Curves®

FRANCHISE DISCLOSURE DOCUMENT

CURVES NA, INC.
a Texas corporation
400 Schroeder Drive
Waco, Texas 76710
254-399-9285
buycurves@curves.com
www.curves.com

The franchisee will operate a thirty-minute fitness and weight-loss club to offer instruction to the public on weight reduction and fitness.

The initial investment necessary to begin operation of a Curves franchised business ranges from $71,173 to 100,375. This includes $53,775 to $57,525 that must be paid to the franchisor or affiliate. This sum does not include any real estate costs.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Franchise Development at 400 Schroeder Drive, Waco, Texas 76710 (254) 399-9285, Franchisedevelopment@curves.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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: May 12, 2022

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Attachment B
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 A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Curves 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 Curves franchisee?	Item 20 or Attachment C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. Registration of a franchise by the state does not mean that the state recommends the franchise or has verified the information in this disclosure document. to find out if your state has a registration requirement, or to contact your state, use the agency information in Attachment A.

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

Special Risks to Consider About *This* Franchise

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

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

   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.

2. **a. Mandatory minimum payments**. You must make minimum royalty and advertising fund payments regardless of your sales level. Your inability to make payments may result in termination of your franchise and loss of your investment.

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

   c. **Turnover rate** In the last year, a large number of franchised outlets (40) ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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B. List of our Current Franchise Locations

C. List of Franchisees Who Have Left the System

Item 1.

The Franchisor and any Parents, Predecessors, and Affiliates

To simplify the language in this Disclosure Document, "**Franchisor**", "**we**", "**us**" or "**our**" means CURVES NA, INC. "**You**," "**your**" and "**Franchisee**" means the person who is buying the franchise. If you are a corporation, partnership or limited liability company, "Franchisee," "you," or "your" includes any person with an ownership interest in the corporation, partnership or limited liability company (hereinafter referred to as an "**Owner**").

We are a Texas corporation that was incorporated in February 2018. We maintain our principal place of business at 400 Schroeder Drive, Waco, Texas 76710. We do business under our corporate name and under the names *Curves*®. We do not engage in any other business activity. Our agents for service of process are listed on Attachment A.

On or about March 30, 2018, our parent, Curves DF Holdings, Inc., acquired a 100% interest in us. Curves DF Holdings, Inc. is a Texas corporation that was incorporated in March 2018. The principal business address of Curves DF Holdings, Inc. is 400 Schroeder Drive, Waco, Texas 76710. Curves DF Holdings, Inc. does not offer, and has never offered, any franchises in any lines of business, nor does Curves DF Holdings, Inc. perform services or sell products to our franchisees. Curves DF Holdings, Inc. is majorly owned and controlled by Elizabeth Krishea Holloway, our President as listed in Item 2.

Elizabeth Krishea Holloway purchased Curves DF Holdings, Inc. from NCP-Curves, L.P. effective August 15, 2019. NCP-Curves, L.P. is partially owned and controlled by NCP-Curves G.P., L.L.C., a Delaware limited liability company formed on June 29, 2012, with a principal business address of 183 East Putnam Avenue, Greenwich, Connecticut 06830.

Our predecessor was Curves International, Inc., a Texas corporation that was incorporated in October 1995. On or about March 30, 2018, Curves Holdings Co., Ltd. acquired a 100% interest in Curves International, Inc. As part of that transaction, we entered into a Master Franchise Agreement, whereby we are the Master Franchisee for the North American region and have the exclusive right to grant *Curves*® franchises in the United States and Canada. Curves International, Inc. does not offer, and has never offered, any franchises in any other lines of business.

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Three C's, Inc., a Nevada corporation formed in April 2004 as Member Dues for Curves, Inc., is owned by Curves DF Holdings, Inc. and is our affiliate. The principal business address of Three C's Inc. is 400 Schroeder Drive, Waco, Texas 76710. Three C's, Inc. does not offer, and has never offered, any franchises in any lines of business. Three C's, Inc. operates three *Curves*® franchises, opening one located in Minnesota on March 1, 2020, second location in Waco, Texas on August 31, 2020, and third location in Austin, Texas on December 3, 2020. Three C's, Inc. does not operate any other businesses similar to the *Curves*® franchises.

We are in the business of granting and providing services to our franchisees consisting of the opportunity to open and operate a thirty-minute fitness and weight-loss club (hereinafter "**Club**") under the *Curves*® trade names, trademarks and system of operating procedures (hereinafter "**Curves System**") (the "**Franchise**"). References to either *Curves*® within this Disclosure Document are the same. Curves International, Inc. has offered *Curves*® franchises since October 1995; we have offered *Curves*® franchises since April 2018 pursuant to our Master Franchise Agreement. We do not own or operate any franchises for an extended period of time. Other than the co-branded *Curves®/Jenny Craig*® ("**Curves Co-Brand franchises**") which Curves International, Inc. began offering in the United States and Canada in October 2014, and which we took over as franchisor on March 30, 2018, we do not sell franchises in other lines of business. As of December 31, 2021, there are 3 Curves Co-Brand franchises sold in the United States and 1 in Canada.

We will grant you the right to operate one (1) Club at a location specified in the Franchise Agreement found in this Disclosure Document as Exhibit B. You will offer thirty-minute fitness and weight-loss services to the public as an independently owned and operated entity using our system of operations, logos and trademarks. We will advise and assist you in the following areas to enhance your ability to open and operate a Club: site selection; training you and your staff; designing and laying out an efficient Club.

Your competitors include other national fitness chains and weight-loss clubs and local fitness and weight-loss clubs. You will offer your services in a developed market. We believe the fitness and weight-loss programs we provide for you will give you a distinctive product in comparison to your competition and thus provide you with a competitive edge in the fitness and weight-loss industry for women.

There are no specific national standards regulating the fitness or weight-loss industry or the franchise except that the FTC maintains rules and regulations regarding advertising related to weight-loss products and services. Many states have laws regulating fitness club contracts, weight-loss instruction, weight-loss products, operations and licenses. These regulations vary from state to state and could affect your operations.

Item 2.

Business Experience

Chief Executive Officer, President and Director: Elizabeth Krishea Holloway

Ms. Holloway has served as our President since November 2018. From April 2014 to November 2018, Ms. Holloway served as the Vice President and Senior Director of Curves International, Inc. Ms. Holloway's previous positions with Curves International, Inc. included: Director of Franchise Development (2012 to 2013), Resale Coordinator (2009 to 2012) and Area Director (2007 to 2009). Ms. Holloway also was a *Curves*® franchisee from 1998 to 2010.

Vice President: Amanda Merriam

Ms. Merriam has served as our Vice President since July 2019. Ms. Merriam previously served as our Director of Training from September 2013 to July 2019.

Director of Information Systems: Katy Bauer

Ms. Bauer has served as our Director of Information Systems since July 2019. She previously served as our Senior Manager of Global Applications & Communication from February 2017 to July 2019. From April 2013 to February 2017, Ms. Bauer served as Operations OS Specialist for Curves International, Inc. Ms. Bauer's previous positions with Curves International, Inc. included: Area Director (August 2006 to April 2013) and Special Projects Mentor (February 2003 to August 2006). Ms. Bauer also was a multi-unit *Curves*® franchise Owner/Manager from 2002 to 2014.

Item 3.

Litigation

Harold M. Hoffman, et al v. Curves International, Inc.; Docket No. BER-L-229-15; In the Superior Court of New Jersey Bergen County–Law Division. On January 12, 2015, Plaintiff filed a putative class action on behalf of himself and other consumer purchasers, alleging receipt of an unsolicited and unwanted email from Curves International, Inc. which was allegedly difficult to unsubscribe from. Plaintiff is seeking recovery of an unspecified amount of damages for alleged violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-2, including unconscionable commercial practice, deception, fraud, concealment or omission of a material fact, and conversion. On December 8, 2015, the parties entered an agreement wherein Curves International, Inc. paid a settlement amount of $15,000 to Plaintiff.

Anne Armstrong, et al. v. Curves International, Inc., et al. Case No. 15SL-CC01852 filed in the Circuit Court of the County of St. Louis, State of Missouri. On June 1, 2015, an action was filed against Curves International, Inc. by franchisees and former franchisees in the Circuit Court of the County of St. Louis, State of Missouri.

Curves International, Inc. filed a Notice of Removal on June 25, 2015, and this case was moved to the U.S. District Court, Eastern District of Missouri, Eastern Division and assigned Case No. 4:15-cv-01006-TCM. In response to a Motion to Dismiss filed by Curves International, Inc. on September 9, 2015, plaintiffs filed a Notice of Partial Dismissal on September 16, 2015, and agreed to have their action transferred to the U.S. District Court, Western District of Texas, Waco Division and assigned Case No. 6:15-cv-00294-WSS.

In their action, franchisees and former franchisees allege that they were induced to buy a Curves franchise by false and misleading information provided by Curves International, Inc. in violation of the Texas Business Opportunities Act and the Texas Deceptive Trade Practices–Consumer Protection Act. Additionally, plaintiffs allege that once they began operating their franchises, Curves International, Inc. violated the implied covenant of good faith and fair dealing and breached their contracts by not providing assistance, concealed facts and took affirmative actions that hurt each plaintiff, all in violation of the Texas Business Opportunities Act, the Texas Deceptive Trade Practices-Consumer Protection Act, and Federal Trade Commission Regulations. This lawsuit went to trial on April 10, 2017. The jury returned a verdict in favor of the plaintiffs. The parties entered a settlement agreement wherein Curves International, Inc. settled with each plaintiff for approximately an average of $11,765.

Bonita Arruda, ET AL. v. Curves International, Inc. ET AL. Case No. 6:20-CV-00092-ADA-JCM filed in United States District Court Western District of Texas. On February 7, 2020, an action was filed against Curves International, Inc. by former franchisees in the United States District Court of Texas Waco Division. On July 27, 2020, the District Court in the Western District of Texas granted Defendants' Motion to Dismiss the amended complaint. On August 28, 2020, Plaintiffs' Appealed this Judgment to the Court of Appeals for the Fifth Circuit. On February 3, 2021, Defendants filed Appellee's Brief. The Court has not yet issued an opinion or set the matter for oral argument. Jury trial is set for July 25, 2022.

BV Boomers, Inc. and Tonya Grandmaiter v. Curves NA, Inc. ET AL. Cause No. 2020-2624-5 filed in the District Court 414th Judicial District, McLennan County, Texas. On August 21, 2020, an action was filed against Curves NA, Inc. by former franchisees alleging that Curves breached franchise agreements with Plaintiffs by failing to provide adequate support to franchisees. On November 20, 2020, Curves moved to dismiss the amended Petition. The motion is pending before the Court. No hearing date has been set.

Curves NA, Inc. v. Bonnellie Group, LLC & Nell Nguyen, Individually Cause No. 2021-30454-5 in the 414th Judicial District of McLennan County, Texas. On October 1, 2021, We filed suit against Nell Nguyen seeking recovery of damages plus interest for breach of contract (non-payment of fees). On April 22, 2022, a Default Judgment was granted to US against Bonnellie Group, LLC & Nell Guyen, Individually for $5,390.00 in actual and liquidated damages plus interest, $1,637.75 in attorney and $314.00 in court cost.

Curves NA, Inc. v. Christopher M. Lotey, Individually and D/B/A Mohawk Valley Curves. Cause No. **20211034CV3** filed in the County Court of Law Number 3, McLennan County, Texas. On October 4, 2021, We filed suit against a former franchisee seeking recovery of damages plus interest for breach of contract (non-payment of fees). On May 6, 2022, a default judgment was granted to Us against Mr. Lotey for $13,289.50 for liquidated damages plus interest, attorney fees and $314.00 court cost.

Curves NA, Inc. v. Perrault, LLC and Virginia Lee Halvorsen, Individually Cause No. 2020-3812-5 in 414th Judicial District of McLennan County, Texas. We filed suit against a former franchisee seeking recovery damages plus interest for breach of contract (non-payment of fees). On April 22, 2022, a Default Judgment was granted to Us against Mrs. Halvorsen for $12,678.65 in actual and liquidated damages plus interest, $3,132.75 in attorney's fees and $314.00 in court cost.

Curves NA, Inc. v. Kathy Waddell Yarbrough and Marvin Wayne Yarbrough, Individually d/b/a J& JY, LLC Civil Action No. SUCV2021001581 in Superior Court of Bartow County, Georgia. We filed suit against former franchisees seeking recovery damages plus interest for breach of contract (non-payment of fees). On April 25, 2022, Order and Judgment was granted to Us against the defendants for $12,243.31 principal, $2,916.43 pre-judgment interest plus continuing interest at 18% per annum and $1,451.97 in attorney's fees plus court cost.

Other than these actions, no litigation is required to be disclosed in this item this item.

Item 4.
Bankruptcy

No bankruptcy actions are required to be disclosed in this Item.

Item 5.
Initial Fees

Application Fee

You must pay a one-time non-refundable Application Fee of $500, which is subject to increase at our discretion, to review application documents and conduct recruitment process.

Initial Franchise Fee

If you are purchasing a new Franchise from us, you must pay us an Initial Franchise Fee of $50,000 for the grant of a Franchise, which includes franchise rights (including all intellectual property licenses, territory rights), training, pre-opening services, document preparation, processing and equipment. Except as provided below, this one-time fee is uniformly applied to new Franchises purchased from us. Your payment of the Initial Franchise Fee provides the grant of the *Curves*® Franchise for the term of the Franchise period in accordance with the terms and conditions of the Franchise Agreement. The Initial Franchise Fee is not refundable, in whole or in part. The total amount of the Initial Franchise Fee is due and payable upon execution of the Franchise Agreement. You may be able to finance the Initial Franchise Fee through us. See Item 10 for more information on financing the Initial Franchise Fee through us.

If you are a veteran or a former member of the U.S. Armed Forces and were honorably discharged, and you are purchasing a new Franchise from us, then we will reduce your Initial Franchise Fee by $2,500 for an Initial Franchise Fee of $47,500

Curves Equipment Delivery Fee

Upon execution of the Franchise Agreement, you are required to pay us for all costs and expenses we incur in connection with delivering the Curves Equipment to your Club ("**Delivery Fee**"). The exact amount of the Delivery Fee varies (currently ranging from $2,500 to $5,000) but will be calculated based upon the costs we incur to package and deliver the Curves Equipment to your Club. The Delivery Fee is not refundable under any circumstances.

Curves Required Operating System

As of the date of this Disclosure Document, you must obtain, currently at no initial fee, Curves required operating system from us direct. A portion of the monthly Technology Fee you pay will cover the continuing license, use and services of Curves required operating system. You must maintain and use required operating system for the duration of your Franchise Agreement.

Technology Fee

You must pay us a continuing monthly fee of $275, which fee is subject to increase at our discretion, ("**Technology Fee**") for the license, service, support of Curves required operating system, Curves required email access and proprietary intranet access. A portion of the Technology Fee may be paid to third party vendors.

Initial Training Registration Fees

If you are purchasing a new Franchise from us, prior to opening your Club for business, you, your Key Staff (as defined in Item 11) and other personnel are required to attend and successfully complete certain training with regards to the Curves System. Certain registration fees for our required training programs are included in the Initial Franchise Fee. However, you may incur additional registration fees for personnel and Owners at an estimated cost of between $0 and $300. See Items 6 and 11 for additional information.

If you are acquiring a Franchise through the transfer of an existing Club, you will pay us a Training Fee in the amount of $5,500 prior to the transfer of any interests in the Franchise to you. Before you take over the operation of your Club, you, your Key Staff (as defined in Item 11) and other personnel are required to attend and successfully complete certain training with regards to the Curves System. Certain registration fees for our required training programs are included in the Training Fee. However, you may incur additional registration fees for personnel and Owners at an estimated cost of between $0 to $300. See Items 6 and 11 for additional information.

Site Evaluation Fee

If an on-site evaluation is deemed necessary and appropriate by us (on our own initiative or at your request) for any Club to be established, we reserve the right to charge you a site evaluation fee at an estimated cost of $0 to $1250 (see Item 7).

We may not grant a Franchise to an area with a population less than 5,000 based on the latest census. We have the sole right to determine whether or not to grant a Franchise to an area depending upon population using some of the following factors, although we do retain the right to consider other factors as well: demographics of territory, size of territory, location of surrounding *Curves*® Franchises, proposed rent amount of location site (if available) and any experience you may have working in or owning a *Curves*® Franchise. You cannot open your Club if we have not approved the location site of your Club.

In the event you do not open your Club within one hundred eighty (180) days from the date of execution of the Franchise Agreement in accordance with Section 5 of the Franchise Agreement, we will have the right to terminate the Franchise Agreement without refunding any part of the Initial Franchise Fee.

You will be responsible for any sales or excise tax, goods and services tax, and/or any other tax applicable to the purchase of the *Curves*® Franchise and/or Curves Equipment and in respect of its on-going business.

Item 6.

OTHER FEES

New Sale
(Purchasing a new Franchise from us)

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Monthly Royalty Fee (See Note 1)	7.5% of the previous month's Gross Sales (see Note 5 for definition) for your Franchise subject to the minimum monthly royalty fee of $375 (See Note 2)	On or after the 1st day of each month (See Note 2)	Should you continue to operate your Club after the expiration of your Franchise Agreement, the Monthly Royalty Fee will automatically increase to 10% of the previous month's Gross Sales (See Note 2)
Monthly Advertising Fee (See Note 1)	2% of the previous month's Gross Sales (see Note 5 for definition) for your Franchise subject to in the minimum monthly advertising fee of $175. (See Note 3)	On or after the 20th day of each month (See Note 3)	(See Note 3)
		Upon execution of	

Training Fees (See Note 1)	$5,500 (See Note 5)	the Franchise Agreement	(See Note 5)
Relocation Fee (See Note 1)	$500	Prior to any relocation of your Club	You must pay this fee to us and receive written approval from us prior to relocating your Club.
Delay of Opening Fee (See Note 1)	$1,500	On demand	Applies if you change the date of opening your Club after the date has already been approved by us. The Delay of Opening Fee will also be charged to you if your opening date is postponed because you do not have 100 new member appointments set up for your opening week.
Indemnification (See Note 1)	Will vary depending upon loss	On demand	You must indemnify us if we incur losses arising out of the operation of your business.
Fee for our Audit of your Franchise (See Note 1)	Cost of audit if you understated Gross Sales by more than 2% and any unpaid fees owed to us	Within 7 days of being invoiced by us	You must pay any unpaid fees and the costs of the audit if you understated Gross Sales by more than 2%.
Escrow Fee (See Note 1)	$1,800	Prior to the transfer	You must pay this fee to us in escrow to pay for any unpaid amounts owed to us during the process of the transfer.
Assignment Fee (See Note 1)	$1,000	Prior to the assignment	You must pay this fee to us when you assign your Franchise to any LLC, S-Corp, C-Corp, or other entity owned by you. If you add a partner, member, or other owner to your business, you must pay the Training Fee for all new partners, members, or other new owners. If the original owner is removed from the Franchise Agreement, a Transfer Fee will also be charged.
Onboarding Certification Fee	Then-current fee; currently, $150 per person	On demand	Certain individuals associated with your Franchise must successfully complete this training. Two complimentary registration fees are provided as part of the Initial Franchise Fee. See Item 11 for additional information.
Health and Wellness Certification	Then-current fee; currently, $50 per person	On demand	Certain individuals associated with your Franchise must successfully complete this training. Two complimentary registration fees are provided as part of the Initial Franchise Fee. See Item 11 for additional information.

Training for replacement staff	Then-current fee; currently, $500 per person	On demand	You may incur this fee during the term of your Franchise Agreement if you replace or hire new Key Staff or personnel. See Item 11 for additional information.
Renewal Fee (See Note 1)	Amount equal to twenty-five percent (25%) of the then-current initial franchise fee applicable to a new Franchise	Prior to the renewal	If we grant a renewal of your Franchise, you must pay this fee to us as part of the renewal process.
Monitoring Fee (See Note 1)	$250 per month per item of non-compliance	On demand	Only assessed if you do not comply with the requirements we establish for the operation of your Franchise.
Brand Protection Fee (See Note 1)	$350 per month per item of non-compliance	On demand	Only assessed when you are not in compliance and is for damages caused to our brand.
Technology Fee	$275 per month	On or after the 1st day of every month	You must pay a monthly fee for technology fee payable to us.
Late Fee (See Note 1)	10% annually (See Note 4)	On demand	Applies to any fee owed to us under the Franchise Agreement that is more than 5 days late. The highest interest rate allowed by law in California for late fee payments is 10% annually.
Interest (See Note 1)	The highest rate allowable by law on any balance unpaid by more than 30 days	On demand	Payable on all overdue amounts.
Non-Compliance Damages (See Note 1)	The remaining months on the term of your Franchise Agreement multiplied by an average of the last 6 months of Monthly Royalty Fees, or if your Club has been open less than 6 months, an average of the Monthly Royalty Fees since your Club has been open.	On demand	Payable to us if your Franchise Agreement is terminated due to your default or breach.
Insurance	Cost of Insurance	On demand	If you fail to obtain or maintain the required insurance, we may obtain insurance and seek reimbursement from you for insurance, including late charges.
Inspection and Evaluation of Suppliers and Products	Varies, depending upon the cost to us for the inspection and evaluation	On demand	If you request an alternate supplier or products.
Transfer Fee (See Note 1)	$5,000	Prior to transfer	Prior to our consent to a proposed transfer of your Franchise to a proposed assignee, you must pay us this fee.

Notes:

1. All fees are imposed by us and are payable to us unless we tell you otherwise. All fees are non-refundable. All fees imposed by us are uniformly imposed on all franchisees subject to the offering in this Disclosure Document; however, we reserve the right to waive or reduce any such fees as circumstances warrant.

2. The Monthly Royalty Fee shall commence either upon the opening of your Club for business to the general public or the expiration of 180 days from the Effective Date of your Franchise Agreement, whichever occurs first. You must open your Club for business to the general public no later than 180 days from the Effective Date of your Franchise Agreement. Monthly Royalty Fees shall be paid by electronic funds transfer initiated by us from your bank account or in any other form that we require in accordance with your Franchise Agreement. Regardless of the previous month's Gross Sales for your Franchise, in no event will the Monthly Royalty Fee be less than $375.

3. The Monthly Advertising Fee shall commence either upon the opening of your Club to the general public or the expiration of 180 days from the Effective Date of your Franchise Agreement, whichever occurs first. You must open your Club for business to the general public no later than 180 days from the Effective Date of your Franchise Agreement. Monthly Advertising Fees shall be paid by electronic funds transfer initiated by us from your bank account or in any other form that we require in accordance with your Franchise Agreement. Regardless of the previous month's Gross Sales for your Franchise, in no event will the Monthly Advertising Fee be less than $175. All advertising fund contributions and interest, dividends and other amounts earned thereon shall be used exclusively on national, regional or local media or other marketing techniques or programs designated to communicate the services of the Franchises to the public in our sole discretion, as well as for any creation and production costs incurred by us and for any reasonable accounting, administrative and legal expenses associated with the advertising fund and for other purposes deemed appropriate by us to enhance and promote the general recognition of our Franchises. The allocation of the advertising fund between national, regional and local expenditures and administrative expenditures will be made by us in our sole business judgment.

4. The highest interest rate allowed by law in California for late fee payments is ten percent (10%) annually.

5. If we are granting you a Franchise due to a transfer of any interests of the Franchise by one of our existing franchisees, whether by purchase or by gift or otherwise, you shall remit to us the sum of $5,500 ("**Training Fee**") prior to execution of the Franchise Agreement.

