brand Development Fund for the marketing and public relations programs as we, in our sole and absolute discretion, may deem necessary or appropriate to promote Body Alive Studio Businesses. You will pay a Brand Development Fee equal to zero percent (0%) of your Gross Sales each month to be paid into the Brand Development Fund through EFT transfer from your bank account. We will provide you with fifteen (15) days' prior written notice that the Brand Development Fund has been established. We will administer the Brand Development Fund as follows:

1. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet or other media for advertisements and promotions. We do not guarantee that any particular franchisee or any particular geographic area will benefit directly or in proportion to their contribution from the placement of advertising by the Brand Development Fund.

2. We may use the Brand Development Fees to meet any cost of, or reimburse us for our cost of, producing, maintaining, administering and directing consumer advertising (including the cost of preparing and conducting television, radio, Internet, magazine, direct mail and new Body Alive Studio per advertising campaigns and other public relations activities; developing and/or hosting an Internet website or similar activities; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees). We may prepare all advertising and promotional materials in-house, or we may use a national or regional advertising agency to prepare advertising and promotional materials.

3. The Brand Development Fund will be maintained in an account separate from our general funds and we will not use them for any of our general operating expenses, except that we may reimburse ourselves for our reasonable administrative costs and overhead, including employee salaries, related to the administration of the Brand Development Fund. We will not use money from the Brand Development Fund to prepare or place advertising that is a solicitation of franchise sales.

4. We expect to use all contributions in the fiscal year they are made, but any monies remaining in the Brand Development Fund at the end of any year will carry over to

the next year. We will use any interest or other earnings of the Brand Development Fund before using current contributions. We intend for the Brand Development Fund to be perpetual, but we have the right to terminate the Brand Development Fund at any time. If we terminate the Brand Development Fund, any remaining money in the Brand Development Fund will be used for advertising and promotional purposes or will be returned to contributors on a *pro rata* basis. If we

terminate the Brand Development Fund, we may reinstate it at any time, and any reinstated Brand Development Fund will be administered as described above.

5. All Body Alive Studio locations owned by us or our Affiliates will make similar contributions to the Brand Development Fund as required of franchisees.

6. We will have an unaudited statement of the Brand Development Fund prepared each year and we will provide you with a copy if you request it. We are not required to have the Brand Development Fund audited, but if an audit is prepared it will be at the expense of the Brand Development Fund.

7. The Brand Development Fund is not a trust and we assume no fiduciary duty in administering the Brand Development Fund.

Since the Brand Development Fund was not established during the fiscal year ending December 31, 2021, no monies have been spent by the Brand Development Fund.

Local Marketing

You must conduct advertising, social media outreach, promotions and public relations in the local area surrounding the Franchised Business each month, and you must spend at least three percent (1%) of Gross Sales each month on your local marketing. Within thirty (30) days of our request you must provide us with proof that you have conducted the required local marketing, including verification copies of advertisements. (Franchise Agreement – Section 11.2). At our request, you must display the Body Alive Studio and Proprietary Product brochures that we designate. If so required, we will provide the brochures at no cost to you. We reserve the right to include language in either or both of these brochures concerning our franchise opportunities.

Any advertising that has not been furnished by us or that we have not approved within the preceding twelve (12) months must be submitted to us for our review. If you use any advertising or promotional materials that we have not approved, you will pay our then-current authorized advertising fee, which is currently $500 per occurrence. We will have fifteen (15) days after our receipt of the materials to advise you whether they are approved or rejected. If we do not provide you with oral or written approval within this fifteen (15) days, the materials are deemed rejected. Any advertising or promotional materials you provide to us for our review will become our property, and there will be no restriction on our use or distribution of these materials. The approval process described in this paragraph also applies to proposed advertising to be used by an advertising cooperative. We may require you to include certain language in your advertising, such as “franchises available” and our website address and telephone number.

Marketing Cooperatives

We reserve the right to form, or to approve the formation of, regional marketing cooperatives (“Cooperative”) for a geographic area that includes multiple Body Alive Studio businesses. You must participate in any Cooperative established in your region, but you will not have to participate in more than one (1) Cooperative. The members of the Cooperative by majority vote will determine the amount and frequency of contributions each member must make to the Cooperative.

All members will contribute to the Cooperative on an equivalent basis. Any amounts you contribute to a Cooperative will count toward your Local Marketing requirements, but if the amount you contribute to a Cooperative is less than the amount you must spend on Local Marketing, you will be required to spend the difference as required for Local Marketing. We will have the authority to create, change, merge or dissolve any Cooperative.

Any Body Alive Studio businesses owned and operated by us or our Affiliates will participate in Cooperatives on the same basis as our franchisees and will have the same voting rights as franchisees. Each Franchisee will be entitled to one (1) vote per Franchised Business but no single Body Alive Studio Franchisee (or any group of commonly controlled Body Alive Studio Franchisees) have more than fifty percent (50%) of the total vote on any Cooperative matter. If the Cooperative will operate from governing documents, such as bylaws, the governing documents must first be approved by us and you will have an opportunity to review the governing documents before you join the Cooperative. A Cooperative is not required to provide its members with financial statements.

Grand Opening Advertising Campaign

You must spend $2,500 to conduct advertising to promote the opening of your Body Alive Studio and the grand opening. At our discretion we may require you to pay this amount to us and we will undertake a grand opening campaign on your behalf. Otherwise, you must conduct the campaign within the first thirty (30) days prior to the opening of your Body Alive Studio. Your grand opening advertising campaign must be approved by us, including the advertising to be used and where it will be placed, before you may begin the campaign. Your campaign must include certain elements that we specify.

Advisory Councils

We have the right to form one (1) or more advisory councils to work with us to improve various aspects of the System, including advertising conducted by the Brand Development Fund, new products and services, and other matters. If we choose to form an advisory council, its members will be made up of franchisees and our Developers. The franchisee Developers may be chosen by us or elected by other franchisees. If you participate on an advisory council, you will pay for any expenses related to your participation, including travel, lodging and meals expenses related to attending advisory council meetings. If formed, the advisory council will act in an advisory capacity only and will not have decision making authority. We will have the power to form, merge, change or dissolve any advisory council, in our sole and absolute discretion.

Website / Intranet

We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System. We have established one (1) or more websites accessible through one (1) or more uniform resource locators ("URLs") and we may design and provide for the benefit of your Body Alive Studio a "click through" subpage at our website for the promotion of your Body Alive Studio. If we establish one (1) or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Body Alive Studio, you must routinely provide us with updated copy,

photographs and news stories about your Body Alive Studio suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

Any websites or other modes of electronic commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at Body Alive Studio – also be devoted, in part, to offering Body Alive Studio franchises for sale and be used by us to exploit the electronic commerce rights for our products and services, which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail communication, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website, otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Body Alive Studio, establish a link to any website we establish at or from any other website or page, or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the Body Alive Studio name or any names confusingly similar to the Proprietary Marks.

You are not permitted to promote your Body Alive Studio or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, LinkedIn, FourSquare, Google, Groupon, Pinterest, Snapchat, Tik Tok or Twitter, without our prior written consent. We will control all Social Media initiatives. You must comply with our System standards regarding the use of Social Media in your Body Alive Studio's operation, including prohibitions on your and the Body Alive Studio's employees, agents, or Developers posting or blogging comments about the Body Alive Studio or our System, other than on a website established or authorized by us ("Social Media" includes personal blogs, common social networks like Facebook, Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We reserve the right to provide access to branded Social Media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local Social Media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

Computer System / Point of Sale System

You are required to either have a Windows or IOS laptop, or desktop computer for your general business use, but we do not require your purchase of any specific brand of computer or hardware or system. You must purchase and use certain computer hardware and software, including point of sale systems software, that meet our specifications and that are capable of electronically interfacing with our computer system. The computer system is used to collect and monitor point of sale information, to create business reports and for scheduling, and may be used to collect and monitor inventory control and shrinkage, payroll and accounting information, client database, and credit card processing. As of the date of this disclosure document our current required POS vendor is Mariana Tek.

The computer system must allow us to have immediate access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain. You must install and maintain equipment and a high-speed telecommunication line (such as T-1, DSL or cable modem) in accordance with our specifications to permit us to access the computer system at your Body Alive Studio premises as described above. This will permit us to electronically inspect and monitor information concerning your Body Alive Studio's Gross Sales, your client database, and any other information that may be contained or stored in the computer system. You must make sure that we have access at the times and in the manner in which we specify, at your cost. We reserve the right to independently access your computer system at any time. The client database will at all times remain our property.

You must purchase a point of sale system with the minimum components we specify, including the required booking software. The required software includes a feature that allows your clients to schedule appointments online. Our specific requirements for the computer system will be included in our Manual, and the components you must purchase may be determined based on the size of your Body Alive Studio. You must purchase the computer system from any authorized seller, unless we designate a specific supplier. We expect that the computer system will cost $1,797. You must make sure that all software on your system is kept up to date and you must have a contract with the approved supplier for this. We recommend, but do not require that you have a maintenance contract for your computer system. If you choose to have a maintenance contract for the computer system, we estimate it will cost approximately up to $1,200 per year.

You must obtain any upgrades and/or updates to the software used with the computer system, at your expense. All software used with the computer system must be kept up to date. In addition, we may require you to update and/or upgrade all or a portion of your computer system during the term of your Franchise Agreement, at your expense. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your computer system or the cost of any update and/or upgrade. Neither we nor any of our Affiliates will provide you with any updates, upgrades or maintenance for your computer system. Your computer must be in good repair with sufficient memory to carry out ordinary business functions, as provided in the Operating Manual.

You must obtain and maintain a high-speed internet connection at all times for your computer system. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. We must have access at all times to your computer system in the manner that we specify.

Site Selection and Opening

If you do not have a location for the Franchised Business that we have approved when you sign the Franchise Agreement, then after you sign the Franchise Agreement you will have one hundred eighty (180) days to locate a site for your Franchised Business and submit to us all of the information we require to evaluate your proposed site. We will provide you with general site selection criteria to assist you in locating a prospective site for your Body Alive Studio. The general site selection and evaluation criteria which we consider in approving your site includes the condition of the premises, demographics and population density of the surrounding area, proximity

to other Body Alive Studio locations, lease or purchase requirements, visibility, ease of access, available parking and overall suitability.

Once you have provided us with all of the information we require, we will have fifteen (15) days to evaluate the proposed site and notify you whether we approve of the site. Unless we provide you with written approval that the site is approved, any site you propose will be deemed not approved. Our approval of a site you propose is only intended to indicate that the site meets our minimum requirements for a Body Alive Studio. If you are unable to locate a site within one hundred-eighty (180) days after the Franchise Agreement is signed, in our sole and absolute discretion, we may elect to grant you an extension of this timeframe or we may elect to terminate the Franchise Agreement.

Your architect will prepare architectural plans, based on basic architectural plans we provide to you, for: (i) obtaining building permits from local authorities; (ii) obtaining landlord approval; and (iii) construction and/or buildout of your Body Alive Studio. You must provide us with the architectural plans for our review and approval. We, or a third-party vendor that we choose, will review the architectural plans before or at the time of lease signing, after we have accepted your location, to ensure compliance with our format and layout criteria.

Once you have signed a lease for the accepted location and have obtained possession and all necessary permits, licenses and variances required for the construction and/or build out of your Body Alive Studio, you must choose a qualified licensed contractor to construct and/or buildout your Body Alive Studio with the assistance of your local architect identified and engaged by you. During the construction and/or buildout of your Body Alive Studio, we will require periodic updates from you and/or your general contractor to include pictures showing the progress of the construction to ensure compliance with our specification requirements and the architectural plans. You must have our final approval to open your franchise.

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of a Body Alive Studio is ninety (90) days and to one hundred-eighty (180) days, but you must open your Franchised Business and be operational not later than twelve months (12) after signing the Franchise Agreement; however, we reserve the right to extend the time to open for the second and/or third franchise opened by a Two-Pack or Three-Pack franchisee. If your Franchised Business is not opened within the required timeframe, in our sole and absolute discretion, we may elect to grant you an extension of time or we may elect to terminate your Franchise Agreement. Factors that may affect your ability to open the Body Alive Studio within the required time period include your ability to obtain relevant licenses and/or permits secure financing, comply with federal, state, or local ordinances, weather conditions, completion of construction and build out of your site, or delays in obtaining equipment.

Training

We will conduct an initial training program that you and your general manager must attend and complete to our satisfaction. Although initial training is mandatory for you and your general manager, it is also available for up to one (1) additional employee (for a maximum of three (3) trainees, including your general manager) for no additional training fee. If you wish to send additional trainees to our initial training program, you will pay our then-current training fee. You

must also pay for all expenses you and your trainees incur related to attending our training program, including travel, lodging, meals and applicable wages.

Training will take place at our Affiliate's Ohio location or at another location we designate. The initial training program will last for approximately five (5) days. Our training program will be provided as needed based on the number of new franchisees entering the System, new managers and/or other personnel requiring training, and similar factors. We reserve the right to train personnel from multiple franchisees at any training program. We also reserve the right to modify our training program as needed based on the needs and/or experience of any individual trainee.

If you or your general manager fail to complete our initial training program to our satisfaction, we will offer you and your general manager (or a replacement general manager, if we determine your original general manager cannot satisfactorily complete our training program) the opportunity to retake our training program at your expense, including payment of our then-current training fee. If you or your general manager cannot complete our training program on the second attempt, we may terminate your Franchise Agreement.

We will provide our initial training program to you and your trainees for your first Body Alive Studio only. If you are opening additional Body Alive Studios, you will be responsible for the training of all employees and general managers for the additional Body Alive Studio businesses you develop. If you elect to send any trainees from your additional Body Alive Studio businesses to our initial training program, you will pay our then-current training fee as well as all expenses incurred by your trainees while attending initial training.

We will also send one (1) of our representatives to your Body Alive Studio to provide on-site opening assistance for up to five (5) days. If you are opening additional Body Alive Studio businesses, we reserve the right to not provide opening assistance. For any Body Alive Studio you open and for which we provide opening assistance, you will pay our opening assistance fee, which is currently $2,500.

During the term of your Franchise Agreement if you require additional on-site training or assistance, or if we determine that additional training or assistance is necessary, you will pay our then-current per diem fee for each trainer we send to you and you must reimburse each trainer's expenses, including travel, lodging and meals.

The instructional materials we use in our initial training program include our Manual and any other information that we believe is beneficial to our franchisees and their employees in the initial training program. Our initial training program consists of:

TRAINING PROGRAM

Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
Welcome to Body Alive Studio Franchise System	1		Cincinnati, Ohio or other location that we designate
Introduction to the Body Alive Studio Franchise System	1		Cincinnati, Ohio or other location that we designate
Corporate Structure and Financing	1		Cincinnati, Ohio or other location that we designate
Opening Timetable	2		Cincinnati, Ohio or other location that we designate
Hiring and Staffing	2		Cincinnati, Ohio or other location that we designate
Franchisee Owner Training on Body Alive class formats	40	4 hours/week for 4 weeks	Cincinnati, Ohio or other location that we designate
Instructor Training on Body Alive class formats	40	4 hours/week for 4 weeks	Cincinnati, Ohio or other location that we designate

Policies, Procedures, Operations	8	12	Cincinnati, Ohio or other location that we designate
POS - Mariana Tek	8	12	Cincinnati, Ohio or other location that we designate
Finance - Quickbooks	2		Cincinnati, Ohio or other location that we designate
Inventory Management	4		Cincinnati, Ohio or other location that we designate
Marketing	4		Cincinnati, Ohio or other location that we designate
Sales and Pricing	2		Cincinnati, Ohio or other location that we designate
Insurance Requirements and Risk Management	1		Cincinnati, Ohio or other location that we designate
Resale, Transfer, Renewal and Closing	1		Cincinnati, Ohio or other location that we designate
Protocol Training	1		Cincinnati, Ohio or other location that we designate
Total Number of Hours	**Owner - 80 hours Staff - 40 hours**	**24 hours (first 3 days of opening) + remote on going training**	

Additional software training may be provided to franchisees and may be performed by our approved vendors after the initial training is completed.

Our initial program is overseen by Paul Bain who has over 10 years of experience with our Affiliate and over 10 years of experience in the fitness industry. We also reserve the right to periodically name additional trainers and/or to draw upon the experience of our Affiliate's staff members to

assist in providing training. There are no limits on our right to assign a substitute to provide training. The minimum experience of the instructors in the field is from one (1) to three (3) years, depending on the subject or topic of the training. Your Body Alive Studio general manager must be trained in store for a minimum of one (1) to two (2) weeks. This training will take place at our Affiliate's Body Alive Studio located in Cincinnati, Ohio.

We may also choose to hold refresher training courses, and we may designate that attendance at refresher training is mandatory for you, your general manager and/or other Body Alive Studio personnel. We may also conduct an annual meeting of our franchisees to discuss changes to the System, new offerings and refresher training. If we choose to hold an annual meeting, attendance will be mandatory for you and your general manager. While we do not expect to charge a fee for any refresher training program or franchisee meeting, you will pay all of the expenses you and your attendees incur, including travel, lodging, meals, and wages.

Confidential Operations Manual

The Table of Contents of the Manual, along with the page numbers devoted to each section, is included as Exhibit F to this Disclosure Document. The Manual currently includes approximately two hundred-thirty (230) pages.

Item 12. TERRITORY

Franchise Agreement

The Franchise Agreement grants you the right to offer Body Alive Studio services only within the geographic area that we have mutually determined ("Designated Territory"). We (and any Affiliates that we periodically might have) will not establish, nor allow another franchise owner to establish another Body Alive Studio franchise located within the area that makes up your ("Designated Territory"). Your Designated Territory will be described as a specific geographic area where your Body Alive Studio is located and will include a population density we deem appropriate to operate your Franchised Business. The boundaries of your Designated Territory will be described in terms of contiguous zip codes and may be depicted on a map attached to your Franchise Agreement.

As part of the process of renewing your Franchise Agreement, we reserve the right to re-evaluate your then-existing Designated Territory according to certain demographics, including the character and population of the geographic area where your Body Alive Studio is located. Our intent is to make the target demographics and population of your renewal Designated Territory similar to the target demographics and population of your original Designated Territory. A re-evaluation of your Designated Territory may result in your renewal Designated Territory being smaller or larger than your original Designated Territory. We cannot guarantee that you will achieve any particular level of success with the renewal Designated Territory or that your results will be the same as or similar to your results from operating in the original Designated Territory.

You will not receive an exclusive territory. If any non-traditional site (in an urban setting or downtown area, or in locations that have a captive market, such as an enclosed shopping mall, military base, office building, or similar location) is located within the physical boundaries of your

Designated Territory, then the premises of this non-traditional site will not be included in your Designated Territory and you will have no rights to this non-traditional site. You may face competition from other franchisees, outlets that we own, or other channels of distribution or competitive brands that we or our Affiliates control.

During the term of your Franchise Agreement, we retain the following reserved rights which we may exercise in our sole and absolute discretion and on behalf of ourselves or through our Affiliates. The rights we reserve, as described below, are subject to the right of first refusal we may grant to you pursuant to the terms of the Franchise Agreement, which is also described below:

1. to establish and operate, and grant rights to other franchise owners to establish and operate, Body Alive Studio businesses or similar businesses at any locations outside your Designated Territory and on any terms and conditions we deem appropriate;

2. to purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to your Body Alive Studio (and/or franchise and/or license these businesses), some or all of which might be located anywhere, including within your Designated Territory, but if any of these businesses are located within your Designated Territory they will not operate using the Proprietary Marks;

3. to be acquired (regardless of the form of transaction) by a business identical or similar to a Body Alive Studio, even if the other business operates, franchises, and/or licenses competitive businesses within your Designated Territory; and

4. to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

You may relocate your Body Alive Studio within your Designated Territory only with our prior written approval. The new site must be located within your Designated Territory and must comply with all other terms of your Franchise Agreement. We will use our then-current site selection criteria to review the proposed new location. We will not unreasonably withhold our approval of your relocation. We reserve the right to require you to sign our then-current Franchise Agreement with a term equal to the remaining term under your original Franchise Agreement, but you will not be required to pay another initial franchise fee.

You may provide products (including Proprietary Products) and services to customers and prospective customers who live anywhere but who choose to use your Body Alive Studio. However, You may not engage in any promotional activities or sell any products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery System (collectively, the “Electronic Media”); through catalogs or other mail order devices sent or directed to customers or prospective customers located outside of your Designated Territory; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located outside of your Designated Territory. You may place advertisements in printed media and on television and radio that are targeted to customers and

prospective customers located within your Designated Territory, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Designated Territory. Except as expressly permitted by the Franchise Agreement, you may not otherwise directly solicit customers outside of your Designated Territory. You may not sell any products, including Proprietary Products, on a wholesale basis under any circumstances. As long as you have not violated these policies, you may accept customers no matter where they are located.

We and our Affiliates may sell products under the Proprietary Marks anywhere and through any method of distribution other than a Body Alive Studio, including sales through channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "Alternative Distribution Channels"). You may not use Alternative Distribution Channels to offer or make sales anywhere. Any orders placed with us or our Affiliates through Alternative Distribution Channels will be fulfilled by us or our Affiliates and if the order is delivered to an address within your Designated Territory, we will share the revenue from the sale with you. We will pay ten percent (10%) of the cost of the order to you; we reserve the right to deduct this amount from any Royalty Fees you owe to us rather than making direct payment to you. You are not entitled to any additional compensation for our sales through Alternative Distribution Channels. If we receive an inquiry via our website concerning products and services offered by a Body Alive Studio, the inquiry will be forwarded to the appropriate franchisee or Body Alive Studio to be handled. If you receive an inquiry forwarded by us and you are unwilling or unable to respond to the inquiry, then we or a third party (including another franchisee) may respond to the inquiry and you will not be entitled to any portion of any revenues resulting from the inquiry.

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark, but reserve the right to do so in the future. We describe earlier in this Item 12 what we may do within and outside of your Designated Territory.

Except for the Body Alive Studio operated by our Affiliate, neither we nor any parent or Affiliate has established, or presently intends to establish other franchised or company-owned Body Alive Studio businesses which sell our Proprietary Products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

We may not alter your Designated Territory except upon renewal of your Franchise Agreement as described above. Upon renewal, continuation of your territorial rights will depend on having achieved average minimum Gross Sales of Twenty Thousand Dollars ($20,000) per month after the first twelve (12) months of operating. If, at any time during the term of the Franchise

Agreement, you have not achieved the required monthly minimum, we will send one (1) or more trainers to your Body Alive Studio to conduct an additional campaign on your behalf. The cost of the additional marketing campaign will be between $2,500 and $5,000, which must be paid by you, and you will pay our then-current per diem fee for each trainer we send to you and reimburse each trainer's expenses while they are providing on-site assistance. You will have ninety (90) days after our trainer's visit to again achieve and then maintain the required minimum monthly Gross

Sales. If you fail to achieve the minimum monthly Gross Sales amount more than three times in any twelve month period, we may terminate your Franchise Agreement.

Franchisee Options; Additional Franchises

You will not have any options, rights of first refusal or similar rights to acquire additional franchises within any specified territory or any contiguous territories. We may allow you to acquire additional franchises if you meet our qualifications in place at that time for acquiring a franchise and ownership of multiple locations. These qualifications may include standards of character, business experience, financial strength, credit standing, health, reputation, business ability, experience, availability of management personnel, etc.

Item 13. TRADEMARKS

The Franchise Agreement grants you the nonexclusive right to use our Proprietary Marks, including the trademark "Body Alive" and the "Body Alive" logo, and various designs and logotypes we may develop that will be associated with our services.

We currently have applied for the registration of the following Proprietary Marks on the Principal Register of the United States Patent and Trademark Office ("USPTO").

Mark	App. No.	App. Date	Reg. No.	Reg. Date
	97/256,134	2/7/2022	7,000,125	3/14/2023
ALIVE ONLINE	90/067,351	7/22/2020	6,487,807	9/14/2021
BARRE ALIVE	87/090,633	7/1/2016	5,206,364	5/16/2017
CARDIO ALIVE	87/090,636	7/1/2016	5,206,365	5/16/2017
CYCLE ALIVE	87/090,704	7/1/2016	5,162,960	3/14/2017

FITNESS ALIVE	88/220,613	12/7/2018	6,866,584	10/4/2022
HOT FITNESS	87/820,490	3/5/2018	6,125,039	8/11/2020
HOT MAT PILATES	98/814,226	10/22/2024	7,981,389	10/14/2025
HOT POWER PILATES	98/814,218	10/22/2024	7,962,643	9/23/2025
HOT REHAB AND FITNESS	88/265,666	1/17/2019	6,821,414	8/16/2022
PILATES ALIVE	88/231,449	12/17/2018	6,866,588	10/4/2022
WARRIOR STRONG FITNESS	90/572,894	3/11/2021	6,860,626	9/27/2022
YOGA ALIVE	85/945,015	5/29/2013	4,480,383	2/11/2014
YOGA GONE WILD	97/256,137	2/7/2022	7,171,074	9/19/2023

On February 1, 2022 we entered into a written license agreement with our Affiliate, Body Alive Corporate, LLC granting us the right to use its Proprietary Marks for purposes of offering franchises. Under the Franchise Agreement, we grant to you the right to use certain trademarks, service marks and other commercial symbols in connection with the operation of your Body Alive Studio.

We or our Affiliate intend to file all affidavits and to renew our registrations for the Marks when they become due.

You must follow our rules when you use the Marks. You may not use any Mark (1) in your corporate or legal business name; (2) with any prefix, suffix or other modifying words, terms, designs, or symbols (except for those we license to you); (3) in selling any unauthorized services or products; (4) as part of any domain name, electronic address, or search engine you maintain on any website, except for the website we provide to you; or (5) in any other way we have not expressly authorized in writing.

In connection with the establishment of our Proprietary Marks, we operate a website for the promotion of the marks and Body Alive Studio outlets. This website lists the location, operating hours, and other facts regarding our Outlets. You may not register any domain name nor operate any website that includes the terms "Body Alive." You may request the establishment of a web page within the Body Alive website to include additional information specific to your franchised Body Alive Studio business. You may not use any electronic media, including the Internet, or any social media, for viewing by the public that contains our registered trademarks without our prior written approval. You may not establish a Facebook®, SnapChat®, TikTok®, Pinterest®, LinkedIn®, Reddit® or similar page, post through Instagram® or on YouTube®, or utilize other, similar social media, without our prior written approval. You may not establish a Twitter® feed or other social media without our prior, written approval.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, nor is there any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or in any other state. Our Affiliate intends to file all required affidavits with the USPTO when they are due to maintain its interests in the Proprietary Marks.

There are no agreements currently in effect which limit our right to use or to license others to use the Proprietary Marks except for the license agreement referenced above.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We will direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We may defend you against any third-party claim, suit or demand arising out of your use of the Proprietary Marks. As more fully set forth in the Franchise Agreement, if we, in our sole and absolute discretion, determine that you have used the Proprietary Marks in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be paid by us. If we determine that you have not used the Proprietary Marks in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. In the event of any litigation relating to your use of the Proprietary Marks, you must sign any and all documents and do any acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of your Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks. In the event of any infringement of, or challenge to your use of any name or mark, you are obligated to immediately notify us, and we will have sole and absolute discretion to take such action as we deem appropriate.

We reserve the right to substitute different proprietary marks for use in identifying the System and the businesses operating under it, at our sole and absolute discretion. You must implement any modified or substituted proprietary mark as we direct, at your own cost. We are not obligated to reimburse any of your costs related to a change or substitution of a proprietary mark.

We may acquire or develop additional trademarks, and may use those trademarks ourselves, make those trademarks available for use by you and other Body Alive Studio franchisees or make those trademarks available for use by other persons or entities. You may not directly or indirectly contest our rights in our trademarks. We may require you to use and display a notice in a form we approve that you are a franchisee under the System using the trademarks under a Franchise Agreement.

We do not know of any superior rights of infringing uses that could materially affect your use of our principal trademarks.

Item 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not have an ownership interest in any patents or registered copyrights that are material to the franchise.

You do not receive the right to use an item covered by a copyright, but you can use the proprietary and confidential information that is in our Manual. The Manual is described in Item 11 and below. Although we have not filed an application for a copyright registration for the Manual, we claim a copyright and the information in it is proprietary and confidential. You must promptly advise us if you learn about unauthorized use of this proprietary and confidential information. We do not need to take any action but will respond to this information as we determine appropriate.

Confidential Operations Manual

You must operate your Franchised Business according to the standards, methods, policies and procedures specified in the Manual. One copy of the Manual is loaned to you by us for the term of the Franchise Agreement after you complete our initial training program to our satisfaction.

You must treat the Manual, any other of our manuals which are used in the operation of your Franchised Business, and the information in them as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise give them to any unauthorized person. The Manual will remain our sole property and must be kept in a secure place at the Franchised Business. We reserve the right to provide the Manual electronically, such as via CD-ROM or a password protected website.

We may revise the contents of the Manual, and you must comply with each new or changed standard, method, policy, or procedure. You must make sure that the Manual is always kept current. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information

You must not, during the term of the Franchise Agreement, or after the term of the Franchise Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to you or which you may learn because of your operation under the terms of the Franchise Agreement. Confidential information includes methods of business management; financial and operational techniques; advertising and marketing techniques; sales and promotion techniques; your client database; know
how, knowledge of, and experience in operating a Body Alive Studio; and any other information that we designate as proprietary or confidential. You may divulge this confidential information only to those of your employees who must have access to it to operate your Body Alive Studio. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

At our request, you must have your general manager and any personnel having access to any of our confidential information sign agreements requiring that they will maintain the confidentiality of information they receive in connection with their employment by you at your Body Alive Studio. The agreements must be in a form satisfactory to us, including specific identification of us as a third-party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business.

Item 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require you to participate personally in the direct operation of the Franchised Business. However, the Franchised Business must always be under the direct supervision of a general manager who has completed our initial training program to our satisfaction, and who has been approved by us. We recommend, but do not require, that you be the general manager for your Franchised Business. If you hire a general manager to operate your Franchised Business, you must still make sure that the Franchised Business is operated according to our standards and hire informed of the identity of your current general manager.

You must also obtain a covenant not to compete, including covenants applicable on the termination of the person's relationship with you, from your general manager and any holder of a beneficial interest in you, if you are an entity. You must have all of your management personnel sign covenants that they will maintain the confidentiality of information they receive or have access to base on their relationship with. We will be a third-party beneficiary of each of these agreements with the independent right to enforce the agreement's terms.