   After expiration of the six-month period following the Effective Date of your Franchise Agreement (The current registration fee for the Initial Training Program is $500 per Initial Training Program attended by your Key Staff, personnel or Owners after the six-month period following the Effective Date of your Franchise Agreement has expired. The current registration fee for the Onboarding Certification is $150 per individual after the six-month period following the Effective Date of your Franchise Agreement has expired. These fees are subject to change at our discretion. All training fees are payable by you to us and are nonrefundable.

6. The term "**Gross Sales**" means all sums received or receivable by you, directly or indirectly, in and from the operation of your Club, including all revenues generated from any and all sources on account of the sale of memberships, any products and goods, and from the rendering of any service of any kind or nature, at or from your Club, or under, or in any way connected with the use of the Curves Marks (as defined in Item 13 below), whether for cash, check, credit, trade or otherwise, without reserve or deduction for your inability or failure to collect the same. The term "Gross Sales" does not include: (1) any federal, state, municipal or other sales, value added or retailer's excise taxes that you pay or accrue, and (2) any discounts, refunds, rebates, over-rings or allowances you give to members or customers in good faith.

Resale
(Acquiring a Franchise through a transfer of an existing Club)

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Monthly Royalty Fee (See Note 1)	7.5% of the previous month's Gross Sales (see Note 5 for definition) for your Franchise subject to a minimum monthly royalty fee of $375. (See Note 2)	On or after the 1st day of each month (See Note 2)	Should you continue to operate your Club after the expiration of your Franchise Agreement, the Monthly Royalty Fee will automatically increase to 10% of the previous month's Gross Sales (See Note 2)
Monthly Advertising Fee (See Note 1)	2% of the previous month's Gross Sales (see Note 5 for definition) for your Franchise subject to a minimum monthly advertising fee of $175. (See Note 3)	On or after the 20th day of each month (See Note 3)	(See Note 3)
Training Fees (See Note 1)	$5,500 (See Note 4)	Upon execution of the Franchise Agreement	(See Note 4)
Onboarding Certification Fee	Then-current fee; currently, $150 per person	On demand	Certain individuals associated with your Franchise must successfully complete this training. Two complimentary registration fees are provided as part of the Initial Franchise Fee. See Item 11 for additional information.
Health and Wellness Certification	Then-current fee; currently, $50 per person	On demand	Certain individuals associated with your Franchise must successfully complete this training. Two complimentary registration fees are provided as part of the Initial Franchise Fee. See Item 11 for additional information.
Curves Operating System Training Fee	Then-current fee; currently, there is no fee	On demand	Certain individuals associated with your Franchise must successfully complete this training. See Item 11 for additional information.
Training for Replacement Staff	Then-current fee; currently, $500 per person	On demand	You may incur this fee during the term of your Franchise Agreement if you replace or hire new Key Staff or personnel. See Item 11 for additional information.
Application Fee	$500	On demand	Nonrefundable
Relocation Fee (See Note 1)	$500	Prior to any relocation of your Club	You must pay this fee to us and receive written approval from us prior to relocating your Club.
Delay of Opening Fee (See Note 1)	$1,500	On demand	Applies if you change the date of opening your franchise after the date has already been approved by us.
Indemnification (See Note 1)	Will vary depending upon loss	On demand	You must indemnify us if we incur losses arising out of the operation of your business.

Fee for our Audit of your Franchise (See Note 1)	Cost of audit if you understated Gross Sales by more than 2% and any unpaid fees owed to us	Within 7 days of being invoiced by us	You must pay any unpaid fees and the costs of the audit if you understated Gross Sales by more than 2%.
Escrow Fee (See Note 1)	$1,800	Prior to the transfer	You must pay this fee to us in escrow to pay for any unpaid amounts owed to us during the process of the transfer.
Assignment Fee (See Note 1)	$1,000	Prior to the assignment	You must pay this fee to us when you assign your Franchise to any LLC, S-Corp, C-Corp, or other entity owned by you. If you add a partner, member, or other owner to your business, you must pay the Training Fee for all new partners, members, or other new owners. If the original owner is removed from the Franchise Agreement, a Transfer Fee will also be charged.
Renewal Fee (See Note 1)	Amount equal to twenty-five percent (25%) of the then-current initial franchise fee applicable to a new Franchise	Prior to the renewal	If we grant a renewal of your Franchise, you must pay this fee to us as part of the renewal process.
Monitoring Fee (See Note 1)	$250 per month	On demand	Only assessed if you do not comply with the requirements we establish for the operation of your Franchise.
Brand Protection Fee (See Note 1)	$350 per month per item of non-compliance	On demand	Only assessed when you are not in compliance and is for damages caused to our brand.
Technology Fee (See Note 1)	$275 per month	On or after the 1st day of every month	You must pay monthly for the term of your Franchise Agreement
Late Fee (See Note 1)	10% annually (See Note 5)	On demand	Applies to any fee owed under the Franchise Agreement that is more than 5 days late. The highest interest rate allowed by law in California for late payments is 10% annually.
Interest (See Note 1)	The highest rate allowable by law on any balance unpaid by more than 30 days	On demand	Payable on all overdue amounts.
Non-Compliance Damages (See Note 1)	The remaining months on the term of your Franchise Agreement multiplied by an average of the last 6 months of Monthly Royalty Fees, or if your Club has been open less than 6 months, an average of the Monthly Royalty Fees since your Club has been open.	On demand	Payable to us if your Franchise Agreement is terminated due to your default or breach.
Insurance	Cost of Insurance	On demand	If you fail to obtain or maintain the required insurance, we may obtain insurance and seek reimbursement from you for insurance, including late charges.
Inspection and Evaluation of	Varies, depending upon the cost to us for the inspection	On demand	If you request an alternate supplier or products.

Suppliers and Products	and evaluation		
Transfer Fee (See Note 1)	$5,000	Prior to transfer	Prior to our consent to a proposed transfer of your Franchise to a proposed assignee, you must pay us this fee.

Notes:

1. All fees are imposed by us and are payable to us unless we tell you otherwise. All fees are non-refundable. All fees imposed by us are uniformly imposed on all franchisees subject to the offering in this Disclosure Document; however, we reserve the right to waive or reduce any such fees as circumstances warrant.

2. The Monthly Royalty Fee shall commence upon you taking over the operation of your Club. Monthly Royalty Fees shall be paid by electronic funds transfer initiated by us from your bank account or in any other form that we require in accordance with the Franchise Agreement. Regardless of the previous month's Gross Sales for your Franchise, in no event will the Monthly Royalty Fee be less than $375.

3. The Monthly Advertising Fee shall commence upon you taking over the operation of your Club. Monthly Advertising Fees shall be paid by electronic funds transfer initiated by us from your bank account or in any other form that we require in accordance with the Franchise Agreement. Regardless of the previous month's Gross Sales for your Franchise, in no event will the Monthly Advertising Fee be less than $175. All advertising fund contributions and interest, dividends and other amounts earned thereon shall be used exclusively on national, regional or local media or other marketing techniques or programs designated to communicate the services of the Franchises to the public in our sole discretion, as well as for any creation and production costs incurred by us and for any reasonable accounting, administrative and legal expenses associated with the advertising fund and for other purposes deemed appropriate by us to enhance and promote the general recognition of our Franchises. The allocation of the advertising fund between national, regional and local expenditures and administrative expenditures will be made by us in our sole business judgment.

4. If we are granting you a Franchise due to a transfer of any interests of the Franchise by one of our existing franchisees, whether by purchase or by gift or otherwise, you shall remit to us the sum of ($5,500) ("**Training Fee**") prior to execution of the Franchise Agreement.

   After expiration of the six-month period following the Effective Date of your Franchise Agreement (discussed in Item 5 above) during which we grant certain free registration fees, you may incur additional training fees during the term of your Franchise Agreement if you replace or hire new Key Staff or personnel as more fully set out in Item 11. The current registration fee for the Initial Training Program is $500 per Initial Training Program attended by your Key Staff, personnel or Owners after the six-month period following the Effective Date of your Franchise Agreement has expired. There is currently no registration fee for the Curves operating system training but that is subject to change at our discretion. The current registration fee for the Onboarding Certification is $150 per individual after the six-month period following the Effective Date of your Franchise Agreement has expired. Your cost for registration fees will depend upon how many Key Staff and/or personnel you replace or hire during the term of your Franchise Agreement. These fees are subject to change at our discretion. All training fees are payable by you to us and are nonrefundable.

5. The highest interest rate allowed by law in California for late fee payments is ten percent (10%) annually.

6. The term "**Gross Sales**" means all sums received or receivable by you, directly or indirectly, in and from the operation of your Club, including all revenues generated from any and all sources on account of the sale of memberships, any products and goods, and from the rendering of any service of any kind or nature, at or from your Club, or under, or in any way connected with the use of the Curves Marks (as defined in Item 13 below), whether for cash, check, credit, trade or otherwise, without reserve or deduction for your inability or failure to collect the same. The term "Gross Sales" does not include: (1) any federal, state, municipal or other sales,

value added or retailer's excise taxes that you pay or accrue, and (2) any discounts, refunds, rebates, over-rings or allowances you give to members or customers in good faith.

Item 7.

YOUR ESTIMATED INITIAL INVESTMENT

New Sale
(Purchasing a new Franchise from us)

(1) Type of Expenditure	(2) Amount		(3) Method of Payment	(4) When Due	(5) To Whom Payment is to Be Made
	Lowest Estimated Amount	Highest Estimated Amount			
Initial Franchise Fee	$50,000	$50,000	(See Note 1)	(See Note 1)	Us
Application Fee	$500	$500	As Arranged	As Arranged	Us
Travel and Living Expenses While Training (See Note 2)	$1,500	$4,500	As Arranged	As Incurred	Independent Vendor
Real Property (Owned or Leased)	(See Note 3)	(See Note 3)	(See Note 3)	(See Note 3)	(See Note 3)
Site Evaluation (See Note 4)	$0	$750	As Arranged	As Incurred	Us
Furniture (See Note 5)	$1,500	$3,000	As Arranged	When Arranged	Independent Vendors
Technology Fee (See Note 6)	$275	$275	(See Note 8)	On or after the 1st of each month	Us
TV/Sound Bar System (See Note 7)	$550	$1,000	As Arranged	When Arranged	Independent Vendors
Supplies (See Note 8)	$500	$1,000	As Arranged	As Incurred	Us and/or Independent Vendors
Computer (See Note 9)	$500	$1,000	As Arranged	When Arranged	Independent Vendors
Signs	$1,000	$3,000	As Arranged	When Arranged	Independent Vendor
Advertising Grand Opening Advertising (See Note 10)	$5,000	$7,000	As Arranged	As Incurred	Independent Vendors
Deposits (See Note 11)	$2,000	$6,000	As Arranged	As Incurred	Independent Vendors
Insurance (See Note 12)	$2,000	$2,500	As Arranged	When Arranged	Independent Carrier

Business Registration (See Note 13)	$0	$500	As Arranged	As Incurred	Government Agency
Professional Fees (See Note 14)	$1,000	$3,000	As Arranged	When Arranged	Independent Vendors
Curves Equipment Delivery Fee	$2,500	$5,000	As Arranged	Upon execution of the Franchise Agreement	Us
The Evolt 360 Body Composition Scanner (See Note 15)	$307.47	$5,650	As Arranged	When Arranged	Independent Vendor
Evolt License Fee (See Note 16)	$150	$150	As Arranged	On or after the 1st of each month	Independent Vendor
Evot Training and Delivery Fee (See Note 17)	$300	$300	As Arranged	When Arranged	Independent Vendor
MyZone Switch Heart Rate/Fitness Hardware (See Note 18)	$499	$600	As Arranged	When Arranged	Independent Vendor
MZ-Switch License Fee (See Note 19)	$150	$150	As Arranged	On or after the 1st of each month	Independent Vendor
MZ-Switch Trackers (See Note 20)	$70 per tracker	$70 per Tracker	As Arranged	When Arranged	Independent Vendor
Additional Funds - 3 Months (See Note 21)	$1,500	$4,500	Cash	As Incurred	Various Payees
Total	$71,731	$100,375			

(Does not include real estate costs.)

Notes:

1. You must pay us the total amount of the Initial Franchise Fee ($50,000/$47,500) if you are a veteran of the U.S. Armed Forces), upon execution of the Franchise Agreement unless we agree to finance a portion of the Initial Franchise Fee based upon the financing terms outlined in Item 10.

   All payments for the Initial Franchise Fee and any other fees owed to us under the terms of your Franchise Agreement must be paid by a cashier's check, or any other method as required by us in accordance with the Franchise Agreement, payable to us in Waco, Texas. The Initial Franchise Fee is non-refundable.

2. Franchisee is responsible for all costs and expenses Franchisee, Franchisee's owners, Key Staff and personnel incur to attend the Initial Training Program and any other required training. Franchisee should allow at least $1,500 to $4,500 for travel, lodging, food and other miscellaneous living expenses incurred during training. Franchisee's actual cost will vary, depending on the distance to be traveled, Franchisee's method of travel, and Franchisee's personal circumstances. You and certain of your personnel must

successfully complete our required training programs. Certain training registration fees are included as part of the Initial Franchise Fee. This estimate assumes that 2-3 individuals associated with your Franchise will attend our required training programs. If additional individuals associated with your Franchise attend training, you may incur additional registration fees. All registration fees are payable by you to us and are nonrefundable. See Item 11 for additional information.

3. If Franchisee does not own building space for Franchisee's Club, Franchisee must lease or purchase the business premises for Franchisee's Club. Too many variables exist to provide an estimate for the cost of real estate, including buying versus renting space, the geographic location of Franchisee's Club, the size and layout of the space and Franchisee's personal preference as to space and accessories, to ascertain an exact cost for real estate. Franchisor recommends the size of the space for Franchisee's Club to be no less than 1,200 square feet. Franchisor recommends the space for Franchisee's Club be located in a secondary rent location to reduce Franchisee's monthly rent. Franchisor must consent to Franchisee's location site before Franchisee signs a lease and opens Franchisee's Club.

4. If an on-site evaluation is deemed necessary and appropriate by us (on our own initiative or at your request) for any Club to be established, we reserve the right to charge you a site evaluation fee at an estimated cost of $0 to $1250.

5. You may be required to purchase a consultation table, desk, and other specified furniture that is approved to our specifications from a third-party vendor. You may purchase any other type of furniture or miscellaneous items you prefer.

6. You must pay us a continuing monthly Technology Fee of $275, which is subject to increase at our discretion, for the license, service and support of the Curves required operating system, Curves required email access, and proprietary intranet access. A portion of the Technology Fee may be paid to third party vendors.

7. You must purchase up to two 60-inch-wide LED/SMART flat-panel television, a two-channel sound bar system, and a camera which meets our standards and specifications at the cost of approximately $550-$1,000.

8. This estimate includes estimated expense for purchasing the supplies or materials necessary for commencing operation of your Club. You must purchase all supplies and materials we designate, including, but not limited to, the forms, writing materials, office supplies, (including an operating system scanner), posters and weight information devices, from us, one of our affiliates, or a third-party we designate. As of the date of this disclosure document, all fees for supplies or materials are paid to third-party vendors.

9. You must purchase, install and maintain active any computer system, network infrastructure, phone system, scanner and printer (including software, operating systems and computer hardware) we designate as meeting our standards and specifications. We may designate a third-party supplier or other approved suppliers (if any) from which you must purchase the necessary computer hardware and equipment to operate the operating software created by us for our franchisees' use in the operation of their Clubs ("or any other operating system required by us. As of the date of this Disclosure Document, you are required to obtain, currently at no initial fee, the Curves required operating system from us. The estimates presented in the table above do not include any shipping costs or taxes.

10. Within ninety (90) days of the Effective Date of the Franchise Agreement, you are required to expend not less than $5,000 with our preferred marketing vendors or with a vendor approved by us in accordance with Sections 5A and 6C of the Franchise Agreement in conjunction with the initial grand opening of your Club. You are also required to expend not less than $250 per month on local advertising with our preferred marketing vendors or with a vendor approved by us in accordance with Section 8D of the Franchise Agreement.

11. This estimate includes estimated expenses for security deposits, utility costs and deposits, music licensing fees, or any other similar deposits.

12. You will need to purchase and maintain in effect at all times during the term of your Franchise Agreement, a policy or policies of insurance, naming us as an additional insured on the face of each policy, including public liability in no less than the following amounts: bodily injury - $1,000,000 each person; $1,000,000 each accident, and property damage - $1,000,000 each accident. Additionally, as we deem necessary, we may require you to purchase cyber liability insurance ($500,000 each incident) and employment practices liability insurance ($500,000 each incident). You must also purchase workers' compensation and automobile liability insurance as required by state law. You must provide proof of all required insurance to Curves.

13. You may be required to register your business with your state government and local agencies. They may charge a fee for registration.

14. You should consult an attorney or accountant or both to advise you before you sign the Franchise Agreement. You may also incur incorporation fees or other similar fees.

15. You must purchase The Evolt 360 Body Composition Scanner for five thousand six hundred fifty ($5,650) or three hundred two and forty-seven cents ($302.47) for thirty-six month prior to the opening to opening of your club or first availability of third-party vendor. As of the date of this disclosure document, all fees for supplies and hardware are purchased from approved third-party vendor.

16. You must pay for delivery and training fee of three hundred ($300) plus taxes for Evolt 360 scanner. As of the date of this disclosure, all fees for delivery and training are purchased from approved third-party vendor.

17. You must pay a continuing monthly Evolt license Fee of $150 for the license, service, support of the Evolt 360 Body Composition Scanner software. The license fee is paid to third-party vendors.

18. You must purchase MyZone Switch Heart Rate/Fitness Hardware for four hundred ninety-nine ($499) prior to opening your club or first availability for third-party vendor. As of the date of this disclosure document, all fees for supplies and hardware are purchased from a third-party vendor.

19. You must pay a continuing monthly MZ-Switch license fee of of $150 for the license, service, support of the MZ-Switch tracker is to be paid to approved third-party vendors.

20. You must purchase MZ-Switch Trackers for seventy ($70) per tracker from approved third-party vendor,

21. We recommend that you have additional funds available during the start-up phase of your franchise. These amounts are our estimates of the amounts needed to cover your expenses for a 3-month period from the date you open your Club for business to the general public. These figures are only estimates. We cannot guarantee that you will not incur additional expenses starting your franchise. Your costs will depend on factors such as how much you follow our system and procedures, your management skills and experience, local economic conditions, the local market for the products and services offered by your Club, the prevailing wage rate, competition, the amount of the initial investment you decide to finance, and the sales level reached during the initial period.

    This total is based on our 20 plus years of experience in granting franchises. You should review this amount carefully with a business advisor before deciding to purchase a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting or operating your Club.

Resale
(Acquiring a Franchise through a transfer of an existing Club)

(1) Type of Expenditure	**(2) Amount**		**(3) Method of Payment**	**(4) When Due**	**(5) To Whom Payment is to Be Made**
	Lowest Estimated Amount	**Highest Estimated Amount**			
Purchase Price of the Franchise	(See Note 1)	(See Note 1)	(See Note 1)	(See Note 1)	Franchise Seller
Application Fee	$500	$500	As Arranged	As Arranged	Us
Travel and Living Expenses While Training (See Note 2)	$1,500	$4,500	As Arranged	As Incurred	Independent Vendor
Real Estate Property (owned or leased)	(See Note 3)	(See Note 3)	(See Note 3)	(See Note 3)	(See Note 3)
Site Evaluation (See Note 4)	$0	$750	As Arranged	As Incurred	Us
Training Fee (See Note 5)	$5,500	$5,500	(See Note 1)	(See Note 5)	Us
Furniture (See Note 6)	$0	$3,000	As Arranged	When Arranged	Independent Vendors
Technology Fee (See Note 7)	$275	$275	(See Note 7)	On or after the 1st of each month	Us
TV/Sound Bar System (See Note 8)	$0	$1,000	As Arranged	On first day of execution	Independent Vendors
The Evolt 360 Body Composition Scanner (See Note 9)	$307.47	$5,650	As Arranged	When Arranged	Independent Vendor
Evolt License Fee (See Note 10)	$150	$150	As Arranged	On or after the 1st of each month	Independent Vendor
MyZone Switch Heart Rate/Fitness Hardware (See Note 11)	$499	$600	As Arranged	When Arranged	Independent Vendor
MZ-Switch License Fee (See Note 12)	$150	$150	As Arranged	On or after the 1st of each month	Independent Vendor
MZ-Switch Trackers (See Note 13)	$70 per tracker	$70 per Tracker	As Arranged	When Arranged	Independent Vendor
Supplies (See Note 14)	$0	$1,000	As Arranged	As Incurred	Us and/or Independent Vendors
Computer (See Note	$0	$1,000	As Arranged	When Arranged	Independent

15)					Vendors
Advertising (See Note 16)	$2,500	$5,000	Cash	As Incurred	Independent Vendors
Deposits (See Note 17)	$2,000	$6,000	As Arranged	As Incurred	Independent Vendors
Signs (See Note 18)	$0	$3,000	As Arranged	When Arranged	Independent Vendor
Insurance (See Note 19)	$1,000	$2,000	As Arranged	When Arranged	Independent Carrier
Business Registration (See Note 20)	$0	$500	As Arranged	As Incurred	Government Agency
Professional Fees (See Note 21)	$1,000	$3,000	As Arranged	When Arranged	Independent Vendors
Curves Equipment Delivery Fee	$0	$5,000	(See Note 1)	On execution of the Franchise Agreement	Us
Total	$15,751	$48,945			

(Does not include real estate costs.)

Notes:

1. Franchisee will pay the Franchise seller for the purchase of the Franchise pursuant to the terms and conditions of the buy-sell agreement or contract signed by and between Franchisee and the Franchise seller.

   All payments and fees owed to us under the terms of the Franchise Agreement must be paid by a cashier's check, or any other method as required by us in accordance with the Franchise Agreement, payable to us in Waco, Texas.

2. Franchisee is responsible for all costs and expenses Franchisee, Franchisee's owners, Key Staff and personnel incur to attend the Initial Training Program and any other required training. Franchisee should allow at least $1,500 to $4,500 for travel, lodging, food and other miscellaneous living expenses incurred during training. Franchisee's actual costs will vary, depending on the distance to be traveled, Franchisee's method of travel, and Franchisee's personal circumstances.

3. If Franchisee does not own building space for Franchisee's Club, Franchisee must lease or purchase the business premises for Franchisee's Club. Too many variables exist to provide an estimate for the cost of real estate, including buying versus renting space, the geographic location of Franchisee's Club, the size and layout of the space and Franchisee's personal preference as to space and accessories, to ascertain an exact cost for real estate. Franchisor recommends the size of the space for Franchisee's Club to be no less than 1,200 square feet. Franchisor recommends the space for Franchisee's Club be located in a secondary rent location to reduce Franchisee's monthly rent. Franchisor must consent to Franchisee's location site before Franchisee signs a lease and opens Franchisee's Club.

4. If an on-site evaluation is deemed necessary and appropriate by us (on our own initiative or at your request) for any Club to be established, we reserve the right to charge you a site evaluation fee at an estimated cost of $0 to $1250.

5. Franchisee is required to pay Franchisor a Training Fee of $5,500. The Training Fee is due and payable prior to the signing of the Franchise Agreement by electronic funds transfer or cashier's check or in any other form Franchisor may require. You and certain of your personnel must successfully complete our required training programs. Certain training registration fees are included as part of the Training Fee. This estimate assumes that 2-3 individuals associated with your Franchise will attend our required training programs. If additional individuals associated with your Franchise attend training, you may incur additional registration fees. All registration fees are payable by you to us and are nonrefundable. See Item 11 for additional information.

6. If you are acquiring a Franchise through the transfer of an existing Club, Franchisor may require Franchisee to purchase a consultation table, desk, or other furniture that is approved to Franchisor's specifications from a third-party vendor. Franchisee may purchase any other type of furniture or miscellaneous items Franchisee prefers.

7. Franchisee must pay us a continuing monthly Technology Fee of $275, which is subject to increase at our discretion, for the license, service, support of the Curves required operating system, Curves required email access and proprietary intranet access. A portion of the Technology Fee may be paid to third party vendors.

8. If you are acquiring a Franchise through a transfer of an existing Club, we may require you to purchase up to two 60-inch-wide LED/SMART flat-panel televisions, a two-channel sound bar system, and a camera which meets our standards and specifications in an approximate amount of up to $1,000.

9. If you are acquiring a Franchise through a transfer of an existing Club, you must purchase The Evolt 360 Body Composition Scanner if the existing club does not have scanner in the existing club at the time of your purchase of the club. You must purchase within 90 days from the date of execution of your franchise agreement or first availability for third-party vendor. As of the date of this disclosure document, all fees for supplies and hardware are purchased from a third-party vendor.

10. You must pay a continuing monthly Evolt license Fee of $150 for the license, service, support of the Evolt 360 Body Composition Scanner software. The license fee is paid to third-party vendors.

11. If you are acquiring a Franchise through a transfer of an existing Club, you must purchase MyZone Switch Heart Rate/Fitness Hardware if the existing club does not have MyZone in the existing club location at the time of your purchase of the club. You must purchase within 90 days from the date of execution of your franchise agreement or first availability for third-party vendor. As of the date of this disclosure document, all fees for supplies and hardware are purchased from a third-party vendor.

12. You must pay a continuing monthly MZ-Switch license fee of of $150 for the license, service, support of the MZ-Switch tracker is to be paid to approved third-party vendors.

13. If you are acquiring a Franchise through a transfer of an existing Club, you must purchase MZ-Switch Trackers for $70 per Tracker. You must purchase within 90 days from the date of execution of your franchise agreement. As of the date of this disclosure document, all fees for supplies and hardware are purchased from a third-party vendor

14. If you are acquiring a Franchise through a transfer of an existing Club, we may require you to purchase additional supplies and materials we designate, including, but not limited to, forms, writing materials, office supplies, scanner, posters and weight information devices, from us, one of our affiliates, or a third-party we designate. As of the date of this disclosure document, all fees for supplies and materials are purchased from a third-party vendor.

15. If you are acquiring a Franchise through a transfer of an existing Club, we may require you to purchase or replace, and install and maintain active, any computer system, network infrastructure, phone system

and printer (including software, operating systems and computer hardware) we designate as meeting our standards and specifications. We may designate a third-party supplier or other approved suppliers (if any) from which you must purchase or replace the necessary computer hardware and equipment to operate the operating software created by us for our franchisees' use in the operation of their Clubs or any other operating system as specified by us. You are required to obtain Curves required operating system from us. There is no initial fee for required operating system. The estimates presented in the table above do not include any shipping costs or taxes.

16. If you are acquiring a Franchise through the transfer of an existing Club, within ninety (90) days of the Effective Date of the Franchise Agreement, you are required to expend not less than $2,500 with our preferred marketing vendors or with a vendor approved by us in accordance with Sections 5A and 6C of the Franchise Agreement in conjunction with the initial re-grand opening of your Club. You are also required to expend not less than $250 per month on local advertising with our preferred marketing vendors or with a vendor approved by us in accordance with Section 8D of the Franchise Agreement.

17. This estimate includes estimated expenses for security deposits, utility costs and deposits, incorporation and other professional fees, music licensing fees, or any requirements by Franchisee's locality as to any type of permits or licensing.

18. Within ninety (90) days of the Effective Date of your Franchise Agreement, we may require you to remove and destroy any outdated or unapproved exterior signage and replace it with signage reflecting the current image of the Curves System. Your actual cost will vary depending on the signage currently at the Club, permit requirements and installation costs.

19. Franchisee will need to purchase and maintain in effect at all times during the Term of the Franchise Agreement, a policy or policies of insurance, naming Franchisor as an additional insured on the face of each policy, including public liability in no less than the following amounts: bodily injury - 1,000,000 each person; 1,000,000 each accident, and property damage - 1,000,000 each accident. Additionally, as we deem necessary, we require Franchisee to purchase cyber liability insurance (500,000 each incident) and employment practices liability insurance (500,000 each incident). Franchisee must also purchase workers' compensation and automobile liability insurance as required by state law.

20. You may be required to register Your business with Your state government and local agencies. They may charge a fee for registration.

21. You should consult an attorney or accountant or both to advise You before You sign the Franchise Agreement. You may also incur incorporation fees or other similar fees.

22. Franchisor recommends that Franchisee have additional funds available during the transition phase of Franchisee's Franchise to ensure Franchisee can cover any unexpected costs related to the transition of the business from the previous owner.

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None of the payments made to Franchisor are refundable under any conditions.

Item 8.

Restrictions on Sources of Products and Services

To ensure a uniform image and uniform quality of products and services throughout the Curves System, Franchisee must maintain and comply with Franchisor's quality standards. Franchisor will provide Franchisee with Franchisor's confidential operations manual as same may be amended and revised from time to time, including all bulletins, supplements, ancillary manuals, videos, digital video or versatile discs, compact discs, video or audio cassettes and any electronic medium (collectively, "**Curves Confidential Operations Manual**") that will contain these standards. As Franchisor determines trends in the marketplace or develop new marketing techniques, technologies, products and services, Franchisor anticipates that it will develop and modify its standards as Franchisor considers appropriate and useful, and notify Franchisee through amendments to the Manuals, newsletters or other bulletins. Currently the "Curves Confidential Operations Manual" is located on company intranet and is username and password protected.

Fixtures, Equipment, Furniture & Signs

Franchisee must construct and develop Franchisee's Club consistent with Franchisor's specifications and standards. Franchisee must ensure that the specifications and standards comply with the Americans with Disability Act and all other applicable federal, state and local laws, ordinances, building codes, permit requirements and lease requirements and restrictions.

Franchisee must purchase a sign for Franchisee's Club specifically approved by Franchisor. Franchisor's approval is based upon Franchisor's desire to provide the public with consistency in the design and appearance of Franchisor's trademark. Franchisee may purchase its sign from an approved local vendor.

Franchisee must purchase all exercise equipment which Franchisor may require from time to time only from Franchisor or from a source Franchisor designates. Franchisor may receive revenue or material considerations on any required purchases in the event Franchisor requires Franchisee to purchase any additional equipment or products.

We grant approval to alternative suppliers, other than for products and/or supplies with our Curves Marks (as defined in Item 13 below), based on the quality and value of the product provided by the alternative supplier. Since we do not require you to purchase from the suppliers in this paragraph, we do not actively consider additional suppliers for approval, and as a result, do not have any procedures for approving alternate suppliers or products. An approval may be revoked if the product or service does not meet the quality we deem as necessary for our franchisees or if we can provide to our franchisees a better product or service. We do not issue specifications and standards to our franchisees or approved suppliers. We currently have not negotiated purchase arrangements with suppliers, including price terms, for the benefit of our franchisees. We do not provide any benefits to our franchisees based on our franchisees' purchases of particular products or services or use of particular suppliers

Supplier and Product Approval

Franchisee must purchase all health and fitness products, and inventory only from Franchisor or from a source Franchisor designates. Required purchases in the on-going operation of Franchisee's Club are minimal. Franchisee may be required to purchase certain health and fitness products, including circuit mats, bars, product displays, Franchisor-branded clothing and miscellaneous accessory items. Franchisee must purchase computer hardware and software, printer, scanner, phone, two 60-inch-wide televisions, two channel sound bar, universal mount, USB cable, stereo, and camera from independent vendors for the operation of Franchisee's Club.

Franchisee can only purchase products and/or supplies with Franchisor's trademark or logo from Franchisor or Franchisor's designated vendor. Franchisee's purchase of these products and/or supplies with Franchisor's trademark or logo will represent a varied percentage of Franchisee's overall purchases in operating Franchisee's Club depending on how much Franchisee wants to spend. Franchisor does not consider alternative suppliers for products and/or supplies with Franchisor's trademark or logo.

Advertising and Promotional Approval

Franchisee must use only Franchisor's approved advertising and promotional materials in promoting Franchisee's Club. If Franchisee develops its own advertising and promotional materials, Franchisee must obtain Franchisor's written consent to these materials prior to use. No advertising materials can be distributed by Franchisee in any medium or channel or to any consumer segment without Franchisor's prior written approval.

Computer Hardware and Software

Franchisee must purchase a computer system (including the software, operating systems, and computer hardware) that meets Franchisor's standards and specifications. Franchisor may designate a third-party supplier or other approved suppliers (if any) from which Franchisee must obtain Franchisee's computer system and designated operating system. Franchisee is required to obtain the operating system for Franchisor. There is no initial fee for the operating system. Franchisee must pay Franchisor the monthly Technology Fee (currently, $250 per month), which, in part, gives Franchisee the right to use the operating system.

Miscellaneous

You must purchase credit card or debit transaction processing services from our approved supplier, Paragon Payment Solutions. You are not required to purchase these products from Paragon, Paragon pays us 5 cents per transaction.

You may purchase branded products and clothing from approved vendor, RD Promo & Sourcing. You are not required to purchase these products and clothing from RD Promo & Sourcing; however, they are the only approved supplier of branded clothing and certain other products. We currently receive a 5% rebate from RD Promo & Sourcing based upon product purchased by our franchisees.

You may sell purchase options via the club management system, which integrate with our approved vendor Intelivideo. You are not required to retail those purchase options that are integrated with Intelivideo; however, it is strongly advised to incorporate virtual and hybrid business opportunities. We currently receive 0.75 cents rebate from Intelivideo based upon product retailed by our franchisees.

You must purchase The Evolt 360 Body Composition Scanner from approved vendor and related services from our approved vendor, Evolt. We currently receive a rebate of 5% on machine and insight license fee.

You must purchase MyZone Switch Heart Rate/Fitness Trackers and related services from our approved vendor, MyZone. We currently receive a rebate based on a sliding scale: up to 59 active franchisee licenses = 7% rebate and/or 60+ active franchisee licenses = 10%. Additionally, we currently receive a minimum MZ-Switch rebate of 7% based upon product purchased by our franchisees.

During last fiscal year ending April 30, 2022, we received $835,581 in revenue from our Curves Franchisees from purchases of goods, products and services from us, our affiliates or any third-party suppliers representing 25% of our total revenue of $3,366,885.

Other than the ownership interest held by Elizabeth Krishea Holloway in us and our affiliates, our officers do not own an interest in any of our approved suppliers.

We estimate that the purchase of equipment (including the Computer System hardware and software), signs, fixtures, furnishings, supplies, inventory and advertising and sales promotions materials which meet our specifications will represent approximately 52% to 60% of the total cost to develop your club. We estimate that the purchase or lease of supplies, inventory and advertising and sales promotions materials which meet our specifications will represent approximately 9% to 10% of the total cost to operate your Center.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Document.

Obligation	*Section in Agreement*	*Disclosure Document Item*
a. Site selection and acquisition/lease	Section 4	Items 7, 11 and12
b. Pre-opening purchases/leases	Sections 4, 5 and 10	Item 7
c. Site development and other pre-opening requirements	Sections 4, 5, 7, 10 and 16	Items 7 and 11
d. Initial and ongoing training	Section 11	Item 11
e. Opening	Section 5	Items 6, 7 and 11
f. Fees	Sections 2, 3, 4D, 5A, 6H, 7A, 11, 12, and 18	Items 5, 6, 7 and 11
g. Compliance with standards and policies/operating manual	Sections 6, 7, 8, 9C, 10, and 11	Items 11 and 16
h. Trademarks and proprietary information	Section 8, 9C, 14 and 22	Items 13 and 14
i. Restrictions on products/services offered	Sections 1B, 6, 9, and 10	Items 8 and 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Not Applicable	Not Applicable
l. Ongoing product/service purchases	Sections 6 and 9	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Sections 6, 8 and 10	Items 7, 8 and 11
n. Insurance	Section 16	Item 7
o. Advertising	Section 8	Items 6, 7, 8 and 11
p. Indemnification	Section 16	Items 6, 13 and 14
q. Owner's participation/management/staffing	Sections 5C, 6K, 10, and 11	Items 7, 11 and 15
r. Records and reports	Sections 12E and 13	Items 6, and 11
s. Inspections and audits	Sections 6L and 13	Item 6
t. Transfer	Section 18	Item 17
u. Renewal	Section 2	Item 17
v. Post-termination obligations	Section 21	Item 17
w. Non-competition covenants	Section 22	Item 17
x. Dispute resolution	Section 23	Item 17

Item 10.

Financing

At our sole discretion, we may finance up to 50% of the Initial Franchise Fee for a period not to exceed 24 months at an interest rate of whichever is less between 10% per annum or the highest rate allowed by law, which, if financing the full 50% of the Initial Franchise Fee, would be a monthly payment of between $1,153.62 and $1,049.80, depending upon the amount of the Initial Franchise Fee. Note payments must be made by electronic funds transfer. We require a security interest, usually secured by the equipment, any real estate, stocks and bonds, or other collateral as we deem appropriate. In our Secured Promissory Note ("Note") (an example of our Note is attached as Exhibit C), you must waive your rights to certain notices of a collection action whereby we can immediately seek payment of outstanding balances if you default on the Note, but you do not waive any defenses in any Note. If you are a corporation, your principal shareholders must personally guarantee the debt. You may prepay the Note at any time without penalty. If you default, we can accelerate the payments on the Note, calling the full amount of the Note due. If we call the Note, the remaining principal and any accrued, unpaid interest will become due and payable to us. If you do not pay the entire balance, you may be responsible for court costs and attorneys' fees we incur in collecting the debt. We may terminate your Franchise Agreement if you do not pay us. We have not, nor do we intend to, sell, assign or discount to a third party any part of our financing arrangements with you or our franchisees. We do not receive any payments from any person for the placement of financing with such person. We do not guarantee any Notes, leases or obligations.

Item 11

Franchisor's Assistance, Advertising, Computer Systems, and Training

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

Pre-Opening Assistance. Before you open your Club for business to the general public, we will:

1. Designate your Franchised territory (Franchise Agreement, Exhibit A).

2. Approve your location site considering, among other factors, the location site in relation to your Franchised Territory (as defined in Item 12 below) and in relation to the distance from other Curves franchises. We must approve your location site before you can open your Club for business to the general public. You are solely responsible for site selection and securing a lease for the premises of your Club. You must have your Club completed and furnished in accordance with our specifications prior to opening your Club (Franchise Agreement, Section 4A). Unless otherwise approved in writing by us, if you do not open your Club within 180 days from the Effective Date of the Franchise Agreement, we have the right to terminate the Franchise Agreement without refunding any part of the Initial Franchise Fee. (Franchise Agreement, Section 3B).

3. Designate the opening date (if you purchase a new Franchise from us) of your Club (Franchise Agreement, Section 5A).

4. Advise as to methods of training staff to work in and assist in operating your Club (Franchise Agreement, Section 11).

5. Assist in the plan or office design of your Club, showing the location of equipment for an efficient use of equipment and utilization of space (Franchise Agreement, Sections 6, 9 and 10).

6. Provide you with the necessary equipment and Curves Confidential Operations Manual set out in the Franchise Agreement to open your Club for business to the general public (Franchise Agreement, Section 9 and Exhibit B). You may view the Curves Confidential Operations Manual before you purchase your Franchise.

7. Advise as to promotion and advertising of your Club. Approve all grand opening advertising and marketing materials and your grand opening plan if you purchase a new Franchise from us. (Franchise Agreement, Sections 5 and 8).

8. Provide you, your Owners, Key Staff and personnel with the Initial Training Program and other required

training as described in this Item 11 below (Franchise Agreement, Sections 9 and 11).

Ongoing Assistance. During your operation of your Club, we will:

1. Provide such advertising assistance and support as we deem appropriate (Franchise Agreement, Sections 8 and 9)

2. Provide and update our list of approved supplies and suppliers (Franchise Agreement, Sections 6, 9 and 10).

3. Provide such ongoing support and assistance as we deem necessary (Franchise Agreement, Section 11).

4. Provide such additional virtual or live training and/or periodic seminars as we deem appropriate (Franchise Agreement, Section 11).

Advertising Programs

We provide national advertising to you through a national advertising fund ("**Advertising Fund**") in any of the following forms, including, but not limited to: print, online, electronic media, email campaigns, and/or texting campaigns. We use outside advertising agencies to create and place advertising based on our brand needs. Neither we, nor any of our affiliates, receive payments, other than reimbursements, from the Advertising Fund. We are not required to spend any amounts on advertising in the specific territory where you are located; however, we generally use the Advertising Fund for national advertising in an effort to benefit all *Curves*® franchises. The Advertising Fund is used to promote the products and services sold by *Curves*® Franchises and is not used to sell additional *Curves*® franchises. You must contribute two percent of your previous month's Gross Sales for your Franchise subject to in the minimum monthly advertising fee of $175.00. You must contribute two percent of your previous month's Gross Sales for your Franchise subject to in the minimum monthly advertising fee of $175.

Through the Advertising Fund, we also provide you with advertisements for use in local advertising. You may only use the advertisements that we approve in writing or that we provide to you.

The Advertising Fund is a separate fund which collects advertising fees from all franchisees according to each franchise agreement. If we own any *Curves*® locations in the United States, we will also contribute to the Advertising Fund on the same basis as the franchisees. All fees collected under the Advertising Fund must be used for advertising including all costs associated with the development of advertising, promotion, and marketing of goods and services provided to the public by *Curves*® franchises. Any advertising fees that are not spent in the same year that they accrue will be used in subsequent years for advertising. You must contribute the amounts described in Item 6, under the heading "Advertising Fees and Expenses." We do not have an advertising council composed of franchisees that advises us on advertising policies.

The Advertising Fund is administered by our accounting personnel through the direction of our marketing personnel. An audited financial statement for the Advertising Fund is available to you upon written request after 120 days from the end of the last fiscal year. During the last fiscal year of 2021 , the Advertising Fund spent 44% of its income on media placement, including agency commissions, 22 % for the production of advertisements, websites and other promotional materials, and 21% for administrative expenses and all other expenses (i.e., fees for outside services, a company that administers a help desk for our *Curves*® franchisee website and costs associated with marketing research). We do not use any funds from the Advertising Fund principally to solicit new franchise sales. (Franchise Agreement, Section 8).

If you purchase a new Franchise from us, you must spend a minimum of $5,000 on grand opening advertising in connection with a grand opening plan for your Center that we approve. The majority of this advertising will come prior to your scheduled opening date. Costs do not include Marketing Materials which are additional as outlined above.

You are also required to expend not less than an average of $250 per month on a three-month rolling average on local advertising with our preferred marketing vendors or with a vendor approved by us in accordance with Section 8D of the Franchise Agreement.

You may develop advertising materials for your own use and at your own cost, if your materials are factually correct, accurately depict the Trademarks, and communicate the brand position and character that we have established. If you develop advertisement materials, you must provide a copy of the materials to us for our review and written approval before you use the advertising materials. If we later determine that your marketing materials do not satisfy our then-current advertising and promotional standards, you immediately must cease using those materials upon written notice from us.

Computer System

You are required to use in the operation of your Club any computer system, hardware and software we require, including all existing or future communication or data storage systems, in order for you to carry on business with us over the internet and online, as those terms are understood in the computer technology world, including an active email address which shall, at all times, be provided to us. You are not required to have a specific brand or type of computer hardware; however, your computer hardware and software must provide you sufficient access to the internet with the ability to download or upload reports as may be necessary from time to time.

You are required to use in the operation of your Club our web-based club management operating system called Curves required operating system or any other operating system as we may require, in our sole discretion. As stated in Item 6, you do not have to pay an initial fee for required operating system. You are required to pay a continuing monthly Technology Fee, which, in part, covers the license, service, and support of Curves required operating system or any other required operating system over the term of your Franchise Agreement. The data to be stored and kept current on Curves required operating system or any other required operating system includes the following information about Club members: names, addresses, phone numbers, birthdates, email addresses, measurements, number of workouts, any applicable reimbursements through health insurance plans, monthly payments and payment information if using our electronic funds transfer services. It also includes the following information about the staff of your Club: names, addresses, phone numbers, birthdates, email addresses, salary, time worked, commissions, employment start date and, if applicable, employment termination date. In addition, Curves required operating system, or any other required operating system will include the following information about Club operations: total members, membership types, payment types, revenues, number of total member workouts, sales, guest production and cancelations. We will have independent access to all of this information without any contractual limitations.

You are responsible for all costs necessary for regular maintenance of your computer hardware and software, if necessary, which costs will vary depending on the quality of computer system that you have. We estimate your costs associated with this computer system to be in the range between $500 and $1,000. Your costs could be greater than $1,000 depending upon what computer system you choose to purchase. Your estimated potential upgrade or maintenance costs of your computer system may be approximately $100 to $500 every 2 to 3 years based on the computer system you originally purchase. You are responsible for all communications we send to you via your email address that you provide to us; if your personal email address changes, you must promptly notify us. You are also responsible for all communications we send to you via the email address we provide. You are required to complete and send to us certain reports on the operation of your Club through Curves required operating system or any other required operating system. We have no contractual limitations on the frequency and cost of requiring you to purchase and use a software program or hardware. (Franchise Agreement, Section 7).

Site Selection

If we grant you a New Franchise, you are solely responsible for selecting an Approved Location for your Club and securing a lease for the premises. We will provide you with such site selection counseling and assistance as we determine necessary. You, however, are solely responsible for locating and obtaining a site which meets our standards and criteria and that is acceptable to us. The Approved Location will be identified in Exhibit "A" to the Franchise Agreement. Unless otherwise approved in writing by us, if you do not open the Club within 180 days from the date of the Franchise Agreement, we have the right to terminate the Franchise Agreement without refunding any part of the Initial Franchise Fee.

If we grant you a Resale Franchise, your Club will be located at the location of the existing Curves Club or at an Approved Location should you decide to relocate your Club.

You must submit to us a complete site report (containing information that we may reasonably require) for any proposed Club site. The general site and evaluation criteria which you should consider include, among other factors, the location of the site in relation to your territorial boundaries and in relation to the distance from other Curves franchises and Curves Co-Brand franchises, demographic characteristics of the proposed location, traffic patterns, parking, and other commercial characteristics, proximity to competing businesses, and the proposed size, appearance and other physical characteristic of the proposed site.