If you are a business entity, anyone who owns a ten percent (10%) or greater interest in the entity must personally guarantee the performance of all of your obligations under your Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Guaranty and Assumption of Obligations, which is attached as Exhibit 3 to the Franchise Agreement. The spouse of such person must also sign this Guaranty as well.

You must operate the Franchised Business in strict conformity with all applicable federal, state and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction. You are solely responsible to familiarize yourself with the requirements of all laws, ordinances and regulations applicable to the Body Alive Studio and you must adhere to them and to the then-current implementation or interpretation of them.

Item 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer all of the services and products we periodically specify, in strict accordance with our standards and specifications. You may not sell any services or products that we have not authorized, and you must discontinue offering any services, products or programs that we may, in our sole and absolute discretion, disapprove in writing at any time. You may only offer and sell the products and services from within the premises of your Franchised Business.

We may periodically change required or authorized services, products or programs and there are no limits on our right to do so. If we modify the System, you may have to add or replace equipment, signs and fixtures, and you may have to make improvements or modifications as necessary to maintain uniformity with our current standards and specifications.

On a case-by-case basis, we may allow you or other Body Alive Studio franchisees to offer certain additional services, products or programs that are not otherwise part of the System. We will decide which franchisees can offer additional products or services based on test marketing, the franchisee's qualifications and operational history, differences in regional or local markets and other factors. If we allow these deviations, we do not have to grant you a similar variance or other special accommodation.

You are restricted by the Franchise Agreement, the Manual and any other practice or custom with respect to the goods or services that you may offer, which must be approved by us. You are not restricted as to the customers whom you may solicit or service, except as described in Item 12. We reserve the right to determine the minimum and/or maximum prices for the products and services of your Franchised Business, as permitted by applicable law.

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	4.1	Ten (10) years
b. Renewal or extension of the term	4.2	You may renew for 10 (10) additional terms of five (5) years each, subject to (i) below.
c. Requirements for franchisee to renew or extend	4.2	You may renew the Franchise Agreement if you: have the right to maintain possession of the approved location or an approved substitute location for the term of the renewal; have remodeled your Body Alive Studio as necessary to comply with our then-current System standards; have satisfied all monetary obligations owed to us and our Affiliate; have paid a renewal fee; are not currently in default of any provision of the Franchise Agreement or any other agreement between you and us and have not been in default more than twice during the term of the Franchise Agreement; have given timely written notice of your intent to renew; sign a current Franchise Agreement, which may contain materially different terms than your original Franchise Agreement; comply with current qualifications and training requirements; and sign a general release. We have the right to modify the boundaries of your Designated Territory on renewal.
		You may be asked to sign a contract with materially different terms and conditions than your original contract, but the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees.
d. Termination by you	Not applicable	
e. Termination by franchisor without cause	Not applicable	We may not terminate the Franchise Agreement without cause.
f. Termination by franchisor with cause	16	We may terminate the Franchise Agreement only if you default and do not cure the default (if the default is curable).
g. "Cause" defined – curable defaults	16.2	Curable defaults include failure to comply with mandatory specifications, failure to make payments when due, failure to meet minimum Gross Sales requirement.

h. "Cause" defined – non-curable defaults	16.1	Non-curable defaults include: you fail to establish and equip the Franchised Business; fail to satisfactorily complete training; make a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Franchised Business; use the Manual, our trade secrets or confidential information in an unauthorized manner; abandon the Franchised Business for five (5) consecutive days; surrender or transfer of control for Franchised Business in an unauthorized manner; fail to maintain the Franchised Business under the supervision of a general manager; understate any amounts due by three percent (3%) or more; are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use for the Marks; fail on two (2) or more occasions within any twelve (12) months to submit reports or records or to pay any fees due us or any Affiliate; violate any health, safety or other laws or conduct the Franchised Business in a manner creating a health or safety hazard; fail to comply with any applicable law or regulation (including anti-terrorism laws) within three (3) days of receiving notice of that failure; repeatedly breach the Franchise Agreement (including second failure to meet minimum Gross Sales requirement) or fail to comply with our mandatory specifications; default under any other agreement between you and us.
i. Your obligations on termination/ non-renewal	17.1	On termination or non-renewal of the Franchise Agreement, you must: stop operating the Franchised Business; stop using any trade secrets, confidential information, the System and the Marks; if requested, assign your interest in the approved location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the termination provisions of the Franchise Agreement; return the Manual, trade secrets and all other confidential information; assign your telephone numbers and telephone listings to us; assign website, internet listings and social media accounts to us; and comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of contract by franchisor	18.1	There are no restrictions on our right to assign our interest in the Franchise Agreement.

k. "Transfer" by you – defined	18.2	"Transfer" includes transfer of ownership in the franchise, the Franchise Agreement, the approved location, assets of the Franchised Business or the franchisee entity.
l. Franchisor's approval of transfer by franchisee	18.2	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.

m. Conditions for franchisor’s approval of transfer	18.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us and our Affiliate are paid; you and the transferee have signed a general release; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the existing or then-current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed the Confidentiality and Non-Competition Agreement; and the transferee has agreed that its general manager will complete the initial training program before assuming management of the Franchised Business.
n. Franchisor’s right of first refusal to acquire franchisee’s business	19	We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Franchisor’s option to purchase franchisee’s business	17.5	Upon expiration or termination of the Franchise Agreement, we have the right to purchase all or a portion of the assets of the Franchised Business for book value.
p. Your death or disability	18.6	If you (or one of your owners) die or become incapacitated, your Developer must transfer, subject to the terms of the Franchise Agreement, your interest in the Franchised Business within one hundred eighty (180) days of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	7.3	You, your owners (and members of their families and household) and your officers, directors, executives, managers or professional staff are prohibited from: attempting to divert any business or customer of the Franchised Business to a Competitive Business or causing injury or prejudice to the Marks or the System; owning or working for a Competitive Business. A Competitive Business is any business offering the same or substantially similar products and services as those offered by a Body Alive Studio.
r. Non-competition covenants after the franchise is terminated or expires	17.2	For two (2) years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers or professional staff are prohibited from owning or working for a Competitive Business operation within twenty-five (25) miles of the Designated Territory or within twenty-five (25) miles of any other Franchised Business in the System.

s. Modification of the agreement	22.6	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/ merger clause	22.6	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law.) Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	23	Prior to filing most proceedings, each party has the right to demand non binding mediation.
v. Choice of forum	23	You and your Owners must, and we may, bring claims in federal or state courts located in the state where our principal place of business is located (currently, Ohio), without regard to choice of law provisions (subject to state law).
w. Choice of law	22.16	Ohio law applies, without regard to conflict-of-laws rules (subject to state law).

Item 18. PUBLIC FIGURES

We do not presently use any public figures to promote our franchise.

Item 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, and/or affiliate owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (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 performance at a particular location or under particular circumstances.

As of December 1, 2025, we had no franchised Body Alive Fitness Businesses and seven affiliate-owned Body Alive Fitness Businesses ("Affiliate Locations") in operation. The table below provides information on the Affiliate Locations.

The information in the table below is a historical financial performance representation for the Affiliate Locations for the 2022, 2023 and 2024 calendar years, and for the first six months of 2025 (each a "Reporting Period"). The financial information was prepared from internal accounting records and reports. The numbers have not been audited but we have no reason to doubt their accuracy.

The Affiliate Locations do not pay Royalties, Brand Development Fees or Marketing Fees that franchised Body Alive Fitness Businesses will have. The Body Alive Fitness Businesses included in this financial performance representation offer similar services and face a similar degree of competition anticipated for the Body Alive Fitness Businesses offered under this Franchise Disclosure Document.

The information provided in Tables below consists of the actual performance by the Affiliate Locations during each Reporting Period.

Annual Gross Profit/Loss
(During the 2022, 2023, 2024 and 2025 YTD Reporting Periods)

Body Alive Anderson	**2022**	**2023**	**2024**	**2025 YTD (6/30)**
Gross Revenue		$20,293.27	$351,594.70	$310,757.96
Operating Expenses		($10,518.38)	($247,771.28)	($142,691.12)
Gross Profit/Loss		$9,774.89	$103,823.42	$168,066.84
Body Alive Clifton	**2022**	**2023**	**2024**	**2025 YTD (6/30)**
Gross Revenue			$296,175.68	$212,762.91
Operating Expenses			($227,741.44)	($166,236.43)
Gross Profit/Loss			$68,434.24	$46,526.48
Body Alive Crestview Hills	**2022**	**2023**	**2024**	**2025 YTD (6/30)**
Gross Revenue	$595,732.89	$934,969.37	$1,391,037.99	$1,013,131.90
Operating Expenses	($462,786.53)	($600,213.37)	($824,158.95)	($473,931.91)
Gross Profit/Loss	$132,946.36	$334,756.00	$566,879.04	$539,199.99
Body Alive Kenwood	**2022**	**2023**	**2024**	**2025 YTD (6/30)**
Gross Revenue	$1,070,735.48	$1,204,875.09	$1,403,400.47	$907,585.03
Operating Expenses	($842,516.30)	($874,093.63)	($1,043,545.53)	($536,105.87)
Gross Profit/Loss	$228,219.18	$330,781.46	$359,854.94	$371,479.16
Body Alive Mason	**2022**	**2023**	**2024**	**2025 YTD (6/30)**

Gross Revenue	$450,760.52	$588,603.63	$1,120,019.76	$687,147.85
Operating Expenses	($421,990.09)	($464,326.88)	($740,195.78)	($408,553.74)
Gross Profit/Loss	$28,770.43	$124,276.75	$379,823.98	$278,594.11
Body Alive North Phoenix	**2022**	**2023**	**2024**	**2025 YTD (6/30)**
Gross Revenue	$164,228.55	$241,006.19	$366,124.38	$294,546.33
Operating Expenses	($198,315.45)	($269,707.68)	($335,900.23)	($208,329.52)
Gross Profit/Loss	($34,086.90)	($28,701.49)	$30,224.15	$86,216.81
Body Alive Oakley	**2022**	**2023**	**2024**	**2025 YTD (6/30)**
Gross Revenue	$538,807.39	$755,924.98	$932,030.20	$599581.71
Operating Expenses	($386,666.76)	($523,602.64)	($652,282.78)	($308,631.560)
Gross Profit/Loss	$152,140.63	$232,322.34	$279,747.42	$290,950.15

Adjusted Annual Gross Profit/Loss Accounting for Royalty Fee
(During the 2022, 2023, 2024 and 2025 YTD Reporting Periods)

Body Alive Anderson	**2022**	**2023**	**2024**	**2025 YTD (9/30)**
Gross Revenue		$20,293.27	$351,594.70	$466,645.81
10% Franchise Fee		($2029.32)	($35,159.47	($46,664.58)
Operating Expenses		($10,518.38)	($247,771.28)	($217,821.89)
Gross Profit/Loss		$7,745.57	$68,663.95	$202,159.34
Body Alive Clifton	**2022**	**2023**	**2024**	**2025 YTD (9/30)**
Gross Revenue			$296,175.68	$308,990.61

10% Franchise Fee			($29,617.56)	($30,899.06)
Operating Expenses			($227,741.44)	($259,428.95)
Gross Profit/Loss			$38,816.68	$18,662.60
Body Alive Crestview I 2		**2023**	**2024**	**2025 YTD (9/30)**
Gross Revenue	$595,732.89	$934,969.37	$1,391,037.99	$1,399,308.08
10% Franchise Fee	($59,573.28)	($93,496.93)	($139,103.79)	($139,930.80)
Operating Expenses	($462,786.53)	($600,213.37)	($824,158.95)	($723,707.80)
Gross Profit/Loss	$73,373.08	$241,259.07	$427,775.25	$535,669.48
Body Alive Kenwood	**2022**	**2023**	**2024**	**2025 YTD (9/30)**
Gross Revenue	$1,070,735.48	$1,204,875.09	$1,403,400.47	$1,288,788.02
10% Franchise Fee	($107,073.54)	($120,487.50)	($140,340.04)	($128,878.80)
Operating Expenses	($842,516.30)	($874,093.63)	($1,043,545.53)	($782,746.40)
Gross Profit/Loss	$121,145.64	$210,293.96	$219,514.90	$377,162.82
Body Alive Mason	**2022**	**2023**	**2024**	**2025 YTD (9/30)**
Gross Revenue	$450,760.52	$588,603.63	$1,120,019.76	$992,467.41
10% Franchise Fee	($45,076.05)	($58,860.36)	($112,001.97)	($99,246.74)
Operating Expenses	($421,990.09)	($464,326.88)	($740,195.78)	($608,977.01)
Gross Profit/Loss	($16,305.62)	$65,416.39	$267,822.01	$284,243.66
Body Alive North Phoenix	**2022**	**2023**	**2024**	**2025 YTD (9/30)**
Gross Revenue	$164,228.55	$241,006.19	$366,124.38	$458,237.13
10% Franchise Fee	($16,422.85)	($24,100.61)	($36,612.43)	($45,823.71)

Operating Expenses	($198,315.45)	($269,707.68)	($335,900.23)	($323,947.57)
Gross Profit/Loss	($50,509.75)	($52,802.10)	($6,388.28)	$88,465.85
Body Alive Oakley	**2022**	**2023**	**2024**	**2025 YTD (9/30)**
Gross Revenue	$538,807.39	$755,924.98	$932,030.20	$873,360.84
10% Franchise Fee	($53,880.73)	($75,592.49)	($93,203.02)	($87,336.08)
Operating Expenses	($386,666.76)	($523,602.64)	($652,282.78)	($476,561.55)
Gross Profit/Loss	$98,259.90	$156,729.85	$186,544.40	$309,463.21

1. Operating History. The Affiliate Locations have been in operation since the following month/year:
   Kenwood, Ohio: October 2012
   Oakley, Ohio: February 2018
   Mason, Ohio: December 2018
   Crestview Hills, KY: Sept 2019
   Moon Valley, AZ: January 2020
   Anderson, Ohio: December 2023
   Clifton, Ohio: January 2024

2. "Gross Revenue" includes the total of all revenues, income and consideration from the sale of all Body Alive Fitness Business services and products to customers whether or not sold or performed at or from the Body Alive Fitness Business, and whether received in cash, coupon, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. It does not include the amount of sales tax receipts or similar tax receipts which, by law, are chargeable to customers. It also does not include the amount of any documented refunds, chargebacks, credits, charged tips and allowances given in good faith to customers.

3. "Operating Expenses" include ordinary and recurring operating expenses, including rent, payroll, utilities, bank service charges, business licenses and permits, technology expenses, dues and subscriptions, insurance expense, meals and entertainment, merchant fees, office supplies, professional and accounting fees, repairs and maintenance, security systems and telephone / internet and website, and also include income taxes paid by each entity as well as interest expense, where applicable.

4. "Gross Profit/Loss" is derived by deducting the Operating Expenses from the Gross Revenue. Gross Profit does not take into account depreciation or amortization.

5. The chart showing the Adjusted Annual Gross Profit/Loss Accounting for Royalty Fee provides the financial information for the Affiliate Locations adjusted to reflect all actual and reasonably expected material financial and operational differences between company owned or company-affiliated outlets and operational franchise outlets, including the Royalty Fee. We do not reasonably anticipate any other material financial or operational differences between company-owned or company-affiliated outlets and operational franchise outlets.

6. The financial performance representations above may not reflect all costs or expenses that must be deducted from the gross revenue figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, which may be listed in the Disclosure Document, may be one source of this information.

Some Body Alive Fitness Businesses have sold this amount. Your individual results may differ. There is no assurance you'll sell as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Paul Bain, 8110 Montgomery Rd. Cincinnati OH 45236, 513-337-9830, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Fiscal years ended 2022-2024 YTD

Column 1 **Outlet Type**	**Column 2** **Year**	**Column 3** **Outlets at the Start of the Year**	**Column 4** **Outlets at the End of the Year**	**Column 5** **Net Chane**
Franchised	2022	0	0	0
	2023	0	0	0

	2024	0	0	0
*Company-Owned	2022	5	5	0
	2023	5	6	+1
	2024	6	7	+1
Total Outlets	2022	5	5	0
	2023	5	6	+1
	2024	6	7	+1

* The Company-Owned Business in the above chart is/are owned and operated by our Affiliates.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Fiscal years ended 2022-2024 YTD

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

Table No. 3-A
Status of Franchised Outlets
For Fiscal years ended 2022-2024 YTD

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
None	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0	0

	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table No. 4

Status of Company-Owned Outlets
For Fiscal years ended 2022-2024 YTD

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
Arizona	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Illinois	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Kentucky	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Ohio	2022	3	0	0	0	0	3
	2023	3	1	0	0	0	4
	2024	4	1	0	0	0	5
Utah	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	5	0	0	0	0	5
	2023	5	1	0	0	0	6
	2024	6	1	0	0	0	7

* The Company-Owned Outlets in the above chart is/are owned and operated by our Affiliates. Also, one Company-Owned Outlet in each of Colorado, Illinois and Utah were opened in 2025 along with 4 additional locations in Ohio.

Table No. 5
Projected Openings as of December 1, 2025

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	0	1
Colorado	0	0	0
Illinois	0	0	0
Indiana	0	0	1
Georgia	0	0	1
Kentucky	0	0	3
Minnesota	0	0	1
Ohio	0	0	3
Tennessee	0	0	1
Texas	0	0	2
Utah	0	0	0
Total	**0**	**0**	**13**

A list of the names of all franchisees and company-owned/Affiliated units and the addresses and telephone numbers of their businesses is provided in Exhibit C to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable agreement during the most recently completed fiscal year or who has not communicated with us within ten (10) weeks of the issuance date of this disclosure document will be listed on Exhibit D to this

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

During the last three (3) fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with Body Alive Franchise, LLC.

There are no trademark-specific organizations formed by our franchisees that are associated with Body Alive Franchise, LLC.

Item 21. FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit E is our financial statements as of November 1, 2025. Our fiscal year end is December 31. We have not been franchising for three years or more and therefore we cannot include all the financial statements required to be disclosed in this Item.

Item 22. CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit B Franchise Agreement, with exhibits and state law addenda)
Exhibit H Form of General Release
Exhibit I Acknowledgment Agreement

Item 23. RECEIPTS

Exhibit L of this Franchise Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to: Att: Paul Bain, c/o Body Alive Franchise, LLC, 8110 Montgomery Rd. #3 Cincinnati, OH 45236.

EXHIBITS

Exhibit A to the Body Alive Franchise, LLC Franchise Disclosure Document

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

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

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

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

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation Suite 750 320 West 4th Street Los Angeles, CA 90013-2344 (213) 576-7500 Toll Free: 1-866-275-2677	Commissioner of Department of Financial Protection and Innovation Suite 750 320 West 4th Street Los Angeles, CA 90013- 2344
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8230	None
FLORIDA	Department of Agriculture and Consumer Services Division of Consumer Services 2005 Apalachee Parkway, The Rhodes Bldg. Tallahassee, FL 32399 (850) 410-3800	None

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS

HAWAII	Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street Honolulu, HI 96813 (808) 586-2744 *Mailing Address* P.O. Box 40 Honolulu, HI 96810 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street Honolulu, HI 96813
ILLINOIS	Office of the Attorney General Franchise Bureau 500 S. Second St. Springfield, IL 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, IL 62706
INDIANA	Indiana Secretary of State Securities Division 302 West Washington Street Room E-111 Indianapolis, IN 46204 (317) 232-6681 Toll Free: 1-800-223-8791	Indiana Secretary of State 200 West Washington Street Room 201 Indianapolis, IN 46204
IOWA	Iowa Attorney General Hoover Building 1305 E. Walnut Street Des Moines, IA 50319 (515) 281-5926	Iowa Secretary of State First Floor, Lucas Building 321 E. 12th Street Des Moines, Iowa 50319
KENTUCKY	Office of Attorney General Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602-2000 (888) 432-9257	None

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS

MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Attn: Franchise Section G. Mennen Williams Bldg. 525 West Ottawa Street P.O. Box 30213 Lansing, MI 48909 (517) 373-7117	None
MINNESOTA	Minnesota Department of Commerce Securities Unit 85 7th Place East Suite 280 St. Paul, MN 55101 (651) 539-1600	Minnesota Commissioner of Commerce Department of Commerce 85 7th Place East Suite 280 St. Paul, MN 55101
NEBRASKA	Department of Banking and Finance 1526 K Street, Suite 300 Lincoln, NE 65808-2732 *Mailing Address* P.O. Box 95006 Lincoln, NE 68509-5006 (402) 471-3445	None
NEW YORK	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8285	Department of State of New York One Commerce Plaza 99 Washington Avenue Albany, NY 12231-0001

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NORTH DAKOTA	Securities Department 600 East Boulevard State Capitol, Fifth Floor Bismarck, ND 58505-0510 (701) 328-2910	North Dakota Securities Commissioner 600 East Boulevard State Capitol, Fifth Floor Bismarck, ND 58505
OHIO	Ohio Attorney General State Office Tower 30 East Broad Street Columbus, OH 43215 (800) 282-0515	K&P Statutory Services, Inc. 201 East Fifth Street, Suite 800 Cincinnati, OH 45202
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Securities 350 Winter Street, NE Room 410 Salem, OR 93701 (503) 378-4140 or (503) 378-4387	None
RHODE ISLAND	Rhode Island Department of Business Regulation – Securities Division 1511 Pontiac Avenue Building 68-2 Cranston, RI 02920 (401) 462-9527	None
SOUTH DAKOTA	South Dakota Division of Securities 124 S. Euclid Ave., 2nd Floor Pierre, SD 57501-3185 (605) 773-3563	None

STATE	STATE ADMINISTRATOR	AGENT FOR

		SERVICE OF PROCESS
TEXAS	Texas Secretary of State Registrations Unit 1019 Brazos Austin, TX 78701 *Mailing Address* PO Box 13193 Austin, TX 78711 (512) 475-0775	None
UTAH	Division of Consumer Protection Utah Department of Commerce 160 East, 300 South, 2nd Floor Salt Lake City, UT 84114-6704 (801) 530-6601	None
VIRGINIA	State Corporation Commission Division of Securities & Retail Franchising Tyler Building 1300 E. Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission Tyler Building 1300 East Main Street First Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501 *Mailing Address* P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director Washington State Department of Financial Institutions 150 Israel Road S.W. Tumwater, WA 98501

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS

WISCONSIN	Wisconsin Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705 *Mailing Address* P.O. Box 1768 Madison, WI 53701-1768 (608) 266-0448	Administrator Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705

BODY ALIVE FRANCHISE, LLC

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

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<u>EXHIBITS</u>:

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FRANCHISE AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _________________, 20____ by and between Body Alive Franchise, LLC, an Ohio Limited Liability Company having its principal address at 8110 Montgomery Rd. #3 Cincinnati, OH 45236 (“we”, “us” or “our”) and

_____________________________________ with a principal address is _____________________________________ (“you”, “your”, or “Franchisee”).

RECITALS:

WHEREAS, we the Franchisor and our Affiliates have developed a System identified by the service mark “Body Alive” (the “Marks” or “Proprietary Marks”) and relating to offering a boutique fitness studio featuring group fitness classes, including hot yoga, barre, hot mat Pilates, hot body sculpt, hot body challenge, bounce, cycle and body fusion, nutritional products and services and related products (“Proprietary Products”); and

WHEREAS, in addition to the Proprietary Marks, the distinguishing characteristics of the System include, among other things, a proprietary trade dress that incorporates methods, uniform standards, specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, and may include interior design, layout, décor, color scheme, fixtures and furnishings; materials and supplies; all of which may be changed, improved and further developed; and

WHEREAS, we grant to qualified persons and business entities the right to own and operate a single Franchised Business using the System and the Marks at a location and within a Designated Territory approved by us; and

WHEREAS, you desire to own and operate a Franchised Business, have applied for the Franchise and such application has been approved by us in reliance upon all of the representations made herein and therein; and

WHEREAS, you desire to obtain a franchise to use the System and the Proprietary Mark at the location we have approved, pursuant to the provisions hereof, and you have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of your own choosing and you represent and warrant that you have the business experience and financial ability to operate a Franchised Business; and

WHEREAS, you acknowledge that you have read this Agreement and our Disclosure Document (“Disclosure Document”) and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all Body Alive Studios and to protect the goodwill of the Proprietary Mark; and

WHEREAS, we expressly disclaim the making of any warranty or guarantee, expressed or implied, oral or written, regarding the potential revenues, profits or success of the business venture contemplated by this Agreement. You acknowledge that you have not received or relied upon any such warranty or guarantee; and

WHEREAS, you acknowledge that you have no knowledge of any representations by us, our officers, directors, shareholders or Developers about the franchise offered hereunder, about us or our franchising programs and policies that are contrary to the statements in the Disclosure

Document or to the terms of this Agreement; and

WHEREAS, you acknowledge that this Agreement places detailed and substantial obligations on you, including strict adherence to our reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, management methods, merchandising strategies, sales promotion programs and related matters. You acknowledge that future improvements, changes and developments in the System may require additional expense to be undertaken by you.

NOW, THEREFORE, we and you, intending to be legally bound, agree as follows:

Article 1

DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings:

"Affiliate" means any business entity that controls, is controlled by, or is under common control with us;

"Agreement" means this agreement entitled "Body Alive Studio Franchise Agreement" and all instruments supplemental hereto or in amendment or confirmation hereof;

"Approved Location" means the site for the operation of the Franchised Business selected by you and approved in writing by us;

"Approved Supplier(s)" has the meaning given to such term in Section 13.1;

"Brand Development Fund" has the meaning given to such term in Section 3.3;

"Competitive Business" means any business that offers (or grants franchises or licenses to others to operate a business that offers) goods or services the same as or substantially similar to those provided by Franchised Businesses or in which Trade Secrets and other Confidential Information could be used to the disadvantage of us, any of our Affiliates or our other franchisees; provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by you under a Franchise Agreement with us, or (b) any business operated by a publicly held entity in which you own less than a five percent (5%) legal or beneficial interest;

"Confidential Information" means technical and non-technical information used in or related to Franchised Businesses that is not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by us. Confidential Information shall not include, however, any information that (a) is

now or subsequently becomes generally available to the public through no fault of yours; (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

"Designated Territory" means the geographic area of territorial exclusivity granted to you under this Agreement as defined by Section 2.5;

"Effective Date" means the date on which this Agreement is fully executed, thereby commencing its effectiveness and term;

"Electronic Depository Transfer Account" means an account established at a national banking institution approved by us and providing us with access to electronically withdraw any funds due us;

"Franchise" means the right granted to you by us to use the System and the Marks at the Approved Location;

"Franchised Business" means the Body Alive Studio to be established and operated by you pursuant to this Agreement;

"Franchisor Indemnitees" has the meaning given to such term in Section 21.3;

"General Manager" means the person designated by you who has primary responsibility for managing the day-to-day affairs of the Franchised Business. Your General Manager must have the minimum business experience we require, must successfully complete our initial training program, and must be approved by us. While we do not require you to act as the General Manager for your Franchised Business, you understand and acknowledge that you shall remain responsible for the General Manager's operation of your Franchise Business in compliance with this Agreement, the Manual and our System standards and specifications, as the Manual and such standards and specifications may be modified by us from time to time;

"Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point of sale system and any cash shortage will not be considered in the determination. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority, customer refunds or adjustments, and tips paid by clients to your employees;

"Gross Sales Reports" has the meaning given to such term in Section 12.2;

"Incapacity" means the absence of your principal for ninety (90) days or more.

"Internet" means any one (1) or more local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web;

"Local Marketing" has the meaning given to such term in Section 11.2;

"Manual" means the Body Alive Studio Confidential Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by us from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by us or on our behalf;

"Marks" or **"Proprietary Marks"** means the service mark Body Alive and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, copyrights, drawings and other commercial symbols as we may designate to be used in connection with Franchised Businesses;

"Royalty Fee" has the meaning given to such term in Section 3.2; and

"Trade Secrets" means information in any form that is used in or related to Franchised Businesses and is not commonly known by or available to the public including, but not limited to, protocols and techniques, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential clients or suppliers and which information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

Article 2

GRANT OF FRANCHISE

2.1 Grant

We hereby grant to you, and you undertake and accept, upon the terms and conditions herein contained, the right to establish and operate one (1) Franchised Business at the Approved Location within the Designated Territory using the System and Marks.

2.2 Approved Location

The street address (or detailed description of the premises) of the Approved Location shall be identified on Exhibit A hereto after we have approved of such location pursuant to Section 5.1.

2.3 Approved Location Not Determined

If the Approved Location of the Franchised Business is not determined as of the Effective Date, then we and you shall determine the geographic area in which the Franchised Business is to be located. You shall follow our procedures in locating a suitable site for the Franchised Business, and when the Approved Location is determined, its address will be inserted into Exhibit 1 hereto. The failure to insert such address shall not automatically affect the enforceability of this Agreement.

2.4 Sub-Franchising; Agents
You shall not sublicense the use of the System or Marks to any person or entity to perform any part of your rights or obligations granted hereunder, or grant any person or entity the right to act as your agent to perform any part of your rights or obligations hereunder and any attempt by you to do so shall be void and of no force and effect.

2.5 Designated Territory
So long as this Agreement is in force and effect and you are not in default in any material respect under any of the terms hereof, we shall not establish, own or operate, or grant rights to, or license, any other person to establish, own or operate, any other Franchised Business or other substantially similar business anywhere within the geographic area designated by us for your Franchised Business ("Designated Territory"). The Designated Territory will be identified on Exhibit A hereto and may be defined by streets, highways, natural, or political boundaries, or zip codes, and may be outlined on a map attached to Exhibit A.

You understand and acknowledge that if any non-traditional site (in an urban setting or downtown area, or in locations that have a captive market, such as an enclosed shopping mall, military base, office building, or similar location) is located within the physical boundaries of your Designated Territory, then the premises of this non-traditional site will not be included in your Designated Territory and you will have no rights to this non-traditional site. If your Franchise Business is located at a non-traditional site, you will not receive an exclusive territory.

2.6 Our Reserved Rights
Notwithstanding anything contained herein to the contrary, we retain the right, on behalf of ourselves or through Affiliates, in our and absolute discretion and without granting any rights to you:

a. to establish and operate, and grant rights to other franchise owners to establish and operate, Body Alive Studio or similar businesses at any locations outside your Designated Territory and on any terms and conditions we deem appropriate;
b. to purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to your Franchise Business (and/or franchise and/or license these businesses), some or all of which might be located anywhere, including within your Designated Territory, but if any of these businesses are located within your Designated Territory they will not operate using the Proprietary Marks;
c. to be acquired (regardless of the form of transaction) by a business identical or similar to a Body Alive Studio, even if the other business operates, franchises and/or licenses competitive businesses within your Designated Territory; or
d. to engage in any other business activities not expressly prohibited by this Agreement,

anywhere.