Training

Though the time may vary, the typical length of time between the Effective Date of the Franchise Agreement and the opening of your Club for business to the general public is approximately 120 to 180 days. Factors which may affect this time period are the following: you and your Key Staff's completion of the Initial Training Program; your ability to locate a building and obtain a lease and our approval of the location site; registration with state and/or local authorities for the opening of your Club; the delivery of your Curves Equipment; the scheduling of your opening date; and the scheduling, if provided, of our independent contractor to assist you in the operation of the franchise. (Franchise Agreement, Section 5)

Unless we consent in writing, you shall personally operate and/or exercise personal supervision over the operation of your Club or always have an individual who has been satisfactorily trained in accordance with Section 11 of your Franchise Agreement ("**Key Staff**") present in your Club at all times your Club is open or available for business. (Franchise Agreement, Section 6K)

Onboarding Certification

All employees must satisfactorily complete approximately 40 hours of online and live virtual sessions with a focus on company history, service, sales, guest production, policy, procedures and management in order to obtain an "**Onboarding Certification**." (Franchise Agreement, Section 11)

If you are purchasing a new Franchise from us, you, your Key Staff, and any additional staff, must satisfactorily complete and obtain the Onboarding Certification prior to you opening your Club for business to the general public. If, at any time, you hire or replace any Key Staff or personnel, such new Key Staff or personnel must satisfactorily complete and obtain Onboarding Certification within ninety (90) days of their hire date.

If you are acquiring a Franchise through the transfer of an existing Club and are assuming the employment of any Key Staff from the already open Club or are hiring new Key Staff, such Key Staff must satisfactorily complete and obtain the Onboarding Certification prior to you taking over the operation of your Club and prior to their required attendance at the Initial Training Program.

If, at any time, you hire or replace any Key Staff or personnel, such new Key Staff or personnel must satisfactorily complete and obtain the Onboarding Certification within 90 days of their hire date.

Any individuals attending the Initial Training Program must satisfactorily complete and obtain the Onboarding Certification prior to attending the Initial Training Program. The current registration fee for Onboarding Certification is $150 per individual but is subject to change at our discretion. Two free registration fees for you and your Key Staff are included as part of the Initial Franchise Fee if you purchase a new Franchise from us, or as part of the Training Fee if you are acquiring a Franchise through the transfer of an existing Club from an existing Franchisee. You are responsible for payment of any additional registration fees. Any costs incidental to the Onboarding Certification shall be borne by you, including without limitation, all transportation, meals, wages and other expenses.

Curves Required Operating System Training

The Curves required operating system training consists of approximately 4 hours of online and virtual session training on the use of our computer software and the Curves operating system.

If you are purchasing a new Franchise from us, you and your Key Staff must satisfactorily complete the Curves required operating system training before attending the Initial Training Program.

If you are acquiring a Franchise through the transfer of an existing Club and are assuming the employment of any Key Staff from the already open Club or are hiring new Key Staff, such Key Staff must satisfactorily complete the Curves required operating system training before attending the Initial Training Program. If, at any time, you hire or replace any Key Staff or personnel, such new Key Staff or personnel must attend and satisfactorily complete the Curves required operating system training within 90 days of their hire date.

Any individuals attending the Initial Training Program must satisfactorily complete the Curves required operating system training prior to attending the Initial Training Program.

There is currently no registration fee for the Curves required operating system training but this is subject to change at our discretion. Any costs incidental to the Curves required operating system training shall be borne by you.

Health and Wellness Educational Requirements

If you are purchasing a new Franchise from us, you and your Key Staff must satisfactorily complete and obtain a certification in the field of health and wellness certifications provided by Curves, as approved and defined by us, before attending the Initial Training Program.

If you are acquiring a Franchise through the transfer of an existing Club, you and your Key Staff must satisfactorily complete and obtain a certification in the field of health and wellness certifications before attending the Initial Training Program.

If, at any time during the term of the Franchise Agreement, you replace your Key Staff, such new Key Staff must satisfactorily complete this certification within 90 days of their hire date and prior to their required attendance at the Initial Training Program.

Any individuals attending the Initial Training Program must satisfactorily complete and obtain this certification prior to attending the Initial Training Program.

The current registration fee for this program is $50 per individual but is subject to change at our discretion. Two registration fees are included as part of the Initial Franchise Fee if you are purchasing a new Franchise from us, or as part of the Training Fee if you are purchasing a Franchise with an already open Club from an existing franchisee. You are responsible for payment of any additional registration fees. Any costs incidental to this certification shall be borne by you, including without limitation, all transportation, meals, wages and other expenses.

Initial Training Program

Prior to execution of the Franchise Agreement and prior to opening your Club for business (if you purchase a new Franchise from us) or prior to taking over the operation of your Club (If you are acquiring a Franchise through the transfer of an existing Club from an existing Franchisee), certain individuals associated with your Franchise must attend and satisfactorily complete up to five days of training at a location and time designated by us (the "**Initial Training Program**"). The Initial Training Program consists of training in exercise physiology, nutritional counseling, marketing, sales, business systems and instructions on use of the Curves Equipment. Training may be held in Waco, Texas or any other location we designate. (Franchise Agreement, Section 11)

If you are purchasing a new Franchise from us, satisfactory completion of the Initial Training Program by your Key Staff is mandatory prior to the opening of your Club for business. If you are purchasing the Franchise with an already open Club from an existing franchisee and are assuming the employment of any Key Staff from the already open Club or are hiring new Key Staff, such Key Staff must attend and satisfactorily complete the Initial Training Program prior to you taking over the operation of the Club. If, at any time, you hire or replace any Key Staff, such new Key Staff must attend and satisfactorily complete the Initial Training Program within 90 days of their hire date.

Registration for the Initial Training Program is included as part of the Initial Franchise Fee or Training Fee for any of your Owners or personnel who attend the Initial Training Program within six months of the Effective Date of the Franchise Agreement. Upon expiration of the six-month period, the registration fee for the Initial Training Program will be $500 per attendance.

All Initial Training Program attendees must satisfactorily complete the Onboarding Certification, health and wellness certification and Curves operating system training before attending the Initial Training Program.

All costs incidental to the Initial Training Program shall be borne by you, including without limitation, all transportation, lodging, meals, wages and other expenses.

Item 11

TRAINING PROGRAM

Subject	***Hours of Classroom Training***	***Hours of On-The-Job Training***	***Location Virtual or Live determined by us***
Introduction to Curves Culture	*1-2*	*0 - 2*	*Austin/Waco, Texas or at locations and/or Virtual training determined by us*
Curves Circuit Coaching and Equipment	*4-6*	*0 - 2*	*Austin/Waco, Texas or at locations and/or Virtual training determined by us*
Curves Virtual Membership Options	*1 - 2*	*0 - 2*	*Austin/Waco, Texas or at locations and/or Virtual training determined by*
Marketing	*2 - 5*	*0 - 2*	*Austin/Waco, Texas or at locations and/or Virtual training determined by*
Sales	*2 -5*	*0 - 2*	*Austin/Waco, Texas or at locations and/or Virtual training determined by us*
Management	*5 - 8*	*0 - 2*	*Austin/Waco, Texas or at locations and/or Virtual training determined by*

Franchisor’s training materials consist of proprietary manuals, slides and videos, and we will also incorporate the training and materials received during the Onboarding Certification and Curves required operating system

Training.

During the Initial Training Program, corporate experts present and instruct in their areas of expertise in service, sales, guest production, management and other areas such as our wellness program, customer care and product sales. Instructors include, but are not limited to, the following:

Amanda Merriam joined *Curves*® in 2013 as its Director of Training and has effectively created a variety of critical programs, processes, best practices and implemented learning and development procedures. Ms. Merriam holds a master's degree in human resources and a bachelor's degree in psychology.

Macie Lea, ACE-CPT holds a degree in Kinesiology from San Jose State University. She has worked with Curves for 19 years, originally as a manager for multiple franchise locations in the San Jose area and eventually purchasing her own Curves gym. After being recognized by Curves corporate, she advanced to helping franchise owners internationally as an Area Manager, Business Development Manager, and currently serves as the Senior Manager of Science and Programs, responsible for creating and producing content for Curves fitness programs, the Nutrition and Weight Management program, the Curves Health & Wellness Education Series, and Curves at-home program, MyCurves On Demand. Macie has a passion for helping women live their best lives, no matter their age.

Tammy Brooks has been with Curves since 2001 as a multi-club owner, Special Projects Mentor, and Business Development Manager. She trains Curves franchisees in the Empowering Service Program and currently supports New Sale and Resale owners. She has a Bachelor's Degree in Computer Science and an Associate's Degree in management.

Club Visit

Prior to execution of the Franchise Agreement, you may be required to satisfactorily complete a one-day visit to a franchisee Club, the location and time to be designated by us (the "**Club Visit**"). Your Key Staff may also be required to satisfactorily complete a Club Visit prior to the opening of your Club for business (if you purchase a new Franchise from us or prior to taking over the operation of your Club, if you purchase the Franchise with an already open Club from an existing franchisee) or within ninety (90) days of their hire date. If, at any time, you hire or replace any Key Staff, such new Key Staff may be required to attend and satisfactorily complete the Club Visit within ninety (90) days of their hire date. (Franchise Agreement, Section 11)

There is currently no registration fee for the Club Visit but that is subject to change at our discretion. Any costs incidental to the Club Visit shall be borne by you, including without limitation, all transportation, lodging, meals, wages and other expenses.

Onsite Training and Support.

During the grand opening phase of your Club, if you are purchasing a new Franchise from us or during if you are acquiring a Franchise through the transfer of an existing Club from an existing Franchisee, we may provide you with assistance via our independent contractors or Curves employees at your Club for up to four (4) days at such times as we deem appropriate under the circumstances. We are not required to provide such assistance, and in exercising our own discretion and right, may consider the following factors: your experience, the prior Curves System experience of your Key Staff and other employees, and any other factors that we deem appropriate for consideration. (Franchise Agreement, Section 11). If we deem appropriate to provide you with such assistance, you and your Key Staff must be present at your Club at all times our independent contractors are at your Club.

If provided, the cost of Franchisor's independent contractors to be at your Club for this onsite training is included as part of the Initial Franchise Fee if you purchase a new Franchise from us or in the Training Fee if you are acquiring a Franchise through the transfer of an existing Club, You are responsible for paying all other costs and expenses incurred by you, your Key Staff or personnel during the grand opening of your Club or taking over the operation of your Club.

Charges and Costs

All your expenses, your Owners' expenses, Key Staff's expenses and personnel's expenses, incident to attendance at (and satisfactory completion of) any training/educational requirements set out in this Item 11 and Section 11 of the Franchise Agreement, including travel, lodging, meals, transportation, compensation of and worker's compensation insurance for the attendees enrolled in any of these programs and any other personal and/or incidental expenses, shall be borne by you.

Personnel Training and Staffing

All personnel employed by you in the operation of your Club must satisfactorily complete Curves required operating system training, obtain Onboarding Certification, and complete ESP training in accordance with this Item 11 and Section 11 of the Franchise Agreement.

In addition to any instruction provided directly by us to your personnel, you and your Key Staff shall provide additional and ongoing training and instruction in the methods and techniques developed by us and as may be directed by us. Such training and instruction shall be based upon and given in accordance with the Confidential Operations Manual and the training required to be completed by you and your Key Staff in accordance with this Item 11 and Section 11 of the Franchise Agreement.

If you request training in addition to that provided for above, we may provide such instruction to you or your employees at such time and place and for such duration as may be mutually convenient; provided, however, that the costs of such additional training, including transportation, subsistence and a reasonable charge for the services of our representative, must be borne by you and, if requested by us, paid in advance.

Ongoing Training

Franchisee, your Key Staff, as well as any Owners and personnel, as required by Franchisor, must participate in any additional training or refresher courses (online or otherwise) as required by Franchisor, including participation in or attendance at our annual conventions/conferences, regional meetings, and online training courses. We may additionally provide continuing educational support to our franchisee via email communication memos. We may determine the time and place for this additional training and may charge you a reasonable fee for the training. (Franchise Agreement, Section 11)

Item 12.

Territory

Franchisee will receive territorial rights to operate one *Curves*® Franchise at a specific location that Franchisor approves (the "Approved Location") inside the Franchised Territory. The Approved Location will be identified in Exhibit "A" to the Franchise Agreement. Franchisee cannot relocate Franchisee's Club unless Franchisee obtains Franchisor's prior written consent. Franchisor will consider, among other factors, the proposed site in relation to Franchisee's Franchised Territory and the distance from other *Curves*® Franchises in determining whether to consent to the proposed new site. Franchisee must pay Franchisor a relocation fee in connection with any relocation Franchisor approves.

Franchisee will receive territorial rights (the "Franchised Territory") surrounding the Approved Location. The Franchised Territory is based primarily on population. Typically, a Franchised Territory includes a population ranging from 5,000 to 60,000 people. Franchisee may face competition from other franchisees, from outlets that Franchisor owns, or from other channels of distribution or competitive brands that Franchisor controls.

During the term of the Franchise Agreement and provided Franchisee is complying with the provisions of the Franchise Agreement, Franchisee will receive an exclusive territory in that Franchisor will not: (i) modify the Franchised Territory without Franchisee's written permission, or (ii) directly operate or license or franchise a third party the right to operate a physical location under the Curves Marks (as defined in Item 15) in the Franchised Territory. However, Franchisor may develop or authorize others to develop a franchise under the Curves Marks and conduct normal pre-opening activities in the Franchised Territory so long as such Curves® franchise does not open until the expiration or termination of Franchisee's Franchise Agreement.

Except as expressly stated in the Franchise Agreement, Franchisee may not solicit customers, provide services or advertise outside of the Franchised Territory. Franchisee shall not use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of Franchisee's Franchised Territory. Franchisor and its affiliates retain all rights that are not expressly granted to Franchisee under the Franchise Agreement. Further, Franchisor or its affiliates may, among other things, on any terms and conditions Franchisor deems advisable, without compensation to any franchisee, and without granting Franchisee any additional rights:

1. establish and operate, or license others the right to establish and operate, a *Curves*® business or other businesses using the Curves Marks in combination with other trademarks at any location outside the Franchised Territory, regardless of the proximity of such business to the Franchised Territory; and

2. establish and operate or license others the right to establish and operate any business under service marks and trademarks other than Curves Marks inside or outside the Franchised Territory which businesses may offer or sell products or services that are the same as, similar to, or different from the products and services offered at your Club; and

3. sell and distribute for Franchisor, and license others to sell and distribute, products or services the same as or different from the products and services offered from your Club under the Curves Marks or any other trademarks through alternate channels of distribution, including the internet or other direct marketing sales, within and outside the Franchised Territory; and

4. market, promote, sell and distribute, directly or indirectly, any products or services at or from the premises of a business which has been designated by us as a corporate, institutional or similar location that primarily serves customers employed by or otherwise affiliated with such location or otherwise through programs offered to patients by hospitals and other medical centers or organizations (a "**Corporate Account**"), which Corporate Account and customers may be located within or outside of the Franchised Territory; and

5. advertise the Curves System on the internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Curves Marks.

In addition to the rights outlined above, Franchisor reserves the right to merge with, acquire or become associated with, and to consolidate business resources and assets with, any businesses under other systems or other marks, which businesses may convert to or operate under the Curves Marks or other trademarks and may offer or sell products or services that are the same as or similar to the products and services offered at or from Franchisee's Club, and which may be located anywhere inside or outside the Franchised Territory.

Franchisee does not receive any options, rights to first refusal or any similar rights to acquire additional Franchises.

Continuation of the Franchised Territory does not depend upon the achievement of any sales volume, market penetration or other contingency, and there are no circumstances under which Franchisor will alter the Franchised Territory without Franchisee's written consent.

As noted in Item 1, Franchisor also currently offer Curves Co-Brand franchises under the *Curves*®/*Jenny Craig*® trademarks. The Curves Co-Brand franchises offer fitness instruction, weight-loss and weight-management services. The Curves Co-Brand franchises will not solicit or accept orders inside your Franchised Territory. Franchisor offers Curves Co-Brand franchises and *Curves*® franchises from our principal place of business at 400 Schroeder Drive, Waco, Texas 76710. Franchisor does not maintain separate training facilities for the Curves Co-

Brand franchises and *Curves*® franchises. Franchisor will seek to resolve any conflict that arises between franchisees and us or between franchisees concerning territory, customers, or franchisor support, on a case-by-case basis. In doing so, Franchisor will consider the rights and obligations of the parties under applicable contracts.

Franchisor will seek to resolve any conflict that arises between franchisees and us or between franchisees concerning territory, customers, or franchisor support, on a case-by-case basis. In doing so, Franchisor will consider the rights and obligations of the parties under applicable contracts.

Item 13.

Trademarks

We grant you the right to operate a Franchise under the name *Curves*®. You may also use other current or future trademarks licensed to us to operate your Club. By "trademark," Franchisor mean trade names, trademarks, service marks and logos designated by us to identify your Franchise (hereinafter "**Curves Marks**"). Curves International, Inc. registered the following Curves Marks on the United States Patent and Trademark Office principal register:

Description	Registration Number	Registration Date
Curves®	2923501	February 1, 2005

Curves International, Inc. has filed all required affidavits concerning these Curves Marks. The Curves® mark have been renewed.

You must follow our rules when you use these Curves Marks. You cannot use a name or Curves Mark as part of a corporate name or with modifying words, designs or symbols except for those which Franchisor licenses to you. You may not use the Curves Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

There are no currently effective determinations of the U.S. Patent and Trademark Office, the trademark trial and appeal board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the Curves Marks that may significantly affect the ownership or use of any Curves Mark listed above.

Our right to use or sublicense the use of the Curves Marks are subject to our Master Franchise Agreement with Curves International, Inc.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Curves Marks. We will take the action we think appropriate although we are not required to take any affirmative action. Curves International, Inc. and/or Curves NA, Inc. at Curves International, Inc.'s direction, have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. We will indemnify you or reimburse you for your liability and reasonable costs if there is a challenge to your authorized use of our Curves Marks provided you have notified us immediately after you learned of the challenge and cooperate with us in defending the challenge as required.

You must notify or discontinue the use of a Curves Mark if we are instructed by Curves International, Inc. to modify or discontinue the Curves Mark. If this happens, you will be responsible for your tangible costs of compliance (for example, changing signs or letterhead). You may not directly or indirectly contest the validity of our ownership of the Curves Marks or our right to use or sublicense the Curves Marks, trade secrets, confidential information or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of the Curves Marks.

Item 14.

Patents, Copyrights and Proprietary Information

There are no patents, pending patent applications or copyrights currently registered that are material to the franchise. We do claim copyright ownership and protection for the Curves Confidential Operations Manual and for certain other written materials we provide to assist you in operating your Club. The use of Curves Confidential Operations Manual is limited to you and your employees only.

We own certain proprietary or confidential information relating to the operation of your Club, including information in the Curves Confidential Operations Manual ("**Confidential Information**"). You must keep confidential during and after the term of your Franchise Agreement the Confidential Information. When your Franchise Agreement expires or terminates, you must return to us all Confidential Information and all other copyright material. You must notify us immediately if you learn of an unauthorized use of the Confidential Information. We are not obligated to take any action and we will have the sole right to decide the appropriate response to any unauthorized use of the Confidential Information. We will indemnify you for losses brought by a third party concerning your use of the Confidential Information. You must comply with all changes to the Curves Confidential Operations Manual at your cost. We will own all member data that is located on your computer system. We will periodically establish policies under which we or you may use the member data.

Item 15.

Obligation to Participate in the Actual Operation of the Franchise Business

If you are an individual, you must directly perform or supervise operations of your Club unless we consent otherwise. If we agree that you need not personally perform or supervise your Club, it must be directly supervised by your designated Key Staff who has successfully completed our Initial Training Program and other educational requirements and training discussed in Item 11 above. Your Key Staff need not have an ownership interest in a corporate or partnership franchisee. Your Key Staff must sign a written agreement to conform with the covenants not to compete described in Item 17 and in Section 22 of the Franchise Agreement. You or your Key Staff cannot have an interest or business relationship with any of our competitors. If you are a corporation, direct, on-site supervision must be done by a designated Owner who meets with our approval and who has satisfactorily completed our Initial Training Program and other educational requirements and training discussed in Item 11 above, an "**operating principal.**" If you are a corporation, your principal shareholders must sign a guaranty assuming and agreeing to pay all monetary obligations under the Franchise Agreement.

Item 16.

Restrictions on What the Franchisee May Sell

You must offer and sell only the goods and services that we have approved and which conform to our standards and specifications (see Item 8). You shall not install any coin-operated or credit-card operated machines, public telephones, newspaper racks, juke boxes, cigarette, gum and candy machines, rides, lottery ticket terminals, video games or any other games, vending or amusement machines, or any unapproved items on the premises of your Club without our prior written approval.

You must offer all goods and services that we designate as required for all franchisees. We restrict these required services to providing thirty minute and weight-loss services and to offering for sale weight-loss related products, as specified in the Curves Confidential Operations Manual, and in the changes thereto as may be periodically given to you.

We have the right to add additional authorized services and equipment that you must offer. There are no limits on our right to do so.

You must comply with all applicable laws and regulations and obtain all appropriate governmental approvals for your Club. You must operate in conformity with the methods, standards and specifications we prescribe to maintain uniformity within our Curves System and to provide the highest degree of quality and service. You must not deviate from our standards and specifications without our prior written consent.

You may only offer, sell and advertise your goods and services inside the Franchised Territory. You shall not use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Franchised Territory. We do not otherwise limit or restrict your solicitation of customers.

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 Disclosure Document.