2.7 Independent Contractors

It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Franchisor and Franchisee are and shall be independent contractors, and that nothing in this Agreement is intended to make either party a general or special agent, joint venture, joint employer, partner, or employee of the other for any purpose. You shall conspicuously identify itself in all dealings with customers, suppliers, public officials, employees, and others as the owner of the Franchised Business under a franchise granted by us and shall conspicuously and prominently place such other notices of independent ownership at the Franchised Business and on such forms, business cards, stationery, advertising, and other materials as Franchisor may require from time to time. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Franchisee. We shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business. Any third party contractors and vendors retained by you to convert or construct the premises are independent contractors of you alone. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires you to obtain our written consent or permits you to take any action or refrain from taking any action, we are free to act in our own self-interest without any obligation to act reasonably, to consider the impact on you or to act subject to any other standard of care limiting our right, except as may be provided by statute or regulation.

Franchisor and its Affiliates shall not be an employer or co-employer of Franchisee or of any of Franchisee's employees or independent contractors. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed, to state or imply that Franchisor is the employer of Franchisee, Franchisee's employees and/or Franchisee's independent contractors. Franchisee at all times will be responsible for the operation of its Franchised Business and activities occurring at the Franchised Business. Franchisee shall have the sole right, authority, control and responsibility to choose, hire, fire, train, discipline, supervise, give direction to, determine work schedules and conditions, set and provide compensation or benefits for and manage its own employees and independent contractors. Franchisor shall not dictate or control, have responsibility for, or have any obligations in regard to, any of the foregoing or any other labor or employment matters for Franchisee and its employees or independent contractors.

2.8 No Liability for Acts of Other Party

You shall not employ any of the Marks in signing any contract, application for any license or permit, or in a manner that may result in the liability of us or its Affiliates for any indebtedness or obligation of you nor will you use the Marks in any way not expressly authorized herein. Except as expressly authorized in writing, neither party shall 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 their relationship is other than franchisor and franchisee. Neither party shall be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We shall not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised

Business by you.

Article 3

FEES

3.1 Franchise Fee; Opening Assistance Fee; Store Layout Assistance Fee; Initial Payments
Upon execution of this Agreement, you will pay an initial franchise fee ("Franchise Fee") to us via certified check or wire transfer in immediately available funds in the amount of Thirty Five Thousand Dollars ($35,000). If you purchase a second franchise and/or third franchise at the same time you enter into your first franchise agreement, each Franchise Fee for the second franchise and third franchise will be $35,000 and you will be required to sign a separate Franchise Agreement for the second and/or third franchise. The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is not refundable under any circumstances.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you.

In addition to the Franchise Fee you will pay to us, upon execution of this Agreement, an opening assistance fee in the amount of Twenty-Five Hundred Dollars ($2,500). In addition to the Franchise Fee and Opening Assistance Fee, you will pay to us, upon execution of this Agreement, a store layout assistance fee for certain services relating to our review of your location and the design of the layout of your Franchised Business in the amount of Twenty-Five Hundred Dollars ($2,500) (the "Store Layout Assistance Fee"). Said fee shall be fully earned by us and not refundable. The Store Layout Assistance Fee is in addition to any amount you pay to our affiliate and/or designated supplier for construction services. If this Agreement is for your second (2^{nd}) or greater Franchised Business we reserve the right to not provide you with opening assistance, in which event the opening assistance fee would be waived.

You must purchase from us and or our affiliate Body Alive Corporate, LLC your initial inventory of Proprietary Products. We estimate that the cost of your initial inventory will be $5,000, based upon the typical initial number of customers in a Body Alive Studio. This amount is payable in a lump sum when you sign the Franchise Agreement and is not refundable and does not include other inventory purchased from other approved suppliers.

3.2 Royalty Fee
On the fifteenth day of each month you will pay to us, without offset, credit or deduction of any nature, so long as this Agreement shall be in effect, a ("Royalty Fee") equal to six percent (6%) of Gross Sales for the previous ending month. Each Royalty Fee shall be accompanied by a Gross Sales Report, as required by Section 12.2, for the same period. You shall provide the Gross Sales

Report to us by e-mail or in such other form as we specify. If the fifteenth (15th) day of the month is not a business day, then payment shall be due on the next business day.

If you do not report the Gross Sales, we may debit your account for one hundred percent (100%) of the last Royalty Fee and Brand Development Fee (described in Section 3.3 below) that we debited or was otherwise paid to us. If the Royalty Fee and Brand Development Fee we debit are less than the Royalty Fee and Brand Development Fee you actually owe us, once we have been able to determine your true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fee we debit are greater than the Royalty Fee and Brand Development Fee you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due.

3.3 Brand Development Fee
We have the right to establish and administer a System-wide marketing, advertising and promotion fund ("Brand Development Fund") upon fifteen (15) days prior written notice by us to you. When the Brand Development Fund is established, you shall contribute monthly to the Brand Development Fund an amount equal to one percent (1%) of Gross Sales ("Brand Development Fee"). Brand Development Fees shall be payable at the same time and in the same manner as Royalty Fees as provided in Section 3.2. When established, the Brand Development Fund shall be maintained and administered by us or our designee in accordance with the provisions contained in Section 11.3.

3.4 Taxes
You will pay to us an amount equal to all sales taxes, use taxes and similar taxes imposed on the fees payable by you to us hereunder, including any Royalty Fees or Brand Development Fees, and on services or goods furnished to you by us at the same time as you remit such fees to us, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on us for doing business in the state where the Franchised Business is located or other federal, state or local taxes assessed against our income.

3.5 Electronic Funds Transfer
You will pay all Royalty Fees, Brand Development Fees, amounts due for purchases by you from us and/or our Affiliates and other amounts due to us by electronic funds transfer ("EFT") from your bank account, and you shall execute and deliver any and all documents necessary in order to effectuate EFT transactions, including, but not limited to, the agreement attached hereto as Exhibit 7 and any documents required by our and/or your bank. By signing and delivering to us these forms, you authorize us to withdraw money from your account on a timely basis to collect the appropriate Royalty Fees, Brand Development Fees, interest, late fees and other charges that Franchisee owes to us under this Agreement. You shall provide us with continuous access to such account for the purpose of receiving any payments due to us. You shall ensure that the balance in the account is sufficient to cover amounts owed to us prior to the date such amounts are due. Once established, you shall not close the account without our consent. You shall deposit all receipts of the Franchised Business in the designated account. We may require your bank to send a monthly statement of all activity in the designated account to our controller at the same time as

it sends such statements to you, and such other reports of the activity in the designated account as we may reasonably determine. If you maintain any other accounts of any type for the Franchised Business,

you shall identify such accounts to us and provide to us copies of the monthly statements for all such accounts and the details of all deposits to such accounts. The procedures established by us shall include a method for repayment to you of any overpayment of fees, whether resulting from the payment of refunds or other causes. You will pay the charges imposed by your bank and us and you will pay the charges imposed by our bank relating to the funds transfer program. Failure to maintain such an account in accordance with this Section is a material breach of this Agreement. If you elect to pay any amounts due to us via credit card, you acknowledge and agree that our then
current processing fee shall apply.

3.6 Noncompliance Fee; Late Payments; Late Charges and Insufficient Fund Fees In the event of any breach of this Agreement or the Operations Manual, Franchisor may assess a noncompliance fee of $500 upon written notification to Franchisee. Franchisee must also pay, on demand, a late charge of $100 per occurrence for any payments not made within five days of the due date of the payment. In addition, Franchisee will pay on demand a fee equal to any charges we may incur as a result of checks or debits returned for non-sufficient funds or other similar reasons ("NSF fees") but not less than $100 for each returned item. All Royalty Fees, Brand Development Fees, amounts due for purchases by you from us and/or our Affiliates and other amounts that are not received by us within five (5) days after the due date shall bear interest at the rate of eighteen percent (18%) per annum (or the highest rate allowed by law, whichever is lower) from the date payment is due until the date payment is received by us. Interest shall accrue from the original due date until payment is received in full. You will pay us for all costs incurred by us in the collection of any unpaid and past due Royalty Fees, Brand Development Fees or any other amounts due us, including reasonable costs of collection, accounting, and legal fees. This Section shall not constitute an agreement by us to accept any payments after the due date, or act as a commitment by us to extend credit to or otherwise finance you or the Franchised Business

3.7 Application of Payments
Notwithstanding any designation by you, we have the right to apply any payments by you to any past due indebtedness of yours and accrued interest thereon for Royalty Fees, Brand Development Fees, purchases from us and/or our Affiliates or any other amount owed to us.

3.8 Online Ordering Fees
We may charge a reasonable fee associated with the cost of processing any on-line orders for products or services that may be applicable now or in the future.

3.9 De-identification Costs and Expenses
If we must de-identify your Body Alive Studio Franchised Business upon its termination, relocation or expiration, you agree to reimburse our cost and expenses. You acknowledge and agree that this Section 3.9 shall survive the expiration or termination of the Franchise Agreement.

Article 4

TERM AND RENEWAL

4.1 Initial Term

This Agreement shall be effective and binding for an initial term of ten (10) years from the Effective Date, unless sooner terminated pursuant to Section 16.

4.2 Renewal Term

Subject to the conditions below, you have the right to obtain a renewal franchise at the expiration of this Agreement by entering into a new franchise agreement with us. Your right to obtain a successor franchise is limited to ten (10) additional terms of five (5) years each. To qualify for a renewal franchise, each of the following conditions shall have been fulfilled and remain true as of the last day of the term of this Agreement:

a. You have, during the entire term of this Agreement, substantially complied with all material provisions;

b. You have access to and, for the duration of the renewal franchise's term, the right to remain in possession of the Approved Location, or a suitable substitute location approved by us which is in full compliance with our then-current specifications and standards;

c. You have, at your expense, made such capital expenditures as were necessary to remodel and/or redecorate the Approved Location to ensure that the Franchised Business reflects our then-current System standards and specifications;

d. You have satisfied all monetary obligations owed by you to us (or any Affiliate) and have timely met these obligations throughout the term of this Agreement;

e. You are not currently in default in any material respect of any provision of this Agreement or any other agreement between you and us and have not been in default in any material respect more than two (2) times during the initial term;

f. You have given written notice of your request for a renewal franchise not less than six (6) months nor more than twelve (12) months prior to the end of the term of this Agreement, provided that we have no obligation to grant you a renewal franchise without the timely receipt of such notice;

g. You have executed our then-current form of franchise agreement, or have executed renewal documents at our election (with appropriate modifications to reflect the fact that the Franchise Agreement relates to the grant of a renewal franchise), which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or Brand Development Fee;

provided, however, that you shall not be required to pay the then-current Franchise Fee but shall be required to pay a renewal fee equal to Thirty Five Thousand Dollars ($35,000);

h. You have met our then-current qualifications for a new franchisee and have agreed to comply with any then-current training or refresher training requirements;

i. You have executed a general release of any and all claims against us, any Affiliate and against our respective officers, directors, shareholders, managers, members, partners, owners and employees and;

j. As part of the process of renewing this Agreement, we reserve the right to re evaluate your then-existing Designated Territory according to certain demographics, including the character of the neighborhood where your Franchise Business is located and population. Since your Designated Territory includes a certain minimum population, your Designated Territory under the renewal franchise agreement will be modified to accommodate shifts and changes in population. Our intent is to make the target demographics of your renewal Designated Territory similar to the target demographics of your original Designated Territory. A re-evaluation of your Designated Territory may result in your renewal Designated Territory being smaller or larger than your original Designated Territory. We cannot guarantee that you will achieve any particular level of success with the renewal Designated Territory or that your results will be the same as or similar to your results from operating in the original Designated Territory.

4.3 Failure to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us our then-current franchise agreement and other ancillary documents required by us, together with payment of the renewal fee, for a renewal franchise within thirty (30) days after we have delivered them to you.

4.4 Refusal to Renew Franchise Agreement

We may refuse to renew your franchise if your lease, sublease or other document by which you have the right to occupy the Approved Location is not extended before your renewal term is to take effect to cover the period of the renewal or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the renewal term. We may also refuse to renew your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the initial term of this Agreement, if applicable.

4.5 Renewal Under Law
Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a federal, state, or local law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. In that event, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the franchise agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the franchise agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

Article 5

APPROVED LOCATION

5.1 Selection of Territory
We do not require you to operate your Body Alive Studio from leased space. However, if you decide to lease or purchase real estate for your Franchised Business from a commercial site, we reserve the right to approve of the location of your Body Alive Studio business. If you do not have a location for the Franchised Business that we have approved when you sign this Agreement, you shall have one hundred-eighty (180) days after the Effective Date to locate a site for your Franchised Business and submit to us all of the information we require to evaluate your proposed site, including evidence of your favorable prospects for obtaining the site, such as a lease, purchase agreement or similar document. We shall have thirty (15) days after we receive all of the information required in order to review the proposed site. If we do not specifically approve the site within this thirty (30) day period, the site is deemed not approved. If we approve of the site you propose, the site will be designated as the Approved Location for purposes of Section 2.2. If you are unable to locate a site within one hundred-eighty (180) days after the Effective Date, in our sole and absolute discretion, we may elect to grant you an extension or we may elect to terminate this Agreement.

We shall provide you with general guidelines to assist you in selecting a site suitable for the Approved Location. We have the right to approve or reject a proposed location based on such factors as we deem appropriate in our sole and absolute discretion, including the condition of the premises, demographics and population density of the surrounding area, proximity to other Franchised Businesses, lease requirements, visibility, ease of access, available parking and overall suitability. You shall not locate the Franchised Business on a selected site without our prior written approval, which approval will not be unreasonably withheld or delayed. *We do not represent that we, any Affiliate or any of our owners or employees have special expertise in selecting sites. Neither our assistance nor approval is intended to indicate or indicates that the Franchised Business will be profitable or successful at the Approved Location. You are solely responsible for finding and selecting a site for the Franchised Business. Our approval of a* *proposed location only indicates that the territory meets our minimum requirements for a Body Alive Studio at the time of our evaluation.*

5.2 Lease of Approved Location

If you determine to lease a commercial location, after the approval of the Approved Location, you shall execute a lease for, or a binding agreement to purchase the Approved Location, the terms of which must have been previously approved by us in writing. We shall not unreasonably withhold our approval. *Our review of a lease or purchase agreement, or any advice or recommendation offered by us, shall not constitute a representation, warranty, or guarantee that you will succeed at the Approved Location nor constitute an expression of our opinion regarding the terms of such lease or purchase agreement*.

We shall be entitled to require that nothing contained in your lease or purchase agreement is contradictory to, or likely to interfere with, our rights or your duties under this Agreement. You shall take all actions reasonably necessary to maintain the lease, if any, of the Approved Location

while this Agreement is in effect. Any default for which the lease may be terminated shall also be deemed a default hereunder and the time to cure the same shall expire when the lease is terminated. We have the right to require that the lease for the Approved Location be collaterally assigned by you to us, pursuant to the terms of our standard Collateral Assignment of Lease in the form attached hereto as Exhibit 5, to secure performance by you of your obligation under this Agreement. Our approval of a lease shall be conditioned upon inclusion of terms in the lease acceptable to us and, at our option, the lease shall contain such provisions as we may reasonably require, including:

a. a provision reserving to us the right, at our election, to receive an assignment of the leasehold interest upon termination or expiration of the Franchise;

b. a provision expressly permitting the lessor of the premises to provide us all sales and other information lessor may have obtained or received relating to the operation of the Franchised Business, as we may request;

c. a provision requiring the lessor to provide us with a copy of any written notice of deficiency sent by the lessor to you, and granting to us the right (but not the obligation) to cure any deficiency under the lease should you fail to do so within expiration of the period in which you may cure the default;

d. a provision allowing you to display the Marks in accordance with the specifications required by the Manual, subject only to the provisions of applicable law;

e. a provision prohibiting the Approved Location from being used for any purpose other than the operation of the Franchised Business;

f. a provision allowing us, upon expiration or termination of the lease, to enter the Approved Location and remove any signs containing the Marks and/or to otherwise de-identify the location, at your expense and without liability for trespass or tort; and

g. a provision stating that upon default of this Agreement, we or our nominee have the right, but not the obligation, to take possession of the Approved Location and operate the Franchised Business.

5.3 Development of the Approved Location

If you choose to operate the Franchised Business from a commercial location you must:

a. engage a competent licensed architect or engineer to prepare, for our approval, construction plans for the build-out of your Franchised Business if you choose to lease space. Our review of your construction plans is only meant to assess that the build-out of your Franchised Business is in compliance with our System standards and presentation of the Marks. You are solely responsible for ensuring that all construction plans comply with all applicable laws, ordinances and/or building codes;

BODY ALIVE FRANCHISE, LLC

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

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FRANCHISE AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of ________________, 20____ by and between Body Alive Franchise, LLC, an Ohio Limited Liability Company having its principal address at 8110 Montgomery Rd. #3 Cincinnati, OH 45236 (“we”, “us” or “our”) and _______________________________________ with a principal address is _______________________________________ (“you”, “your”, or “Franchisee”).

RECITALS:

WHEREAS, we the Franchisor and our Affiliates have developed a System identified by the service mark “Body Alive” (the “Marks” or “Proprietary Marks”) and relating to offering a boutique fitness studio featuring group fitness classes, including hot yoga, barre, hot mat Pilates, hot body sculpt, hot body challenge, bounce, cycle and body fusion, nutritional products and services and related products (“Proprietary Products”); and

WHEREAS, in addition to the Proprietary Marks, the distinguishing characteristics of the System include, among other things, a proprietary trade dress that incorporates methods, uniform standards, specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, and may include interior design, layout, décor, color scheme, fixtures and furnishings; materials and supplies; all of which may be changed, improved and further developed; and

WHEREAS, we grant to qualified persons and business entities the right to own and operate a single Franchised Business using the System and the Marks at a location and within a Designated Territory approved by us; and

WHEREAS, you desire to own and operate a Franchised Business, have applied for the Franchise and such application has been approved by us in reliance upon all of the representations made herein and therein; and

WHEREAS, you desire to obtain a franchise to use the System and the Proprietary Mark at the location we have approved, pursuant to the provisions hereof, and you have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of your own choosing and you represent and warrant that you have the business experience and financial ability to operate a Franchised Business; and

WHEREAS, you acknowledge that you have read this Agreement and our Disclosure Document (“Disclosure Document”) and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all Body Alive Studios and to protect the goodwill of the Proprietary Mark; and

WHEREAS, we expressly disclaim the making of any warranty or guarantee, expressed or implied, oral or written, regarding the potential revenues, profits or success of the business venture contemplated by this Agreement. You acknowledge that you have not received or relied upon any such warranty or guarantee; and

WHEREAS, you acknowledge that you have no knowledge of any representations by us, our officers, directors, shareholders or Developers about the franchise offered hereunder, about us or our franchising programs and policies that are contrary to the statements in the Disclosure Document or to the terms of this Agreement; and

WHEREAS, you acknowledge that this Agreement places detailed and substantial obligations on you, including strict adherence to our reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, management methods, merchandising strategies, sales promotion programs and related matters. You acknowledge that future improvements, changes and developments in the System may require additional expense to be undertaken by you.

NOW, THEREFORE, we and you, intending to be legally bound, agree as follows:

Article 1

DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings:

"Affiliate" means any business entity that controls, is controlled by, or is under common control with us;

"Agreement" means this agreement entitled "Body Alive Studio Franchise Agreement" and all instruments supplemental hereto or in amendment or confirmation hereof;

"Approved Location" means the site for the operation of the Franchised Business selected by you and approved in writing by us;

"Approved Supplier(s)" has the meaning given to such term in Section 13.1;

"Brand Development Fund" has the meaning given to such term in Section 3.3;

"Competitive Business" means any business that offers (or grants franchises or licenses to others to operate a business that offers) goods or services the same as or substantially similar to those provided by Franchised Businesses or in which Trade Secrets and other Confidential Information could be used to the disadvantage of us, any of our Affiliates or our other franchisees; provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by you under a Franchise Agreement with us, or (b) any business operated by a publicly held entity in which you own less than a five percent (5%) legal or beneficial interest;

"Confidential Information" means technical and non-technical information used in or related to Franchised Businesses that is not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by us. Confidential Information shall not include, however, any information that (a) is now or subsequently becomes generally available to the public through no fault of yours; (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

"Designated Territory" means the geographic area of territorial exclusivity granted to you under this Agreement as defined by Section 2.5;

"Effective Date" means the date on which this Agreement is fully executed, thereby commencing its effectiveness and term;

"Electronic Depository Transfer Account" means an account established at a national banking institution approved by us and providing us with access to electronically withdraw any funds due us;

"Franchise" means the right granted to you by us to use the System and the Marks at the Approved Location;

"Franchised Business" means the Body Alive Studio to be established and operated by you pursuant to this Agreement;

"Franchisor Indemnitees" has the meaning given to such term in Section 21.3;

"General Manager" means the person designated by you who has primary responsibility for managing the day-to-day affairs of the Franchised Business. Your General Manager must have the minimum business experience we require, must successfully complete our initial training program, and must be approved by us. While we do not require you to act as the General Manager for your Franchised Business, you understand and acknowledge that you shall remain responsible for the General Manager's operation of your Franchise Business in compliance with this Agreement, the Manual and our System standards and specifications, as the Manual and such standards and specifications may be modified by us from time to time;

"Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point of sale system and any cash shortage will not be considered in the determination. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority, customer refunds or adjustments, and tips paid by clients to your employees;

“Gross Sales Reports” has the meaning given to such term in Section 12.2;

“Incapacity” means the absence of your principal for ninety (90) days or more.

“Internet” means any one (1) or more local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web;

“Local Marketing” has the meaning given to such term in Section 11.2;

“Manual” means the Body Alive Studio Confidential Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by us from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers’ manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by us or on our behalf;

“Marks” or **“Proprietary Marks”** means the service mark Body Alive and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, copyrights, drawings and other commercial symbols as we may designate to be used in connection with Franchised Businesses;

“Royalty Fee” has the meaning given to such term in Section 3.2; and

“Trade Secrets” means information in any form that is used in or related to Franchised Businesses and is not commonly known by or available to the public including, but not limited to, protocols and techniques, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential clients or suppliers and which information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

Article 2

GRANT OF FRANCHISE

2.1 Grant

We hereby grant to you, and you undertake and accept, upon the terms and conditions herein contained, the right to establish and operate one (1) Franchised Business at the Approved Location within the Designated Territory using the System and Marks.

2.2 Approved Location

The street address (or detailed description of the premises) of the Approved Location shall be identified on Exhibit A hereto after we have approved of such location pursuant to Section 5.1.

2.3 Approved Location Not Determined

If the Approved Location of the Franchised Business is not determined as of the Effective Date, then we and you shall determine the geographic area in which the Franchised Business is to be located. You shall follow our procedures in locating a suitable site for the Franchised Business, and when the Approved Location is determined, its address will be inserted into Exhibit 1 hereto. The failure to insert such address shall not automatically affect the enforceability of this Agreement.

2.4 Sub-Franchising; Agents

You shall not sublicense the use of the System or Marks to any person or entity to perform any part of your rights or obligations granted hereunder, or grant any person or entity the right to act as your agent to perform any part of your rights or obligations hereunder and any attempt by you to do so shall be void and of no force and effect.

2.5 Designated Territory

So long as this Agreement is in force and effect and you are not in default in any material respect under any of the terms hereof, we shall not establish, own or operate, or grant rights to, or license, any other person to establish, own or operate, any other Franchised Business or other substantially similar business anywhere within the geographic area designated by us for your Franchised Business ("Designated Territory"). The Designated Territory will be identified on Exhibit A hereto and may be defined by streets, highways, natural, or political boundaries, or zip codes, and may be outlined on a map attached to Exhibit A.

You understand and acknowledge that if any non-traditional site (in an urban setting or downtown area, or in locations that have a captive market, such as an enclosed shopping mall, military base, office building, or similar location) is located within the physical boundaries of your Designated Territory, then the premises of this non-traditional site will not be included in your Designated Territory and you will have no rights to this non-traditional site. If your Franchise Business is located at a non-traditional site, you will not receive an exclusive territory.

2.6 Our Reserved Rights

Notwithstanding anything contained herein to the contrary, we retain the right, on behalf of ourselves or through Affiliates, in our and absolute discretion and without granting any rights to you:

a. to establish and operate, and grant rights to other franchise owners to establish and operate, Body Alive Studio or similar businesses at any locations outside your Designated Territory and on any terms and conditions we deem appropriate;

b. to purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to your Franchise Business (and/or franchise and/or license these businesses), some or all of which might be located anywhere, including within your Designated Territory, but if any of these businesses are located within your Designated Territory they will not operate using the Proprietary Marks;

c. to be acquired (regardless of the form of transaction) by a business identical or similar to a Body Alive Studio, even if the other business operates, franchises and/or licenses competitive businesses within your Designated Territory; or

d. to engage in any other business activities not expressly prohibited by this Agreement, anywhere.

2.7 Independent Contractors

It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Franchisor and Franchisee are and shall be independent contractors, and that nothing in this Agreement is intended to make either party a general or special agent, joint venture, joint employer, partner, or employee of the other for any purpose. You shall conspicuously identify itself in all dealings with customers, suppliers, public officials, employees, and others as the owner of the Franchised Business under a franchise granted by us and shall conspicuously and prominently place such other notices of independent ownership at the Franchised Business and on such forms, business cards, stationery, advertising, and other materials as Franchisor may require from time to time. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Franchisee. We shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business. Any third party contractors and vendors retained by you to convert or construct the premises are independent contractors of you alone. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires you to obtain our written consent or permits you to take any action or refrain from taking any action, we are free to act in our own self-interest without any obligation to act reasonably, to consider the impact on you or to act subject to any other standard of care limiting our right, except as may be provided by statute or regulation.

Franchisor and its Affiliates shall not be an employer or co-employer of Franchisee or of any of Franchisee’s employees or independent contractors. Neither this Agreement nor Franchisor’s course of conduct is intended, nor may anything in this Agreement (nor Franchisor’s course of conduct) be construed, to state or imply that Franchisor is the employer of Franchisee, Franchisee’s employees and/or Franchisee’s independent contractors. Franchisee at all times will be responsible for the operation of its Franchised Business and activities occurring at the Franchised Business. Franchisee shall have the sole right, authority, control and responsibility to choose, hire, fire, train, discipline, supervise, give direction to, determine work schedules and conditions, set and provide compensation or benefits for and manage its own employees and independent contractors. Franchisor shall not dictate or control, have responsibility for, or have any obligations in regard to, any of the foregoing or any other labor or employment matters for Franchisee and its employees or independent contractors.

2.8 No Liability for Acts of Other Party

You shall not employ any of the Marks in signing any contract, application for any license or permit, or in a manner that may result in the liability of us or its Affiliates for any indebtedness or obligation of you nor will you use the Marks in any way not expressly authorized herein. Except as expressly authorized in writing, neither party shall 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 their relationship is other than franchisor and franchisee. Neither party shall be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We shall not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business by you.

Article 3

FEES

3.1 Franchise Fee; Opening Assistance Fee; Store Layout Assistance Fee; Initial Payments

Upon execution of this Agreement, you will pay an initial franchise fee ("Franchise Fee") to us via certified check or wire transfer in immediately available funds in the amount of Thirty Five Thousand Dollars ($35,000). If you purchase a second franchise and/or third franchise at the same time you enter into your first franchise agreement, each Franchise Fee for the second franchise and third franchise will be $35,000 and you will be required to sign a separate Franchise Agreement for the second and/or third franchise. The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is not refundable under any circumstances.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you.

In addition to the Franchise Fee you will pay to us, upon execution of this Agreement, an opening assistance fee in the amount of Twenty-Five Hundred Dollars ($2,500). In addition to the Franchise Fee and Opening Assistance Fee, you will pay to us, upon execution of this Agreement, a store layout assistance fee for certain services relating to our review of your location and the design of the layout of your Franchised Business in the amount of Twenty-Five Hundred Dollars ($2,500) (the "Store Layout Assistance Fee"). Said fee shall be fully earned by us and not refundable. The Store Layout Assistance Fee is in addition to any amount you pay to our affiliate and/or designated supplier for construction services. If this Agreement is for your second (2nd) or greater Franchised Business we reserve the right to not provide you with opening assistance, in which event the opening assistance fee would be waived.

You must purchase from us and or our affiliate Body Alive Corporate, LLC your initial inventory of Proprietary Products. We estimate that the cost of your initial inventory will be $5,000, based upon the typical initial number of customers in a Body Alive Studio. This amount is payable in a lump sum when you sign the Franchise Agreement and is not refundable and does not include other inventory purchased from other approved suppliers.

3.2 Royalty Fee

On the fifteenth day of each month you will pay to us, without offset, credit or deduction of any nature, so long as this Agreement shall be in effect, a ("Royalty Fee") equal to six percent (6%) of Gross Sales for the previous ending month. Each Royalty Fee shall be accompanied by a Gross Sales Report, as required by Section 12.2, for the same period. You shall provide the Gross Sales Report to us by e-mail or in such other form as we specify. If the fifteenth (15^{th}) day of the month is not a business day, then payment shall be due on the next business day.

If you do not report the Gross Sales, we may debit your account for one hundred percent (100%) of the last Royalty Fee and Brand Development Fee (described in Section 3.3 below) that we debited or was otherwise paid to us. If the Royalty Fee and Brand Development Fee we debit are less than the Royalty Fee and Brand Development Fee you actually owe us, once we have been able to determine your true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fee we debit are greater than the Royalty Fee and Brand Development Fee you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due.

3.3 Brand Development Fee

We have the right to establish and administer a System-wide marketing, advertising and promotion fund ("Brand Development Fund") upon fifteen (15) days prior written notice by us to you. When the Brand Development Fund is established, you shall contribute monthly to the Brand Development Fund an amount equal to one percent (1%) of Gross Sales ("Brand Development Fee"). Brand Development Fees shall be payable at the same time and in the same manner as Royalty Fees as provided in Section 3.2. When established, the Brand Development Fund shall be maintained and administered by us or our designee in accordance with the provisions contained in Section 11.3.

3.4 Taxes

You will pay to us an amount equal to all sales taxes, use taxes and similar taxes imposed on the fees payable by you to us hereunder, including any Royalty Fees or Brand Development Fees, and on services or goods furnished to you by us at the same time as you remit such fees to us, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on us for doing business in the state where the Franchised Business is located or other federal, state or local taxes assessed against our income.

3.5 Electronic Funds Transfer

You will pay all Royalty Fees, Brand Development Fees, amounts due for purchases by you from us and/or our Affiliates and other amounts due to us by electronic funds transfer ("EFT") from your bank account, and you shall execute and deliver any and all documents necessary in order to effectuate EFT transactions, including, but not limited to, the agreement attached hereto as Exhibit 7 and any documents required by our and/or your bank. By signing and delivering to us these forms, you authorize us to withdraw money from your account on a timely basis to collect the appropriate Royalty Fees, Brand Development Fees, interest, late fees and other charges that Franchisee owes to us under this Agreement. You shall provide us with continuous access to such account for the purpose of receiving any payments due to us. You shall ensure that the balance in the account is sufficient to cover amounts owed to us prior to the date such amounts are due. Once established, you shall not close the account without our consent. You shall deposit all receipts of the Franchised Business in the designated account. We may require your bank to send a monthly statement of all activity in the designated account to our controller at the same time as it sends such statements to you, and such other reports of the activity in the designated account as we may reasonably determine. If you maintain any other accounts of any type for the Franchised Business, you shall identify such accounts to us and provide to us copies of the monthly statements for all such accounts and the details of all deposits to such accounts. The procedures established by us shall include a method for repayment to you of any overpayment of fees, whether resulting from the payment of refunds or other causes. You will pay the charges imposed by your bank and us and you will pay the charges imposed by our bank relating to the funds transfer program. Failure to maintain such an account in accordance with this Section is a material breach of this Agreement. If you elect to pay any amounts due to us via credit card, you acknowledge and agree that our then-current processing fee shall apply.

3.6 Noncompliance Fee; Late Payments; Late Charges and Insufficient Fund Fees In the event of any breach of this Agreement or the Operations Manual, Franchisor may assess a noncompliance fee of $500 upon written notification to Franchisee. Franchisee must also pay, on demand, a late charge of $100 per occurrence for any payments not made within five days of the due date of the payment. In addition, Franchisee will pay on demand a fee equal to any charges we may incur as a result of checks or debits returned for non-sufficient funds or other similar reasons ("NSF fees") but not less than $100 for each returned item. All Royalty Fees, Brand Development Fees, amounts due for purchases by you from us and/or our Affiliates and other amounts that are not received by us within five (5) days after the due date shall bear interest at the rate of eighteen percent (18%) per annum (or the highest rate allowed by law, whichever is lower) from the date payment is due until the date payment is received by us. Interest shall accrue from the original due date until payment is received in full. You will pay us for all costs incurred by us in the collection of any unpaid and past due Royalty Fees, Brand Development Fees or any other amounts due us, including reasonable costs of collection, accounting, and legal fees. This Section shall not constitute an agreement by us to accept any payments after the due date, or act as a commitment by us to extend credit to or otherwise finance you or the Franchised Business

3.7 Application of Payments

Notwithstanding any designation by you, we have the right to apply any payments by you to any past due indebtedness of yours and accrued interest thereon for Royalty Fees, Brand Development Fees, purchases from us and/or our Affiliates or any other amount owed to us.

3.8 Online Ordering Fees

We may charge a reasonable fee associated with the cost of processing any on-line orders for products or services that may be applicable now or in the future.

3.9 De-identification Costs and Expenses
If we must de-identify your Body Alive Studio Franchised Business upon its termination, relocation or expiration, you agree to reimburse our cost and expenses. You acknowledge and agree that this Section 3.9 shall survive the expiration or termination of the Franchise Agreement.

Article 4

TERM AND RENEWAL

4.1 Initial Term
This Agreement shall be effective and binding for an initial term of ten (10) years from the Effective Date, unless sooner terminated pursuant to Section 16.

4.2 Renewal Term
Subject to the conditions below, you have the right to obtain a renewal franchise at the expiration of this Agreement by entering into a new franchise agreement with us. Your right to obtain a successor franchise is limited to ten (10) additional terms of five (5) years each. To qualify for a renewal franchise, each of the following conditions shall have been fulfilled and remain true as of the last day of the term of this Agreement:

a. You have, during the entire term of this Agreement, substantially complied with all material provisions;

b. You have access to and, for the duration of the renewal franchise's term, the right to remain in possession of the Approved Location, or a suitable substitute location approved by us which is in full compliance with our then-current specifications and standards;

c. You have, at your expense, made such capital expenditures as were necessary to remodel and/or redecorate the Approved Location to ensure that the Franchised Business reflects our then-current System standards and specifications;

d. You have satisfied all monetary obligations owed by you to us (or any Affiliate) and have timely met these obligations throughout the term of this Agreement;

e. You are not currently in default in any material respect of any provision of this Agreement or any other agreement between you and us and have not been in default in any material respect more than two (2) times during the initial term;

f. You have given written notice of your request for a renewal franchise not less than six (6) months nor more than twelve (12) months prior to the end of the term of this Agreement, provided that we have no obligation to grant you a renewal franchise without the timely receipt of such notice;

g. You have executed our then-current form of franchise agreement, or have executed renewal documents at our election (with appropriate modifications to reflect the fact that the Franchise Agreement relates to the grant of a renewal franchise), which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or Brand Development Fee; provided, however, that you shall not be required to pay the then-current Franchise Fee but shall be required to pay a renewal fee equal to Thirty Five Thousand Dollars ($35,000);

h. You have met our then-current qualifications for a new franchisee and have agreed to comply with any then-current training or refresher training requirements;

i. You have executed a general release of any and all claims against us, any Affiliate and against our respective officers, directors, shareholders, managers, members, partners, owners and employees and;

j. As part of the process of renewing this Agreement, we reserve the right to re-evaluate your then-existing Designated Territory according to certain demographics, including the character of the neighborhood where your Franchise Business is located and population. Since your Designated Territory includes a certain minimum population, your Designated Territory under the renewal franchise agreement will be modified to accommodate shifts and changes in population. Our intent is to make the target demographics of your renewal Designated Territory similar to the target demographics of your original Designated Territory. A re-evaluation of your Designated Territory may result in your renewal Designated Territory being smaller or larger than your original Designated Territory. We cannot guarantee that you will achieve any particular level of success with the renewal Designated Territory or that your results will be the same as or similar to your results from operating in the original Designated Territory.

4.3 Failure to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us our then-current franchise agreement and other ancillary documents required by us, together with payment of the renewal fee, for a renewal franchise within thirty (30) days after we have delivered them to you.

4.4 Refusal to Renew Franchise Agreement

We may refuse to renew your franchise if your lease, sublease or other document by which you have the right to occupy the Approved Location is not extended before your renewal term is to take effect to cover the period of the renewal or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the renewal term. We may also refuse to renew your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the initial term of this Agreement, if applicable.

4.5 Renewal Under Law

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a federal, state, or local law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. In that event, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the franchise agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the franchise agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

Article 5

APPROVED LOCATION

5.1 Selection of Territory

We do not require you to operate your Body Alive Studio from leased space. However, if you decide to lease or purchase real estate for your Franchised Business from a commercial site, we reserve the right to approve of the location of your Body Alive Studio business. If you do not have a location for the Franchised Business that we have approved when you sign this Agreement, you shall have one hundred-eighty (180) days after the Effective Date to locate a site for your Franchised Business and submit to us all of the information we require to evaluate your proposed site, including evidence of your favorable prospects for obtaining the site, such as a lease, purchase agreement or similar document. We shall have thirty (15) days after we receive all of the information required in order to review the proposed site. If we do not specifically approve the site within this thirty (30) day period, the site is deemed not approved. If we approve of the site you propose, the site will be designated as the Approved Location for purposes of Section 2.2. If you are unable to locate a site within one hundred-eighty (180) days after the Effective Date, in our sole and absolute discretion, we may elect to grant you an extension or we may elect to terminate this Agreement.

We shall provide you with general guidelines to assist you in selecting a site suitable for the Approved Location. We have the right to approve or reject a proposed location based on such factors as we deem appropriate in our sole and absolute discretion, including the condition of the premises, demographics and population density of the surrounding area, proximity to other Franchised Businesses, lease requirements, visibility, ease of access, available parking and overall suitability. You shall not locate the Franchised Business on a selected site without our prior written approval, which approval will not be unreasonably withheld or delayed. *We do not represent that we, any Affiliate or any of our owners or employees have special expertise in* *selecting sites. Neither our assistance nor approval is intended to indicate or indicates that the Franchised Business will be profitable or successful at the Approved Location. You are solely responsible for finding and selecting a site for the Franchised Business. Our approval of a proposed location only indicates that the territory meets our minimum requirements for a Body Alive Studio at the time of our evaluation.*

5.2 Lease of Approved Location

If you determine to lease a commercial location, after the approval of the Approved Location, you shall execute a lease for, or a binding agreement to purchase the Approved Location, the terms of which must have been previously approved by us in writing. We shall not unreasonably withhold our approval. *Our review of a lease or purchase agreement, or any advice or recommendation offered by us, shall not constitute a representation, warranty, or guarantee that you will succeed at the Approved Location nor constitute an expression of our opinion regarding the terms of such lease or purchase agreement*.

We shall be entitled to require that nothing contained in your lease or purchase agreement is contradictory to, or likely to interfere with, our rights or your duties under this Agreement. You shall take all actions reasonably necessary to maintain the lease, if any, of the Approved Location while this Agreement is in effect. Any default for which the lease may be terminated shall also be deemed a default hereunder and the time to cure the same shall expire when the lease is terminated. We have the right to require that the lease for the Approved Location be collaterally assigned by you to us, pursuant to the terms of our standard Collateral Assignment of Lease in the form attached hereto as Exhibit 5, to secure performance by you of your obligation under this Agreement. Our approval of a lease shall be conditioned upon inclusion of terms in the lease acceptable to us and, at our option, the lease shall contain such provisions as we may reasonably require, including:

a. a provision reserving to us the right, at our election, to receive an assignment of the leasehold interest upon termination or expiration of the Franchise;

b. a provision expressly permitting the lessor of the premises to provide us all sales and other information lessor may have obtained or received relating to the operation of the Franchised Business, as we may request;

c. a provision requiring the lessor to provide us with a copy of any written notice of deficiency sent by the lessor to you, and granting to us the right (but not the obligation) to cure any deficiency under the lease should you fail to do so within expiration of the period in which you may cure the default;

d. a provision allowing you to display the Marks in accordance with the specifications required by the Manual, subject only to the provisions of applicable law;

e. a provision prohibiting the Approved Location from being used for any purpose other than the operation of the Franchised Business;

f. a provision allowing us, upon expiration or termination of the lease, to enter the Approved Location and remove any signs containing the Marks and/or to otherwise de-identify the location, at your expense and without liability for trespass or tort; and

g. a provision stating that upon default of this Agreement, we or our nominee have the right, but not the obligation, to take possession of the Approved Location and operate the Franchised Business.

5.3 Development of the Approved Location
If you choose to operate the Franchised Business from a commercial location you must:

a. engage a competent licensed architect or engineer to prepare, for our approval, construction plans for the build-out of your Franchised Business if you choose to lease space. Our review of your construction plans is only meant to assess that the build-out of your Franchised Business is in compliance with our System standards and presentation of the Marks. You are solely responsible for ensuring that all construction plans comply with all applicable laws, ordinances and/or building codes;

b. obtain all zoning classifications and clearances that may be required by state and local laws, ordinances or regulations;

c. obtain all building, utility, sign, health, and business permits and licenses, and any other permits and licenses required for the build-out and operation of the Franchised Business and certify in writing and provide evidence to us that all such permits and certifications have been obtained;

d. engage a qualified, licensed general contractor approved by us to complete construction of all required improvements to the Approved Location;

e. purchase any supplies or inventory necessary for the operation of the Franchised Business; and

f. purchase and install all equipment, signs, furniture and fixtures, including any computer equipment, required for the operation of the Franchised Business.

5.4 Opening
Before opening the Franchised Business and commencing business, you shall:

a. fulfill all of your obligations pursuant to the other provisions of this Agreement;

b. furnish us with a certificate of insurance or such other evidence of insurance coverage and payment of premiums as we may request to verify that you have obtained all required insurance coverages;

c. complete initial training to our satisfaction, and ensure that all other required persons have completed initial training to our satisfaction;

d. hire the personnel necessary or required for the operation of the Franchised Business;

e. obtain all necessary operating permits and licenses;

f. if you are a business entity, you have caused each of your stock certificates or other ownership interest certificates to be conspicuously endorsed upon the face thereof a statement in a form satisfactory to us that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement;

g. pay in full all amounts due and owing to us; and

h. we have provided our written consent for the Franchised Business to open.

You shall comply with these conditions and be prepared to open and continuously operate the Franchised Business within twelve (12) months after the Effective Date. If your Franchised Business is not opened within this required deadline, in our sole and absolute discretion, we may elect to grant you an extension of time or we may elect to terminate this Agreement.

5.5 Use of Approved Location

You shall not use the Approved Location for any purpose other than for the operation of a Franchised Business in full compliance with this Agreement and the Manual, unless otherwise approved in writing by us.

5.6 Relocation

You may relocate your Franchise Business within your Designated Territory only with our prior written approval. The new site must be located within your Designated Territory. We will use our then-current site selection criteria to review the proposed new location. We will not unreasonably withhold our approval of your relocation. We reserve the right to require you to sign our then-current Franchise Agreement with a term equal to the remaining term under your original Franchise Agreement, but you will not be required to pay another Franchise Fee. Any such relocation shall be at your sole expense and shall proceed in accordance with the requirements set forth in Sections 5.1 through 5.5. You shall reimburse us in the amount of $2,500 for any costs incurred by us in providing assistance to you, including legal and accounting fees. Notwithstanding the foregoing, we have no obligation to provide relocation assistance. If no relocation site meets with our approval, this Agreement shall terminate as provided in Section 16.

Article 6

PROPRIETARY MARKS

6.1 Ownership

You acknowledge and understand that we are the owner or are the licensee of the owner of the Marks. Any references herein to our right, title and interest in and to the Marks shall be deemed to include the owner's right, title and interest in and to the Marks.

Your right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by you pursuant to, and in compliance with, this Agreement, the Manual and all applicable standards, specifications and operating procedures prescribed from time to time by us. Any unauthorized use of the Marks by you is a material breach of this Agreement and an infringement of our rights in and to the Marks. Your use of the Marks, and any goodwill created thereby, shall inure to our benefit. You shall not, at any time, acquire an ownership interest in the Marks by virtue of any use you may make of the Marks. This Agreement does not confer any goodwill, title, or interest in the Marks to you. You shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use

You shall not use any Marks or portion of any Marks as part of any business entity name or trade name, with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified form, without our prior written consent. You shall not use any Marks in connection with the sale of any unauthorized product or service or in any other manner not expressly pre-authorized in writing by us. You shall give such notices of trademark and service mark registrations as we specify and obtain such fictitious or assumed name registrations as may be required under applicable law. You shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or with any similar registry of any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Marks licensed to you hereunder. You shall include on your letterhead, forms, cards and other such identification, and shall display at the Approved Location, a prominent notice stating that the Franchised Business is an "Independently Owned and Operated Franchise." You shall not claim any rights in or to any Marks or modification or variation thereof.

6.3 Notification of Infringements and Claims

You shall promptly notify us, in writing, of any infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks of which you have knowledge. You shall not communicate with any person other than us and, through your counsel, our counsel in connection with any such infringement, challenge or claim; provided, however, you may communicate with your own counsel at your own expense. We have the right to take any action in connection with any such infringement, challenge, or claim and have the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks but we shall not be required to take such action. You shall, at our expense, execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be reasonably necessary or advisable to protect and maintain our interests in any such litigation or other proceeding or to otherwise protect and maintain our interest in the Marks.

6.4 Indemnification for Use of Marks

We shall reimburse you for all expenses reasonably incurred by you in any trademark or similar proceeding disputing your authorized use of any Mark, provided that you have timely notified us of such proceeding and have complied in all material respects with this Agreement and our directions in responding to such proceeding. At our option, we or our designee may defend and control the defense of any proceeding arising directly from your use of any Mark. This indemnification shall not include any expenses you incur related to removing signage or discontinuance of the use of the Marks. This indemnification shall not apply to litigation between us and you wherein your use of the Marks is disputed or challenged by us. This indemnification shall not apply to any separate legal fees or costs incurred by you in seeking independent counsel separate from the counsel representing us and you in the event of litigation disputing our and your use of the Marks.

6.5 Discontinuance of Use

If it becomes advisable at any time, in our sole and absolute discretion, to modify or discontinue use of any Mark and/or to adopt or use one (1) or more additional or substitute proprietary marks, then you shall be obligated to comply with any such instruction by us. We shall not have any obligation in such event to reimburse you for your documented expenses of compliance and we will not be liable to you for any expenses, losses or damages sustained by you as a result of any Mark addition, modification, substitution or discontinuation. You waive any claim arising from or relating to any Mark change, modification or substitution. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

6.6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that you are properly employing the Marks in the operation of the Franchised Business, we and our designees have the right to enter and inspect the Franchised Business and the Approved Location at all reasonable times and without prior notice to you and, additionally, have the right to observe the manner in which you render services and conduct activities and operations, and to inspect facilities, equipment, accessories, products, supplies, reports, forms and documents and related data to ensure that you are operating the Franchised Business in accordance with the quality control provisions and performance standards established by us. We and our agents shall have the right, at any reasonable time and without prior notice to you, to remove sufficient quantities of products, supplies or other inventory items offered for retail sale, or used in rendering services, to test whether such products or items meet our then-current standards. We or our designee have the right to observe you and your employees during the operation of the Franchised Business and to interview and survey (whether in person or by mail) clients and employees and to photograph and videotape the premises.

6.7 Franchisor's Sole Right to Domain Name

You shall not advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the words "Body Alive" or any variation thereof without our written approval. We or our Affiliate are the sole owner or owners of all right, title and interest in and to such domain names, or as we shall designate in the Manual.

Article 7

TRADE SECRETS AND CONFIDENTIAL INFORMATION

7.1 Requirement of Confidentiality

You acknowledge that we will disclose Trade Secrets and other Confidential Information to you during the initial training program, through the Manual, and as a result of guidance furnished to you during the term of this Agreement. You shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to utilize it in the development and operation of the Franchised Business and in performing your duties during the term of this Agreement. You acknowledge that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. You acknowledge that the Trade Secrets and other Confidential Information are proprietary and are disclosed to you solely on the condition that you (and all holders of a legal or beneficial interest in you and all immediate family members, officers, directors, executives, managers and members of the professional staff of yours): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by us to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. You shall enforce this Section as to your employees, agents, and Developers and shall be liable to us for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them. This Section shall survive the termination of this Agreement indefinitely.

7.2 Additional Developments

All ideas, concepts, techniques or materials concerning the Franchised Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property and works made-for-hire for us, and no compensation will be due to you or your owners or employees therefore. We may incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire" for us, you shall assign ownership of that item, and all related rights to that item, to us and shall sign any assignment or other document as we reasonably request to assist us in obtaining or preserving intellectual property rights in the item. We shall disclose to you concepts and developments of other franchisees that are made part of the System. As we may reasonably request and at our expense, you shall take all actions reasonably necessary to assist our efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by you or not.

7.3 Exclusive Relationship

You acknowledge that we would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among franchisees if owners of Franchised Businesses and members of their immediate families and households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, during the term of this Agreement, neither you nor any holder of a legal or beneficial interest in you (or any member of their immediate families and households), nor any officer, director, executive, or manager of yours, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall:

a. Divert or attempt to divert any business or client of the Franchised Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System;

b. Own an interest in, manage, operate, or perform services for any Competitive Business wherever located; or

c. Solicit or otherwise attempt to induce or influence any Management employee, studio teacher, other trained employee or other business associate of ours or any other Franchised Business to compete against, or terminate or modify his, her or its employment or business relationship with, us or any other Franchised Business.

7.4 Confidentiality and Non-Competition Agreements with Certain Individuals

In addition to the restrictive covenants set forth in Section 7.3 above, we have the right to require you and any holder of a legal or beneficial interest in you, and any officer, director, executive, or manager of yours, to execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Confidentiality and Non-Competition Agreement attached hereto as Exhibit 2, upon execution of this Agreement or prior to each such person's affiliation with you. Upon our request, you shall provide us with copies of all Confidentiality and Non-Competition Agreements signed pursuant to this Section. Such agreements shall remain on file at your offices and are subject to audit or review as otherwise set forth herein. We shall be a third-party beneficiary of each agreement with the independent right to enforce covenants contained in such agreements.

7.5 Reasonableness of Restrictions

You acknowledge that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion, we would not have entered into this

Agreement. You acknowledge that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of us, the Trade Secrets and other Confidential Information, the System and the Marks and you waive any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then you shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

7.6 Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition Covenants

You further acknowledge that an actual or threatened violation of the covenants contained in Article 7 of this Agreement will cause us immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, we shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by you of this Agreement, such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that we may have at law or in equity.

Article 8

TRAINING AND ASSISTANCE

8.1 Initial Training Program

We will conduct an initial training program that you and your General Manager must attend and complete to our satisfaction. Although initial training is mandatory for you and your General Manager, it is also available for up to one (1) additional employee (for a maximum of three (3) trainees) for no additional training fee. If you wish to send additional trainees to our initial training program, you will pay our then-current training fee. You must also pay for all expenses you and your trainees incur related to attending our training program, including travel, lodging, meals and applicable wages.

The initial training is conducted at our Body Alive Corporate Offices in Cincinnati, Ohio, or other locations that we designate, and is up to five (5) days in duration. You understand and acknowledge that we have the right to train personnel from multiple franchisees at any training program. We also reserve the right to modify our training program as needed based on the needs and/or experience of any individual trainee.

If you or your General Manager fail to complete our initial training program to our satisfaction, we will offer you and your General Manager (or a replacement General Manager, if we determine your original General Manager cannot satisfactorily complete our training program) the opportunity to retake our training program at your expense, including payment of our training fee. If you or your General Manager cannot complete our training program on the second (2^{nd}) attempt, we may terminate this Agreement.

If this Agreement is for your second (2^{nd}) or greater Body Alive Studio or not, we reserve the right to not provide our training program and for you to train all of your personnel and managers. If in this circumstance, you request that we provide our initial training program, you will pay our then-current training fee for each trainee you send to us, as well as such trainees' expenses while attending the initial training program.

8.2 Opening Assistance

In conjunction with the opening of the Franchised Business, we shall send one (1) of our representatives to your Franchised Business to provide opening on-site opening assistance for up to five (5) days. If you are opening your second (2^{nd}) or greater Body Alive Studio, we reserve the right to not provide opening assistance. For any Body Alive Studio you open and for which we provide opening assistance, you will pay our opening assistance fee, as described in Section 3.1 above.

8.3 Failure to Complete Initial Training Program

If we determine that you are unable to satisfactorily complete the applicable training program described above, we shall have the right to terminate this Agreement and refund your Franchise Fee, less our reasonable expenses.

8.4 General Managers

Your Franchised Business shall be under the daily operation of an individual whom we have approved to be your General Manager. You understand and acknowledge that if during the term of this Agreement you name a new General Manager, then the new General Manager must be trained to our satisfaction within thirty (30) days after the new General Manager begins employment with you. We reserve the right to require you to send your new General Manager to us to be trained and, in such event, you will pay our then-current training fee and will pay for the trainee's expenses while attending training, including travel, lodging, meals, wages and benefits.

8.5 Refresher Training; Franchise Meetings

We reserve the right to hold refresher training courses, and we may designate that attendance at refresher training is mandatory for you, your General Manager and/or other Franchise Business personnel. We may also conduct an annual meeting of our franchisees to discuss changes to the System, new offerings and refresher training. If we choose to hold an annual meeting, attendance will be mandatory for you and your General Manager. Our fee at this time is $250 if and when an annual conference is held. Our fees for refresher training will be at the then current per diem rate which is $500 at the time of signing this Agreement. You must also pay all of the expenses you and your attendees incur, including travel, lodging, meals, and wages.

8.6 On-Site Assistance and Training

At your reasonable request or if we determine it is necessary, we shall provide additional assistance and/or training at your Franchised Business. You will pay our then-current per diem rate for each trainer sent to the Franchised Business to provide additional assistance and/or training and, in addition, you shall reimburse each trainer's expenses while providing such additional assistance and/or training, including travel, lodging and meals.

8.7 Training of Staff.

You shall implement a training program for Franchised Business employees in accordance with training standards and procedures that we may prescribe. You shall maintain, at all times, a staff of trained employees sufficient to operate the Franchised Business in accordance with this Agreement.

Article 9

CONFIDENTIAL OPERATIONS MANUAL

9.1 Loan to You

While this Agreement is in effect, we shall loan to you one (1) copy of the Manual or grant you access to an electronic copy of the Manual. If you lose the Manual or require a replacement a $100 fee will be charged. You shall conduct the Franchised Business in strict accordance with the provisions set forth in the Manual. The Manual may consist of one (1) or more separate manuals and other materials as designated by us and may be in written or electronic form. We own the copyrights in the Manual. You shall not copy or duplicate the Manual in whole or in part. The Manual shall, at all times, remain our sole property and shall promptly be returned to us upon expiration or termination of this Agreement.

9.2 Revisions

We have the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by us; provided, however, that no such addition or modification shall materially alter your fundamental status and rights under this Agreement. We may make such additions or modifications without prior notice to you. You shall immediately, upon notice, adopt any such changes and shall ensure that your copy of the Manual is up to date at all times. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by us at our headquarters shall be controlling.

9.3 Confidentiality

The Manual contains our Trade Secrets and other Confidential Information and shall be kept confidential by you both during the term of the Franchise and subsequent to the expiration or termination of this Agreement. You shall, at all times, ensure that your copy of the Manual is available at the Approved Location in a current and up-to-date manner. If in paper form or stored on computer-readable media, you shall maintain the Manual in a locked receptacle at the Approved Location, or if in electronic form, you shall maintain the Manual in a password-protected file. You shall only grant authorized personnel, as defined in the Manual, access to the key or combination of such receptacle or the password to such file (or intranet site, if the Manual is maintained on-line by us in a password-protected site). You shall not disclose, duplicate or otherwise use any portion of the Manual in an unauthorized manner.

Article 10

FRANCHISE SYSTEM

10.1 Uniformity

You shall strictly comply, and shall cause the Franchised Business to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Manual or other communications supplied to you by us.

10.2 Modification of the System

We have the right to change or modify the System from time to time including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, and new or additional computer hardware, software, equipment, inventory, supplies or sales and marketing techniques. You shall accept and use any such changes in, or additions to, the System as if they were a part of this Agreement as of the Effective Date. You shall make expenditures for such changes, additions or modifications in the System that may be reasonably required. Any required expenditure for changes or upgrades to the System shall be in addition to expenditures for repairs and maintenance as required in Section 13.2.

10.3 Variances

We have the right to vary standards, materials or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition that we deem to be of importance to the successful operation of any particular Franchised Business. We shall not be required to disclose or grant you a like or similar variance hereunder.

Article 11

ADVERTISING AND PROMOTIONAL ACTIVITIES

11.1 Grand Opening Advertising Campaign

You agree to spend Two Thousand Five Hundred Dollars ($2,500) to conduct advertising to promote the opening of your Franchise Business. The campaign must be conducted at least thirty (30) days prior to the soft opening. Your grand opening advertising campaign must be approved by us, including the advertising to be used and where it will be placed, before you may begin the campaign. Your campaign must include certain elements, such as a mailer promotion and other promotions we specify. At our request, you will pay to us the money for your grand opening advertising campaign, and we will conduct the campaign on your behalf.

11.2 Local Marketing

a. Every month, you shall spend not less than three percent (3%) of the previous month's Gross Sales on advertising, promotions and public relations within the Designated Territory ("Local Marketing"). Local Marketing expenditures shall be made directly by you to providers of advertising services, provided, however, that any advertising you propose to use must first be approved by us, as described below. Within thirty (30) days of a request from us, you shall provide us with evidence of your Local Marketing expenditures, including verification copies of the advertising and any other information that we may require. If you use any advertising or promotional materials that we have not approved, you will pay our then-current authorized advertising fee, which is currently $500 per occurrence.

b. All advertising must be completely ethical and not misleading, must be conducted professionally and must conform to our standards. Any advertising that has not been furnished by us or that we have not approved within the preceding twelve (12) months must be submitted to us for our review. We will have fifteen (15) days after our receipt of the materials to advise you whether they are approved or rejected. If we do not provide you with oral or written approval within this (15) days, the materials are deemed rejected. Any advertising or promotional materials you provide to us for our review will become our property, and there will be no restriction on our use or dissemination of these materials. We reserve the right to require you to include certain language in your advertising, including, but not limited to, "Franchises Available", our Website address, and our telephone number.

c. At our request, you must display any Body Alive Studio and Proprietary Product brochures that we designate. If we require this, we will provide the brochures at no cost to you. We reserve the right to include language in either or both of these brochures concerning our franchise opportunity.

11.3 Brand Development Fund

We have the right (but not the obligation) to establish a Brand Development Fund, as defined in Section 3.3. When such Brand Development Fund has been established, we shall give you thirty (30) days' advance notice that you are required to pay the Brand Development Fee, as described in Section 3.3. The Brand Development Fund shall be maintained and administered by us or our designee as follows:

a. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet or other media for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Brand Development Fund.

b. We may use the Brand Development Fees to meet any cost of, or reimburse us for our cost of, producing, maintaining, administering and directing consumer advertising (including the cost of preparing and conducting television, radio, Internet, magazine, direct mail and newspaper advertising campaigns and other public relations activities; developing and/or hosting an Internet website or similar activities; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees). We may prepare all advertising and promotional materials in-house, or we may use a national or regional advertising agency to prepare advertising and promotional materials.

c. The Brand Development Fund will be maintained in an account separate from our general funds and we will not use them for any of our general operating expenses, except that we may reimburse ourselves for our reasonable administrative costs and overhead, including employee salaries, related to the administration of the Brand Development Fund. We will not use money from the Brand Development Fund to prepare or place advertising that is solely a solicitation of franchise sales.

d. We expect to use all contributions in the fiscal year they are made, but any monies remaining in the Brand Development Fund at the end of any year will carry over to the next year. We will use any interest or other earnings of the Brand Development Fund before using current contributions. We intend for the Brand Development Fund to be perpetual, but we have the right to terminate the Brand Development Fund at any time. If we terminate the Brand Development Fund, any remaining money in the Brand Development Fund will be used for advertising and promotional purposes or will be returned to contributors on a pro rata basis. If we terminate the Brand Development Fund, we may reinstate it at any time, and any reinstated Brand Development Fund will be administered as described herein.

e. All Body Alive Studio locations owned by us or our Affiliates will make similar contributions to the Brand Development Fund as required of franchisees.

f. We will have an unaudited statement of the Brand Development Fund prepared each year and we will provide you with a copy upon your written request. We are not required to have the Brand Development Fund audited, but if an audit is prepared, it will be at the expense of the Brand Development Fund.

g. You acknowledge that the Brand Development Fund is not a trust and we assume no fiduciary duty in administering the Brand Development Fund.