Provision	*Section in franchise or other agreement*	*Summary*
a. Length of the franchise term	Franchise Agreement Section 2	Term is 10 years. We may allow for a term of less than 10 years at our discretion if requested by you.
b. Renewal or extension of the term	Franchise Agreement Section 2	We can grant or deny you a renewal. If we grant your request for renewal, you must sign a new Franchise Agreement for a term of 5 additional years. We may allow for a term of less than 5 years at our discretion if requested by you.
c. Requirements for franchisee to renew or extend	Franchise Agreement Section 2	You cannot be in default of any provision of your current Franchise Agreement or with any policy or procedure in our Confidential Operations Manual or which is a part of the Curves System. You must notify us in writing of your desire to renew at least 90 days and no more than 365 days prior to the expiration of the term of your current Franchise Agreement. You must pay the applicable renewal fee and sign a new Franchise Agreement that may be materially different as to the terms and conditions from your current Franchise Agreement, including a possible adjustment to your Franchised Territory. You must modify your Club to bring it into compliance with specifications and standards currently applicable for new Curves franchises. You must sign a general release. You must demonstrate to our satisfaction your right to retain lawful possession of the Approved Location.
d. Termination by franchisee	Franchise Agreement Sections 14 and 18	By mutual agreement with us, by sale of the franchise to another franchisee in good standing with us or to a qualified third-party.
e. Termination by franchisor without cause	None	We cannot terminate your Franchise Agreement without cause.

f. Termination by franchisor with cause	Franchise Agreement Section 20	We can terminate only if you are in default of the Franchise Agreement.
g. "Cause" defined – curable defaults	Franchise Agreement Section 20B	Any default by you of any provision of your Franchise Agreement and not covered by Section 20A of your Franchise Agreement has 20 days to cure (subject to local state law)
h. "Cause" defined – non-curable defaults	Franchise Agreement Section 20A	Listed defaults in Section 20A of the Franchise Agreement can cause immediate termination of the Franchise Agreement.
i. Franchisee's obligations on termination/nonrenewal	Franchise Agreement Section 21	Cease operating Club, cease all use of the Curves Marks, pay all amounts due to us, stop using and return the Manuals and other materials, cease using and (at our option) assign to us the Club telephone number, telephone listing, websites, domain names and e-mail addresses, remove all signs and other materials containing any Trademarks, cancel all fictitious or assumed name filings, cease using Confidential Information, de-identify Club (also see r, below)
j. Assignment of contract by franchisor	Franchise Agreement Section 18	No restriction on our right to assign.
k. "Transfer" by franchisee - defined	Franchise Agreement Section 18	Any voluntary, involuntary, conditional, direct or indirect assignment, sale, gift or transfer by you or any of your Owners of any interest in or grant of any security interest in (a) the Franchise Agreement, (b) the Club, (c) you, or (d) some of all of the assets of the Club (other than inventory items in the ordinary course of business).
l. Franchisor approval of transfer by franchisee	Franchise Agreement Section 18	We have the right to approve all requests for transfers.

m. Conditions for franchisor approval of transfer	Franchise Agreement Section 18	You are not in default with any provision of the current Franchise Agreement or with any policy or procedure in our Confidential Operations Manual or which is a part of the Curves System, proper notification by you to us of requested transfer as required under the Franchise Agreement, providing us with a copy of a purchase agreement that meets our approval, compliance with all conditions listed under Section 18C of the Franchise Agreement. Some of these conditions include qualification of prospective buyer as a franchisee, payment of all fee and escrow amounts, payment of all debts owed by you associated with your business, training arranged as required for the prospective buyer, release signed by you, copy of letter from certified public accountant acknowledging review of the transfer for the new franchisee and a then-current agreement signed by new franchisee (also see "r" below).
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement Section 19	We can match any offer for your business.
o. Franchisor's option to purchase franchisee's business	Franchise Agreement Section 21A	Option to purchase all equipment used in the operation of the Club and other items bearing the Curves Marks at a fair market value not to exceed $1,500. Additional option to purchase all furnishings, non-Franchisor equipment, signs, fixtures, and supplier at the lesser of your cost or fair market value.
p. Death or disability of franchisee	Franchise Agreement Section 18	Franchise must be assigned by estate to approved buyer within 6 months.
q. Non-competition covenants during the term of the franchise agreement	Franchise Agreement Section 22	No involvement in a Competing Business located anywhere in the U.S. "**Competing Business**" means any business that sells or offers for sale any fitness or weight loss products or services.
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement Section 22	You may not engage in, participate in or derive any benefit from, any Competing Business for 2 years within 10 miles of your Franchise's location site or another *Curves for Women*® or *Curves*® franchise (including after assignment).
s. Modification of the agreement	Franchise Agreement Section 24K	No modification except by written agreement signed by both parties. We may modify Manuals, Curves Marks, Systems and goods/services to be offered by your Club.

t. Integration/merger clause	Franchise Agreement Section 24P	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable, but this does not disclaim any representations made by this Disclosure Document. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure, its exhibits and amendments
u. Dispute resolution by arbitration or mediation	Franchise Agreement Section 23	If you have a dispute regarding your Franchise Agreement, it must be mediated.
v. Choice of forum	Franchise Agreement Section 24C	Litigation must be filed where our principal business address is then located unless local state law supersedes this provision.
w. Choice of law	Franchise Agreement Section 24C	Texas law applies unless local state law supersedes this provision.

Item 18.
Public Figures

At this time, we do not employ any public figure or celebrity in our management, and we do not use any public figure or celebrity to promote our franchises.

Item 19.
Financial Performance Representations

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Curves NA, Inc., Attention: Legal Department, 400 Schroeder Drive, Texas 76710, 254-399-9285, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20.

Outlets and Franchisee Information
Table No. 1
Systemwide Outlet Summary
For years 2019 to March 31, 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2019	418	295	-123
	2020	254	194	-41
	2021	194	160	-34
	2022	160	154	-6
Company-Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlets	2019	418	295	-123
	2020	295	254	-41
	2021	194	160	-34
	2022	160	154	-6

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2019 to March 31, 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2019	0
	2020	0
	2021	0
	2022	0
Alaska	2019	0
	2020	0
	2021	0
	2022	0
Arizona	2019	1
	2020	0
	2021	0
	2022	0
Arkansas	2019	0
	2020	0
	2021	0
	2022	0
California	2019	3
	2020	1
	2021	1
	2022	0
Colorado	2019	0
	2020	0
	2021	0
	2022	0
Connecticut	2019	0

	2020	0
	2021	0
	2022	0
Delaware	2019	0
	2020	0
	2021	0
	2022	0
District of Columbia	2019	0
	2020	0
	2021	0
	2022	0
Florida	2019	0
	2020	0
	2021	0
	2022	0
Georgia	2019	1
	2020	0
	2021	0
	2022	0
Hawaii	2019	0
	2020	0
	2021	0
	2022	0
Idaho	2019	0
	2020	0
	2021	0
	2022	0
Illinois	2019	1
	2020	0
	2021	0
	2022	0
Indiana	2019	0
	2020	0
	2021	0
	2022	0
Iowa	2019	1
	2020	0
	2021	0
	2022	0
Kansas	2019	0
	2020	0
	2021	0
	2022	0
Kentucky	2019	0
	2020	0
	2021	0
	2022	0
Louisiana	2019	0
	2020	0
	2021	0
	2022	0
Maine	2019	0

	2020	0
	2021	0
	2022	0
Maryland	2019	0
	2020	0
	2021	0
	2022	0
Massachusetts	2019	0
	2020	0
	2021	0
	2022	0
Michigan	2019	0
	2020	0
	2021	0
	2022	0
Minnesota	2019	0
	2020	0
	2021	0
	2022	0
Mississippi	2019	0
	2020	0
	2021	0
	2022	0
Missouri	2019	1
	2020	0
	2021	0
	2022	0
Montana	2019	0
	2020	0
	2021	0
	2022	0
Nebraska	2019	0
	2020	0
	2021	1
	2022	0
Nevada	2019	0
	2020	0
	2021	0
	2022	0
New Hampshire	2019	0
	2020	0
	2021	0
	2022	0
New Jersey	2019	0
	2020	0
	2021	0
	2022	0
New Mexico	2019	0
	2020	0
	2021	0
	2022	0
New York	2019	1

	2020	0
	2021	0
	2022	0
North Carolina	2019	0
	2020	0
	2021	0
	2022	0
North Dakota	2019	0
	2020	0
	2021	0
	2022	0
Ohio	2019	0
	2020	0
	2021	0
	2022	0
Oklahoma	2019	0
	2020	0
	2021	0
	2022	0
Oregon	2019	0
	2020	0
	2021	0
	2022	0
Pennsylvania	2019	0
	2020	0
	2021	0
	2022	0
Puerto Rico	2019	0
	2020	0
	2021	0
	2022	0
Rhode Island	2019	0
	2020	0
	2021	0
	2022	0
South Carolina	2019	0
	2020	0
	2021	0
	2022	0
South Dakota	2019	0
	2020	0
	2021	0
	2022	0
Tennessee	2019	0
	2020	0
	2019	0
	2020	0
Texas	2019	0
	2020	0
	2021	0
	2022	0
Utah	2019	1

	2020	1
	2021	0
	2022	0
Vermont	2019	0
	2020	0
	2021	1
	2022	0
Virginia	2019	3
	2020	0
	2021	0
	2022	0
Washington	2019	2
	2020	0
	2021	0
	2022	0
West Virginia	2019	0
	2020	0
	2021	0
	2022	0

Notes:

1. In the fiscal year 2019, no franchises were transferred more than once.
2. In the fiscal year 2020, no franchises were transferred more than once.
3. In the fiscal year 2021, no franchises were transferred more than once.
4. In the time period between January 1, 2022 to March 31, 2022 no franchises were transferred more than once.

Table No. 3
Status of Company-Owned Outlets
For years– 2019 through March 31, 2022

Col. 1	Col. 2 Year	Col. 3 Outlets at Start of the 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
Totals	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

Table No. 4
Status of Franchised Outlets
For years 2019 to March 31, 2022

Col. 1 State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Alabama	2019	5	0	0	0	0	2	3
	2020	3	0	0	0	0	0	3
	2021	3	0	1	0	0	0	2
	2022	2	0	0	0	0	0	2
Alaska	2019	2	0	0	1	0	1	2
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

Arizona	2019	10	0	0	2	0	0	8
	2020	8	0	1	1	0	0	6
	2021	6	0	2	1	0	0	3
	2022	3	0	0	1	0	0	2
Arkansas	2019	6	0	3	1	0	0	2
	2020	2	0	1	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
California	2019	72	0	2	13	0	2	49
	2020	49	0	2	5	0	1	38
	2021	38	0	2	0	0	1	35
	2022	35	0	1	1	0	0	33
Colorado	2019	24	0	1	7	0	1	15
	2020	15	0	0	2	0	2	11
	2021	11	0	0	3	0	0	9
	2022	9	0	2	1	0	0	5
Connecticut	2019	7	0	0	1	0	1	5
	2020	5	0	0	2	0	0	3
	2021	3	0	0	2	0	0	1
	2022	1	0	0	1	0	0	0
Delaware	2019	3	0	0	2	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	1	0	0	0
Florida	2019	26	0	1	6	0	2	18
	2020	18	0	1	1	0	0	16
	2021	16	0	3	2	0	0	10
	2022	10	0	3	3	0	0	3
Georgia	2019	24	0	0	6	0	2	16
	2020	16	0	1	1	0	1	13
	2021	13	0	5	1	0	0	7
	2022	7	0	2	0	0	1	3
Hawaii	2019	2	0	1	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Idaho	2019	9	0	2	0	0	1	6
	2020	6	0	1	0	0	0	5
	2021	5	0	2	0	0	0	3
	2022	3	0	0	0	0	0	3
Illinois	2019	43	0	7	6	0	4	26
	2020	26	0	1	5	0	0	20
	2021	20	0	3	1	0	6	10
	2022	10	0	0	0	0	0	9
Indiana	2019	14	0	3	1	0	1	9
	2020	9	0	1	3	0	2	3
	2021	3	0	0	1	0	0	2
	2022	2	0	1	0	0	1	0
Iowa	2019	10	0	0	2	0	1	7
	2020	7	0	0	0	0	0	7

	2021	7	0	3	0	0	0	4
	2022	4	0	0	0	0	1	2
Kansas	2019	3	0	0	0	0	0	0
	2020	3	0	0	1	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	1	0	0	1
Kentucky	2019	9	0	1	2	0	0	6
	2020	6	0	0	1	0	0	5
	2021	5	0	1	0	0	0	4
	2022	4	0	2	1	0	0	0
Louisiana	2019	7	0	0	2	0	0	5
	2020	5	0	0	0	0	1	4
	2021	4	0	0	1	0	0	3
	2022	3	0	1	0	0	1	1
Maine	2019	5	0	0	2	0	0	3
	2020	3	0	0	1	0	0	2
	2021	2	0	0	1	0	0	1
	2022	1	0	0	0	0	0	0
Maryland	2019	10	0	0	2	0	1	8
	2020	8	0	0	1	0	1	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	3
Massachusetts	2019	7	0	0	3	0	0	4
	2020	4	0	0	2	0	0	2
	2021	2	0	0	1	0	0	1
	2022	1	0	0	0	0	0	2
Michigan	2019	20	0	1	11	0	1	6
	2020	6	0	1	2	0	0	7
	2021	5	0	0	1	0	1	3
	2022	3	0	0	0	0	0	2
Minnesota	2019	16	0	2	2	0	0	14
	2020	14	0	1	1	0	0	8
	2021	12	0	2	2	0	0	4
	2022	8	0	1	0	0	0	6
Mississippi	2019	5	0	0	0	0	0	5
	2020	5	0	1	1	0	0	3
	2021	3	0	1	1	0	0	2
	2022	2	0	1	0	0	0	1
Missouri	2019	17	0	0	5	0	0	12
	2020	12	0	1	1	0	1	9
	2021	9	0	1	0	0	0	8
	2022	8	0	1	1	0	0	5
Montana	2019	5	0	0	0	0	0	5
	2020	5	0	1	1	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	1	1	0	0	1
Nebraska	2019	6	0	1	0	0	0	5
	2020	5	0	1	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	1	1	0	1	1

Nevada	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	2	0	0	2
	2022	2	0	0	0	0	0	1
New Hampshire	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Jersey	2019	5	0	0	2	0	0	3
	2020	3	0	1	1	0	0	2
	2021	2	0	1	0	0	0	1
	2022	1	0	0	0	0	0	1
New Mexico	2019	5	0	0	3	0	0	2
	2020	2	0	0	1	0	0	1
	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
New York	2019	25	0	0	6	0	2	17
	2020	17	0	0	2	0	0	15
	2021	15	0	3	5	0	1	7
	2022	7	0	0	2	0	0	4
North Carolina	2019	9	0	0	0	0	0	9
	2020	9	0	0	0	0	0	9
	2021	9	0	0	2	0	0	7
	2022	7	0	0	0	0	0	5
North Dakota	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
Ohio	2019	12	0	0	0	0	0	12
	2020	12	0	0	0	0	0	12
	2021	12	0	3	2	0	0	7
	2022	7	0	0	2	0	2	7
Oklahoma	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Oregon	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	0	1	2	0	0	3
	2022	3	0	0	0	0	0	4
Pennsylvania	2019	30	0	0	9	0	1	20
	2020	20	0	0	6	0	0	14
	2021	14	0	2	4	0	0	8
	2022	8	0	1	0	0	0	5
Rhode Island	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
South Carolina	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4

	2021	4	0	1	1	0	0	2
	2022	2	0	0	0	0	0	2
South Dakota	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
Tennessee	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
	2021	6	0	0	2	0	0	4
	2022	4	0	0	0	0	0	4
Texas	2019	17	0	0	0	0	0	17
	2020	17	0	0	0	0	0	17
	2021	17	0	1	1	0	0	15
	2022	15	0	1	0	0	0	12
Utah	2019	11	0	0	5	0	0	6
	2020	6	0	1	1	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	3
Vermont	2019	6	0	0	0	0	0	6
	2020	6	0	0	1	0	0	5
	2021	5	0	0	0	0	1	4
	2022	4	0	0	1	0	0	0
Virginia	2019	26	0	0	5	0	0	21
	2020	21	0	0	4	0	2	15
	2021	15	0	4	1	0	0	10
	2022	10	0	0	0	0	0	5
Washington	2019	15	0	2	2	0	0	11
	2020	11	0	0	2	0	1	9
	2021	9	0	2	1	0	0	6
	2022	6	0	1	0	0	0	4
West Virginia	2019	6	0	1	1	0	1	3
	2020	3	0	0	0	0	1	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	1
Wisconsin	2019	20	0	0	3	0	0	17
	2020	17	0	0	1	0	1	15
	2021	15	0	2	2	0	0	11
	2022	11	0	2	0	0	0	9
Wyoming	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	1	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	0
Total	2019	418	0	54	151	0	44	295
	2020	254	0	28	60	0	35	194
	2021	194	0	10	14	0	7	160
	2022	160	0	20	36	0	4	154

Table No. 5
Projected Openings As Of January 1, 2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlets 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 *(See Note 1)*
Alabama	0	0	0
Alaska	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
California	0	0	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
District of Columbia	0	0	0
Florida	0	1	0
Georgia	0	0	0
Guam	0	0	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	1	0
Maine	0	0	0
Maryland	0	0	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	1	0
North Dakota	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	1	0
Pennsylvania	0	0	0
Puerto Rico	0	0	0
Rhode Island	0	0	0
South Carolina	0	0	0
South Dakota	0	0	0
Tennessee	0	0	0
Texas	0	1	0
Utah	0	0	0

Vermont	0	0	0
Virgin Islands	0	0	0
Virginia	0	0	0
Washington	0	0	0
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0
Total	**0**	**3**	**0**

The names, addresses and telephone numbers of all franchises are listed on Attachment B.

The name and last known city, state and telephone number of every franchisee who has had a franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the application date of this Disclosure Document is listed on Attachment D. If you buy a franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees but, be aware that not all such franchisees will be able to communicate with you.

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

Item 21.

Financial Statements

We have attached as Exhibit A to this Disclosure Document the financial statements of Curves NA, Inc. as of December 31, 2021. These financial statements have been prepared in accordance with accounting principles generally accepted in the United States. These financial statements have been audited by Jaynes Reitmeier Boyd & Therrell, P.C., independent certified public accountants, as stated in their report appearing in Exhibit A.

Item 22.

Contracts

EXHIBIT B – Sample copy of our Franchise Agreement with Exhibits and Addendums

EXHIBIT C – Personal Guaranty

EXHIBIT D – Promissory Note and Security Agreement

EXHIBIT E – Bank Draft Authorization Form

EXHIBIT F – Transfer of Service Agreement

EXHIBIT G – Sample Copy of Termination of License Agreement and Mutual Release Document

Item 23.

Receipts

You must sign two copies of the Receipt attached as the last two pages to this Disclosure Document. After execution, you keep one copy and provide the other to us.

EXHIBIT A

FINANCIAL STATEMENTS

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)
Financial Statements
Periods Ended December 31, 2021, 2020 and 2019
(With Independent Auditor's Report Thereon)

JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

and 2020, and the related statements of operations, stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Curves NA, Inc. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the three years in the period ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United

and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

May 11, 2022

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Balance Sheets

December 31, 2021 and 2020

		2021	2020
Assets			
Current assets:			
Cash	$	77,421	379,180
Accounts and notes receivable, net		460,061	353,434
Prepaid expenses		107,825	155,225
Other assets		13,651	26,144
Total current assets		658,958	913,983
Amounts due from related parties		488,163	871,246
Deferred income taxes		49,343	209,666
Property and equipment, net		271,232	321,716
Other long-term assets		4,004	24,472
Total assets	$	1,471,700	2,341,083
Liabilities and Stockholder's Equity			
Current liabilities:			
Accounts payable	$	334,610	138,369
Accrued expenses		81,458	148,901
Income taxes payable		24,696	29,070
Deferred revenue, current		70,562	73,365
Total current liabilities		511,326	389,705
Long-term debt		-	532,832
Deferred revenue, net of current portion		63,561	100,925
Due to related parties		-	491,089
Total liabilities		574,887	1,514,551
Stockholder's equity:			
Common stock, no par value, 100,000 shares authorized, 1,000 issued and outstanding		1,550,732	1,550,732
Accumulated deficit		(653,919)	(724,200)
Total stockholder's equity		896,813	826,532
Total liabilities and stockholder's equity	$	1,471,700	2,341,083

See accompanying notes to financial statements.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Statements of Operations

Years Ended December 31,

	2021	2020	2019
Revenues:			
Franchise	$ 1,022,817	1,524,143	2,038,054
Product sales	51,541	118,468	80,092
Membership sales	803,165	1,860,566	1,907,928
Other	983,460	1,036,943	789,320
	2,860,983	4,540,120	4,815,394
Cost of revenues:			
Sales of franchises and royalties	483,074	609,945	366,253
Product sales and other	73,730	116,736	56,500
Membership sales	2,778	6,028	27,023
Total cost of revenues	559,582	732,709	449,776
Gross profit	2,301,401	3,807,411	4,365,618
General and administrative expenses	2,833,176	3,711,653	5,016,587
Income (loss) from operations	(531,775)	95,758	(650,969)
Other income (expense):			
Gain on loan extinguishment	897,317	-	-
Other, net	(28,075)	54,351	(237,843)
Income (loss) before income taxes	337,467	150,109	(888,812)
Income tax (benefit) expense	167,186	39,766	(117,590)
Net income (loss)	$ 170,281	110,343	(771,222)

See accompanying notes to financial statements.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Statements of Stockholder's Equity

Years Ended December 31, 2021, 2020, and 2019

		Common Stock	Accumulated Deficit	Total Stockholder's Equity
Balances at January 1, 2019	$	1,550,732	(29,572)	1,521,160
Dividends declared		-	(33,749)	(33,749)
Net loss		-	(771,222)	(771,222)
Balances at December 31, 2019		1,550,732	(834,543)	716,189
Dividends declared		-	-	-
Net income		-	110,343	110,343
Balances at December 31, 2020		1,550,732	(724,200)	826,532
Dividends declared		-	(100,000)	(100,000)
Net income		-	170,281	170,281
Balances at December 31, 2021	$	1,550,732	(653,919)	896,813

See accompanying notes to financial statements.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Statements of Cash Flows

Years Ended December 31,

	2021	2020	2019
Cash flows from operating activities:			
Net income (loss)	$ 170,281	110,343	(771,222)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Gain on loan extinguishment	(897,317)	-	-
Allowance for doubtful accounts	224,802	511,712	92,619
Depreciation and amortization	50,573	51,014	99,791
Deferred income taxes	160,323	4,661	(95,238)
Loss on sale of intellectual property	-	-	190,205
Changes in operating assets and liabilities:			
Accounts and notes receivable, net	(331,429)	(770,920)	(98,764)
Prepaid expenses	47,400	111,737	(80,038)
Other assets	32,961	34,081	15,755
Due from related parties	383,083	(275,826)	(355,782)
Accounts payable and accrued expenses	128,798	(180,367)	(193,261)
Income taxes payable	(4,374)	19,422	9,648
Deferred revenues	(40,167)	50,452	21,957
Due to related parties	(491,089)	(103,966)	460,444
Net cash used in operating activities	(566,155)	(437,657)	(703,886)
Cash flows from investing activities:			
Purchases of property and equipment	(89)	(2,523)	(328,649)
Net cash used in investing activities	(89)	(2,523)	(328,649)
Cash flows from financing activities:			
Proceeds from long-term debt	364,485	532,832	-
Dividends paid	(100,000)	-	(33,749)
Net cash provided by (used in) financing activities	264,485	532,832	(33,749)
Net increase (decrease) in cash	(301,759)	92,652	(1,066,284)
Cash at beginning of year	379,180	286,528	1,352,812
Cash at end of year	$ 77,421	379,180	286,528
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest	$ -	13	16
Cash paid (received) during the period for income taxes	$ 11,237	15,683	(32,000)

See accompanying notes to financial statements.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements

December 31, 2021, 2020 and 2019

(1) Summary of Significant Accounting Policies

(a) Description of Business

Curves NA, Inc. (a wholly-owned subsidiary of Curves DF Holdings, Inc.) (the "Company"), a Texas corporation, franchises the right to open and operate a thirty minute fitness and weight-loss club under the Curves trade names, trademarks and system of operating procedures.

(b) Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(c) Notes Receivable

The Company occasionally provides partial financing to Curves franchisees for their franchise fee and equipment. The Company recognizes interest income on notes receivable as earned. The allowance for doubtful notes receivable represents the Company's estimate of potential notes receivable write-offs associated with recognized revenue based on historical trends and factors surrounding the credit risk of specific franchisees. The Company writes off notes receivable when franchises have resold or are terminated and other means for collection have been exhausted. Payments subsequently collected are credited back to provision for doubtful accounts in the period the payments are received.

(d) Accounts Receivable

The Company's accounts receivable are primarily due from franchisees for monthly royalty fees, for amounts due under Master Franchise Agreements and for amounts due from third party companies from which the Company receives a commission.

The allowance for doubtful accounts receivable represents the Company's estimate of potential accounts receivable write-offs associated with recognized revenue based on historical trends and factors surrounding the credit risk of specific franchisees. The Company writes off accounts receivable when franchises have resold or are terminated and other means for collection have been exhausted. Payments subsequently collected are credited back to provision for doubtful accounts in the period the payments are received.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies (continued)

(d) Accounts Receivable (continued)

Allowances for doubtful accounts were $372,076 and $490,618 as of December 31, 2021 and 2020, respectively.

(e) Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

During 2019, certain long-lived assets were disposed of and a loss of $190,205 was recognized at that time. Amortization expense related to these assets in the amount of $78,830 was charged to operations in 2019.