11.4 Marketing Cooperatives

We may, in our sole and absolute discretion, create a regional marketing cooperative ("Cooperative") in any Area of Dominant Influence ("ADI") or marketing area where two (2) or more Body Alive Studios are located, and establish the rules and regulations therefor.

Immediately upon our request, you must become a member of the Cooperative for the area in which some or all of the Designated Territory is located. In no event may the Franchise Business be required to be a member of more than one (1) Cooperative. The Cooperative must be governed in the manner we prescribe. Each member of the Cooperative shall make monthly contributions thereto in an amount as determined by a majority vote of the Cooperative members. Any funds you contribute to a Cooperative will count toward your Local Marketing requirement as set forth in Section 11.3 above; provided, however, that in the event the amount you contribute to a Cooperative is less than the amount you are required to spend for Local Marketing, you shall nevertheless spend the difference in accordance with the terms for Local Marketing set forth herein. The following provisions apply to each Cooperative:

a. the Cooperative must be organized and governed in a form and manner, and commence operation on a date that we approve in advance in writing;

b. the Cooperative must be organized for the exclusive purpose of administering advertising programs; developing, subject to our approval, standardized promotional materials for the members' use in local advertising within the Cooperative's area;

c. the Cooperative may adopt its own rules and procedures, but such rules or procedures must be approved by us and must not restrict or expand your rights or obligations under this Agreement;

d. except as otherwise provided in this Agreement, and subject to our approval, any lawful action of the Cooperative (including, without limitation, imposing assessments for local advertising) at a meeting attended by members possessing more than fifty percent (50%) of the total voting power in the Cooperative is binding upon you if approved by members possessing more than fifty percent (50%) of the total voting power possessed by members in attendance, with each location (both franchised and owned by us or our Affiliates) having one (1) vote, but no franchisee (or commonly controlled group of franchisees) may have more than fifty percent (50%) of the vote in the Cooperative regardless of the number of Body Alive Studios owned;

e. without our prior written approval, the Cooperative may not use, nor furnish to its members, any advertising or promotional plans or materials; all such plans and materials must be submitted to us in accordance with the procedure set forth in Section 11.3;

f. no later than the ten (10) day of each month, each member/franchisee must submit its contribution to the Cooperative, together with such other statements or reports as we or the Cooperative may require, with our prior written approval; and

g. if an impasse occurs because of a Cooperative members' inability or failure, within ten (10) days, to resolve any issue affecting the Cooperative's establishment or effective functioning, upon request of any Cooperative member, that issue must be submitted to us for consideration, and our resolution of such issue is final and binding on all Cooperative members.

11.5 Websites

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We have established one or more websites accessible through one or more uniform resource locators ("URLs") and we may design and provide for the benefit of your Franchise Business a "click through" subpage at our website for the promotion of your Franchise Business. You acknowledge that we have final approval rights over all information on the System website (including Franchisee's subpage). We may implement and periodically modify standards, specifications, and operating procedures relating to the System website.

If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Franchise Business, you must routinely provide us with updated copy, photographs and news stories about your Franchise Business suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage. If you are in default of any obligation under this Agreement or our standards, specifications, and operating procedures, then we may, in addition to any other remedies, temporarily remove your subpage from the System website until you fully cure the default. You agree that we will incur no liability whatsoever by removing your subpage. We will permanently remove your subpage from the System website upon this Agreement's expiration or termination.

Any websites or other modes of electronic commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at Body Alive Studio – also be devoted in part to offering Body Alive Studio franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Franchise Business; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the Body Alive name or any names confusingly similar to the Proprietary Marks.

You are not permitted to promote your Franchise Business or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, LinkedIn, FourSquare, Groupon or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Franchise Business's operation, including prohibitions on your and the Franchise Business's employees posting or blogging comments about the Franchise Business or our System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook and Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We reserve the right to provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

We and our Affiliates may sell products under the Proprietary Marks anywhere and through any method of distribution other than a Body Alive Studio, including sales through channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "Alternative Distribution Channels"). You may not use Alternative Distribution Channels to make sales anywhere and you will not receive any compensation for our sales through Alternative Distribution Channels. Any orders placed with us or our Affiliates through Alternative Distribution Channels will be fulfilled by us or our Affiliates and if the order is delivered to an address within your Designated Territory, we will share the revenue from the sale with you. We will pay three percent (3%) of the cost of the order to you less taxes and shipping; we reserve the right to deduct this amount from any Royalty Fees you owe to us rather than making direct payment to you. If we receive an inquiry via our website concerning products and services offered by a Body Alive Studio, the inquiry will be forwarded to the appropriate franchisee or Franchise Business to be handled. If you receive an inquiry forwarded by us and you are unwilling or unable to respond to the inquiry, then we or a third party (including another franchisee) may respond to the inquiry and you will not be entitled to any portion of any revenues resulting from the inquiry.

11.6 Advisory Councils

We have the right to form one (1) or more advisory councils to work with us to improve various aspects of the System, including advertising conducted by the Brand Development Fund, new products and services, and other matters. If we choose to form an advisory council, its members will be made up of franchisees and our Developers or Developers of our Affiliates. The franchisee Developers may be chosen by us or elected by other franchisees. If you participate on an advisory council you will pay for any expenses related to your participation, including travel, lodging and meals expenses related to attending advisory council meetings. If formed, the advisory council will act in an advisory capacity only and will not have decision making authority. We will have the power to form, merge, change or dissolve any advisory council, in our sole and absolute discretion.

11.7 Advertising Materials Developed by Franchisor

We may, from time to time, develop localized advertising and sales promotion campaigns and materials employing certain advertising programs, displays, direct mail materials, promotions, brochures, catalogs, printed materials, contests, premiums, incentive prizes, gifts, ad specialties, posters, billboards and other merchandising techniques. If you determine to procure from us any such localized advertising materials, then you will pay us for any such materials purchased on such terms and at such times as we, in our sole and absolute discretion, determine from time to time.

11.8 Test Marketing
We may, from time to time, conduct market research to determine consumer trends and test new products and services. You shall participate in such market research in the manner requested by us, which may include purchasing reasonable amounts of test products or services from us and offering and selling such test products or services from the Franchised Business.

11.9 Testimonials and Endorsements
You permit us, our Affiliates, agents or Developers to communicate with customers of the Franchised Business on or off the premises of the Franchised Business for the purpose of procuring testimonials and/or endorsements of the Franchised Business, its products and its services. You further agree that we may make any use of such testimonials without compensation to you.

Article 12

ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

12.1 Records
During the term of this Agreement, you shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by us in the Manual or otherwise in writing. You shall notify us in writing when you have engaged the services of a bookkeeper. You shall retain during the term of this Agreement, and for ten (10) years thereafter, all books and records related to the Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, canceled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by us or required by law.

12.2 Gross Sales Reports
You shall maintain an accurate record of Gross Sales and shall deliver to us a statement of Gross Sales ("Gross Sales Report") each month in a form that we approve or prescribe. The Gross Sales Report for the preceding month must be provided to us together with payment of the Royalty Fee and Brand Development Fee, as described in Article 3.

12.3 Financial Statements and Mandatory Use of Internal Accounting Services
You shall supply to us on or before the fifteenth (15th) day of each month, in a form approved by us, a balance sheet as of the end of the last day of the preceding month and a profit and loss statement for the preceding month and the fiscal year-to-date. These financial statements must be accurate and shall commence from your first month of operation. You shall, at your expense, submit to us within sixty (60) days after the end of each fiscal year a profit and loss statement for the fiscal year just ended and a balance sheet as of the last day of the fiscal year. Such financial

statements shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. If required by us, such financial statements shall be reviewed or audited by a certified public accountant. You shall submit to us such other periodic reports in the manner and at the times specified in the Manual or otherwise in writing.

You will be required to engage Us, through our internal accounting group, to prepare internal monthly bookkeeping reports and profit and loss statements using the information obtained through Mariana Tek. The current cost for these services is $40/hour, which hourly rate may be increased no more than 10% each calendar year.

12.4 Other Reports
You shall submit to us copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as we may reasonably request from time to time or as specified in the Manual. We shall have the right to release financial and operational information relating to the Franchised Business to our lenders or prospective lenders. You shall certify as true and correct all reports to be submitted pursuant to this Agreement.

12.5 Computer System
You shall purchase, install and use a computer and point-of-sale system consisting of hardware and software in accordance with our specifications and shall upgrade such systems in accordance with our requirements. We shall have full access, at all times during the term of this Agreement, to all of your computer and point-of-sale data and systems and all related information to permit us to verify your compliance with its obligations under this Agreement. You shall install any communications equipment necessary to permit our full access, at your expense.

You shall, at all times during the term of this Agreement, have maintenance contracts for your computer system and point-of-sale system as prescribed by us. In addition, in our sole and absolute discretion, we may require you to update, upgrade and/or replace its computer system and point-of-sale system (including hardware and software components), and there are no contractual limitations on our right to require you to obtain such updates, upgrades and/or replacements, or the cost of such updates, upgrades and/or replacements.

You are required to maintain your computer system and on-line order and credit card payment systems in accordance with the requirements we establish and the Payment Card Industry Data Security Standards (PCI DSS). You must comply with all updates and required maintenance prescribed by the Payment Card Industry Data Security Standard Council, including purchase of necessary hardware and software. You must report any known vulnerability or breach of the Payment Card Industry Data Security Standards to us and provide proof of compliance upon our request. Upon installation of this system, we may require you to use an independent Approved Scanning Vendor (ASV) to certify that the installations is PCI compliant. We also have the right to require you to conduct certifications on an annual basis and to provide us with a copy of verification that your system is PCI compliant.

12.6 Right to Inspect

We or our designee have the right, during normal business hours and without notice to you, to examine, copy and audit your books, records and tax returns. If the audit or any other inspection should reveal that any payments to us have been underpaid, then you shall immediately pay to us the amount of the underpayment plus interest from the date such amount was due until paid at the rate of eighteen percent (18%) per annum (or the highest rate allowed by law, whichever is lower). If the audit or any other inspection discloses an underpayment or understatement of at least three percent (3%) of the amount due for any period covered by the audit, or if the audit is required due to your failure to provide required reports to us, you shall, in addition to any other payments required above, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or at law.

12.7 Release of Records

At our request, you shall authorize and direct any third parties, including accounting professionals, banks, lenders, or other financial professionals, to release to us all accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax records, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to us on a monthly basis for the length of the unexpired term of this Agreement or until such time as we withdraw our request. You shall promptly execute all documents necessary to facilitate the release of records referenced herein to us.

12.8 Failure to Provide Books and Records.

You acknowledge the importance to the System by submitting timely, accurate financial information in a standard format to us. If you fail to timely submit financial information in the correct format twice during any twelve (12) month period, we may require you to use an accounting firm approved by us. If required by us, you shall fully and promptly cooperate with such accounting firm. This is in addition to other remedies we may have pursuant to this Agreement or at law.

12.9 Franchisor's Right to Inspect the Franchised Business

To determine whether you and the Franchised Business are complying with this Agreement and with specifications, standards and operating procedures prescribed by Franchisor for the operation of the Franchised Business, we or our agents or Developers shall have the right at any reasonable time upon notice to you before or after the Franchised Business opens to

a. inspect the Approved Location and the equipment, fixtures, signs, inventory and supplies of the Franchised Business;

b. observe, photograph and video tape the operations of the Franchised Business for such consecutive or intermittent periods as we deem necessary;

c. remove samples of any products without payment therefore for analysis;

d. interview personnel of the Franchised Business;

e. interview customers of the Franchised Business; or

f. inspect and copy any books, records and documents relating to the operation of the Franchised Business.

You shall cooperate fully with us in connection with any such inspections, observations, photographing and videotaping, product removal and interviews. You shall present to your customers such evaluation forms as are periodically prescribed by us and shall participate and/or request its customers to participate in any surveys performed by or on our behalf.

Article 13

STANDARDS OF OPERATIONS

13.1 Authorized Products, Services and Suppliers

You acknowledge that the reputation and goodwill of the System are based, in large part, on offering high quality services and products to your clients. Accordingly, you shall use or provide at the Franchised Business only those products, supplies, signs, equipment and other items and services that we from time to time approve (and that are not thereafter disapproved) and that comply with our specifications and quality standards. If required by us, any such items or services shall be purchased only from Approved Suppliers that we designate or approve (which might include, or be limited to, us or an Affiliate). You shall not offer for sale, sell or provide through the Franchised Business or from the Approved Location any services or products that we have not approved.

a. We shall provide you, in the Manual or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, signs, equipment and other approved or specified items and services, and we may from time to time issue revisions to such list. If we are or an Affiliate is an Approved Supplier, you shall execute a standard form purchase or supply agreement for the items to be supplied by us or any Affiliate, if we or the Affiliate require such agreement. You understand and acknowledge that our Affiliate is currently or may become the sole Approved Supplier for the Proprietary Products you may be required to purchase, use and offer for sale in your Franchise Business. If you desire to use any services or products that we have not approved (for services and products that require supplier approval), you shall first send us sufficient information, specifications and/or samples for us to determine whether the service or product complies with our standards and specifications or whether the supplier meets our Approved Supplier criteria. You shall bear all reasonable expenses incurred by us in connection with determining whether we shall approve an item, service or supplier. We will decide within a reasonable time (usually thirty (30) days) after receiving the required information whether you may purchase or lease such items or services or from such supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section shall be construed to require us to approve any particular supplier, or to require us to make available to you or any prospective supplier the evaluation criteria that we deem confidential.

b. Notwithstanding anything contrary in this Agreement, we have the right to review, from time to time, our approval of any items or suppliers. We may revoke our approval of any item, service or supplier at any time by notifying you or the supplier. You shall, at your own expense, promptly cease using, selling or providing any items or services disapproved by us and shall promptly cease purchasing from suppliers disapproved by us.

c. We have the right to designate certain programs, products and services not otherwise authorized for general use as part of the System to be offered locally or regionally based upon such factors as we determine including, but not limited to, franchisee qualifications, test marketing and regional or local differences. We have the right to give our consent to one (1) or more franchisees to provide to its customers certain products or services not authorized for general use as part of the System. Such consent will be granted in our sole and absolute discretion and shall not create any rights in you to provide alternate products or services.

d. We have the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing of suppliers. You shall have no entitlement to or interest in any such benefits.

13.2 Appearance and Maintenance of the Franchised Business

You shall maintain the Franchised Business and the Approved Location in "like new" condition, subject to reasonable wear and tear, and shall repair or replace furnishings, equipment, fixtures and signage as necessary to comply with the health and safety standards and specifications of us and your lessor and any applicable laws or regulations. The expense of such maintenance shall be borne by you and shall be in addition to any required System modifications, as described in Section 10.2.

13.3 Redecoration, Remodeling and Modernization of the Franchised Business

At our request, which request shall not occur more frequently than every five (5) years, and prior to renewal of the franchise rights, you shall redecorate, remodel, refurbish and/or modernize your Franchised Business to meet our then-current image for Body Alive Studio. The redecoration, remodeling, refurbishing and/or modernization described in this Section 13.3 shall be in addition to any regular maintenance and cleaning that you must perform.

13.4 Ownership and Management

a. The Franchised Business shall, at all times, be under the direct supervision of a General Manager. The General Manager shall have completed our initial training program to our satisfaction. You shall keep us informed, in writing, at all times of the identity of your General Manager. You must not engage in any business or other activities that will conflict with your obligations under this Agreement.

b. You shall notify us promptly, in writing, if the General Manager cannot continue to serve or no longer qualifies as a General Manager. You will have thirty (30) days from the date of the notice (or from any date that we independently determine the General Manager no longer meets our standards) to take corrective action. During that thirty (30) day period, you shall provide for interim management of the Franchised Business in compliance with this Agreement.

c. Upon the death, disability or termination of employment of the General Manager, Franchisee shall immediately notify Franchisor and designate a successor or acting General Manager who meets Franchisor's then-current criteria. In no event shall the appointment of a successor or acting General Manager be more than thirty (30) days after the death, disability or termination of the predecessor General Manager. Each successor General Manager must be approved by us and satisfactorily complete our initial training program to be certified by us to manage the Franchised Business.

d. You shall hire all employees of the Franchised Business and shall be exclusively responsible for the terms of their employment, compensation and for the proper training of such employees in the operation of the Franchised Business. You acknowledge and agree that, except as otherwise provided in this Agreement, we do not have authority to exercise control over the means or manner in which you operate the franchise with respect to your employees. All operations with respect to employees and staff will be determined by you in your own judgment, subject only to legal requirements, the terms of this Agreement, and the standard, procedures and policies we prescribe for the preservation of the goodwill associated with the Marks. You shall maintain a competent and conscientious staff that have been trained in product preparation and general business operations in accordance with the procedures set forth in the Operations Manual, and who meet required governmental health and employment standards. You must take such steps as are necessary to ensure that your employees do not violate our policies relating to the use of any electronic medium, including, but not limited to, prohibiting employees from posting any information relating to us, the Franchise System, or the Marks without our prior written approval. You shall be solely responsible for all employment decisions related to your franchise and terms and conditions of employment of your employees, including, without limitation, those related to hiring, firing, remuneration, personnel policies, benefits, record keeping, supervision, safety, security, and discipline, and regardless of whether you received advice or recommendations from us or our Affiliates on such subjects.

e. During the term of this Agreement, you shall not directly or indirectly employ or seek to employ any person who is employed by us, another franchisee, or any of their respective Affiliates without the prior written consent of that person's employer.

f. You shall designate and retain, at all times during the term of this Agreement, the number of employees and other personnel as we require in the Manual or otherwise in writing.

g. You shall require each of your Management employees and studio teachers to execute covenants of confidentiality and non-competition in a form the same as or similar to the standard form Confidentiality and Non-Competition Agreement attached as Exhibit 2.

You shall, at all times and at your expense, maintain an e-mail address and account for communicating with us. You may change its e-mail address by giving written notice of such change of address to us.

13.5 Days and Hours of Operations

You shall keep the Franchised Business open for business during normal business hours as specified in the Manual, subject to applicable law.

13.6 Licenses and Permits

You shall secure and maintain in force all required licenses, permits and certificates necessary for the operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations. You shall ensure that each of your employees has any certifications or licenses required by applicable law. We make no representation to you with regard to any legal requirements that you must satisfy or comply with in connection with the operation of the Franchised Business. You shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Business.

13.7 Notifications of Proceedings

You shall notify us in writing of the commencement of any action, suit or proceeding involving you or the Franchised Business, and of the issuance of any order, writ, injunction, award or decree that may affect the operation or financial condition of the Franchised Business not more than five (5) days after such commencement or issuance. You shall deliver to us, not more than five (5) days after your receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects your failure to meet and maintain the highest applicable rating or your noncompliance or less than full compliance with any applicable law, rule or regulation. In addition, any and all consumer-related complaints shall be answered by you within five (5) days after receipt thereof or such shorter period of time as may be provided in the complaint. A copy of said answer shall be forwarded to us within five (5) days of the date that said answer is forwarded to the complainant. Furthermore, in the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, you may contest the validity or the amount of tax or indebtedness in accordance with procedures of the taxing authority or applicable law; provided, however, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant of attachment by a creditor to occur against the premises of the Franchised Business or any improvements thereon.

13.8 Compliance with Good Business Practices
You acknowledge that the quality of service, and every detail of appearance and demeanor of you and your employees, is material to this Agreement and the relationship created hereby. Therefore, you shall endeavor to maintain high standards of quality and service in the operation of the Franchised Business. You shall, at all times, endeavor to give prompt, courteous and efficient service to customers of the Franchised Business. The Franchised Business shall in all dealings with its clients, vendors and the general public adhere to the highest standards of honesty, fair dealing and ethical conduct. If we deem that you did not fairly handle a complaint, we have the right to intervene. We have the right to terminate this Agreement for repeated violation of this Section. You shall reimburse us for all costs reasonably incurred by us in handling complaints for the Franchised Business pursuant to this Section.

13.9 Uniforms
You shall abide by any uniform requirements stated in the Manual. Uniforms, if required, must be purchased from an Approved Supplier, if such is designated, or if none, then a supplier who meets our specifications and quality standards for uniforms.

13.10 Credit Cards; Gift Cards; Loyalty Cards
You shall, at your expense, lease or purchase the necessary equipment and/or software and shall have arrangements in place with Visa, Master Card and such other credit card issuers as we may designate, from time to time, to enable the Franchised Business to accept such methods of payment from its clients.

You shall sell or otherwise issue gift cards, loyalty cards, or certificates (together "Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner specified by us in the Manual or otherwise in writing. You shall fully honor all Gift Cards that are in the form provided or approved by us. You shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by us in the Manual or otherwise in writing, including those relating to procedures by which you shall request reimbursement for Gift Cards issued by other Franchised Businesses and for making timely payment to us, other operators of Franchised Businesses, or a third-party service provider for Gift Cards issued from your Franchised Business that are honored by us or other Franchised Business operators. You shall issue and honor any loyalty cards that we designate or approve for the System.

13.11 Best Efforts

You shall use your reasonable best efforts to promote and increase the sales and recognition of products and services offered through the Franchised Business. You shall require all of your employees, managers, officers, agents and Developers to make a good faith effort to enhance and improve the System and the sales of all services and products provided as part of the System.

13.12 Minimum Gross Sales Requirement

Not later than twelve (12) months after your Franchise Business has opened for business, you shall have achieved and shall thereafter continue to maintain a minimum monthly Gross Sales amount of Ten Thousand Dollars ($10,000). If at any time during the term of this Agreement you have not achieved the required monthly minimum, we will send one (1) or more trainers to your Franchise Business to conduct an additional marketing campaign on your behalf. The cost of the additional marketing campaign will be between Two Thousand-Five Hundred Dollars ($2,500) and Five Thousand Dollars ($5,000), which must be paid by you, and you will pay our then-current per diem fee for each trainer we send to you and reimburse each trainer's expenses while they are providing on-site assistance. You will have ninety (90) days after our trainer's visit to again achieve and then maintain the required minimum monthly Gross Sales. If you fail to achieve the minimum monthly Gross Sales amount three (3) or more times in any calendar year, we may terminate this Agreement.

13.13 Lease or Purchase of Equipment, Fixtures and Improvements.

Any lease entered into by you and any third party for the lease of any equipment, fixtures, furnishings, signs or improvements (including leasehold improvements) used in the operation of the Franchised Business ("the Equipment") shall be subject to our written approval and shall provide that, upon termination or expiration of this Agreement for any reason, we shall have the option to assume your status and replace you as lessee under any or all such leases, and Franchisee, upon exercise of that right by us, shall be fully released and discharged from all liabilities, future rents and lease charges and all other future liability under any such lease. You shall not be released from any liability for unpaid rent or other fees or charges for the period of your use or occupancy or any other existing liability to the lessor under any such lease. The option shall be exercised by us at any time within thirty (30) days following the termination or expiration of this Agreement for any reason. Each lease shall also provide that the lessor shall notify us of any breach or default of the lease by you, and that we shall, in our sole and absolute discretion, be permitted to cure such breach or default by you.

If you purchase the Equipment or any part thereof, you shall grant to Franchisor an option to purchase such Equipment, or any part thereof, for a purchase price equal to the book value thereof or such other purchase price as may be required by applicable law.

13.14 Customer Issue Resolution. You acknowledge the importance to the System and uniform standards of quality, service and customer satisfaction, and recognize the necessity of opening and operating a Franchised Business in conformity with the System. You agree to manage the Franchised Business in an ethical and honorable manner and ensure that all those working at the Franchised Business provide courteous and professional service to customers. If you receive a customer complaint, you must promptly follow the complaint resolution process we specify to protect the goodwill associated with the Marks. Also, if we are contacted by a customer of your Franchised Business who wishes to lodge a complaint, we reserve the right to address the customer's complaint to preserve goodwill and prevent damage to the Marks. Our right to address complaints may include refunding money to a dissatisfied customer, in which case you must reimburse us for these amounts including the value of any gift card, refund or other value we provide to the customer as part of addressing the issue.

Article 14

OUR ADDITIONAL OPERATIONS ASSISTANCE

14.1 General Advice and Guidance; Pricing

We shall be available to render advice, discuss problems and offer general guidance to you by telephone, e-mail, newsletters and other methods with respect to planning, opening and operating the Franchised Business.

We may advise you in writing, from time to time and as permitted by applicable law, concerning the minimum and maximum prices that you should charge your customers for services and products provided or sold under the System. Any such advice, if given at all, will be binding on you and you agree to comply with our pricing guidelines. Nothing contained herein shall be deemed a representation by us that if you follow such guidelines you will, in fact, generate or optimize profits. You shall keep us reasonably informed of all prices charged for services and products sold by you and to inform us of any modifications of your prices.

14.2 Periodic Visits

We or our designee shall make periodic visits to the Franchised Business for the purposes of consultation, assistance and guidance with respect to various aspects of the operation and management of the Franchised Business. We, or our designee who visits the Franchised Business may prepare, for the benefit of both us and you, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchised Business. A copy of any such written report shall be provided to you. You shall implement any required changes or improvements in a timely manner.

14.3 System Improvements

We shall communicate improvements in the System to you as such improvements may be developed or acquired by us and implemented as part of the System.

14.4 Marketing and Promotional Materials

We may periodically provide formats for advertising and promotional materials including ad-slicks, brochures, flyers and other materials to you for you to produce and use in the operation of the Franchised Business.

Article 15

INSURANCE

15.1 Types and Amounts of Insurance Coverage

You agree to purchase and maintain in full force and effect throughout the term of this Agreement at your expense, insurance protecting you, your employees, and us, our officers, and employees as additional insureds, against loss, liability, fire, personal injury, death, property damages, or theft arising from, or occurring in connection with, the operation and promotion of the Franchised Business. All insurance policies shall be obtained no later than thirty (30) days before the Franchised Business opens for business. We may delay your opening until all required insurance coverages have been obtained.

The insurance policies required herein for the term of this Agreement and any renewals shall

a. name Franchisor as an additional named insured and contain a waiver of all subrogation rights against Franchisor, its Affiliates, and their successors and assigns;

b. provide for thirty (30) days' prior written notice to Franchisor of any material modification, cancellation, or expiration of such policy;

c. provide that the coverage applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured;

d. contain no provision which in any way limits or reduces coverage for Franchisee in the event of a claim by any one or more of the parties indemnified under this Agreement;

e. be primary to and without right of contribution from any other insurance purchased by the parties indemnified under this Agreement; and

f. extend to and provide indemnity for all obligations assumed by Franchisee hereunder and all other items for which Franchisee is required to indemnify Franchisor under this Agreement.

We may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims. Our specific insurance requirements will be contained in the Manual.

Currently you must have the following insurance coverages: (1) general commercial liability insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) aggregate; (2) business interruption insurance; (3) workers compensation, employer's liability and other insurance required by the state in which your Franchise Business is located; (4) any insurance required according to the terms of the lease or purchase agreement for the Franchise Business; and (5) any other insurance we may require in the future.

15.2 Future Increases
We have the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.

15.3 Carrier Standards
Such policies shall be written by an insurance company licensed in the state in which you operate and having at least an "A" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide.

15.4 Evidence of Coverage
Your obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance that may be maintained by us, nor shall your performance of this obligation relieve you of liability under the indemnity provisions set forth in Section 21.3. You shall provide, annually, or more frequently if requested by us, certificates of insurance showing compliance with the foregoing requirements. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to us and shall reflect proof of payment of premiums.

15.5 Failure to Maintain Coverage
Should you not procure and maintain insurance coverage as required by this Agreement, or if not produced by you upon our request, we have the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to you, which charges, together with a reasonable administrative fee for expenses incurred by us in connection with such procurement, shall be payable by you immediately upon notice. If you fail or refuse to maintain required insurance coverage or to furnish satisfactory evidence thereof and the payment of the premiums therefore, and we exercise our right to obtain such insurance coverage on your behalf, you shall fully cooperate with us in our effort to obtain such insurance policies, promptly execute all forms or instruments required to obtain or maintain any such insurance, allow any inspections of the Franchised Business which are required to obtain or maintain such insurance and pay to us on demand any costs and premiums we incur. If you fail to purchase or maintain any insurance required by this Agreement or fails to reimburse us for the purchase of insurance on your behalf within five (5) days of delivery to you of our written demand for reimbursement, then we may terminate this Agreement upon notice of termination without opportunity to cure.

15.6 Franchisee's Insurance.

The maintenance of sufficient insurance coverage shall be your responsibility. Your obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance that may be maintained by us, nor shall the maintenance of such insurance relieve you of any indemnification obligations under this Agreement.

Article 16

DEFAULT AND TERMINATION

16.1 Termination by Us – No Opportunity to Cure

We have the right to terminate this Agreement, without any opportunity to cure by you, if:

a. You fail to establish and equip the Franchised Business pursuant to Article 5;

b. You fail to satisfactorily complete any training program pursuant to Article 8;

c. You made any material misrepresentation or omission in your application for the Franchise or otherwise in writing to us in the course of entering into this Agreement;

d. You, any of your owners or your General Manager is/are convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of us, you or the Franchised Business;

e. You disclose, duplicate or otherwise use in an unauthorized manner any portion of the Manual, the Trade Secrets or any other Confidential Information;

f. You abandon, fail or refuse to actively operate the Franchised Business for five (5) or more consecutive days (unless the Franchised Business has not been operational for a purpose approved by us), or, if first approved by us or otherwise permitted under Section 5.6, you fail to relocate the Franchised Business;

g. You surrender or transfer control of the operation of the Franchised Business without our approval, make or attempt to make an unauthorized direct or indirect assignment of the Franchise or your ownership interest in the Franchised Business, or you refuse or otherwise fail to assign the Franchised Business as herein required;

h. You fail to maintain the Franchised Business under the primary supervision of a General Manager during the thirty (30) days following the death or incapacity of you or any holder of a legal or beneficial interest in you pursuant to Section 18.6;

i. You submit to us on two (2) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to us by three percent (3%) or more for any accounting period and you are unable to demonstrate that such understatements resulted from inadvertent error;

j. You, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if your legal entity is dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

k. You misuse or make any unauthorized use of any of the Marks or commit any other act that can reasonably be expected to impair the goodwill associated with any of the Marks;

l. You fail on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Brand Development Fee, amounts due for purchases from us and/or any Affiliate, or other payment when due to us and/or any Affiliate, whether or not such failures to comply are corrected after notice thereof is delivered to you;

m. You, after receiving notice of violation, continue to violate any health or safety law, ordinance or regulation, or operate the Franchised Business in a manner that presents a health or safety hazard to clients, employees or the public after having received notice of such health or safety hazards from us or any governmental authority;

n. You fail to comply with any applicable law or regulation within seven (7) days after being given notice of non-compliance or shorter time if required by law or government notification, fail to comply with all applicable laws and ordinances relating to the Franchised Business, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation;

o. You repeatedly breach this Agreement or repeatedly fail to comply with mandatory specifications, customer service standards or operating procedures prescribed in the Manual, whether or not previous breaches or failures are cured;

p. You default under any other agreement between us (or any Affiliate) and you, such that we or our Affiliate, as the case may be, have the right to terminate such agreement or such agreement automatically terminates;

q. You fail to meet the minimum required Gross Sales each month as set forth in this Agreement; or

r. You engage in any activity exclusively reserved to us.