(f) Property and Equipment

Property and equipment are recorded at cost. Repairs and maintenance costs that do not substantially increase the useful lives of the property and equipment are expensed as incurred. Depreciation expense is provided using the straight-line method over the estimated useful lives of the related assets.

(h) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(h) Income Taxes (continued)

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expenses.

(i) Revenue Recognition

The Company's revenues are comprised of franchise, product, and membership revenue. Franchise revenues consist primarily of royalties, initial and successor franchise fees, transfer fees, and other fees and commission income. The Company's primary performance obligation under the franchise license is granting certain rights to use the Company's intellectual property, and all other services the Company provides under the franchise agreement are highly interrelated, not distinct within the contract, and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to use intellectual property over the term of each franchise agreement.

Initial and successor franchise fees, as well as transfer fees, are recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties, including franchisee contributions to national advertising funds, are calculated as a percentage of franchise monthly dues and annual fees over the term of the franchise agreement. Initial and successor franchise fees are payable by the franchisee upon signing a new franchise agreement or successor franchise agreement, and transfer fees are paid to the Company when one franchisee transfers a franchise agreement to a different franchisee. The franchise royalties represent sales-based royalties that are related entirely to the performance obligation under the franchise agreement and are recognized as franchise sales occur.

The Company recognizes commission income from certain of its franchisees' use of certain preferred vendor arrangements. Commissions are recognized when amounts have been earned and collectability from the vendor is reasonably assured.

(1) Summary of Significant Accounting Policies (continued)

(i) Revenue Recognition (continued)

Membership fees are derived from the sale of weight loss and maintenance programs under contracts which entitle the customer to participate in the program. Membership fees collected are either recognized into revenue in the month earned for monthly membership arrangements or deferred and recognized as revenue on a straight-line basis over the shorter of the contract term or expected customer membership period. Membership revenue received but not recognized in income is recorded as deferred revenue in the accompanying balance sheets.

The Company sells and delivers equipment purchased from third-party equipment manufacturers to U.S. based franchisee-owned stores. Revenue is recognized upon transfer of control of ordered items, generally upon delivery to the customer, which is when the customer obtains physical possession of the goods, legal title is transferred, the customer has all risks and rewards of ownership and an obligation to pay for the goods is created. Franchisees are charged for all freight costs incurred for the delivery of equipment. Freight revenue is recorded within equipment revenue and freight costs are recorded within cost of revenue.

All revenue amounts are recorded net of applicable sales tax.

(j) Deferred Revenue

Franchise deferred revenue results from initial and successor franchise fees, as well as transfer fees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement.

(k) Advertising Costs

Advertising costs consist primarily of television, print, and digital media and are expensed in the period incurred. Advertising expenses are included within general and administrative expenses and totaled $264,066, $142,143 and $238,493 for the years ended December 31, 2021, 2020 and 2019, respectively.

(1) Summary of Significant Accounting Policies (continued)

(l) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the valuation allowances for receivables.

(2) Current Operating Environment

The COVID-19 pandemic has caused unprecedented economic volatility and uncertainty, which has negatively impacted recent operating results. In response to the COVID-19 pandemic, the Company proactively worked with franchisees to mitigate the negative financial impact they incurred that resulted from the closure of their clubs as required by local guidelines. The Company has experienced a significant decrease in cash flows from operations and continues to expect to experience decreased royalty income, new franchisee development, as well as decreased equipment sales for 2022 as a result of the COVID-19 pandemic.

The Company's franchisees continue to reopen clubs as local authorities issue guidelines authorizing the reopening of fitness centers. As clubs requested further assistance, the Company deferred revenues for clubs. As clubs reopened the Company has recognized franchise revenue. The Company continues to defer revenue for clubs that have not yet reopened.

Management of the Company has applied for a refund under the Employee Retention Credit (ERC) program, which was created by the U.S. Congress under the Coronavirus Aid, Relief, and Economic Security Act. Management expects to receive approximately $300,000 from the refund. However, these funds may not be received until the beginning of 2023. As a result, the Company has implemented certain cost cutting measures in order to operate the Company at a break-even position until the funds have been received.

In addition, management of Curves DF Holdings, Inc., the parent entity of the Company, has confirmed that they will provide sufficient financial support as needed by the Company.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(2) Current Operating Environment (continued)

Based on current expectations and currently available information, management believes that these efforts provide the Company with the ability to continue as a going concern for at least the next twelve months from the date at which the financial statements were available to be issued.

(3) Accounts and Notes Receivable

Accounts and notes receivable at December 31, 2021 and 2020 consists of the following:

	2021	2020
Franchisee accounts receivable	$ 435,497	545,995
Franchisee notes receivable	11,151	20,181
Other receivables	385,489	277,876
Total accounts and notes receivable	832,137	844,052
Less: allowance for doubtful accounts and notes receivable	(372,076)	(490,618)
Accounts and notes receivable, net	$ 460,061	353,434

(4) Property and Equipment

Property and equipment consisted of the following at December 31, 2021 and 2020:

	2021	2020
Furniture, fixtures, and equipment	$ 78,014	78,014
Leasehold improvements	47,710	47,710
Software	266,948	266,859
Construction in progress	-	-
Total property and equipment	392,672	392,583
Less: accumulated depreciation	(121,440)	(70,867)
Property and equipment, net	$ 271,232	321,716

Depreciation expense on property and equipment was $50,573, $51,014 and $20,961 for the years ended December 31, 2021, 2020 and 2019, respectively.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(5) Note Payable

On April 5, 2020 and February 12, 2021, the Company received $532,832 and $364,485, respectively, in funding from the Paycheck Protection Program through the U.S. Small Business Administration to assist with certain enumerated expenses incurred as part of relief efforts related to COVID-19. In 2021, the Company was granted forgiveness of the entire loan amount and accrued interest for both loans. A gain on loan extinguishment of $897,317 was recognized to income at that time. The notes payable balance was $-0- and $532,832 at December 31, 2021 and 2020, respectively.

(6) Revenue Recognition

Contract liabilities consist of deferred revenue resulting from initial and successor franchise fees, as well as transfer fees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement. The following table reflects the change in contract liabilities:

	Contract Liabilities
Balance at January 1, 2020	123,838
Revenue recognized in 2020	(34,669)
Increase, excluding amounts recognized as revenue during this period	85,121
Balance at December 31, 2020	$ 174,290
Revenue recognized in 2021	(47,667)
Increase, excluding amounts recognized as revenue during this period	7,500
Balance at December 31, 2021	$ 134,123

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(6) Revenue Recognition (continued)

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2021. The Company has elected to exclude short term contracts, sales and usage based royalties and any other variable consideration recognized on an "as invoiced" basis.

Contract liabilities to be recognized in:	Amount
2022	$ 34,674
2023	12,103
2024	12,103
2025	10,937
2026	9,313
Thereafter	54,993
Total	$ 134,123

(7) Income Taxes

The components of the provision (benefit) for income taxes are as follows for the periods ended December 31, 2021, 2020 and 2019:

	2021	2020	2019
Current:			
Federal	$ -	(1,948)	(28,910)
State	2,251	29,100	8,806
Foreign	4,612	7,953	(2,248)
	6,863	35,105	(22,352)
Deferred:			
Federal	160,323	4,661	(95,238)
Income tax (benefit) expense	$ 167,186	39,766	(117,590)

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(7) Income Taxes (continued)

The tax effects of temporary differences that give rise to the deferred tax asset at December 31, 2021 and 2020 consist of the following:

	2021	2020
Net operating loss carryforward	$ 482,475	137,595
Allowance for doubtful accounts	78,136	103,030
Deferred revenues	28,166	36,601
Basis of property and equipment	(56,959)	(67,560)
Less valuation allowance	(482,475)	-
Total net deferred tax asset	$ 49,343	209,666

The net change of the valuation allowance was an increase of $482,475 in 2021. The valuation allowance at December 31, 2021, was related to net operating losses that, in the judgment of management, are not more-likely-than-not to be realized. In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryforward periods), projected future taxable income, and tax planning strategies in making this assessment.

The Company had a net operating loss carryforward for federal income tax purposes of $2,297,500 and $655,216 at December 31, 2021 and 2020, respectively, that is available to offset future federal taxable income.

(8) Related Party Transactions

From time to time, the Company may make payments on behalf of affiliated entities. In addition, affiliated entities may make payments on behalf of the Company. In addition, the Company began charging management fees in 2019 for services provide to two other subsidiaries of Curves DF Holdings, Inc. Management fees earned in 2021, 2020, and 2019 were $495,872, $470,401, and $284,055, respectively. Amounts to be reimbursed to the Company from affiliates was $488,163 and $871,246 at December 31, 2021 and 2020, respectively. Amounts due to affiliates was $-0- and $491,089 at December 31, 2021 and 2020, respectively.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(9) Defined Contribution Plan

The Company offered a 401(k) profit sharing and savings plan that covered substantially all employees. The Company recognized expenses related to the plan for the periods ended December 31, 2021, 2020 and 2019 of $-0-, $19,856 and $27,770, respectively. The plan was terminated effective September 1, 2020.

(10) Commitments and Contingencies

The Company is subject to claims and lawsuits that arose primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, results of operations and cash flows of the Company. Events could occur that would change this estimate materially in the near term.

(11) Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through May 11, 2022, the date at which the financial statements were available to be issued, and determined there are no other items to disclose.

EXHIBIT B

FRANCHISE AGREEMENT

Curves®

Franchise Agreement

Curves NA, Inc.
400 Schroeder Drive
Waco, Texas 76710

254-399-9285

CURVES NA, INC.

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EXHIBIT A: Franchised Territory

EXHIBIT B: Curves Equipment

EXHIBIT C: List of All Owners and Key Staff

EXHIBIT D: Social Media Addendum

FRANCHISE AGREEMENT

Franchisee No.

This Franchise Agreement ("**Agreement**") is dated ________________________, 2022, (the **"Effective Date"**) by and between CURVES NA, INC., a Texas corporation having its principal place of business at 400 Schroeder Drive, Waco, Texas 76710 hereinafter referred to as "**Franchisor**," and, individually, of________ hereinafter referred to as "**Franchisee**."

If Franchisee is a corporation, limited liability company, partnership or limited liability partnership, each person with an ownership interest in Franchisee (hereinafter referred to as an "**Owner**"), and the interest of each Owner, is identified by Franchisee on Exhibit "C" attached hereto.

INTRODUCTION AND RECITALS

Franchisor has invested considerable time, effort and money to develop a system and method of 1) operating a thirty minute fitness and weight loss club (the "**Curves System**") and 2) operating the Curves System out of a Franchisor-branded club (hereinafter "**Club**") (the "**Franchise**"), and have developed public goodwill and certain trade names, service marks and logos including, but not limited to, the marks *Curves*® for its services throughout the United States of America and internationally.

Franchisor and its affiliates are the exclusive licensors of certain trademarks and service marks, including, but not limited to, *Curves*®, which are registered with the United States Patent and Trademark Office, and are the owners or exclusive licensors of other marks authorized for use in the Franchises (the "**Curves Marks**").

Franchisor is engaged in the business of granting Franchises using certain standards, product specifications, and operating procedures that comprise the Curves System and Curves Marks.

Franchisee recognizes the benefits to be derived from being identified with the Curves System and licensed by Franchisor to use its name and the Curves Marks. Franchisee recognizes the value of uniformity in a system of fitness and weight loss Clubs, and Franchisee further recognizes the value of Franchisor's knowledge and experience gained through the operation of Franchises and the value of the Curves Marks.

Franchisee has studied, and fully understands, the Curves System, Curves Marks, logos of Franchisor, and the importance of maintaining Franchisor's high standards and the terms and conditions herein.

Franchisee desires to acquire a Franchise and operate a single Club within the area set out in Exhibit "A" herein (the "**Franchised Territory**") for the entire Term of this Agreement (as defined in Section 2A below). Franchisee acknowledges receipt of a copy of Franchisor's Franchise Disclosure Document and has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by financial and legal counsel of Franchisee's own choosing prior to its execution. Franchisee is entering this Agreement after having made an independent investigation of Franchisor's operations and is not relying upon any representation as to the profits and/or sales volume which Franchisee might be expected to realize, nor upon any representations or promises by Franchisor which are not contained in this Agreement.

FRANCHISEE ACKNOWLEDGES THAT (1) THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON THE ABILITY OF THE FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON AND HIS/HER ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS, AND (2) NO ASSURANCE OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN GIVEN AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE GROSS REVENUES, VOLUME OR EARNINGS LIKELY TO BE ACHIEVED, AND (3) NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH HEREIN, IS BINDING ON FRANCHISOR IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT.

BEFORE SIGNING THIS AGREEMENT, FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL.

The parties therefore agree as follows:

1. GRANT OF FRANCHISE

A. Franchisor hereby grants to Franchisee, and Franchisee accepts, the right to open and operate, within the Franchised Territory, one (1) Franchise according to the stated terms and conditions hereinafter set forth using only the Curves System, Curves Marks, trade names, logos and emblems approved by Franchisor ("**Franchisee's Club**").

B. Franchisee will operate Franchisee's Club at one (1) location only within the limits or boundaries of the Franchised Territory. For this Agreement, Franchisee's Club is deemed to include any and all activities in the nature of exercise, diet, diet supplements and weight loss approved by Franchisor in writing. Franchisee is restricted from operating any type of business other than the Franchise inside the building where Franchisee's Club is located.

C. During the Term of this Agreement (as defined in Section 2 below), and provided Franchisee is in compliance with the terms and conditions of this Agreement, Franchisor will not: (i) modify the Franchised Territory without Franchisee's written permission, or (ii) directly operate or license or franchise a third-party the right to operate a Club under the Curves Marks in the Franchised Territory. Notwithstanding the foregoing, Franchisee agrees that Franchisor may develop, or authorize a third-party to develop and operate, a business using the *Curves*®, trademarks and to conduct normal pre-opening activities in the Franchised Territory so long as such new franchise does not open until the expiration or termination of this Agreement. Except as expressly stated in this Agreement, Franchisee may not solicit customers, provide services or advertise outside the Franchised Territory. Franchisee and Franchisor agree that there are no other territorial rights that arise under or will be inferred from this Agreement except those rights expressly granted to Franchisee in this Section 1C. As stated in further detail in Section 15 below, Franchisor and its affiliates retain all rights that are not expressly granted to Franchisee under this Agreement.

2. TERM OF AGREEMENT

A. Term of Agreement. The term of this Agreement is a period of ten (10) years and commences on the Effective Date of this Agreement (the "**Term of this Agreement**").

B. Renewal of this Franchise. Upon expiration of the Term of this Agreement, Franchisor may, at its sole option, grant a renewal of this Franchise for an additional period of five (5) years ("**Renewal**"). Franchisee is solely responsible for notifying Franchisor in writing of its desire for Renewal at least ninety (90) days, and no more than three hundred sixty-five days (365) days, prior to the expiration of the Term of this Agreement.

Within thirty (30) days of receipt by Franchisor of Franchisee's written notice described above, Franchisor will notify Franchisee in writing whether Franchisor will grant a Renewal subject to Franchisee satisfying the Renewal conditions outlined below. In the event Franchisee defaults on any term of this Agreement after Franchisor has granted the Renewal, or Franchisee fails to satisfy the Renewal conditions outlined below, Franchisor has the right to withdraw its grant of the Renewal by providing Franchisee with written notice as provided for in Section 24F below.

As a condition of Franchisor granting a Renewal, Franchisee must comply with all of the following:

1. Pay to Franchisor a fee in an amount equal to twenty-five percent (25%) of the then-current initial franchise fee applicable to a new Franchise in a method of payment determined by Franchisor ("**Renewal Fee**"); and

2. Modify and refurbish Franchisee's Club and Approved Location (as defined in Section 4B below) to bring it into compliance with specifications and standards currently applicable for new Franchises, including, but not limited to, any applicable re-imaging and adding or replacing equipment, fixtures and signs; and

3. Execute a general release of any and all claims that Franchisee and its Owners have or may have at that time against Franchisor, its officers, directors, agents, and employees in the form prescribed by Franchisor; and

4. Execute a new franchise agreement in the form then being used by Franchisor which may differ from this Agreement as to fees, services, terms, provisions and obligations; and

5. Franchisee, its Owners and personnel comply with Franchisor's then-current qualification and training requirements; and

6. Franchisee demonstrates to Franchisor's satisfaction the right to retain lawful possession of the Approved Location.

C. No Franchisee Right to Terminate. There are no conditions contained in this Agreement under which Franchisee may terminate this Agreement prior to the expiration of the Term of this Agreement except by mutual agreement with Franchisor and execution of a mutual release, or by sale of the Franchise to another franchisee in good standing with Franchisor, or to a qualified third-party in accordance with this Agreement.

3. FEES AND PAYMENTS

A. Method of Payment. Franchisee shall remit all payments due to Franchisor under this Agreement in United States Dollars by electronic funds transfer or cashier's check as set out herein or in any other form that Franchisor may require. Franchisee, upon signing this Agreement, shall provide Franchisor with bank account information from which Franchisee and Franchisor are legally authorized to withdraw funds ("**Franchisee's Bank Account**"). Franchisor may initiate all electronic funds transfer for payments owed to Franchisor by Franchisee from Franchisee's Bank Account. Franchisee shall sign any documents required by Franchisor to grant legal authorization to Franchisor to withdraw funds from Franchisee's Bank Account; however, such authorization to Franchisor is deemed given and effective by Franchisee's signature on this Agreement.

Franchisee shall not terminate such authorization as long as this Agreement is in effect. Franchisee shall not close Franchisee's Bank Account without prior written notice to Franchisor and establishing a substitute bank account authorizing electronic funds transfers initiated by Franchisor. Failure of Franchisee to provide Franchisee's Bank Account or remit payments in accordance with this Agreement is a material intentional default of this Agreement.

B. Application Fee. In consideration of the Franchise granted by Franchisor to Franchisee in this Agreement, Franchisee must pay a one-time non-refundable Application Fee of five hundred ($500.00) in the form of a cashier's check, which is subject to increase at our discretion, to review application documents and conduct recruitment process payable to Franchisor in Waco, Texas.

C. Initial Franchise Fee. In consideration of the Franchise granted by Franchisor to Franchisee in this Agreement, Franchisee shall pay to Franchisor, upon Franchisee's execution of this Agreement, the sum of fifty thousand ($50,000) in the form of a cashier's check (or as Franchisor requires) payable to Franchisor in Waco, Texas.

The Initial Franchise Fee includes franchise rights (including all intellectual property licenses, territory rights), training, pre-opening services, document preparation, processing and equipment.

The Initial Franchise Fee does include the cost for the equipment listed on Exhibit "B" of this Agreement

("**Curves Equipment**") or any amount for taxes. As required by Section 17 of this Agreement, Franchisee is responsible for payment of all taxes owed for any part of the Initial Franchise Fee. In the event Franchisor is required by law to collect taxes from Franchisee for any part of the Initial Franchise Fee, Franchisee shall remit payment to Franchisor for such taxes in addition to the Initial Franchisee Fee upon Franchisee's execution of this Agreement in the form of a cashier's check, or any other form as determined solely by Franchisor, made payable to Franchisor in Waco, Texas.

The Initial Franchise Fee is fully earned by Franchisor upon Franchisee's execution of this Agreement and is non-refundable. In the event Franchisee does not open Franchisee's Club for business within the timeframes outlined in Section 5A below, Franchisor may terminate this Agreement without refunding any part of the Initial Franchise Fee.

D. Delivery Fee. Upon Franchisee's execution of this Agreement, Franchisee shall pay to Franchisor the costs associated with the delivery of the Curves Equipment to Franchisee's Club, including shipping, handling and crating costs, as determined solely by Franchisor. Such payment shall be in the form of a cashier's check, or any other form as determined solely by Franchisor, made payable to Franchisor in Waco, Texas.

E. Training Fee. If Franchisor is granting the Franchise under this Agreement to Franchisee due to a transfer of any interests of the Franchise by an existing franchisee, whether by purchase or by gift, Franchisee shall remit to Franchisor the sum of five thousand five Hundred s ($5,500) ("**Training Fee**") prior to the transfer of any such interests. Such payment shall be in the form of a cashier's check, or any other form as determined solely by Franchisor, made payable to Franchisor in Waco, Texas.

F. Technology Fee. You must pay us a continuing monthly fee of two hundred seventy-five ($275), which fee is subject to increase at our discretion, ("**Technology Fee**") for the license, service, support of Curves required operating system, Curves required email access and proprietary intranet access. A portion of the Technology Fee may be paid to third party vendors.

4. FRANCHISEE'S CLUB LOCATION

A. Location of Franchise. Franchisee is solely responsible for site selection and securing a lease for the premises of Franchisee's Club subject to Section 4B. Franchisee must have Franchisee's Club completed and furnished in accordance with Franchisor's specifications prior to the opening of Franchisee's Club for business to the general public.

B. Pre-Approval. Prior to execution of any lease by Franchisee for the location site of Franchisee's Club and prior to approval by Franchisor of the Scheduled Opening Date (as defined in Section 5A below), Franchisee must receive written approval from Franchisor for said location site ("**Approved Location**"):

1. Franchisor has the sole right and discretion to approve or not approve said location site; and

2. Franchisee shall submit to Franchisor, in the form specified by Franchisor, copies of such information or materials as Franchisor may reasonably require.

C. No Guarantee. Franchisor, by reason of consent to Franchisee's proposed location site, does not warrant, represent, guarantee or assure Franchisee that the Franchise herein granted will be successful or profitable, nor that the location site selected by Franchisee will be a viable one for the operation of Franchisee's Club, nor that the Franchise granted herein will meet Franchisee's expectations. Franchisee hereby waives and releases any right or claim in connection therewith against Franchisor or any of its affiliates, employees or representatives, including, but not limited to, any claim relating to the selection or location of Franchisee's Club, as well as the location and profitability of Franchisee's Club not meeting Franchisee's expectations. Franchisee understands and acknowledges that the suitability of a location and the success of any franchise operation, including the one licensed pursuant to this Agreement, depends on many factors outside the control of Franchisor (including, without limitation, such factors as interest rates, unemployment rates, demographic trends, social fads and the general economic climate) and depends primarily upon Franchisee's efforts and abilities in the operation of Franchisee's Club.

D. Relocation. Franchisee shall not move or relocate Franchisee's Club without the prior written approval of Franchisor and the payment to Franchisor of a fee in the amount of five hundred ($500) in accordance with Section 3A herein (hereinafter "**Relocation Fee**"). Such Relocation Fee is not refundable regardless of whether Franchisee actually relocates Franchisee's Club. To request a relocation of Franchisee's Club, Franchisee shall submit to Franchisor a written request stating the new proposed location and a copy of the proposed lease for the proposed location at least sixty (60) days prior to the date of intended relocation. Failure by Franchisor to respond to such request is not deemed as an approval of the proposed location site. Franchisor has the sole discretion to approve or not approve Franchisee's request for a new location site for Franchisee's Club pursuant to Section 4B. Franchisee shall not locate Franchisee's Club outside of the boundaries of the Franchised Territory.

5. OPENING

A. In connection with the opening of Franchisee's Club for business to the general public:

1. Franchisee shall open Franchisee's Club within one hundred eighty (180) days from the Effective Date of this Agreement. Franchisor may approve a written request from Franchisee for an extension of such one hundred eighty (180) days. Any approval by Franchisor for such an extension must be in writing to be effective.

2. If Franchisee's Club is not open after the expiration of one hundred eighty (180) days from the Effective Date of this Agreement, Franchisee shall immediately begin paying to Franchisor the Minimum Monthly Royalty Fee and the Minimum Monthly Advertising Fee as those terms are defined in Section 12 below and continue such payments until Franchisee opens Franchisee's Club, at which time Franchisee shall pay its Monthly Royalty Fee and Monthly Advertising Fee in accordance with Section 12 of this Agreement. Franchisor may terminate this Agreement without refunding any part of the Initial Franchise Fee and any fees paid pursuant to Section 12 of this Agreement if Franchisee is in violation of this provision.

3. Franchisee shall submit to Franchisor a written request for approval of an opening date for Franchisee's Club. Franchisor may grant such approval ("**Scheduled Opening Date**") considering the following factors: (i) Franchisee's strict compliance with all provisions of this Agreement and any other agreement between Franchisee and Franchisor; (ii) the availability of independent contractors used by Franchisor to assist Franchisee; and (iii) the availability of delivery dates for the Curves Equipment. Franchisor may cancel or delay Franchisee's Scheduled Opening Date due to any issues from the above considerations. Franchisor may grant an extension for the Scheduled Opening Date if such Scheduled Opening Date is delayed due to no fault of Franchisee.

4. If Franchisee is in violation of any provision of this Agreement or any other agreement with Franchisor, Franchisor may cancel Franchisee's Scheduled Opening Date, stop delivery of the Curves Equipment, and reschedule each to a date solely determined by Franchisor. Franchisee shall remit to Franchisor an amount of one thousand five hundred ($1,500) if Franchisee does not open Franchisee's Club by the Scheduled Opening Date or if Franchisee has to reschedule the Scheduled Opening Date.

5. If Franchisee is purchasing a new Franchise from Franchisor, within ninety (90) days of the Effective Date of this Agreement, Franchisee is required to expend not less than five thousand ($5,000) with Franchisor's preferred marketing vendors or with a vendor approved by Franchisor in accordance with Sections 6C and 8 below in conjunction with the initial grand opening of Franchisee's Club. You are also required to expend not less than $250 per month on local advertising with our preferred marketing vendors or with a vendor approved by us in accordance with Section 8D of the Franchise Agreement.

B. Franchisee shall not open, or take over the operation of, Franchisee's Club until Franchisor has determined that Franchisee's Club is compliant with Franchisor's current comprehensive club format and operating system, design, decor, equipment system, color scheme, style of building, signage, standards and specifications as set out in Sections 6 and 10 below. Franchisor's approval of Franchisee to open, or take over the operation of, Franchisee's Club does not constitute a waiver of Franchisor's right to require Franchisee to conform Franchisee's Club to Franchisor's current standards.

C. Franchisee shall not open or take over the operation of Franchisee's Club until Franchisee and its Key Staff, (as defined in Section 6K) have satisfactorily completed and become certified in all training required by Franchisor as described in Section 11 below, and Franchisee has hired a sufficient number of employees, satisfactorily trained in accordance with Section 11, to service the anticipated level of customers of Franchisee's Club.

6. STANDARDS AND CONSISTENCY OF OPERATION

A. Franchisee understands and acknowledges that every detail of Franchisee's Club is important to Franchisee, Franchisor, and other franchisees in order to develop and maintain high operating standards, to increase the demand for the Curves System and the Authorized Products (as defined below) sold by all franchisees, and to protect Franchisor's reputation and goodwill.

B. Franchisee shall use the premises of Franchisee's Club solely for the operation of Franchisee's Club and shall not use Franchisee's Club for any other purpose or activity at any time. As used in this Section 6, the term "**premises**" shall include the grounds surrounding Franchisee's Club.

C. To assure that the highest degree of quality and service is maintained, Franchisee shall operate Franchisee's Club in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Confidential Operations Manual (as defined in Section 9C below) or otherwise in writing. Franchisee agrees:

1. to use and/or sell, at all times, only such products, services, materials, and supplies as conform to Franchisor's written standards and specifications (**"Authorized Products")**, and to refrain from deviating therefrom by the use or offer of any non-conforming items without Franchisor's specific prior written consent; and

2. to offer and sell only the products and services in Franchisee's Club which are approved by Franchisor in writing. Franchisee's offering of any products or services not approved by Franchisor in writing shall be in violation of the Confidential Operations Manual and a breach of this Agreement. Franchisee shall offer all goods and services that Franchisor designates as required for all franchisees. Franchisor restricts services provided by Franchisee to thirty-minute fitness and weight loss services and to offering for sale weight loss related products approved by Franchisor in writing. Franchisor reserves the right to add additional authorized services and products that Franchisee is required to offer and to charge Franchisee any reasonable fees associated with the new service or product in accordance with Section 3A. Franchisor or its authorized representatives, at all reasonable times, has the right to access Franchisee's Club to inspect all products and services offered or made available by Franchisee's Club.

3. to purchase all equipment, inventory, advertising materials, services and other supplies, products and materials required for the operation of Franchisee's Club solely from suppliers who:

(i) demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's standards, specifications and requirements for such items regarding quality, variety, service, safety and health; and

(ii) possess adequate quality controls and capacity to supply Franchisor's needs promptly and reliably; and

(iii) have sound financial condition and business reputation; and

(iv) will supply such items to a sufficient number of franchises to enable Franchisor to economically monitor compliance by the supplier with Franchisor's standards, specifications and requirements; and

(v) have been approved for such items in writing by Franchisor and not thereafter disapproved.

D. If Franchisee, during the Term of this Agreement, desires to purchase any products for use in Franchisee's Club from a supplier who has not been approved by Franchisor, Franchisee may request, in writing, approval by Franchisor of such supplier. Franchisor may approve such proposed supplier if, in its sole judgment and discretion, it is satisfied that the supplier can meet and maintain Franchisor's specifications, standards and requirements. Franchisee, in making such request, must furnish Franchisor, at Franchisee's cost, with adequate samples of the items for which approval is being requested, or if that is not feasible, then with copies of descriptions, specifications, pictures of such items and any other information concerning the supplier that Franchisor may reasonably request. A lack of response by Franchisor to such request by Franchisee is not deemed as approval of such request.

Franchisee shall not sell, dispense or use any such items until such approval has been granted and notice thereof given to Franchisee in writing by Franchisor. Nothing contained herein shall be construed to require Franchisor to approve an unreasonable number of suppliers for any particular item or service. Franchisor may, as a condition precedent to approving or disapproving any request for a new or additional supplier of any item or service, charge such proposed supplier the reasonable costs and expenses incurred by Franchisor in evaluating, investigating and determining any such request. Nothing contained in this Agreement shall be construed as an attempt by Franchisor to limit the sources from which Franchisee may procure supplies, products, services or other items.

E. **Manuals and the Curves System.** Franchisee shall operate Franchisee's Club in strict and complete compliance with all standard procedures, policies, rules and regulations established by Franchisor and incorporated in the Confidential Operations Manual (as defined in Section 9C below) and the Curves System. Franchisee agrees to fully comply with the Confidential Operations Manual and the Curves System to protect the reputation and goodwill of Franchisor, to promote uniform standards of service and operation under Curves Marks and Curves System, to promote the goodwill of the Curves System, and for the mutual benefit of Franchisor and Franchisee.

F. Franchisee shall cause the look and operation of Franchisee's Club to be in compliance with Franchisor's current comprehensive club format and operating system, including design, decor, equipment system, color scheme, style of building, signage, standards, specifications and procedures of operation, quality of products and services offered, and the provisions of the Confidential Operations Manual (as defined in Section 9C below). Franchisee agrees that uniformity of the look and operation of all Clubs under the Curves System are necessary and essential to the image and success of the Curves System. The Confidential Operations Manual contains the official mandatory franchise operating standards, specifications and procedures for the operation of Franchisee's Club. Franchisee shall not make, cause, or allow to be made, any copies or reproductions of all or any portion of the Confidential Operations Manual without Franchisor's express prior written consent. Upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall immediately return to Franchisor, or destroy any copy of, the Confidential Operations Manual.

G. Franchisee acknowledges that Franchisor has developed, and may continue to develop or revise in the future, the Curves System, and further acknowledges that the Curves System, together with information pertaining to customers of the Curves System, are trade secrets of Franchisor which have been developed through the research of, and at the expense of, Franchisor.

H. Compliance. Franchisee agrees that (i) the uniformity and consistency of operation of all Franchises in compliance with the Confidential Operations Manual (as defined in Section 9C below) and the Curves System are mutually beneficial for Franchisor and Franchisee; (ii) full and strict compliance by Franchisee with all parts of the Confidential Operations Manual and the Curves System, and any changes thereto, is essential, material and vital to the relationship between Franchisor and Franchisee; and (iii) this Agreement is necessary to protect the reputation and goodwill of Franchisor, to promote the reputation, goodwill, value and integrity of the Curves Marks and the Curves System, and is essential, material and vital to the operation of Franchisee's Club.

Therefore, Franchisee shall always be in full and strict compliance with all parts of the Confidential Operations Manual and the Curves System and any changes thereto. Failure to so fully and strictly comply is a material default of this Agreement and subject to the remedies outlined in this Agreement, including, but not limited to, removal of Franchisee's Club listing from Franchisor's website available to the public and/or restrict Franchisee's access to certain programs or promotions until Franchisee becomes fully compliant with the Confidential Operations Manual and the Curves System.

Additionally, in the event Franchisee does not fully and strictly comply with any part of the Confidential Operations Manual and the Curves System and any changes thereto, at any time during the Term of this Agreement, Franchisee shall pay to Franchisor the following fees and agrees that such fees are reasonable:

1. **Monitoring Fee.** Upon fifteen (15) days' notice by Franchisor to Franchisee of such noncompliance, Franchisee shall remit to Franchisor a continuing monthly fee in the amount of up to two hundred fifty ($250) ("**Monitoring Fee**") to monitor Franchisee's Club until Franchisee is in complete compliance with the Confidential Operations Manual and the Curves System. The Monitoring Fee will be automatically withdrawn by Franchisor in accordance with Section 3A herein.

2. **Brand Protection Fee.** Franchisee acknowledges and agrees that its own failure to completely comply with the Confidential Operations Manual and the Curves System results in financial damages to the Curves Marks and the Curves System and thus to Franchisor in an amount that would be difficult to ascertain. Therefore, if Franchisee does not completely comply with the Confidential Operations Manual and the Curves System, upon fifteen (15) days' notice by Franchisor to Franchisee of each act of such noncompliance, Franchisee agrees to pay to Franchisor for such damages, and not as a penalty, based on a reasonable estimate of the probable damages that Franchisor would suffer, a continuing monthly fee in the amount of up to Three Hundred Fifty Dollars ($350) for each act of noncompliance until Franchisee is completely compliant with the Confidential Operations Manual and the Curves System ("**Brand Protection Fee**"). The Brand Protection Fee will be automatically withdrawn by Franchisor in accordance with Section 3A herein.

I. Hours of Operation. Franchisee shall open Franchisee's Club for business, at a minimum, from 9:00 a.m. to 12:00 p.m. and 4:00 p.m. to 7:00 p.m., Monday through Friday, fifty-two (52) weeks a year, excluding federal holidays, unless otherwise authorized or directed by Franchisor in writing or unless prohibited by applicable law.

J. Vending Machines, Etc. Franchisee shall not install any coin-operated or credit-card operated machines, public telephones, newspaper racks, juke boxes, cigarette, gum and candy machines, rides, lottery ticket terminals, video games or any other games, vending or amusement machines, or any unapproved items at Franchisee's Club without the prior written approval of Franchisor.

K. Manner of Operation. Franchisee shall maintain the highest standards of quality and service in its operation of Franchisee's Club in accordance with the standards established by Franchisor in order to provide the highest quality service to customers of Franchisee and to preserve and enhance the value of the Curves Marks licensed hereunder. Unless Franchisor consents in writing, Franchisee shall personally operate and/or exercise personal supervision over the operation of Franchisee's Club or always have an individual who has been satisfactorily trained in accordance with Section 11 ("**Key Staff**") present in Franchisee's Club at all times that Franchisee's Club is open or available for business. Franchisee shall insure that no person is allowed to use any part of Franchisee's Club without Franchisee or its Key Staff present in Franchisee's Club. Franchisee shall designate its Key Staff on Exhibit "C," which Exhibit shall be amended if replacements are named pursuant to this Section 6K.

Franchisee shall keep and maintain a safe, neat, clean and orderly facility at the location of Franchisee's Club in keeping with the standards established in the Confidential Operations Manual. To maintain uniformity within the Curves System and to maintain the standard practices that are necessary to promote the goodwill of the Curves System, Franchisee shall use in the operation of Franchisee's Club only the standard form of reports, stationery and printed material uniformly prescribed by Franchisor for use by members of Curves System to the extent such materials are not prohibited by any laws, rules or regulations of duly-constituted governmental bodies relating to Franchisee's Club.

L. **Right of Entry and Inspection.** Franchisee grants Franchisor and its agents the unrestricted right to enter upon the premises of Franchisee's Club at any time for the purpose of conducting inspections and other activities it deems necessary for, among other purposes, preserving validity of the Curves Marks and verifying Franchisee's compliance with this Agreement and the policies and procedures outlined in the Confidential Operations Manual. Franchisor may conduct the inspections without prior notice at any time when Franchisee or one of Franchisee's employees is present at Franchisee's Club. The inspections will be performed in a manner which minimizes interference with the operation of Franchisee's Club. Franchisee shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request and, upon notice from Franchisor or its agent and without limiting Franchisor's other rights under this Agreement, Franchisee shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection.

M. Franchisee shall offer for sale, and will honor for purchases by customers, any incentive, coupon, or customer loyalty programs which Franchisor may institute from time to time, and Franchisee shall do so in compliance with Franchisor's standards and procedures for such programs. Franchisor, at its discretion, may permit Franchisee to opt out of some incentive, coupon or customer loyalty programs.

N. Except as otherwise approved in writing by Franchisor, Franchisee shall: (i) confine its activities, and its governing documents shall at all times provide that its activities are restricted to operating Franchisee's Club; (ii) if Franchisee is a corporation, maintain a current list of all Owners of record and all beneficial Owners of any class of voting stock of Franchisee and furnish the list to Franchisor upon request or at such time ownership of Franchisee changes; (iii) if Franchisee is a partnership or limited liability partnership, prepare and furnish to Franchisor, upon request or at such time as ownership of Franchisee changes, a current list of all general and limited partners in Franchisee; and (iv) if Franchisee is a limited liability company, prepare and furnish to Franchisor, upon request or at such time as ownership of Franchisee changes, a current list of all general and limited partners in Franchisee. Franchisee shall designate all its Owners on Exhibit "C," which Exhibit shall be amended if the ownership of Franchisee changes at any time during the Term of this Agreement.

7. OPERATING SYSTEM, TELEPHONES, WEBSITE AND EMAIL

A. **Operating Software and Information Technology Requirements.** Franchisee shall maintain active the operating software created by Franchisor for Franchises required operating system as required by Franchisor. Franchisee shall use Curves required operating system, in the operation of Franchisee's Club. Franchisor will provide Curves required operating system to Franchisee at no initial fee. You must pay us a continuing monthly fee of two hundred Seventy-Five ($275), which fee is subject to increase at our discretion, ("**Technology Fee**") for the license, service, and support of Curves required operating system. A portion of the Technology Fee may be paid to third party vendors.

1. Franchisee shall acquire and maintain active the necessary computer system and hardware to properly and adequately operate and use Curves required operating system, Franchisee is responsible for the installation of such computer hardware, computer system and Curves required operating system. Franchisee shall have Curves required operating system fully operational upon the opening of Franchisee's Club for business, or if Franchisee acquired a Franchise through the transfer of an existing Club, then Franchisee shall have Curves required operating system fully operational upon taking over the operation of Franchisee's Club.

2. Franchisor shall have the right at any time to remotely retrieve and use any data and information from Curves required operating system in compliance with all applicable laws. Franchisor may suspend or terminate Franchisee's access to Curves required operating system if Franchisee is in breach or violation with any part of this Agreement or the Confidential Operations Manual (as defined in Section 9C) or any agreement between Franchisee and Franchisor or a Franchisor-related entity.

3. To ensure full operational efficiency and optimum communication capability between and among Franchisee, Franchisor and other franchisees, Franchisee agrees, at its expense, to keep its computer system in good maintenance and repair. Franchisee also agrees to promptly install any additions, changes, modifications, substitutions and/or replacement of Curves required operating system or Franchisee's computer hardware, software, and internet access as Franchisor may direct periodically in writing.

B. Curves Email Address. Franchisee acknowledges and agrees that exchanging information with Franchisor by email is an important way to enable quick, effective and efficient communication and that Franchisor is entitled to rely upon Franchisee's use of email for communication as part of the economic bargain underlying this Agreement. Franchisor may provide Franchisee an email address to be used only by Franchisee ("**Curves Email Address**"), and Franchisee authorizes the transmission of email by Franchisor and Franchisor's employees and affiliates on matters pertaining to the Franchise and Franchisee's Club to Franchisee via the Curves Email Address during the Term of this Agreement. Franchisee is responsible for all communications sent to the Curves Email Address by Franchisor or its related entities. Franchisor is the owner of the Curves Email Address with the right to view and monitor all communications sent or received through the Curves Email Address. Franchisee shall not provide access to the Curves Email Address to any other person, shall not forward any emails from Franchisor to any third-parties and shall monitor all communications on the Curves Email Address on at least a weekly basis. Any notices sent by Franchisor to Franchisee via the Curves Email Address will be deemed as received by Franchisee as of the date of delivery of such notices to the Curves Email Address.

C. Internet Site for Franchisees. Franchisor provides an internet site accessible only to its franchisees ("**Curves Community/Curves Learning Community Websites**"). Any information provided on Curves Community/Curves Learning Community Websites is confidential, proprietary and owned by Franchisor. Franchisee shall not provide any third-party access to Curves Community/Curves Learning Community Websites except to Franchisee's Key Staff who has signed a non-competition agreement and a confidentiality agreement in accordance with Section 22. In the event a third-party receives or acquires access to the Curves Community/Curves Learning Community Websites through Franchisee's password, due to no fault of Franchisor, Franchisee will be responsible for taking all legally available action to prevent said third-party from accessing the Curves Community/Curves Learning Community Websites, including notifying Franchisor in writing of any unauthorized access to the Curves Community/Curves Learning Community Websites. Any use of the Curves Community/Curves Learning Community Websites is subject to the terms of use as posted on such website. Franchisor may cease providing the Curves Community/Curves Learning Community Websites at any time.

D. Franchisee Website. Prior to Franchisee creating and having its own website on the Internet to advertise and promote Franchisee's Club featuring the Curves Marks or any part of the Curves Marks, Franchisee shall comply with the following:

1. Franchisee shall obtain Franchisor's prior written approval for Franchisee's domain name and the form and content of Franchisee's website before it is used on the Internet so that Franchisor can maintain the common identity of the franchise network. Franchisee shall not use any of the Curves Marks or similar words as part of Franchisee's domain name. The domain name shall be registered in the name of Franchisor and licensed to Franchisee for the Term of this Agreement; and

2. Franchisee shall provide on its own website a hyperlink to Franchisor's website. Prior to placing any hyperlinks to third-party websites, Franchisee shall obtain written approval of such hyperlinks from Franchisor. Franchisee shall not indulge in deep linking, framing, word stuffing, or other unlawful or unethical activities including any activities detailed in the Confidential Operations Manual; and

3. Franchisee shall have taken appropriate legal advice regarding the content of Franchisee's website and ensure that it complies with all relevant legislation and regulations; and

4. Franchisee agrees that ecommerce is a rapidly developing field and that the provisions of this clause may need to be modified in the future or that guidelines on use of the Internet may be introduced in the Confidential Operations Manual. If such modifications or guidelines are established by Franchisor, Franchisee shall comply with them; and

5. On expiration, termination or nonrenewal of this Agreement for any reason, Franchisee shall immediately assign ownership of all domain names and websites operated pursuant to this clause to Franchisor or to another person or entity as directed by Franchisor, and Franchisee shall undertake all such actions as Franchisor requires to dissociate Franchisee with the website and the domain name; and

6. Franchisee shall fully indemnify Franchisor against any and all claims made against Franchisor relating to Franchisee's website; and

7. Franchisor may operate via the Internet without territorial restriction.

8. Execute a Social Media Addendum in the form of the one attached hereto as Exhibit "D."

E. Electronic Funds Transfer. Franchisee shall facilitate electronic transfers for membership dues for its members through Franchisor or an approved supplier as designated by Franchisor. Franchisor may prohibit Franchisee from using any form of reports, stationery or printed matters purchased from other suppliers that deviate in any way either in content or in the standards of quality that have been established by Franchisor in the past or may be established by Franchisor in the future.

Franchisee shall obtain a surety bond in the amount of at least $20,000, with Franchisor as beneficiary, to insure against theft, fraud and misuse of the electronic funds transfer process. Franchisee shall post such bond prior to Franchisee using electronic funds transfer. Franchisee shall submit proof of bond to Franchisor before Franchisor considers approving Franchisee to use electronic funds transfer.

F. **The Evolt 360 Body Composition Scanner**. Franchisee is required to purchase the Evolt 360 machine from approved third-party vendor for five thousand six hundred and fifty ($5,633) or pay three hundred two ($302.47) per month for 36 months before opening your club. If acquiring a franchise through a transfer of existing club, you must scanner within ninety (90) days from the execution of your franchise agreement.

1. **Evolt License Fee**. Franchisee is required to pay one hundred forty-six ($146) a month for Thirty-Six (36) months to third-party approved vendor for Evolt Insight license fee.
2. **Evolt Training and Delivery Fee.** Franchisee is required to pay a one-time fee of three hundred ($300) for training and delivery fee for Evolt machine to approved third-party vendor.

G. **MyZone Switch Heart Rate/Fitness Tracker**. Franchisee is required to purchase MyZone Switch Heart Rate/Fitness Tracker for a one-time up-front cost of four hundred ninety-nine ($499) from third-party vendor before opening your club. If acquiring a franchise through a transfer of existing club, you must scanner within ninety (90) days from the execution of your franchise agreement.

1. **MyZone Trackers**. Franchise is required to purchase MyZone Fitness Trackers for seventy ($70 per tracker from third-party vendor.
2. **MyZone License Fee**. Franchisee is required to pay one hundred fifty ($150) per month to approved third-party vendor for MyZone license fee.

8. ADVERTISING AND PROMOTIONAL MATERIALS

A. Franchisee shall use only those advertising and promotional materials or items which are authorized by Franchisor in writing. Franchisee shall not display or use the Curves Marks without the prior written approval of Franchisor.

B. Franchisor shall review and shall have the right to approve or disapprove all advertising and promotional materials that Franchisee proposes to use for the Curves System; however, Franchisee is responsible for ensuring that such marketing complies with all applicable federal, state and local laws and must notify Franchisor immediately in writing of any concerns that Franchisee has in this regard. Franchisor will decide, in its sole discretion, what amendments (if any) to make to such marketing due to such Franchisee's comments. Franchisor shall provide such merchandising, marketing and advertising research data and advice as may be developed, from time to time, by Franchisor and deemed by it to be helpful in the operation of Franchisee's Club.

C. Franchisee shall place in the yellow pages of the telephone directory serving its market area advertisement(s) as prescribed by Franchisor in the Confidential Operations Manual as defined in Section 9C). Additional yellow page advertisements may be placed by Franchisee, but only in the most recent form prescribed by Franchisor.