16.2 Termination by Us – Opportunity to Cure

Except as otherwise provided in Section 16.1, we have the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that you may avoid termination by curing such default or failure (or by providing proof acceptable to us that you have made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is affected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

a. Within ten (10) days of receiving notice of your failure to pay any amounts due to us; or

b. Within thirty (30) days of receiving notice of any other default by you under this Agreement or upon your failure to substantially comply with any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise prescribed in writing.

16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, we may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to you without waiving any of our rights under this Agreement.

16.4 Our Right to Discontinue Services to You

If we deliver to you a notice of termination pursuant to this Article 16, then in addition to our other remedies, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are or an Affiliate is an Approved Supplier to you, until such time as you correct the breach.

16.5 Cross Default, Non-Exclusive Remedies, Etc.
Any default by you (or any person/company Affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our Affiliates) and you (or any of your Affiliates). Any default by you (or any person/company Affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our Affiliates) and you (or any person/company Affiliated with you), and any default by you (or any person/company Affiliated with you) under any obligation to us (or any of our Affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company Affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our Affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our Affiliates) and you (or any of your Affiliates).

In each of the foregoing cases, we (and any of our Affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company Affiliated with you) and our (and/or our Affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

16.6 Amendment Pursuant to Applicable Law
Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement.

Article 17

RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1 Actions to be Taken
Except as otherwise provided herein, upon termination or expiration of the Franchise, this Agreement and all rights granted hereunder to you shall terminate and you shall:

a. immediately cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of ours;

b. immediately cease to use the Trade Secrets and other Confidential Information, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items that display or are associated with the Marks;

c. upon demand by us, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as your lease) your interest in the lease then in effect for the Approved Location to us and you shall furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement, and we have the right to pay rent and other expenses directly to the party to whom such payment is ultimately due;

d. upon demand by us, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as your lease) your interest in any Equipment to us and you shall furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement, and we have the right to pay rental amounts and other expenses directly to the party to whom such payment is ultimately due;

e. take such action as may be necessary to cancel or assign to us, at our option, any assumed name or equivalent registration filed with state, city or county authorities that contains the name "Body Alive" or any other Marks, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

f. pay all sums owing to us and any Affiliate, which may include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees, unpaid Royalty Fees, Brand Development Fees, amounts owed for the purchase of products, and any other amounts due to us or any Affiliates;

g. pay to us all costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

h. immediately return to us the Manual, Trade Secrets and all other Confidential Information including records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by us to you relating to the operation of the Franchised Business (all of which are acknowledged to be our property);

i. assign all internet, social media, website listings and telephone listings and numbers for the Franchised Business to us and shall notify your internet service provider, the telephone company and all applicable listing agencies of the termination or expiration of your right to use any such websites or internet listings or telephone numbers associated with the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same to us or at our direction; and

j. comply with all other provisions of this Agreement applicable following termination or expiration.

17.2 Post-Termination Covenant Not to Compete

You acknowledge that the restrictive covenants contained in this Section and in Article 7 are fair and reasonable and are justifiably required for purposes including, but not limited to, (a) to protect our Trade Secrets and other Confidential Information; (b) to induce us to grant a Franchise to you; and (c) to protect us against our costs in training you and your officers, directors, executives, employees and General Managers.

You waive any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then you shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

Except as otherwise approved in writing by us, neither you, nor any holder of a legal or beneficial interest in you, nor any immediate family member, officer, director, executive, manager or member of your the professional staff, shall, 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 themselves or through, on behalf of or in conjunction with any person, persons, partnership, corporation, limited liability company or other business entity:

a. own an interest in, manage, operate or provide services to any Competitive Business located or operating (a) within a twenty-five (25) mile radius of the Approved Location (or within the Designated Territory, if greater), or (b) within a twenty-five (25) mile radius of the location of any other Franchised Business in existence at the time of termination or expiration; or

b. solicit or otherwise attempt to induce or influence any employee or other business associate of ours or any Franchised Business to terminate or modify his, her or its business relationship with us or such Franchised Business or to compete against us.

In furtherance of this Section, we have the right to require certain individuals to execute standard form confidentiality or non-competition agreements the same as or similar to the standard form Confidentiality and Non-Competition Agreement attached as Exhibit 2.

17.3 Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition
You acknowledge that an actual or threatened violation of the covenants contained in Article 7 of this Agreement will cause us immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, we shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by you of this Agreement, and such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that we may have at law or in equity.

17.4 Unfair Competition
If you operate any other business, you shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute our or the owner's rights in the Marks. You shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with us. This Section is not intended as an approval of your right to operate other businesses and in no way is it intended to contradict Section 17.1 or 17.2.

17.5 De-Identification of Approved Location
If we elect not to receive an assignment or sublease of the Approved Location, you shall make such modifications or alterations to the Approved Location (including changing telephone numbers and all accompanying listings or advertisements) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between us or the System and any business subsequently operated by you or others at the Approved Location. You shall make such specific additional changes to the Approved Location as we may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If you fail or refuse to comply with the requirements of this Section, we have the right to enter upon the Approved Location for the purpose of making or causing to be made such changes as may be required, without liability for trespass or tort and at your expense, which expense you will pay upon demand.

17.6 Our Option to Purchase Certain Assets
We have the right (but not the duty), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of the Franchised Business including leasehold improvements, equipment, supplies and other inventory. The purchase price shall be equal to the assets' book value, excluding any goodwill. If we elect to exercise this option to purchase, we have the right to set off all amounts due from you under this Agreement, if any, against the purchase price.

17.7 Survival of Certain Provisions
All obligations of us and you that expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

17.8 Liquidated Damages

Upon termination of this Agreement according to its terms and conditions, you agree to pay to us within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, The damages for our loss of bargain will be the present value of the royalty fees that you would have paid to us for the lesser of: (i) the balance of the term of the Franchise Agreement if the Franchise Agreement had not been terminated; or (ii) 104 weeks. The royalty that you would have paid to us will be calculated by taking the average weekly amount of those payments for the twelve month period [or such lesser period if you were not in operation for a full twelve month period] immediately preceding the date of termination and multiplying that amount by the number of weeks left in the term of the Franchise Agreement at the time of termination (maximum of 104 weeks).

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The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

Article 18

TRANSFERABILITY OF INTEREST

18.1 Transfer by Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (a) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (b) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of Body Alive Franchise, LLC as Franchisor. Nothing contained in this Agreement shall require us to remain in the same business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

18.2 Transfer by You to a Third Party

Your rights and duties as set forth in this Agreement, and the Franchise herein granted, are personal to you (or your owners), and we have entered into this Agreement in reliance upon your personal or collective skill and financial ability. Accordingly, neither you nor any holder of a legal or beneficial interest in you may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Franchised Business, its assets or any part or all of the ownership interest in you without our prior written approval; provided that transfer by and between legal or beneficial owners shall be permissible and shall not require our consent. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If you are in compliance with this Agreement, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

a. you have complied with the requirements set forth in Article 19 regarding our right of first refusal to acquire the interest being sold;

b. all obligations owed to us and/or our Affiliate, and all other outstanding obligations relating to the Franchised Business, are fully paid and satisfied;

c. you (and any transferring owners, if you are a business entity) have executed a general release of any and all claims against us, including our officers, directors, shareholders, managers, members, partners, owners and employees, in their corporate and individual capacities including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of your interest herein or to the transfer of your ownership of all or any part of the Franchise;

d. the prospective transferee has satisfied us that it meets our management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as we may require to demonstrate ability to conduct the Franchised Business and prospective transferee/assignee has satisfied our training requirements;

e. the transferee and, if we require, all persons owning any interest in the transferee, have, at our option, executed the then-current Franchise Agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Brand Development Fee rates and other material provisions, of this Agreement. If a new franchise agreement is executed, we have the right to limit its term to the remaining term of this Agreement;

f. the transferee has executed a general release of any and all claims against us and our officers, directors, shareholders, managers, members, partners, owners and employees, in their corporate and individual capacities, with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by you;

g. you have provided us with a complete copy of all contracts and agreements and related documentation between you and the prospective transferee relating to the intended sale or transfer of the Franchise;

h. you have paid to us, together with your request for approval of the transfer, a transfer fee equal to fifty percent (50%) of our then-current Franchise Fee;

i. unless a new Franchise Agreement is signed, the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term;

j. you have agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the transferee, if required by us;

k. the transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location) and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

l. you have, and if you are an entity, all of the holders of a legal and beneficial interest in you have, executed and delivered to us a confidentiality and non-competition agreement in a form the same as or similar to the standard form Confidentiality and Non-Competition Agreement attached as Exhibit 2;

m. the transferee agrees that its General Manager shall complete, to our reasonable satisfaction, a training program in substance similar to the initial training described in Section 8.1 prior to assuming the management of the day-to-day operation of the Franchised Business;

n. at our request, the transferee has, at its own expense, remodeled, refurbished, redecorated and/or modernized the Franchised Business to meet our then-current image for all Franchised Businesses; and

o. the transferee, if required by us, has executed a Guaranty and Assumption of Obligations in the form attached to this Agreement as Exhibit 3.

p. you will pay any broker costs, commissions or other placement fees we incur as a result of the Transfer.

Our consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Business, shall not constitute a waiver of any claims we may have against the transferor or the transferee, nor shall it be deemed a waiver of our right to demand compliance with the terms of this Agreement.

18.3 Transfer to a Controlled Entity

If you wish to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity ("Controlled Entity"), which Controlled Entity was formed for the convenience of your ownership of the Franchise, financial planning, tax or other convenience, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements subject to applicable state law:

a. the Controlled Entity is newly organized, and its charter provides that its activities are confined exclusively to the operation of the Franchised Business;

b. you or all holders of a legal or beneficial interest in you, own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

c. all of your obligations to us or any Affiliate are fully paid and satisfied; provided, however, that neither you nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18.2;

d. the Controlled Entity has entered into a written agreement with us expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business. If the consent of any other party to any such other agreement is required, you have obtained such written consent and provided the same to us prior to our consent;

e. all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with us jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to us and the performance by the Controlled Entity of all the obligations of this Agreement;

f. each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement;

g. copies of the Controlled Entity's articles of incorporation, bylaws, operating agreement, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to us. Any amendment to any such documents shall also be furnished to us immediately upon adoption; and

h. the Franchise may be transferred to a Controlled Entity without payment of a transfer fee one (1) time only.

The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

Our consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Business, shall not constitute a waiver of any claims we may have against the transferor or the transferee, nor shall it be deemed a waiver of our right to demand compliance with the terms of this Agreement.

18.4 Our Disclosure to Transferee

We have the right, without liability of any kind or nature whatsoever to you, to make available for inspection by any intended transferee of yours all or any part of our records relating to this Agreement, the Franchised Business or to the history of the relationship of the parties hereto. You hereby specifically consent to such disclosure by us and shall release and hold us harmless from and against any claim, loss or injury resulting from an inspection of our records relating to the Franchised Business by an intended transferee identified by you.

18.5 For-Sale Advertising

You shall not, without our prior written consent, place in, on or upon the location of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business or the rights granted hereunder.

18.6 Transfer by Death or Incapacity

Upon your death or incapacity (as determined by a court of competent jurisdiction), if you are an individual, or upon the death or incapacity of any holder of at least a twenty-five percent (25%) legal or beneficial interest in you, the appropriate Developer of such person (whether administrator, personal Developer or trustee) will, within a reasonable time not exceeding one hundred-eighty (180) days following such event, transfer such individual's interest in the Franchised Business or in you to a third party approved by us, which may be one (1) or more individuals who would succeed to such interest under will or under the laws of intestacy. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement, but no transfer fee will be required. During such one hundred-eighty (180) day period, the Franchised Business must remain at all times under the primary management of a General Manager who otherwise meets our management qualifications.

Article 19

OUR RIGHT OF FIRST REFUSAL

19.1 Submission of Offer
If you, or any of your owners, propose to sell the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in you or any ownership interest in the Franchise granted hereunder, you shall obtain and deliver a *bona fide*, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to us. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of you or any of your owners.

19.2 Our Right to Purchase
We shall, for sixty (60) days from the date of delivery of all such documents, have the right, exercisable by written notice to you, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to you. We have the right to substitute cash for the fair market value of any form of payment proposed in such offer. Our credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to you of our intent to exercise this right of first refusal, we shall have up to one hundred twenty (120) days to close the purchase. We shall be entitled to receive from you all customary representations and warranties given by you as the seller of the assets or such ownership interest or, at our election, such representations and warranties contained in the proposal.

19.3 Non-Exercise of Right of First Refusal
If we do not exercise this right of first refusal within sixty (60) days, the offer or proposal may be accepted by you or any of your owners, subject to our prior written approval as required by Section 18.2. Should the sale fail to close within one hundred twenty (120) days after the offer is delivered to us, or if the terms of the offer change, our right of first refusal shall renew and be implemented in accordance with this Section.

Article 20

YOUR BENEFICIAL OWNERS

You represent, and we enter into this Agreement in reliance upon such representation, that the individuals identified in Exhibit 4 attached hereto are holders of a legal or beneficial interest in you. Your further represent that such Exhibit 4 shall be updated as necessary by you to reflect any changes in such ownership, subject to our approval of any transfers as described above.

Article 21

RELATIONSHIP AND INDEMNIFICATION

21.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make you an agent, legal Developer, joint venturer, partner, employee, servant or independent contractor of ours for any purpose whatsoever. You may not represent or imply to third parties that you are an agent of ours, and you are in no way authorized to make any contract, agreement, warranty or representation on our behalf, or to create any obligation, express or implied, on our behalf. During the term of this Agreement, and any extension or renewal hereof, you shall hold yourself out to the public only as a franchisee and an independent owner of the Franchised Business operating the Franchised Business pursuant to a franchise from us. You shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all forms, stationery or other written materials, the content of which we have the right to specify. Under no circumstances shall we be liable for any act, omission, contract, debt or any other obligation of yours. We shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business. Any third-party contractors and vendors retained by you to convert or construct the premises are independent contractors of yours alone.

21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires you to obtain our written consent or permits you to take any action or refrain from taking any action, we are free to act in our own self-interest without any obligation to act reasonably, to consider the impact on you or to act subject to any other standard of care limiting our right, except as may be provided by statute or regulation.

21.3 Indemnification

You shall hold harmless and indemnify us, any Affiliate, all holders of a legal or beneficial interest in us and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, that arises from or is based upon your (a) ownership or operation of the Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between you and us (or an Affiliate); (d) defamation of us or the System; (e) acts, errors or omissions committed or incurred in connection with the Franchised Business, including any negligent or intentional acts; (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or Confidential Information; or (g) infringement, violation or alleged infringement or violation of any patent, trademark or copyright or other rights controlled by third parties.

21.4 Right to Retain Counsel

We shall give you immediate notice of any action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. We have the right to retain counsel of our own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, our reputation or the goodwill of others, we have the right to, at any time without notice, take such remedial or corrective actions as we deem expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in our sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. You shall cooperate with us in our handling of any such action, suit, demand, claim, investigation or proceeding. If our exercise of our rights under this Section causes any of your insurers to refuse to pay a third party claim, all causes of action and legal remedies you might have against such insurer shall automatically be assigned to us without the need for any further action on either party's part. Under no circumstances shall we be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against you. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by us from you.

21.5 Indemnification for Use of Marks

We agree to indemnify and hold you harmless for all damages and expenses you may incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement; provided you have timely notified us of the proceeding and comply with our directions in responding to the proceeding. At our option, we may defend and control the defense of any proceeding relating to any Mark; provided we may not settle any such dispute without your prior written consent unless, in connection with such settlement, you shall not be obligated to pay any amounts in settlement and you receive a general release of all claims.

Article 22

GENERAL CONDITIONS AND PROVISIONS

22.1 No Waiver

No failure of ours to exercise any power reserved to it hereunder, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof shall constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Waiver by us of any particular default by you shall not be binding unless in writing and executed by us and shall not affect nor impair our right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by us of any payment(s) due shall not be deemed to be our waiver of any preceding breach by you of any terms, covenants or conditions of this Agreement.

22.2 Injunctive Relief

As any breach by you of any of the restrictions contained in Articles 6, 7, 9 and 17 would result in irreparable injury to us, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, we shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated. You agree that we will not be required to post a bond to obtain any injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction if warranted upon due hearing. All claims for damages by reason of the wrongful issuance of such injunction are hereby expressly waived. If we secure any such injunction or order of specific performance, you agree to pay to us an amount equal to the aggregate of our costs of obtaining such relief including, without limitation, reasonable legal fees, costs and expenses as provided in this Section and any damages incurred by us as a result of the breach of any such provision.

22.3 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified mail, return receipt requested or dispatched by overnight delivery envelope to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: ______________________________
____
____
Email: ______________________

With a copy to: ______________________________
____
____
Email: ______________________

To Franchisee: _________________________
____
____
Email:

or at any such other address or addresses as the party to whom such notice, consent, approval, statement, authorization, documentation or other communication is to be given may designate by notice in writing so given to the other parties hereto as provided hereinbefore. Any notices, consents, approvals, statements, authorizations, documents or other communications, if mailed, shall be deemed to have been given on the fifth (5th) business day (except Saturdays and Sundays) following such mailing, or, if delivered personally or transmitted by telex or other form of electronic communication, shall be deemed to have been given on the day of delivery or transmission (as the case may be), if a business day, or if not a business day, on the business day next following the day of delivery or transmission (as the case may be).

22.4 Guaranty and Assumption of Obligations
All holders of a legal or beneficial interest in you of ten percent (10%) or greater, as well as their spouse, shall be required to execute, as of the date of this Agreement, the Guaranty and Assumption of Obligations attached as Exhibit 3, through which such holders agree to assume and discharge all of your obligations under this Agreement and to be personally liable hereunder for all of the same. This includes transfer of an ownership interest in you in the same minimum percentages, requiring the transferee to also be obligated to execute the Guaranty and Assumption of Obligations.

22.5 Approvals
Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us therefore and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

22.6 Entire Agreement
This Agreement, its exhibits and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and shall supersede all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations (other than those within the Disclosure Document), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, that are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change, or variance from this Agreement shall be binding on either party unless executed in writing by both parties.

22.7 Severability and Modification
Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If we determine that a finding of invalidity adversely affects the basic consideration of this Agreement, we have the right to, at our option, terminate this Agreement.

Notwithstanding the above, each of the covenants contained in Articles 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets and other Confidential Information or on competition to the maximum extent provided or permitted by law.

22.8 Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

22.9 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except for your payment of monies to us and/or any Affiliate, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, pandemic, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

22.10 Timing

Time is of the essence; except as set forth in Section 22.9, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

22.11 Withholding Payments

You shall not, for any reason, withhold payment of any Royalty Fees, Brand Development Fees, or other amounts due to us or to an Affiliate. You shall not withhold or offset any amounts, damages or other monies allegedly due to you against any amounts due to us. No endorsement or statement on any payment for less than the full amount due to us will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and we have the right to accept and cash any such payment without prejudice to our right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. We have the right to apply any payments made by you against any of your past due indebtedness as we deem appropriate. We reserve the right to set off sums we owe to you against any unpaid debts owed by you to us.

22.12 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.13 Third-Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than us or you, and our respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

22.14 Multiple Originals

This Agreement may be executed in multiple copies and each executed copy will be deemed an original.

22.15 Compliance with Anti-Terrorism Laws
You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

22.16 Governing Law
Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Ohio (without reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

Article 23

DISPUTE RESOLUTION

23.1 Arbitration
Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole and absolute discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Ohio under the authority of Ohio Statutes. The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Ohio Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Ohio Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement. The parties agree that that arbitration will be conducted on an individual, not a

class-wide basis or joinder proceeding, and that an arbitration proceeding between the parties, will not be consolidated with any other arbitration proceeding between them and any other person, corporation, limited liability company, partnership or other entity.

23.2 Specific Performance

Notwithstanding anything to the contrary contained in Section 23.1 above, we and you each have the right, in a proper case, to seek injunctions, restraining orders and orders of specific performance from a court of competent jurisdiction, provided that we agree to contemporaneously submit our dispute for arbitration on the merits as provided herein.

23.3 Litigation.

The parties agree that any litigation between you and us (and/or involving any principal of yours or which could be brought by you or on your behalf and including matters involving any of our related entities or otherwise), whether involving any litigation, dispute, controversy, claim, proceeding or otherwise between or involving you and us or otherwise, will be held exclusively before a court in the most immediate state judicial district and court encompassing our headquarters and having subject matter jurisdiction or (if a basis for Federal jurisdiction is present) the United States District Court for Hamilton County, Ohio, the parties consenting to the exclusive jurisdiction of such court(s).

23.4 Limitations on Damages

SUBJECT TO APPLICABLE LAW, IN ANY LITIGATION OR OTHER LEGAL DISPUTE, THE PARTIES WAIVE ALL RIGHTS TO PUNITIVE, EXEMPLARY, MULTIPLE, PAIN-AND-SUFFERING, MENTAL DISTRESS OR SIMILAR DAMAGES AND AGREE THAT THE PARTIES MAY ONLY RECOVER ACTUAL FINANCIAL LOSSES.

23.5 Our Right to Cure

Prior to your taking any legal or other action against us, whether for damages, injunctive, equitable or other relief (including but not limited to rescission) and whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise, based on any alleged act or omission of ours, you will first give us sixty (60) days' prior written notice and opportunity to cure such alleged act or omission.

23.6 Timeframe for Action

The parties agree that, except as provided below, no action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise) by either party will lie against the other (nor will any action or suit by you against any person and/or entity Affiliated with us), whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such action or suit before the expiration of the earlier of: (a) one year after the date upon which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or (b) one (1) year after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered. Notwithstanding the foregoing limitations, where any federal, state or provincial law provides for a shorter limitation period than above described, whether upon notice or otherwise, such shorter period will govern.

The foregoing limitations may, where brought into effect by our failure to commence an action within the time periods specified, operate to exclude our right to sue for damages but will in no case, even upon expiration or lapse of the periods specified or referenced above, operate to prevent us from terminating your rights and our obligations under this Agreement as provided herein and under applicable law nor prevent us from obtaining any appropriate court judgment, order or otherwise which enforces and/or is otherwise consistent with such termination.

The foregoing limitations shall not apply to our claims arising from or related to: (1) your under-payment or non-payment of any amounts owed to us or any Affiliated or otherwise related entity; (2) indemnification by you; (3) your confidentiality, non-competition or other exclusivity obligations; and/or (4) your unauthorized use of the Proprietary Marks.

23.7 No Right of Set-Off
In no event will you make any claim, whether directly, by way of setoff, counterclaim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us.

23.8 Costs and Attorneys' Fees
If we are required to enforce this Agreement in a judicial or other proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

Article 24

OPERATION IN THE EVENT OF ABSENCE OR DISABILITY

24.1 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our Developer, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any Developer of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

24.2 Step-In Rights

If we determine in our sole judgment that the operation of your Franchised Business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your Franchised Business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your Franchised Business; or we determine that operational problems require that we operate your Franchised Business for a period of time that we determine, in our sole and absolute discretion, to be necessary to maintain the operation of the Franchised Business as a going concern.

We shall keep in a separate account all monies generated by the operation of your Franchised Business, less the expenses of the Franchised Business, including reasonable compensation and expenses for our Developers. In the event of our exercise of these Step-In Rights**,** you agree to hold harmless us and our Developers for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of these Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

Article 25

SECURITY INTERESTS

25.1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Franchised Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Franchised Business. All items in which a security interest is granted are referred to as the "Collateral".

25.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

a. All amounts due under this Agreement or otherwise by you;

b. All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

c. All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

d. All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Franchised Business, including, but not limited to, a real property mortgage and equipment leases.

25.3 Additional Documents
You will from time to time as required by us join with us in executing any additional documents and one (1) or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

25.4 Possession of Collateral
Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

25.5 Our Remedies in Event of Default
You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Ohio (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

25.6 Special Filing as Financing Statement
This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of

Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

Article 26

ACKNOWLEDGMENTS

26.1 Receipt of the Disclosure Document

YOU REPRESENT, WARRANT AND ACKNOWLEDGE THAT YOU HAVE RECEIVED, READ AND UNDERSTAND THIS AGREEMENT AND OUR DISCLOSURE DOCUMENT; AND THAT WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT. YOU REPRESENT, WARRANT AND ACKNOWLEDGE THAT YOU HAVE RECEIVED, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED, THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION. YOU REPRESENT, WARRANT AND ACKNOWLEDGE THAT NEITHER WE NOR ANYONE ON OUR BEHALF HAS MADE ANY CLAIM, REPRESENTATION, WARRANTY, PROMISE OR GUARANTEE, WHETHER IN THIS AGREEMENT OR OTHERWISE, ORALLY OR IN WRITING, WITH RESPECT TO THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME OR PROFITS OF ANY FRANCHISE.

26.2 Your Representations

You represent and warrant to us the following, with the knowledge that we are materially relying upon the truth, accuracy and completeness of such representations and warranties in entering into this Agreement:

a. All information contained in your franchise application or in any document submitted in connection therewith by you or on your behalf is true, accurate and complete in all material respects including, without limitation, all information pertaining to the credit history, employment history, prior business experience, reputation and financial condition of you, your owners and operators.

b. If you are a legal entity, you are an entity duly organized, validly existing and in good standing under the laws of the state in which you were formed, are duly qualified to do business in the jurisdiction in which the Franchised Business is located, and have the requisite power and authority to execute and deliver this Agreement and to perform your obligations hereunder. The execution and delivery of this Agreement and the other agreements to be executed and delivered by you pursuant hereto have been duly authorized by all necessary action on your part. This Agreement has been duly executed and delivered by you and constitutes your valid and legally binding obligations enforceable against you in accordance with its terms.

c. The execution, delivery and performance by you of this Agreement and the transactions contemplated hereby do not and will not conflict with or result in, with or without the giving of notice or lapse of time or both, any violation of or constitute a breach or default, or give rise to any right of acceleration, payment, amendment, cancellation or termination under (a) your organizational documents, (b) any mortgage, indenture, lease, contract or other agreement to which you are a party or by which you or any of your properties or assets are bound or subject, or (c) any law or order to which you are bound or subject.

d. There are no judgments outstanding against you or any principal of yours or any operator of the Franchised Business, and there are no lawsuits, arbitrations or claims pending or, to your knowledge, threatened against any of the foregoing.

26.3 Consultation by You
You represent and warrant that you have been urged to consult with your own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. You represent and warrant that you have either consulted with such advisors or have deliberately declined to do so.

26.4 True and Accurate Information
You represent and warrant that all information set forth in any and all applications, financial statements and submissions to us is true, complete and accurate in all material respects, and you acknowledge that we are relying upon the truthfulness, completeness and accuracy of such information.

26.5 Risk
You represent and warrant that you have conducted an independent investigation of the business contemplated by this Agreement and acknowledge that, like any other business, an investment in a Franchised Business involves business risks and that the success of the venture is dependent, among other factors, your business abilities and efforts. We make no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby. You understand and agree that in the event of a national pandemic, federal, state or local government authorities may require you to close or substantially limit your business operations that will substantially impact your franchise business.

26.6 No Guarantee of Success
You represent and warrant that you have not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Business. You represent and warrant that there have been no representations by our directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Disclosure Document or this Agreement.

26.7 No Violation of Other Agreements
You represent and warrant that your execution of this Agreement will not violate any other agreement or commitment to which you are or any holder of a legal or beneficial interest in you is a party.

26.8 Release of Prior Claims
By signing this Agreement, you individually, and on behalf of your heirs, legal Developers, successors and assigns, and each assignee of this Agreement by accepting assignment of the same, hereby forever release and discharge us and our officers, directors, employees, agents and servants, including our parent or subsidiary and Affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under any franchise agreement between the parties executed prior to the date of this Agreement including but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state, territory or commonwealth thereof.

26.9 WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES
IF EITHER PARTY INITIATES LITIGATION INVOLVING THIS AGREEMENT OR ANY ASPECT OF THE RELATIONSHIP BETWEEN THE PARTIES (EVEN IF OTHER PARTIES OR OTHER CLAIMS ARE INCLUDED IN SUCH LITIGATION), ALL THE PARTIES WAIVE THEIR RIGHT TO A TRIAL BY JURY. IN ANY DISPUTE BETWEEN THE PARTIES, ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY BREACH OF THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN THE PARTIES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ALL PARTIES WAIVE ANY RIGHT THEY MAY HAVE TO PUNITIVE OR EXEMPLARY DAMAGES FROM THE OTHER. NOTHING IN THIS SECTION LIMITS OUR RIGHT OR THE RIGHT OF AN INDEMNIFIED PARTY TO BE INDEMNIFIED AGAINST THE PAYMENT OF PUNITIVE OR EXEMPLARY DAMAGES TO A THIRD PARTY. THE PARTIES ACKNOWLEDGE THAT LIQUIDATED DAMAGES PAYABLE BY YOU UNDER THIS AGREEMENT (WHETHER PRE-OPENING LIQUIDATED DAMAGES OR LIQUIDATED DAMAGES FOR EARLY TERMINATION) ARE NOT PUNITIVE OR EXEMPLARY DAMAGES.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement as of the day and year first above written.

FRANCHISOR:
Body Alive Franchise, LLC

______________________________	By: ______________________________
Witness	Name: ______________________________
	Title: ______________________________

FRANCHISEE:

____

____
Witness

By:__________________________________
Name:________________________________
Title:_________________________________

Exhibit 1 to the Body Alive Studio Franchise Agreement

APPROVED LOCATION AND DESIGNATED TERRITORY

APPROVED LOCATION AND DESIGNATED TERRITORY

The Approved Location is:

The Designated Territory is:

FRANCHISOR:	**FRANCHISEE:**
Body Alive Franchise, LLC	
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:____________________________	Title:____________________________

Exhibit 2 to the Body Alive Studio Franchise Agreement

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

(for trained employees, shareholders, officers, directors, general partners, members and managers of Franchisee)

In consideration of my being a ________________________of ___________________ ("Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _______________, 20___ (the "Franchise Agreement"), Franchisee has acquired the right and franchise from Body Alive Franchise, LLC (the "Company") to establish and operate a Body Alive Studio (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole and absolute discretion, only at the following authorized and approved location: ___________________________ (the "Approved Location").

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses, which offer a boutique fitness studio featuring group fitness classes, including hot yoga, barre, hot mat Pilates, hot body sculpt, hot body challenge, bounce, cycle and body fusion, nutritional products and services and related products. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information").

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As ________ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the

Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as ________________ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, franchise, engage in, act as a consultant for, perform services for, or have any interest in any retail business or e-commerce business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within*:

   a) Franchisee's Designated Territory, as defined in the Franchise Agreement ("Franchisee's Designated Territory");

   b) Twenty-five (25) miles of Franchisee's Designated Territory; or

   c) Twenty-five (25) miles of any Franchised Business operating under the System and the Proprietary Marks.

   d) The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

e) I acknowledge that I shall not circumvent the purpose of this Agreement by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). I also acknowledge that it would be difficult for the Company to prove whether I had disclosed Confidential Information to family members. Therefore, I agree that I will be presumed to have violated the terms of this Agreement if any member of my immediate family uses or discloses Confidential Information.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole and absolute discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation, of this Agreement.

11. 1f Franchisee, Franchisee's principals or Franchisee's personnel develop any new concept, process or improvement in the operation or promotion of the franchise, Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property, and Franchisor shall be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related thereto. Franchisee and Franchisee's principals hereby assign to Franchisor any rights Franchisee may have or acquire therein, including the right to modify such concept, process or improvement, and

otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and Franchisee's principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentations for obtaining and enforcing such rights. Franchisee and Franchisee's principals hereby irrevocably designate and appoint Franchisor as Franchisee's agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. 1n the event that the foregoing provisions of this Section are found to be invalid or otherwise unenforceable, Franchisee and Franchisee's principals hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

12. This Agreement shall be construed under the laws of the State of Ohio. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

____
Signature

____
Name

____
Address

____
Title

ACKNOWLEDGED BY FRANCHISEE

By:______________________________

Name:____________________________

Title:_____________________________

Exhibit 3 to the Body Alive Studio Franchise Agreement

GUARANTY AND ASSUMPTION OF OBLIGATIONS

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _______ day of __________________, 20___, by the undersigned guarantors.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith ("Agreement") by Body Alive Franchise, LLC ("Franchisor"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that ________________________________ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee's breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Articles 7 and 17 of the Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty shall be joint and several including payment of any actual attorney fees and costs incurred in bringing an action to enforce this Agreement; (b) it shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each Guarantor, (a) agrees that any action, suit or proceeding by such party seeking any relief whatsoever arising out of, relating to and/or in connection with this Agreement and any dispute(s) by and between the parties shall be brought, prosecuted and enforced solely in the state or federal courts located in ________, except for those claims or actions which must be filed, prosecuted and/or enforced in a federal court and in such event any such action must be filed, prosecuted and enforced solely and exclusively in the U.S. District Court for the _________ District of __________, (b) agrees to submit to the sole and exclusive jurisdiction of such courts for purposes of all actions, suits and/or proceedings arising out of, relating to and/or in connection with this Agreement, and/or any disputes(s) by and between the parties, (c) waives and agrees not to assert any objection that it may now or hereafter have to the venue of any such action, suit and/or proceeding brought in such a court or any claim that any such action, suit or proceeding brought in such a court has been brought in an inconvenient forum, (d) waives any right to transfer or remove and agrees not to transfer or remove any action, suit or proceeding originally brought in the state or federal courts of ____________________________ and/or to any other federal or state court regardless of where located; and further waives any right to transfer and agrees not to transfer or seek to transfer any suit, proceeding or action from the federal or state courts in _______________ to any other federal court, (e) agrees that a final judgment in any such action, suit or proceeding shall be final and conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law, and (f) agrees that service of process in any such action shall be in accordance with the laws of the State of ___________ or by registered mail, return receipt requested. Notwithstanding the foregoing, Franchisor, in its sole and absolute discretion, may file any action that includes a claim for injunctive relief in or near the location where the Franchise is located.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR	**PERSONAL GUARANTOR**
______________________________	______________________________
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
______________________________	______________________________
Personally and Individually (Signature)	Personally and Individually (Signature)
HOME ADDRESS	HOME ADDRESS
____________________________________	____________________________________
____________________________________	____________________________________
TELEPHONE NO.:____________________	TELEPHONE NO.:______________
PERCENTAGE OF OWNERSHIP IN FRANCHISEE:___%	PERCENTAGE OF OWNERSHIP IN FRANCHISEE:___%
PERSONAL GUARANTOR	**PERSONAL GUARANTOR**
______________________________	______________________________
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
______________________________	______________________________
Personally and Individually (Signature)	Personally and Individually (Signature)

HOME ADDRESS	HOME ADDRESS
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
TELEPHONE NO.:______________	TELEPHONE NO.:______________
PERCENTAGE OF OWNERSHIP IN FRANCHISEE:___%	PERCENTAGE OF OWNERSHIP IN FRANCHISEE:___%
PERSONAL GUARANTOR	**PERSONAL GUARANTOR**
______________________________	______________________________
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
______________________________	______________________________
Personally and Individually (Signature)	Personally and Individually (Signature)
HOME ADDRESS	HOME ADDRESS
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
TELEPHONE NO.:______________	TELEPHONE NO.:______________
PERCENTAGE OF OWNERSHIP IN FRANCHISEE:___%	PERCENTAGE OF OWNERSHIP IN FRANCHISEE:___%

The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.

______________________________	______________________________
Name of Guarantor	Name of Guarantor
______________________________	______________________________
Name of Guarantor's Spouse	Name of Guarantor's Spouse

Signature of Guarantor's Spouse

Signature of Guarantor's Spouse

Name of Guarantor

Name of Guarantor's Spouse

Signature of Guarantor's Spouse

Name of Guarantor

Name of Guarantor's Spouse

Signature of Guarantor's Spouse

<u>Exhibit 4 to the Body Alive Studio Franchise Agreement</u>

PRINCIPAL OWNER'S STATEMENT

PRINCIPAL OWNER'S STATEMENT

This form must be completed by the Franchisee ("**I**," "**me**," or "**my**") if I have multiple owners or if I, or my franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Franchise to me.

1. **Form of Owner**. I am a (check one):

(a) General Partnership ☐
(b) Corporation ☐
(c) Limited Partnership ☐
(d) Limited Liability Company ☐
(e) Other ☐
Specify: ________________________

I was formed under the laws of ______________________________.
(STATE)

2. **Business Entity.** I was incorporated or formed on _________________, ___, under the laws of the State of ________________. I have not conducted business under any name other than my corporate, limited liability company or partnership name and ________________________. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

Name of Person	**Position(s) Held**
_________________________	_______________________________
_________________________	_______________________________
_________________________	_______________________________
_________________________	_______________________________
_________________________	_______________________________

3. **Owners**. The following list includes the full name and mailing address of each person who is one of my owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name and Address	**Description of Interest**
_________________________	_______________________________
_________________________	_______________________________
_________________________	_______________________________
_________________________	_______________________________
_________________________	_______________________________

4. **Governing Documents**. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Statement of Principal Owners is current and complete as of ________________________.

OWNER

INDIVIDUALS:

____
[Signature]

____
[Print Name]

____
[Signature]

____
[Print Name]

____
[Signature]

____
[Print Name]

____
[Signature]

____
[Print Name]

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP:

____
[Name]

By:______________________________

Title:______________________________

Exhibit 5 to the Body Alive Studio Franchise Agreement

COLLATERAL ASSIGNMENT OF LEASE

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") assigns, transfers and sets over to Body Alive Franchise, LLC, an Ohio Limited Liability Company ("Assignee"), all of Assignor's right and title to and interest in that certain "Lease" a copy of which is attached as Exhibit A respecting premises commonly known as ________________________________. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor's obligations under the Lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor's default under the Lease or under the "Franchise Agreement" for a Body Alive Studio business between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee's prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee's failure to agree otherwise in writing and upon Assignor's failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE:	ASSIGNOR:
Body Alive Franchise, LLC	______________________________
By:__________________________	By:__________________________
Name:________________________	Name:________________________
Title:_________________________	Title:_________________________
Date:_________________________	Date:_________________________

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease;

b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above;

c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor's defaults under the Lease; and

d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Franchise Business.

Dated:____________________

____

________________________________, Lessor

Exhibit 6 to the Body Alive Studio Franchise Agreement

INTERNET WEBSITES AND TELEPHONE LISTINGS AGREEMENT

INTERNET WEBSITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Internet Listing Agreement") is made and entered into as of the _____ day of ________________, 20___ (the "Effective Date"), by and between Body Alive Franchise, LLC, an Ohio Limited Liability Company (the "Franchisor"), and _________________________, a __________________ (the "Franchisee").

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a Body Alive Studio business (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1. ***Interest in Internet Web Sites and Listings.*** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain websites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2. ***Transfer.*** On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web

Sites and Listings: (i) to transfer all of Franchisee's Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.3. ***Appointment; Power of Attorney.*** Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any Affiliated person or Affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its Affiliates on the one hand, and Franchisor and any of its Affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1. Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor;

2.3.2. Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and

2.3.3. Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4. ***Certification of Termination.*** Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5. ***Cessation of Obligations.*** After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

3. MISCELLANEOUS

3.1. ***Release.*** Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, Affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Internet Listing Agreement.

3.2. ***Indemnification.*** Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its Affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.3. ***No Duty.*** The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

3.4. ***Further Assurances.*** Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.5. ***Successors, Assigns, and Affiliates.*** All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and Affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.6. ***Effect on Other Agreements.*** Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7. ***Survival.*** This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8. ***Joint and Several Obligations.*** All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.9. ***Governing Law.*** This Internet Listing Agreement shall be governed by and construed under the laws of the State of Ohio without regard to the application of Ohio conflict of law rules.

The undersigned have executed or caused their duly authorized Developers to execute this Agreement as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
Body Alive Franchise, LLC	
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:____________________________	Title:____________________________

TELEPHONE LISTINGS AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the "Telephone Listing Agreement") is made and entered into as of the _____ day of ________________, 20___ (the "Effective Date"), by and between Body Alive Franchise, LLC, an Ohio Limited Liability Company (the "Franchisor"), and ___________________________, a ___________________ (the "Franchisee").

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a "Body Alive Studio" business (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1. ***Interest in Telephone Numbers and Listings.*** Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Telephone Numbers and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2. ***Transfer.*** On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event

Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3. ***Appointment; Power of Attorney.*** Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any Affiliated person or Affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its Affiliates on the one hand, and Franchisor and any of its Affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1. Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2. Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3. Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4. ***Certification of Termination.*** Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5. ***Cessation of Obligations.*** After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. **MISCELLANEOUS**

3.1. ***Release.*** Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, Affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Telephone Listing Agreement.

3.2. ***Indemnification.*** Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its Affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its Affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3. ***No Duty.*** The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.4. ***Further Assurances.*** Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5. ***Successors, Assigns, and Affiliates.*** All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and Affiliated persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6. ***Effect on Other Agreements.*** Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7. ***Survival.*** This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8. ***Joint and Several Obligations.*** All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

3.9. ***Governing Law.*** This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Ohio, without regard to the application of Ohio conflict of law rules.

The parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
Body Alive Franchise, LLC	
By:____________________	By:____________________
Name:__________________	Name:__________________
Title:___________________	Title:___________________

<u>Exhibit 7 to the Body Alive Studio Franchise Agreement</u>

ELECTRONIC FUNDS TRANSFER AGREEMENT

ELECTRONIC FUNDS TRANSFER AGREEMENT

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO BODY ALIVE FRANCHISE, LLC ("COMPANY")

Depositor hereby authorizes and requests ____ (the "Depository") to initiate debit and credit entries to Depositor's ___ checking or ____ savings account (select one) indicated below drawn by and payable to the order of Body Alive Franchise, LLC by Electronic Funds Transfer, provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository's rights with respect to each such charge shall be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever.

Depository Name:____

City:__________________________ State:________ Zip Code:__________

Transit/ABA Number:________________________ Account Number:______________

This authority is to remain in full force and effect until Company has received written notification from me (or either of us) of its termination in such time and in such manner to afford Company and Depository a responsible opportunity to act on such request.

Depositor: (Please Print)

____

____

____
Date Signed

____

____
Signature(s) of Depositor, as Printed Above

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

Exhibit 8 to the Body Alive Studio Franchise Agreement

STATE ADDENDA AND AGREEMENT RIDERS ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR BODY ALIVE STUDIO

STATE ADDENDA AND AGREEMENT RIDERS ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR BODY ALIVE FRANCHISE, LLC

The following modifications are made to Body Alive Franchise, LLC ("Franchisor," "us," "we," or "our") certain portions of the Franchise Agreement between you and us dated _________________________, 20___ ("Franchise Agreement") given to franchisee ("Franchisee," "you," or "your") and may supersede, to the extent then required by valid applicable state law. When the term "Franchisor's Choice of Law State" is used, it means Ohio.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the Franchise Disclosure Document, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum ("State Addendum") will modify these agreements to comply with the state's laws.

The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum.

The terms of this State Addendum will override any inconsistent provision of the FDD or Franchise Agreement. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement.

ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA

1. The covenant not to compete upon termination or expiration of the Franchise Agreement contained in Section 17.2 of the Franchise Agreement may be unenforceable, except in certain circumstances provided by law.

2. The provisions of the Franchise Agreement giving Franchise Name the right to terminate in the event of Franchisee's bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C. Sec. 101, et seq.).

3. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum will govern. All other terms and conditions of the Franchise Agreement will remain unchanged and as originally written.

FRANCHISOR:
Body Alive Franchise, LLC
A Limited Liability Company

By:______________________________
Name:____________________________
Title:____________________________

FRANCHISEE:
Franchisee Entity Name
A Type of Entity

By:______________________________
Name:____________________________
Title:____________________________

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. The first sentence of Section 22.16 of the Franchise Agreement is amended to read as follows:

   "The Parties agrees that, except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement will be governed by and construed in accordance with the laws of the State of Ohio except as otherwise required by the Illinois Franchise Disclosures Act, without recourse to Ohio choice of law or conflicts of law principles.

2. Section 23.3 of the Franchise Agreement concerning jurisdiction and venue shall not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act.

3. Section 26.9 of the Franchise Agreement containing a waiver of jury trial, shall not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act.

4. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Illinois Franchise Disclosure Act will govern the Franchise Agreement with respect to Illinois franchisees and any other person under the jurisdiction of the Illinois Franchise Disclosure Act.

FRANCHISOR:
Body Alive Franchise, LLC
A Limited Liability Company

By:______________________________
Name:____________________________
Title:_____________________________

FRANCHISEE:
Franchisee Entity Name
A Type of Entity

By:______________________________
Name:____________________________
Title:_____________________________

ADDENDUM TO FRANCHISE AGREEMENT
FOR USE IN IOWA

1. Franchisee may cancel the Franchise Agreement at any time prior to midnight of the third business day after the date Franchisee signed the Franchise Agreement or the Franchise Agreement is accepted by Franchisor, whichever is later. If Franchisee cancels, any property traded in, any payments made by Franchisee under the Franchise Agreement, and any negotiable instrument executed by Franchisee will be returned within ten business days following receipt by the Franchisor of cancellation notice, and any security interest arising out of the franchise transaction will be canceled. If Franchisee cancels, Franchisee must make available to Franchisor at Franchisee's residence, in substantially as good condition as when received, any goods delivered to Franchisee under the Franchise Agreement or Franchisee may, if it wishes, comply with the instructions of Franchisor regarding the return shipment of the goods at the Franchisor's expense and risk.

2. Franchisor may terminate the Franchise Agreement (effective immediately) if Franchisee does not confirm in writing that it declines to exercise its three business day right of cancellation described below within ten (10) days after notice from Franchisor, which notice Franchisor may not give to Franchisee until after the three business day period has expired.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ___ day of ________________, 20__.

FRANCHISOR:	**FRANCHISEE:**
Body Alive Franchise, LLC	Franchisee Entity Name
A Limited Liability Company	A Type of Entity
By:______________________	By:______________________
Name:____________________	Name:____________________
Title:_____________________	Title:_____________________

YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

MARYLAND STATE DISCLOSURE ADDENDUM

The following information applies to prospective franchisees to whom the Maryland Franchise Registration and Disclosure Law applies.

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the Maryland Franchise Registration and Disclosure Law.

Any provision of the Franchise Agreement that restricts jurisdiction or venue to a forum outside the State of Maryland or requires the application of the law of a state other than Maryland is void with respect to a claim otherwise enforceable under the Maryland Franchise Registration and Disclosure Law. Any claim arising under the Maryland Franchise Registration and Disclosure Law may be brought in the State of Maryland.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

To the extent this Addendum is inconsistent with any terms or conditions of the Franchise Disclosure Document, the Franchise Agreement, or any exhibit or attachment to either of those documents, the terms of this Addendum shall govern.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

The following terms amend the Franchise Agreement to which this Addendum is attached for the purpose of complying with the Maryland Franchise Registration and Disclosure Law, and are hereby incorporated into the Franchise Agreement by this reference.

1. Any general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Any provision of the Franchise Agreement that restricts jurisdiction or venue to a forum outside the State of Maryland or requires the application of the laws of a state other than Maryland is void with respect to a claim otherwise enforceable under the Maryland Franchise Registration and Disclosure Law.

3. Section 33 of the Franchise Agreement is amended as follows:

> "The representations contained in this Section 33 are not intended to act, nor shall they act, as a release, estoppel, or waiver of any liability arising under the Maryland Franchise Registration and Disclosure Law."

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

5. To the extent this Addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum control.

The parties are signing this Addendum concurrently with the Franchise Agreement to which it is attached.

1.

FRANCHISOR:	**FRANCHISEE:**
Body Alive Franchise, LLC	Franchisee Entity Name
A Limited Liability Company	A Type of Entity
By:________________	By:________________
Name:________________	Name:________________
Title:________________	Title:________________

MINNESOTA STATE DISCLOSURE ADDENDUM

The following information applies to prospective franchisees to whom the Minnesota Franchise Law, Minnesota Statute Chapter 80C applies:

1. The second cover page of the Disclosure Document is amended by adding the following risk factors:

a. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

b. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

2. Minnesota Statutes Section 80C.21 and Minnesota Rules 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring a waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the franchise disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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

4. With respect to franchisees governed by the Minnesota Franchise Law, we will protect the franchisee's right to use the Licensed Marks and/or indemnify the franchisee from

any loss, costs or expenses arising out of any claim, suit or demand regarding the licensed use of the name "Body Alive." Such protection and indemnity are contingent on you using the Licensed Marks in accordance with the Franchise Agreement.

5. We will not require you to assent to a general release that would relieve us from liability imposed by the Minnesota Franchise Law to the extent such a release is prohibited by Minnesota Rule 2860.4400D.

6. With respect to franchises governed by Minnesota law: A franchise cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. Also, a court will determine if a bond is required.

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

1. Section 29.1 is amended by adding the following:

   Notwithstanding the foregoing, Minnesota Statutes Section 80C.21 and Minnesota Rules 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring a waiver of a jury trial, or requiring the Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchisee's franchise disclosure document or agreements shall abrogate or reduce, or require Franchisee to waive, any of Franchisee's rights under Minnesota Statutes, Chapter 80C, or Franchisee's right to any procedure, forum or remedies provided for by the laws of Minnesota.

3. Section 23.1 is amended by adding the following:

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

4. Section 8.13 is amended by adding the following:

   With respect to Franchisees governed by the Minnesota Franchise Law, Body Alive will protect Franchisee's right to use the Licensed Marks and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the licensed use of the name "Body Alive", provided that such protection and indemnity are contingent on Franchisee using the Licensed Marks in accordance with this Agreement.

5. Section 22.3(g) is amended by adding the following:

   Notwithstanding the foregoing, Franchisor will not require Franchisee to assent to a general release that would relieve Franchisor from liability imposed by the Minnesota Franchise Law to the extent such release is prohibited by Minnesota Rule 2860.4400D.

6. Section 29.3 is amended by adding the following:

1. Notwithstanding the provisions of Section 21.4 or the foregoing provisions of this Section 29.3, the Franchisor may seek injunctive relief as provided by these sections, but this Agreement does not provide that the Franchisee consents to such injunctive relief. In any action by the Franchisor seeking injunctive relief under these sections, the court will determine if a bond is required.

FRANCHISOR:	**FRANCHISEE:**
Body Alive Franchise, LLC	Franchisee Entity Name
A Limited Liability Company	A Type of Entity
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:____________________________	Title:____________________________

NEW YORK STATE DISCLOSURE ADDENDUM

The following items apply to prospective franchisees to whom the New York franchise law applies:

1. The following paragraphs are added at the beginning of Item 3 of the franchise disclosure document:

Neither we, any predecessor of ours, a person identified in Item 2, or an affiliate offering franchises under our principal trademark:

(a) has an administrative, criminal or civil action pending against it alleging a felony; a violation of franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations; or other significant litigation;

(b) has been convicted of a felony or pleaded nolo contendere to a felony charge or within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging a violation of a franchise, antitrust or securities law; fraud, embezzlement fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations; or

(c) is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person form membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any to the business activity as a result of an action brought by a public agency or department, including without limitation, action affecting a license as a real estate broker or sales agent;

2. The following paragraph is added at the beginning of Item 4 of the franchise disclosure document:

Neither we, our affiliates, their predecessors, officers, general partner or any others identified in Item 2, during the ten year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code (b) obtained a discharge of its debts under the bankruptcy code; (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 the officer or general partner of the franchisor held this position in the company or partnership.

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following provisions of the Franchise Agreement to which this addendum is attached are amended as follows to comply with Article 33 of the General Business Law of New York and the New York State Franchise Regulations:

1. Notwithstanding any provision of the Franchise Agreement to the contrary, all rights arising in Franchisee's favor from the provisions of Article 33 of the General Business Law of New York and the regulations issued thereunder shall remain in force, it being the intent of this provision that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

2. Franchisee may terminate the Franchise Agreement upon any grounds available by law.

3. To the extent this addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this addendum govern.

   1. The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISOR:	**FRANCHISEE:**
Body Alive Franchise, LLC	Franchisee Entity Name
A Limited Liability Company	A Type of Entity
By:________________________	By:________________________
Name:______________________	Name:______________________
Title:______________________	Title:______________________

NORTH DAKOTA STATE DISCLOSURE ADDENDUM

The following information applies to prospective franchisees to whom the North Dakota Franchise Investment Law applies:

1. Notwithstanding any provisions in the Franchise Agreement to the contrary, Body Alive will not engage in any actions with North Dakota franchisees that are designated under the North Dakota Franchise Investment Law or the regulations issued thereunder as unfair, unjust or inequitable to franchisees.

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

A. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06 (which is described below) without further disclosing that such covenants will be subject to the statute.
B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
E. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
F. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
H. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
I. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
J. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

3. NDCC Section 9-08-06 provides as follows:
9-08-06. In restraint of business void - Exceptions.

Every contract by which anyone is restrained from exercising a lawful profession, trade, or business of any kind is to that extent void, except:

1. One who sells the goodwill of a business may agree with the buyer to refrain from carrying on a similar business within a specified county, city, or a part of either, so long as the buyer or any person deriving title to the goodwill from the buyer carries on a like business therein.

2. Partners, upon or in anticipation of a dissolution of the partnership, may agree that all or any number of them will not carry on a similar business within the same city where the partnership business has been transacted, or within a specified part thereof.

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

1. This Addendum is attached to and made a part of the Franchise Agreement for the operation of a Body Alive Business dated as of ______________, 20___ between Body Alive Franchise, LLC. ("Franchisor") and ________________ ("Franchisee") (such agreement being hereinafter referred to as the "Franchise Agreement").

2. Except as otherwise provided in this Addendum, the terms used in this Addendum are used and defined the same as they are used and defined in the Franchise Agreement.

3. Notwithstanding any provisions in the Franchise Agreement to the contrary, Franchisor will not engage in any actions with North Dakota franchisees that are designated under the North Dakota Franchise Investment Law or the regulations issued thereunder as unfair, unjust or inequitable to franchisees. The North Dakota Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees:

A. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06 without further disclosing that such covenants will be subject to the statute.
B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the parties have hereunto set their hands as of this ___ day of ___________________, 20__.

FRANCHISOR:	**FRANCHISEE:**
Body Alive Franchise, LLC	Franchisee Entity Name
A Limited Liability Company	A Type of Entity
By:________________________	By:________________________
Name:______________________	Name:______________________
Title:_____________________	Title:_____________________

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions shall supersede and apply to all Franchise Agreements offered and sold in the State of Rhode Island:

1. Subsection 22.16 is amended to provide that any provision in the Franchise Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted.

2. Subsection 23.3 is amended to provide that Section 19-28.1.-14 of the Rhode Island Franchise Investment Act, as amended by laws of 1993, provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

FRANCHISOR:	**FRANCHISEE:**
Body Alive Franchise, LLC	Franchisee Entity Name
A Limited Liability Company	A Type of Entity
By:____________________	By:____________________
Name:__________________	Name:__________________
Title:__________________	Title:__________________

VIRGINIA STATE DISCLOSURE ADDENDUM

The following information applies to prospective franchisees to whom the Virginia Retail Franchising Act applies:

1. Virginia Code § 13.1-564 prohibits us from cancelling a franchise without reasonable cause. With respect to franchises governed by the Retail Franchising Act, we will comply with the requirements of § 13.1-564.

2. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the franchise disclosure document for Body Alive Franchise, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.e.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement 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.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

3. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Body Alive Franchise, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

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

ADDENDUM TO FRANCHISE AGREEMENT
FOR USE IN VIRGINIA

1. This Addendum is attached to and made a part of the Franchise Agreement for the operation of a Body Alive Business dated as of ______________, 20___ between Body Alive Franchise, LLC ("Franchisor") and ________________ ("Franchisee") (such agreement being hereinafter referred to as the "Franchise Agreement").

2. Except as otherwise provided in this Addendum, the terms used in this Addendum are used and defined the same as they are used and defined in the Franchise Agreement.

3. Section 23.1 of the Franchise Agreement is amended by adding the following at the end thereof:

> Notwithstanding the foregoing, with respect to franchisees governed by the Virginia Retail Franchising Act, Franchisor will comply with Va. Code § 13.1-564 (to the extent the same is applicable), which requires that a franchisor not cancel any franchise without reasonable cause for so doing.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of this ___ day of ___________________, 20__.

FRANCHISOR:	**FRANCHISEE:**
Body Alive Franchise, LLC	Franchisee Entity Name
A Limited Liability Company	A Type of Entity
By:________________________	By:________________________
Name:______________________	Name:______________________
Title:_______________________	Title:_______________________

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON
ADDENDUM TO FRANCHISE AGREEMENT
FOR USE IN WASHINGTON

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

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

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

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

IN WITNESS WHEREOF, the parties have hereunto set their hands as of this ___ day of ___________________, 20__.

FRANCHISOR:	**FRANCHISEE:**
Body Alive Franchise, LLC	Franchisee Entity Name
A Limited Liability Company	A Type of Entity
By:________________________________	By:________________________________
Name:______________________________	Name:______________________________
Title:______________________________	Title:______________________________

Exhibit 9 to the Body Alive Studio Franchise Agreement

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Body Alive Franchise, LLC (the "Franchisor") and you are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a Body Alive Studio Business (the "Franchised Business"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized Developers of the Franchisor, or by employees or authorized Developers of a broker acting on behalf of the Franchisor ("Broker") that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a Developer of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or Developer of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor Developer on ________________, 20___.

3. Have you received a copy of the Franchise Agreement?

Yes _____ No _____

4. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

5. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

6. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

7. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? ____________________________________
____
____

I signed the Franchise Agreement and Addendum (if any) on _______________, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

In addition, by signing this Questionnaire, you also acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or Developers, nor any other person or entity associated with you, is:

i. a person or entity listed in the Annex to the Executive Order;

ii. a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

iii. a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

iv. owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or Developers, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this _____ day of ________________, 20____.

Sign here if you are taking the franchise as an INDIVIDUAL

____
Signature

Print Name______________________

____
Signature

Print Name______________________

____
Signature

Print Name______________________

____
Signature

Print Name______________________

Sign here if you are taking the franchise as a CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

____
Print Name of Legal Entity

By:____________________________

____
Signature

Print Name______________________

Title___________________________

Exhibit C to the Body Alive Franchise, LLC Disclosure Document

LIST OF FRANCHISEES, COMPANY LOCATIONS, AFFILIATE LOCATIONS

FRANCHISEES:

None as of the date of issuance of this document

COMPANY LOCATIONS:

None as of the date of issuance of this document

AFFILIATE LOCATIONS:

Kenwood Hot Yoga, LLC, dba Body Alive Kenwood
8110 Montgomery Rd. Cincinnati OH 45236
(513) 337-9830
info@bodyalivefitness.com

Body Alive Oakley, LLC
3160 Madison Rd. Cincinnati OH 45209
(513) 337-9830
info@bodyalivefitness.com

Body Alive Mason, LLC
4700 Duke Dr. Mason OH 45040
(513) 337-9830
info@bodyalivefitness.com

Body Alive Crestview Hills, LLC
2833 Town Center Blvd. Crestview Hills, KY 41017
(513) 337-9830
info@bodyalivefitness.com

Body Alive North Phoenix, LLC
350 E Bell Rd #10, Phoenix, AZ 85022
(602) 688-6511
info@bodyalivefitness.com

Body Alive Anderson, LLC
8315 Beechmont Ave #4, Cincinnati, OH 45255
(513) 545-3382
info@bodyalivefitness.com

Body Alive Clifton, LLC
150 W McMillan St, Cincinnati, OH 45219
(513) 872-5483
info@bodyalivefitness.com

<u>Exhibit D to the Body Alive Franchise, LLC Disclosure Document</u>

LIST OF FRANCHISEES
WHO HAVE LEFT THE SYSTEM DURING THE PAST FISCAL YEAR

None as of the date of the issuance of this document

Exhibit E to the Body Alive Franchise, LLC Disclosure Document

FINANCIAL STATEMENTS

Body Alive Franchise, LLC

Opening Unaudited Balance Sheet

As of November 1, 2025
Prepared by Kathy Adams

ASSETS		
CURRENT ASSETS		
Cash in bank		$6,952
	TOTAL ASSETS	$6,952
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		$0
Accounts Payable		$0
	TOTAL CURRENT LIABILITIES	$0
SHAREHOLDERS' EQUITY		
Capital Stock		$8,682
Accumulated Deficit		$0
TOTAL SHAREHOLDERS' EQUITY		$8,682
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$8,682

<u>Exhibit F to the Body Alive Franchise, LLC Disclosure Document</u>

OPERATIONS MANUAL TABLE OF CONTENTS

Body Alive Franchise, LLC

OPERATIONS MANUAL TABLE OF CONTENTS

Exhibit G to the Body Alive Franchise, LLC Disclosure Document

MULTI-STATE ADDENDUM

CALIFORNIA ADDENDUM
Pursuant to the California Franchise Investment Law

This Addendum to the Franchise Disclosure Document and the Franchise Agreement includes the following:

OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENTS OF OUR WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT http://www.dbo.ca.gov

See the cover page of the Disclosure Document for our URL address. 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.

1. Item 3 is amended to state that no person named in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

2. Items 6 and 9 are amended to state that the Franchise Agreement provides for liquidated damages. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

3. Item 17 is amended to state that California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

4. Item 17 is amended to state that 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*).

5. Item 17 is amended to state that the Franchise Agreement contains a provision requiring application of the laws of Ohio. This provision may not be enforceable under California law. Any provisions in the Franchise Agreement requiring waiver of compliance with the California Franchising Investment Law is void.

6. Item 17 is amended to state that the Franchise Agreement requires venue to be limited to Hamilton County, Ohio unless we sue you where your Franchise is located. This provision may not be enforceable under California law.

7. The Franchise Agreement require binding arbitration. The arbitration will occur in Ohio with the costs being borne equally by the parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of State and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California. Cal. Bus & Prof. Code § 20040.5 was preempted by *Bradley v. Harris Research, Inc.* 9th Cir. (2001). Stating "that 20040.5 is preempted by the FAA." *Id.* at 890.

8. Items 17 is amended to state that 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 Sections 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).

9. Item 17 is amended to state that California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material modification of your Franchise Agreement.

10. The Franchise Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

11. If the Franchise Agreement contain a waiver of punitive damages and waiver of jury trial provision, these provisions may not be enforceable.

12. The Antitrust Law Section of the Office of the California Attorney General views maximum price adjustments as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

13. If the Franchised Business will be in California, you will not pay your initial franchise fee to us until your business is open and we have completed all of our material pre-opening obligations to you. The Franchise Disclosure Document and the Franchise Agreement will be amended accordingly. Please review Item 11 for our pre-opening obligations. You may be required to have your bank verify that you have sufficient funds available at the time we sign the Franchise Agreement. The only condition on your obligation to pay the initial franchise fee is that we must complete all of our material pre-opening obligations to you.

14. 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.

15. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

HAWAII STATE DISCLOSURE ADDENDUM

The following items apply to prospective franchisees to whom the Hawaii Franchise Investment Law applies:

1. The following is added to the Cover Page of the franchise disclosure document.

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

2. The following information applies to prospective Franchisees to whom the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E applies. Hawaii Revised Statutes, Title 26, Chapter 482E, Section 482E-6, provides as follows:

Sec. 482E-6. Without limiting the other provisions of this chapter, the following specific rights and prohibitions shall govern the relation between the franchisor or subfranchisor and its franchisees:

(1) The parties shall deal with each other in good faith.

(2) For the purposes of this chapter and without limiting its general application, it shall be an unfair or deceptive act or practice or an unfair method of competition for a franchisor or subfranchisor to:

(A) Restrict the right of the franchisees to join an association of franchisees.

(B) Require a franchisee to purchase or lease goods or services of the franchisor or from designated sources of supply unless such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds. Suppliers suggested or approved by a franchisor as meeting its standards and requirements shall not be deemed designated sources of supply.

(C) Discriminate between franchisees in the charges offered or made for royalties, goods, services, equipment, rentals, advertising services, or in any other business dealing, unless and to the extent that any classification of or discrimination between franchisees is:

(i) Based on franchises granted at materially different times, and such discrimination is reasonably related to such differences in time;

(ii) Is related to one or more programs for making franchises available to persons with insufficient capital, training, business experience, education or lacking other qualifications;

(iii) Is related to local or regional experimentation with or variations in product or service lines or business formats or designs;

(iv) Is related to efforts by one or more franchisees to cure deficiencies in the operation of franchise businesses or defaults in franchise agreements; or

(v) Is based on other reasonable distinctions considering the purposes of this chapter and is not arbitrary.

(D) Obtain money, goods, services, anything of value, or any other benefit from any other person with whom the franchisee does business on account of such business unless the franchisor advises the franchisee in advance of the franchisor's intention to receive such benefit.

(E) Establish a similar business or to grant a franchise for the establishment of a similar business at a location within a geographical area specifically designated as the exclusive territory in a franchise previously granted to another franchisee in a currently effective agreement, except under the circumstances or conditions prescribed in such agreement. The fact that other franchisees or the franchisor may solicit business or sell goods or services to people residing in such geographical territory shall not constitute the establishment of a similar business within the exclusive territory.

(F) Require a franchisee at the time of entering into a franchise to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by this chapter. Any condition, stipulation or provision binding any person acquiring any franchise to waive compliance with any provision of this chapter or a rule promulgated hereunder shall be void. This paragraph shall not bar or affect the settlement of disputes, claims or civil suits arising or brought under this chapter.

(G) Impose on a franchisee by contract, rule, or regulation, whether written or oral, any unreasonable and arbitrary standard of conduct.

(H) Terminate or refuse to renew a franchise except for good cause, or in accordance with the current terms and standards established by the franchisor then equally applicable to all franchisees, unless and to the extent that the franchisor satisfies the burden of proving that any classification of or discrimination between franchisees is reasonable, is based on proper and justifiable distinctions considering the purposes of this chapter, and is not arbitrary. For purposes of this paragraph, good cause in a termination case shall include, but not be limited to, the failure of the franchisee to comply with any lawful, material provision of the franchise agreement after having been given written notice thereof and an opportunity to cure the failure within a reasonable period of time.

(I) Refuse to permit a transfer of ownership of a franchise, or of a proprietorship, partnership, corporation or other business entity that is a franchisee or subfranchisor, except for good cause. For purposes of this paragraph good cause shall include, but not be limited to:

(i) The failure of a proposed transferee to meet any of the franchisor's or subfranchisor's reasonable qualifications or standards then in effect for a franchisee or subfranchisor;

(ii) The fact that the proposed transferee or any affiliated person of the proposed transferee is a competitor of the franchisor or subfranchisor;

(iii) The inability or unwillingness of the proposed transferee to agree in writing to comply with and be bound by all lawful obligations imposed by the franchise, including without limitation all instruction and training obligations, and to sign the current form of franchise agreement used by the franchisor or subfranchisor; and

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

A franchisor or subfranchisor shall have thirty days after being notified in writing of a proposed transfer to approve or disapprove in writing a proposed transfer of ownership or control of a franchise, or of a proprietorship, partnership, corporation or other business entity that is a franchisee or subfranchisor, stating its reason for disapproval. If a franchisor or subfranchisor fails to approve or disapprove a proposed transfer in writing within such period, the franchisor or subfranchisor shall be deemed to have approved such transfer.

(3) Upon termination or refusal to renew the franchise the franchisee shall be compensated for the fair market value, at the time of the termination or expiration of the franchise, of the franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor or a supplier designated by franchisor; provided that personalized materials which have no value to the franchisor need not be compensated for. If the franchisor refuses to renew a franchise for the purpose of converting the franchisee's business to one owned and operated by the franchisor, the franchisor, in addition to the remedies provided in this paragraph, shall compensate the franchisee for the loss of goodwill. The franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the franchisee's inventory, supplies, equipment, and furnishings pursuant to this requirement, and may offset from such compensation any moneys due the franchisor.

(4) The provisions of this chapter shall apply to all written or oral arrangements with the franchisee including but not limited to the franchise offering, the franchise agreement, sales of goods or services, leases and mortgages of real or personal property, promises to pay, security interest, pledges, insurance contracts, advertising contracts, construction or installation contracts, servicing contracts, and all other such arrangements in which the franchisor or subfranchisor has any direct or indirect interest.

(5) In any proceedings damages may be based on reasonable approximations but not on speculation.

3. The franchise registration status of Body Alive Franchise, LLC as of December 1, 2025, includes:

A. The states in which this filing is effective:

None

B. The states in which this filing is or will be shortly on file.

None

C. The states, if any, which have refused, by order or otherwise, to register these franchises.

D. The states, if any, which have revoked or suspended Body Alive Franchise, LLC's right to offer franchises.

None.

E. The states, if any, in which the filing of Body Alive Franchise, LLC's franchises have been withdrawn.

None.

ILLINOIS STATE DISCLOSURE ADDENDUM

The following information applies to prospective franchisees to whom the Illinois Franchise Disclosure Act of 1987, ILCS, Chapter 815, Sections 705/1-705/44 applies.

1. The Franchise Agreement shall be governed by the provisions of Illinois law to the extent the same are applicable.

2. Any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void provided that a franchise agreement may provide for arbitration in a forum outside of Illinois.

3. Under the Illinois Franchise Disclosure Act of 1987, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of Illinois is void. This Act does not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, nor does it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

INDIANA ADDENDUM
Pursuant to the Indiana Franchise Disclosure Law and Indiana Deceptive Practices Act

This Addendum to the Franchise Disclosure Document and the Franchise Agreement includes the following:

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7, *et seq*., and the Indiana Franchise Disclosure Law, Ind. Code § 23-2-2.5, et seq., the Franchise Disclosure Document and the Franchise Agreement for Body Alive Franchise, LLC are amended as follows:

   A. In accordance with IC 23-2-2.7-1(1), Item 7 of the Franchise Disclosure Document and the Franchise Agreement do not impose a requirement on Franchisee to purchase goods, supplies, inventories, or services exclusively from Franchisor or sources designated by Franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by Franchisor.

   B. In accordance with IC 23-2-2.7-1(4), Item 8 of the Franchise Disclosure Document and the Franchise Agreement do not permit Franchisor to obtain money, goods, services or any other benefit from any person with whom the Franchisee does business, on account of, or in relation to, the transaction between the Franchisee and the other person, other than for compensation for services rendered by the Franchisor, unless the benefit is promptly accounted for, and transmitted to the Franchisee.

   C. In accordance with IC 23-2-2.7-1(11), Item 11 of the Franchise Disclosure Document and the Franchise Agreement do not require the Franchisee to participate in any advertising campaign or contest, promotional campaign, promotional materials or display decorations or materials at an expense to the Franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the Franchise Agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum the Franchisee is required to pay.

   D. In accordance with IC 23-2-2.7-1(2), Item 12 of the Franchise Disclosure Document and the Franchise Agreement do not permit Franchisor to compete unfairly with Franchisee within a reasonable area.

   E. Item 13 of the Franchise Disclosure Document and the Franchise Agreement are amended to provide that Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.

F. In accordance with IC 23-2-2.7-1(7), Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to prohibit unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and the termination is not in bad faith.

G. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended subject to IC 23-2-2.7-1(9) to provide that the post-termination covenant not to compete contained therein shall have a geographical limitation of the territory or area of primary responsibility granted to Franchisee under the Franchise Agreement.

H. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to provide that, in the event of a conflict of law, Indiana law shall govern any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

I. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to provide that Franchisee may commence litigation in Indiana for any cause of action under Indiana law.

J. Subject to the Federal Arbitration Act, Item 17 of the Franchise Disclosure Document and the Franchise Agreement are deemed amended to provide that arbitration between Franchisor and Franchisee, shall be conducted in Indiana or at a mutually agreed upon location.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Indiana statute(s) applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IOWA ADDENDUM
Additional Information Required by the State of Iowa

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_______________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten (10) business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty (20) days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Body Alive Franchise, LLC, at 8110 Montgomery Rd. #3 Cincinnati, OH 45236 and (513) 635-2728, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: ____________________________
By: __________________________________
Print Name: ___________________________
Its: __________________________________
Date: ________________________________

MARYLAND ADDENDUM
Pursuant to the Maryland Franchise Registration and Disclosure Law

This will serve as the State Addendum for the State of Maryland for Body Alive Franchise, LLC Franchise Disclosure Document and for its Franchise Agreements. The amendments to the Franchise Agreement included in this Addendum have been agreed to by the parties.

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document and will apply to all franchises offered and sold under the laws of the State of Maryland:

1. Item 17 of the Franchise Disclosure Document is amended to state that the general release required under the Franchise Agreement as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

4. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to state that the provisions in the Franchise Agreement and Area Development Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to state that the laws of the State of Maryland may supersede the Franchise Agreement, in the areas of termination and renewal of the Franchise.

6. In the event franchisors are required to include unaudited financial statements in the Financial Disclosure, the following disclaimer must be included: "These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees Or Sellers Of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures Or Expressed An Opinion with Regard To Their Content Or Form."

7. The Franchise Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective

franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. Item 17 of the Franchise Disclosure Document and Article 23 of the Franchise Agreement, is amended to provide as follows: “Any lawsuit permitted under this Agreement shall be brought in the federal or state courts located in the State of Maryland.

9. If you are a resident of Maryland or the Franchised Business will be in Maryland, you will not pay your initial franchise fee to us until your business is open and we have completed all of our material pre-opening obligations to you. The Franchise Disclosure Document and the Franchise Agreement will be amended accordingly. Please review Item 11 for our pre-opening obligations. You may be required to have your bank verify that you have sufficient funds available at the time we sign the Franchise Agreement. The only condition on your obligation to pay the initial franchise fee is that we must complete all of our material pre-opening obligations to you.

MICHIGAN DISCLOSURE

This Addendum to the Franchise Disclosure Document and the Franchise Agreement includes the following:

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:

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

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

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (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, logo type, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (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 the State of Michigan. 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) 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.

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Michigan Attorney General's Office
Consumer Protection Division, Franchise Section
Attn: Katharyn Barron
525 W. Ottawa Street,
G. Mennen Williams Building, 1st Floor
P.O. Box 30213
Lansing, Michigan 48909
(517) 335-1935

MINNESOTA ADDENDUM
Pursuant to the Minnesota Franchise Investment Law

This Addendum to the Franchise Disclosure Document and the Franchise Agreement includes the following:

1. Item 13 of the Franchise Disclosure Document, and Article 6 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

   > "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Franchise Disclosure Document and Articles 4 and 18 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

   > "With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.21, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld."

3. Item 17 of the Disclosure Document and Article 23 of the Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

   > "Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Item 17 of the Franchise Disclosure Document and Articles 4 and 18 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

   "Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Any reference to liquidated damages in the Franchise Disclosure Document or Franchise Agreement are hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Section 23.4 of the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. The appropriate sections of the Franchise Disclosure Document and Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of $30 on an NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Disclosure Document and Franchise Agreement are hereby amended accordingly.

NEW YORK DEPARTMENT OF LAW ADDENDUM
Pursuant to the New York Franchise Sales Act

This Addendum to the Franchise Disclosure Document and the Franchise Agreement includes the following:

1. LITIGATION

Neither the Franchisor, its Predecessor nor any person listed under Item 2 or an Affiliate offering franchises under Franchisor's principal trademark:

(A) 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) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten (10) year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise; anti-fraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; unfair or deceptive practices; or comparable allegations.

(C) is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. BANKRUPTCY

Neither the Franchisor, its Affiliate, its predecessor, officers, or general partner during the ten (10) year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code (or any comparable foreign law); (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 one (1) year after the officer or general partner of the Franchisor held this position in the company or partnership.

3. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are is amended to add the following:

> The franchisee may terminate the agreement upon any grounds available by law. We will not assign our rights under the Franchise Agreement, except to an assignee who in our good faith and judgment is willing and able to assume our obligations under the Franchise Agreement. The New York Franchises Law requires that New York law govern any cause of action which arises under the New York Franchises Law. The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement that is inconsistent with that law. You must sign a general release when you renew the Franchise Agreement and in connection with any transfer under the Franchise Agreement. These provisions may not be enforceable under New York law. Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

3. When Franchisee receives an exclusive territory, if the Franchisor establishes another franchise in that exclusive territory that will use the Franchisor’s trade name or trademark, the Franchisee has the right to rescind or amend the Franchise Agreement.

4. Franchisees may terminate the Franchise Agreement on any ground available pursuant to New York law.

5. Assignees must be willing and able to assume the obligations of franchisor or condition renewal or assignment on release of claims.

6. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to add the following: The franchisee may terminate the agreement upon any grounds available by law. We will not assign our rights under the Franchise Agreement, except to an assignee who in our good faith and judgment is willing and able to assume our obligations under the Franchise Agreement. The New

York Franchises Law requires that New York law govern any cause of action which arises under the New York Franchises Law. The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement that is inconsistent with that law. You must sign a general release when you renew the Franchise Agreement and in connection with any transfer under the Franchise Agreement. These provisions may not be enforceable under New York law. Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

7. We will use the initial franchise fee for the purposes of covering the costs of selling the Franchise and other franchises, for your initial training, for general overhead, and for profit.

8. <u>REPRESENTATION OF NO UNTRUE STATEMENTS</u>

The Franchisor represents that this Franchise Disclosure Document does not knowingly omit any material fact or contain any untrue statement of material fact.

NORTH CAROLINA ADDENDUM
Additional Information Required by the State of North Carolina

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

NORTH DAKOTA ADDENDUM
Pursuant to the North Dakota Franchise Disclosure Act

This Addendum to the Franchise Disclosure Document and Franchise Agreement effectively amends and revises said documents as follows:

THE NORTH DAKOTA SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09) AND THE FOLLOWING MAY NOT BE ENFORCEABLE UNDER NORTH DAKOTA LAW:

1. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release as a condition of renewal or transfer of a franchise.

2. Covenants not to compete are considered contrary to NDCC Section 9-08-06 except in limited circumstances provided by law. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended accordingly.

3. Item 6 and Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to state that liquidated damages and/or termination penalties are prohibited by the laws of the State of North Dakota.

4. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to provide that the parties do not agree to the arbitration of disputes at a location that is remote from the site of the Franchisee's business.

5. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to state that any provision in the Franchise Agreement which designate jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue in a forum outside of North Dakota are deleted.

6. Item 17 of the Franchise Disclosure Document and the Franchise Agreement amended to state that the laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or Ohio law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law.

7. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to state that no release language set forth in the Franchise Agreement shall relieve us or our Affiliates from liability imposed by the North Dakota Franchise Disclosure Act. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions

are not contained in the Franchise Investment Law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 23 of the Franchise Agreement which require a franchisee to consent to (a) a waiver of trial by jury and (b) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 23 of the Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statutes of limitations under North Dakota law apply.

10. Provisions of the Franchise Agreement requiring (a) the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees; or (b) North Dakota franchisees to pay all costs and expenses incurred by the Franchisor in enforcing the Franchise Agreement are deleted.

11. Under North Dakota law, no modification or change we make to the Manual or method of operation may unilaterally affect your status, rights, or obligations under the Franchise Agreement.

OHIO
Additional Information Required by the State of Ohio

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement.

See the attached notice of cancellation for an explanation of this right.

Initials________________ Date____________

NOTICE OF CANCELLATION

________________ (enter date of transaction) You may cancel this transaction, without penalty or obligation, within five (5) business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten (10) business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to ____, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Date: _____________________________

Franchisee:

By: __________________________
Print Name: __________________
Its: __________________________

RHODE ISLAND ADDENDUM
Additional Information Required by the State of Rhode Island

In recognition of the requirements of the State of Rhode Island Franchise Investment Act §19-28.1 *et seq.* (the "Act"), the Franchise Disclosure Document for use in the State of Rhode Island is amended as follows:

1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

   > "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to state that termination of a Franchise Agreement as a result of Franchisee's insolvency or bankruptcy may not be enforceable under federal bankruptcy law.

3. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to state that any release signed as a condition of transfer or renewal will not apply to any claims you may have under the Rhode Island Franchise Investment Act.

SOUTH DAKOTA ADDENDUM
Additional Information Required by the State of South Dakota

This Addendum to the Franchise Disclosure Document and the Franchise Agreement include the following:

1. Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law. Item 17 of the Franchise Disclosure Document and the Franchise Agreement a are amended accordingly.

2. In the event that either party shall make demand for arbitration, such arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association. The Franchise Agreement are amended accordingly.

3. The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to state that such agreements will be and remain subject to the application, construction, enforcement and interpretation under the governing law of the state where the Franchise is located. Any provision of the Franchise Agreement which requires you to agree to jurisdiction and venue outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

4. Notwithstanding any term of the Franchise Agreement, we may not terminate the Franchise Agreement upon default without first affording you thirty (30) days' notice with an opportunity to cure the default within that time.

5. To the extent required by South Dakota law, all provisions giving any party a right to liquidated damages are hereby deleted from the Franchise Agreement and the parties shall be entitled to their actual damages instead.

COMMONWEALTH OF VIRGINIA ADDENDUM
Pursuant to the Virginia Retail Franchise Act

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Body Alive Franchise, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17 of the Franchise Disclosure Document annd the Franchise Agreement:

> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to him, her, or it under the Franchise, that provision may not be enforceable.

WASHINGTON ADDENDUM
Pursuant to the Washington Franchise Investment Protection Act

This Addendum to the Franchise Disclosure Document and the Franchise Agreement includes the following:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your Franchise.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. The Franchise Disclosure Document and the Franchise Agreement are amended accordingly.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. The Franchise Disclosure Document and the Franchise Agreement are amended accordingly.

4. Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable. The Franchise Disclosure Document and the Franchise Agreement are amended accordingly.

5. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer. The Franchise Disclosure Document and the Franchise Agreement are amended accordingly.

WISCONSIN ADDENDUM
Additional Information Required by the State of Wisconsin

This Addendum to the Franchise Disclosure Document and the Franchise Agreement includes the following:

1. For all franchisees residing in the State of Wisconsin, Franchisor must provide Franchisee at least ninety (90) days prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that Franchisee has sixty (60) days in which to cure any claimed deficiency. If the deficiency is cured within sixty (60) days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment or sums due under the Franchise, Franchisee will have ten (10) days to cure the deficiency.

2. For Wisconsin franchisees, the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which are inconsistent with the law.

FORM OF GENERAL RELEASE

FORM OF GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of ______________, 20___ by and between Body Alive Franchise, LLC, an Ohio Limited Liability Company, with an address at 8110 Montgomery Rd. #3 Cincinnati, OH 45236 (the "Franchisor"), and ___________________, a _____________ with a principal address at _______________________ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor:**
   Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any Affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, member, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any Affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor will pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim,

demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Ohio law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal Developers of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein and said action must be filed in the State of Ohio.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

Witness:	RELEASOR:
____________________________	____________________________ (Name)
Witness:	Body Alive Franchise, LLC:
____________________________	By:________________________ Name:______________________ Title:_______________________

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT & QUESTIONNAIRE

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT & QUESTIONNAIRE

As you know, Body Alive Franchise, LLC (the "Franchisor") and you are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a Body Alive Studio Business (the "Franchised Business"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized Developers of the Franchisor, or by employees or authorized Developers of a broker acting on behalf of the Franchisor ("Broker") that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a Developer of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

If you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or Developer of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

   Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor Developer on ______________, 20___. Please identify the individual you had first face-to-face meeting with_______________________.

3. Have you received a copy of the Franchise Agreement?

   Yes _____ No _____

4. Did you sign a receipt for the Disclosure Document indicating the date you received it?

   Yes _____ No _____

5. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

   Yes _____ No _____

6. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

   Yes _____ No _____

7. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? ____

   ____

   ____

I signed the Franchise Agreement and Addendum (if any) on _______________, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

In addition, by signing this Questionnaire, you also acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or Developers, nor any other person or entity associated with you, is:

a) a person or entity listed in the Annex to the Executive Order;

b) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

c) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

d) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or Developers, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this _____ day of ________________, 20____.

Sign here if you are taking the franchise as an INDIVIDUAL

____
Signature

Print Name______________________

____
Signature

Print Name______________________

____
Signature

Print Name______________________

____
Signature

Print Name______________________

Sign here if you are acquiring the franchise as a CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

____
Print Name of Legal Entity

By:____________________________

____
Signature

Print Name______________________

Title___________________________

SBA ADDENDUM

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on ________, 20____, by and between Body Alive Franchise, LLC ("Franchisor"), located at 8110 Montgomery Rd. #3 Cincinnati, OH 45236, and ________ ("Franchisee"), located at ____________________.

Franchisor and Franchisee entered into a Franchise Agreement on ______________20___, (such Agreement, together with any amendments, the "Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchises equity interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchisee Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the Franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the Franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Developer of Body Alive Franchise, LLC (FRANCHISOR):

By: ____________________________

Print Name: ____________________

Title: __________________________

Authorized Developer of ____________________ (FRANCHISEE):

By: ____________________________

Print Name: ____________________

Title: __________________________

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the ______________ (type of agreement) system must meet all SBA eligibility requirements.

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the

Federal Trade Commission’s (FTC’s) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

AUTHORIZATION AND INSTRUCTIONS
REGARDING CREDIT AND BACKGROUND CHECKS

AUTHORIZATION AND INSTRUCTIONS
REGARDING CREDIT AND BACKGROUND CHECKS

TO WHOM IT MAY CONCERN:

I, the undersigned individual, have: (i) made, or am considering making, an application to become a Body Alive Studio franchisee under the Body Alive Studio franchise system administered by Body Alive Franchise, LLC (hereinafter referred to as "Franchisor"); (ii) entered into a Franchise Agreement with Franchisor or (iii) agreed to act as guarantor for such an applicant/franchisee.

I hereby authorize Franchisor and credit reporting agencies (a) to make credit and background checks on me by, among other means, obtaining consumer reports from consumer reporting agencies, and by making direct inquiries of businesses where I have accounts and where I worked, and other sources, and (b) to report concerning any performance with Franchisor to consumer reporting agencies and others who may properly receive such information.

I hereby instruct any individual or entity, whether or not a consumer reporting agency, to provide any and all pertinent information they may have regarding me to Franchisor in response to any inquiry or request from Franchisor pursuant to the foregoing authorization. In that regard, this document shall constitute and be deemed to be my "written instructions" pursuant to Section 604(a)(2) of the Fair Credit Reporting Act.

It is my intention that the authorizations and instructions contained herein shall continuously remain in full force and effect so long as I have any application pending with or obligation owing to Body Alive Franchise, LLC.

A xerographic or other copy of this authorization and instruction shall be valid, and shall have the same force and effect as one originally signed by me provided that it has been certified as a true and correct copy by an authorized officer, employee or agent of Franchisor.

Applicant	**Co-Applicant or Guarantor**
______________________________	______________________________
Signature	Signature
______________________________	______________________________
Name Printed	Name Printed
______________________________	______________________________
Street Address	Street Address
______________________________	______________________________
City/State/Postal Code	City/State/Postal Code
Date: ______________________	Date: ______________________
Social Security #: xxx-xx-__________	Social Security #: xxx-xx-__________
Date of Birth: __________________	Date of Birth: __________________
Home Phone #: __________________	Home Phone #: __________________
Drivers License # : _______________	Drivers License # : _______________

I hereby certify that this is a true and correct copy of the authorization and instruction signed by __________________________ on the ____ day of _________________, 20__.

Authorized officer, employee or agent of Body Alive Franchise, LLC

STATE EFFECTIVE DATES

The following states require that this Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Disclosure Document is either registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	N/A
Connecticut	N/A
Florida	N/A
Hawaii	N/A
Georgia	N/A
Illinois	N/A
Indiana	N/A
Kentucky	N/A
Louisiana	N/A
Maine	N/A
Maryland	N/A
Michigan	N/A
Minnesota	N/A
Nebraska	N/A
New York	N/A
North Carolina	N/A
North Dakota	N/A
Rhode Island	N/A
South Carolina	N/A
South Dakota	N/A
Texas	N/A
Utah	N/A
Virginia	N/A
Washington	N/A
Wisconsin	N/A

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

RECEIPT

ACKNOWLEDGEMENT OF RECEIPT FOR FDD
Franchise Disclosure Document [FDD]
Body Alive Franchise, LLC

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Body Alive Franchise, LLC offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement with or make a payment to the franchisor or an Affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Wisconsin and Oregon require that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Body Alive Franchise, 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, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is Body Alive Franchise, LLC, located at 8110 Montgomery Rd. #3 Cincinnati, OH 45236. Its telephone number is (513) 635-2728

Issuance date: December 1, 2025.

The name, principal business address and telephone number of the franchise seller for this offering is: Paul Bain, 8110 Montgomery Rd. #3 Cincinnati, OH 45236, (513) 635-2728.

Body Alive Franchise, LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated **December 1, 2025** that included the following Exhibits:

A – List of State Agencies/Agents for Service of Process	G – Multi-State Addendum
B – Franchise Agreement	H– Form of General Release
C – List of Franchisees s	I– Franchisee Disclosure Acknowledgment Statement
D – List of Franchisees	J – SBA Addendum
E – Financial Statements	K – Consent for Credit and Background Check
F – Operations Manual Table of Contents	L – Receipt

[SIGNATURE PAGE FOLLOWS]

Date:____________________ (Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

RETURN THIS SIGNED FORM TO THE FRANCHISOR. Return the signed receipt either by signing, dating and mailing it to Body Alive Franchise, LLC, 8110 Montgomery Rd. #3 Cincinnati, OH 45236, or by emailing a copy of the signed and dated receipt to Body Alive Franchise, LLC at franchise@bodyalivefitness.com.

RECEIPT

ACKNOWLEDGEMENT OF RECEIPT FOR FDD

Franchise Disclosure Document [FDD]

Body Alive Franchise, LLC

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Body Alive Franchise, LLC offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement with or make a payment to the franchisor or an Affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Wisconsin and Oregon require that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Body Alive Franchise, 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, DC 20580 and the appropriate state agency listed on Exhibit A.

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F – Operations Manual Table of Contents	L – Receipt

[SIGNATURE PAGE FOLLOWS]

Date:____________________
(Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

THIS SIGNED FORM REMAINS WITH THE FRANCHISE APPLICANT