D. Franchisee is required to expend not less than an average of Two Hundred Fifty Dollars ($250) per month on a three (3) month rolling basis on local advertising with Franchisor's preferred marketing vendors or with a vendor approved by Franchisor in accordance with this Section and Section 6C above.

E. During the Term of this Agreement, Franchisor may, in its discretion and in the manner and timeframe of Franchisor's choosing, establish and conduct promotional campaigns on a national or regional basis, which may, by way of illustration and not limitation, promote particular products or marketing themes. Franchisee shall participate in such promotional campaigns. If required by Franchisor, Franchisee must purchase point of sale advertising material, posters, flyers, and other promotional material from Franchisor's approved vendors.

F. Nothing herein shall be construed to require Franchisee to charge any prices for any goods and services offered at Franchisee's Club other than those determined by Franchisee in its sole and absolute discretion.

G. Franchisee shall not engage in any deceptive, misleading, unlawful or unethical advertising which, in the sole discretion of Franchisor, might be injurious or detrimental to Franchisor, Curves Marks, the Curves System or the public. Franchisee shall use the Curves Marks only in the forms prescribed by Franchisor. Franchisee shall use only the advertising or promotional materials, signs or other items using the Curves Marks and/or connected in any way to Franchisee's Club which are approved in writing by Franchisor.

H. Franchisee shall require all advertising and promotional materials, signs, decorations, paper goods, apparel, any and all replacement trade dress products, and other items which may be designated by Franchisor to bear the Franchisor's then-current Curves Marks and logos in the form, color, location and manner then-prescribed by Franchisor.

9. FRANCHISOR'S DUTIES

A. Franchisor will designate the supplier from which Franchisee must obtain the Curves Equipment. In order to provide products and services of the highest quality and in the most expeditious manner and protect the trade secrets of Franchisor, Franchisee shall only use the Curves Equipment and only equipment prescribed, approved and required by Franchisor in the operation of Franchisee's Club. Franchisee's use of any equipment not approved by Franchisor in writing shall constitute a breach of this Agreement. Franchisee shall maintain all equipment in a condition that meets operational standards specified in the Confidential Operations Manual. Franchisee shall replace or repair any obsolete, worn or inoperable equipment with the types and kinds of equipment as are then approved for use in Franchisee's Club. Franchisor or its authorized representatives, at all reasonable times, has the right to access Franchisee's Club to inspect all equipment used in Franchisee's Club.

B. Franchisor will provide Franchisee with a list of approved supplies and approved suppliers for Franchisee's Club. In order to provide products and services of the highest quality and in the most expeditious manner and protect the trade secrets of Franchisor, Franchisee shall only use the furnishings, signage, exterior and interior branding components, client materials and marketing materials prescribed, approved and required by Franchisor in the operation of Franchisee's Club. Franchisee's use of any furnishings, signage, exterior and interior branding components, client materials and marketing materials not approved by Franchisor in writing shall constitute a breach of this Agreement. Franchisee shall purchase directly from Franchisor or Franchisor's authorized supplier, at Franchisee's own expense, any and all furnishings, signage, exterior and interior branding components, client materials and marketing materials that Franchisor, in its sole right, requires at any time during the Term of this Agreement for the operation of Franchisee's Club. Franchisee shall maintain all furnishings, signage, exterior and interior branding components, client materials and marketing materials in a condition that meets operational standards specified in the Confidential Operations Manual. Franchisee shall replace or repair any obsolete, worn or inoperable furnishings, signage, exterior and interior branding components with the types and kinds of furnishings, signage, exterior and interior branding components as are then approved for use in the Curves System. Franchisor or its authorized representatives, at all reasonable times, has the right to access Franchisee's Club to inspect all furnishings, signage, exterior and interior branding components, client materials and marketing materials used in Franchisee's Club.

C. Franchisor will provide Franchisee access to its confidential operations manuals via the Curves Learning Websites. Franchisee shall operate Franchisee's Club in strict and complete compliance with all standard procedures, policies, rules and regulations established by Franchisor and incorporated in the confidential operations manuals as same may be amended and revised from time to time, including all bulletins, supplements, ancillary manuals, videos, digital video or versatile discs, compact discs, video or audio cassettes and any electronic medium (collectively referred to as the "**Confidential Operations Manual**") and the Curves System. Franchisee agrees to fully comply with the Confidential Operations Manual and Curves System to protect the reputation and goodwill of Franchisor, to promote uniform standards of service and operation under the Curves Marks and the Curves System, to promote the goodwill of the Curves System, and for the mutual benefit of Franchisor and Franchisee. Franchisor may make modifications to the Confidential Operations Manual at any time as Franchisor deems necessary.

Franchisee acknowledges that (i) the Confidential Operations Manual is the property of Franchisor; (ii) the Confidential Operations Manual is confidential, proprietary and contains trade secrets of Franchisor; and (iii) Franchisee does not acquire any right, title or interest in the Confidential Operations Manual. Franchisee shall not divulge any part of the Confidential Operations Manual and Curves System to another person except to those employees of Franchisee who need access to it for operation of Franchisee's Club. Franchisee shall cause its spouse, all its employees, and if Franchisee is a corporation, partnership or other legal entity, its shareholders, officers, members, directors and partners, to sign a noncompetition agreement and confidentiality agreement concerning the Confidential Operations Manual and Curves System in forms acceptable to Franchisor. Franchisee shall provide Franchisor with copies of such agreements. Franchisee agrees that modifications to the Confidential Operations Manual by Franchisor may become necessary during the Term of this Agreement. Franchisee shall comply with such modifications immediately upon notice of such modifications being posted on the Curves Community/Curves Learning Community Websites or provided to Franchisee in writing via the Curves Email Address or mail by Franchisor or any of its employees or representatives. The Curves System and the Confidential Operations Manual, including any modifications thereto, are integral parts of this Agreement.

D. Franchisor shall provide Franchisee access to a reproducible copy of the standard Curves Marks and specifications for current approved logo and signage reproductions. Any modifications of the Curves Marks and specifications, whether requested or required by planning and zoning boards, building codes, landlords, or otherwise, are the responsibility of Franchisee. Franchisee shall acquire approval from Franchisor in writing prior to using any such modifications.

E. Franchisor shall provide Franchisee and its personnel a pre-opening training program (Club Camp/Initial Training) conducted at a location and time designated by Franchisor as set out in Section 11 of this Agreement.

F. During the initial grand opening phase of Franchisee's Club if Franchisee has purchased a new Franchise or during the time period Franchisee has initially taken over the operation of Franchisee's Club if Franchisee purchased a franchise with an already open Club from an existing franchisee, Franchisor shall provide Franchisee with assistance via Franchisor's independent contractors at Franchisee's Club for up to four (4) days at such times as Franchisor deems appropriate under the circumstances. Franchisor is not required to provide such assistance, and in exercising its own discretion and right, may consider the following factors: the experience of Franchisee, any prior Curves System experience of Franchisee's Key Staff and other employees, and any other factors that Franchisor deems appropriate for consideration.

G. Franchisor shall provide periodic training seminars or refresher courses (online or otherwise) for Franchisee, its Key Staff and personnel, at such times and in such locations as selected by Franchisor. Franchisee's attendance, and that of its Key Staff and personnel, at those seminars may be required at the sole discretion of Franchisor. All expenses of Franchisee, its Key Staff and personnel incident to attendance at the training seminars are to be borne by Franchisee.

H. Franchisor shall provide such ongoing support as Franchisor deems reasonably necessary to continue to communicate and advise Franchisee as to the Curves System, including the operation of Franchisee's Club, communication of new developments, techniques, trainings and improvements to the Curves System.

I. Franchisor will provide periodic assistance to Franchisee in the marketing, management, and operation of Franchisee's Club as Franchisor determines at the time(s) and in the manner determined by Franchisor. Franchisee is responsible for ensuring that such marketing is legal in the Franchised Territory and must notify Franchisor immediately in writing of any concerns that Franchisee has in this regard. Franchisor will decide in its sole discretion what amendments (if any) to make to such marketing due to such Franchisee's comments.

J. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by this Agreement, as Franchisor may direct.

10. FRANCHISEE'S CLUB

A. During the Term of this Agreement, the site at which Franchisee shall operate Franchisee's Club must be used exclusively for the purpose of operating a Franchise and no other business. Franchisee shall construct, improve, operate and decorate Franchisee's Club in the manner authorized and approved by Franchisor in accordance with the Confidential Operations Manual and the Curves System, and Franchisee shall not thereafter alter the appearance of Franchisee's Club except as approved in writing by Franchisor. Franchisee shall, at its expense, maintain Franchisee's Club in good condition and repair in accordance with Franchisor's then-current repair and maintenance standards. Franchisee shall improve, alter and remodel Franchisee's Club to bring it into conformance with the national and local plans, specifications and/or other standards for new or remodeled Clubs as may hereafter be reasonably modified by Franchisor.

B. If Franchisee's Club is damaged or destroyed by fire or other casualty or is required to be repaired or reconstructed by any governmental authority, Franchisee shall, at its own expense, repair or reconstruct Franchisee's Club within a reasonable time under the circumstances in accordance with the then-current image, design and specifications of all Clubs.

C. Franchisee shall only erect and display the Curves Marks in the manner and at such locations as are approved and authorized by Franchisor in writing. Franchisee shall maintain and display only signs reflecting the then-current image of the Curves System. Franchisee shall not place additional signs or posters at Franchisee's Club without the prior written consent of Franchisor.

Franchisee shall discontinue the use of and destroy such exterior and interior signs as are declared obsolete by Franchisor within the reasonable time specified by Franchisor. If Franchisee has purchased a Franchise with an already open Club from an existing franchisee, within ninety (90) days of the Effective Date of this Agreement, Franchisor may require Franchisee to remove and destroy any outdated or unapproved exterior and interior signage and replace it with signage reflecting the then-current image of the Curves System.

Such signs are fundamental to the Curves System, and Franchisee hereby grants to Franchisor the right to enter Franchisee's Club to remove and destroy unapproved or obsolete signs in the event Franchisee has failed to do so within thirty (30) days after the written request of Franchisor. Franchisor reserves the right to proceed under Section 20 of this Agreement in the event Franchisee is in violation of this provision.

D. During the Term of this Agreement, Franchisee shall comply with all federal, state and local laws, codes and regulations, including, without limitation, the applicable provisions of the ADA regarding the construction, design and operation of Franchisee’s Club. If Franchisee receives any complaint, claim, or other notice alleging a failure to comply with the ADA, or any other law or regulation related to health or safety, Franchisee agrees that it shall provide Franchisor with a copy of such notice within five (5) days after Franchisee’s receipt thereof.

E. Franchisee shall be responsible for obtaining all zoning classifications, clearances, permits and certifications which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to Franchisee’s Club location.

F. Franchisee shall construct, furnish, and open Franchisee’s Club according to the requirements contained herein, and Franchisee shall open Franchisee’s Club no later than one hundred eighty (180) days from the Effective Date of this Agreement. Time is of the essence. Prior to opening Franchisee’s Club for business, Franchisee shall comply with all pre-opening requirements set forth in this Agreement, the Confidential Operations Manual, and/or elsewhere in writing by Franchisor.

G. Franchisor shall have the right (but not the obligation) to provide a representative to be present at the opening of Franchisee’s Club. Franchisor will provide such additional on-site pre-opening and opening supervision and assistance for the opening of Franchisee’s Club for business as Franchisor deems advisable.

H. Franchisee shall, at all times, maintain Franchisee’s Club in a high degree of sanitation, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment, and decor as Franchisor may reasonably direct. Franchisee shall, at its own expense, maintain Franchisee's Club in good condition and repair in accordance with Franchisor's then-current repair and maintenance standards and specifications of the Curves System.

I. Franchisee shall personally manage the day-to-day operations of Franchisee’s Club or always have its Key Staff managing the day-to-day operations of Franchisee’s Club throughout the Term of this Agreement in accordance with the Confidential Operations Manual and training required in Section 11.

If Franchisee is a corporation, partnership or other legal entity, direct, on-site supervision must be done by a designated. Owner who is acceptable to Franchisor and who has satisfactorily completed our Initial Training Program and other educational requirements and training discussed in Item 11 below, an "**operating principal.**" Franchisee must furnish all organizational and other documents regarding the formation of Franchisee's entity, together with any and all amendments and modifications thereto, to Franchisor, as well as such other documents as Franchisor may request. If Franchisee is a corporation, partnership or other legal entity, Franchisee's principal Owners must sign a guaranty assuming and agreeing to pay all monetary obligations under the Franchise Agreement.

11. TRAINING

A. Onboarding Certification. Prior to executing this Agreement and prior to Franchisee's required attendance at the Initial Training Program (as defined in Section 11D), Franchisee must satisfactorily complete approximately 40 hours of online and live virtual sessions with a focus on company history, service, sales, guest production, policy, procedures and management in order to obtain "**Onboarding Certification**."

If Franchisee purchased a new Franchise from Franchisor, Franchisee's Key Staff must satisfactorily complete and obtain Onboarding Certification prior to the Scheduled Opening Date or within ninety (90) days of such Key Staff's hire date and prior to such Key Staff's required attendance at the Initial Training Program. All of Franchisee's personnel must satisfactorily complete and obtain Onboarding Certification prior to the Scheduled Opening Date or within ninety (90) days of such personnel's hire date.

If Franchisee acquired a Franchise through the transfer of an existing Club and is assuming the employment of any Key Staff or personnel from the already open Club, or is hiring new Key Staff or personnel, then such individuals must satisfactorily complete and obtain Onboarding Certification within ninety (90) days of the Effective Date of this Agreement or within ninety (90) days of such individual's hire date.

If, at any time during the Term of this Agreement, Franchisee replaces its Key Staff or personnel, such new Key Staff or personnel must satisfactorily complete and obtain Onboarding Certification within ninety (90) days of their hire date.

While not required to attend and successfully complete the Initial Training Program, any of Franchisee's Owners and personnel who choose to attend the Initial Training Program, must satisfactorily complete and obtain Onboarding Certification prior to attending the Initial Training Program.

The current registration fee for Onboarding Certification is $150 per individual but is subject to change at Franchisor's discretion. Two registration fees are included as part of the Initial Franchise Fee if Franchisee purchased a new Franchise from Franchisor, or as part of the Training Fee if Franchisee purchased the Franchise with an already open Club. Franchisee is responsible for payment of any additional registration fees. Any costs incidental to the Onboarding Certification shall be borne by Franchisee, including without limitation, all transportation, meals, wages and other expenses.

B. Curves Required Operating System Training. Prior to executing this Agreement and prior to Franchisee's required attendance at the Initial Training Program (defined in Section 11D), Franchisee must satisfactorily complete approximately four (4) hours of online and virtual session training on the use of Franchisor's computer software, Curves required operating system, or other operating system as Franchisor requires, in its sole discretion.

If Franchisee purchased a new Franchise from Franchisor, Franchisee's Key Staff must satisfactorily complete the Curves operating system training prior to the Scheduled Opening Date or within ninety (90) days of such Key Staff's hire date and prior to such Key Staff's required attendance at the Initial Training Program. All of Franchisee's personnel must satisfactorily complete the Curves operating system training prior to the Scheduled Opening Date or within ninety (90) days of such personnel's hire date.

If Franchisee acquired a Franchise through the transfer of an existing Club and is assuming the employment of any Key Staff or personnel from the already open Club or is hiring new Key Staff or personnel, then such individuals must satisfactorily complete the Curves operating system training within ninety (90) days of the Effective Date of this Agreement or within ninety (90) days of such individual's hire date.

If, at any time during the Term of this Agreement, Franchisee replaces its Key Staff or personnel, such new Key Staff or personnel must satisfactorily complete the Curves operating system training within ninety (90) days of their hire date.

While not required to attend and satisfactorily complete the Initial Training Program, any of Franchisee's Owners and personnel who choose to attend the Initial Training Program, must satisfactorily complete the Curves operating system training prior to attending the Initial Training Program.

There is currently no registration fee for the Curves required operating system training but this is subject to change at Franchisor's discretion. Any costs incidental to the Curves operating system training shall be borne by Franchisee.

C. Health and Wellness Educational Requirements. Prior to Franchisor's execution of executing this Agreement and prior to Franchisee attending the Initial Training Program (defined in Section 11D), Franchisee must satisfactorily complete and obtain a certification in the field of health and wellness, as approved and defined by Franchisor.

If Franchisee purchased a new Franchise from Franchisor, Franchisee's Key Staff must satisfactorily complete and obtain a certification in the field of health and wellness, as approved and defined by Franchisor, prior to the Scheduled Opening Date or within ninety (90) days of such Key Staff's hire date and prior to their required attendance at the Initial Training Program.

If Franchisee acquired a Franchise through the transfer of an existing Club, Franchisee's Key Staff must satisfactorily complete and obtain a certification in the field of health and wellness within ninety (90) days of the Effective Date of this Agreement or within ninety (90) days of such Key Staff's hire date and prior to their required attendance at the Initial Training Program.

If, at any time during the Term of this Agreement, Franchisee replaces its Key Staff, such new Key Staff must satisfactorily complete and obtain a certification in the field of health and wellness within ninety (90) days of their hire date and prior to their required attendance at the Initial Training Program.

Any of Franchisee's Owners, Key Staff and personnel who attend the Initial Training Program, must satisfactorily complete and obtain this certification in the field of health and wellness prior to attending the Initial Training Program.

The current registration fee for this program is $50 per individual but is subject to change at Franchisor's discretion. Two registration fees are included as part of the Initial Franchise Fee if Franchisee purchased a new Franchise from Franchisor, or as part of the Training Fee if Franchisee purchased the Franchise with an already open Club from an existing franchisee. Franchisee is responsible for payment of any additional registration fees. Any costs incidental to this certification shall be borne by Franchisee, including without limitation, all transportation, meals, wages and other expenses.

Franchisee shall comply with all legal requirements in accordance with the laws of the Franchised Territory including any regulations regarding diets, weight loss products, dietary advice or any other nutritional regulations.

D. Initial Training Program (Club Camp). Franchisor shall provide training classes for Franchisee and Franchisee's Key Staff at a location and time designated by Franchisor (the "**Initial Training Program**"). The Initial Training Program consists of five (5) days of training in exercise physiology, nutritional counseling, marketing, sales, business systems and instructions on use of the Curves Equipment. Satisfactory completion of the Initial Training Program by Franchisee is mandatory prior to the execution of this Agreement. Satisfactory completion of the Initial Training Program by Franchisee's Key Staff is mandatory prior to the Scheduled Opening Date or within ninety (90) days of their hire date.

If Franchisee acquired a Franchise through the transfer of an existing Club and is assuming the employment of any Key Staff from the already open Club or is hiring new Key Staff, such Key Staff must attend and satisfactorily complete the Initial Training Program within ninety (90) days of the Effective Date of this Agreement or within ninety (90) days of their hire date.

Two registration fees for the Initial Training Program are included in the Initial Franchise Fee if Franchisee purchased a new Franchise from Franchisor or are included in the Training Fee if Franchisee purchased the Franchise with an already open Club from an existing franchisee. Franchisor will grant free registration fees to any of Franchisee's Owners or personnel who choose to attend the Initial Training Program within six (6) months of the Effective Date of this Agreement. Thereafter, the registration fee for the Initial Training Program will be $500 per Initial Training Program attended by Franchisee's Key Staff, personnel and Owners.

If, at any time during the Term of this Agreement, Franchisee replaces its Key Staff, such new Key Staff must attend and satisfactorily complete the Initial Training Program within ninety (90) days of their hire date.

All costs incidental to the Initial Training Program shall be borne by Franchisee, including without limitation, all transportation, lodging, meals, wages and other expenses.

E.

E. **Club Visit.** Franchisee and Franchisee's Key Staff may be required to satisfactorily complete a one-day visit to a franchisee's Club, the location and time to be designated by Franchisor (the "**Club Visit**"). Satisfactory completion of the Club Visit by Franchisee may be required prior to execution of this Agreement. Satisfactory completion of the Club Visit by Franchisee's Key Staff may be required prior to the Scheduled Opening Date if Franchisee purchased a new Franchise from Franchisor or within ninety (90) days of such Key Staff's hire date.

If Franchisee acquired a Franchise through the transfer of an existing Club, then Franchisee's Key Staff may be required to complete the Club Visit prior to Franchisee taking over the operation of Franchisee's Club or within ninety (90) days of such Key Staff's hire date.

There is currently no registration fee for the Club Visit but is subject to change at Franchisor's discretion. Any costs incidental to the Club Visit shall be borne by Franchisee, including without limitation, all transportation, lodging, meals, wages and other expenses.

F. **Onsite Training and Support.** Franchisor shall provide Franchisee with assistance during the grand opening phase of Franchisee's Club (if Franchisee purchased a new Franchise from Franchisor) or during the time period Franchisee initially takes over the operation of the Club (if Franchisee purchased a Franchise with an already open Club from another franchisee), via Franchisor's independent contractors at Franchisee's Club for up to four (4) days at such times as Franchisor deems appropriate under the circumstances. Franchisor is not required to provide such assistance, and in exercising its own discretion and right, may consider the following factors: the experience of Franchisee, any prior Curves System experience of Franchisee's Key Staff and other employees, and any other factors that Franchisor deems appropriate for consideration.

The cost for the independent contractor(s) is included as part of the Initial Franchise Fee if Franchisee purchased a new Franchise from Franchisor and in the Training Fee if Franchisee purchased a Franchise with an already open Club from another franchisee. Franchisee is responsible for paying all additional costs and expenses incurred.

G. **Charges and Costs.** All expenses of Franchisee, its Owners, Key Staff and personnel, incident to attendance at (and completion of) any training/educational requirements set out in this Section 11, including travel, lodging, meals, transportation, compensation of and worker's compensation insurance for the attendees enrolled in any of these programs and any other personal and/or incidental expenses, shall be borne by the Franchisee.

H. Personnel Training and Staffing. All individuals employed by Franchisee in the operation of Franchisee's Club must satisfactorily complete Curves operating system training and obtain Onboarding Certification in accordance with Sections 11A and 11B.

In addition to any instruction provided directly by Franchisor to Franchisee's personnel, Franchisee and its Key Staff, Franchisee and Franchisee's Key Staff shall provide additional and ongoing training and instruction in the methods and techniques developed by Franchisor and as may be directed by Franchisor. Such training and instruction shall be based upon and given in accordance with the Confidential Operations Manual and the training required to be completed by Franchisee and its Key Staff in accordance with this Section 11.

If Franchisee requests training in addition to that provided for above, Franchisor may provide such instruction to Franchisee or its employees at such time and place and for such duration as may be mutually convenient; provided, however, that the costs of such additional training, including transportation, subsistence and a reasonable charge for the services of Franchisor's representative, must be borne by Franchisee and, if requested by Franchisor, paid in advance.

I. Ongoing Training. Franchisee, its Owners, Key Staff and personnel, as required by Franchisor, must participate in any additional training or refresher courses (online or otherwise) as required by Franchisor, including participation in or attendance at any of Franchisor's annual conventions/conferences and regional meetings. Franchisor may additionally provide continuing educational support to its franchisees via email communication memos. Franchisor may determine the time and place for any additional training and may charge Franchisee a reasonable fee for the training.

12. ROYALTY AND ADVERTISING CONTRIBUTION

A. Monthly Royalty Fee. Franchisee shall pay to Franchisor, subject to the limitations listed below, a continuing monthly fee ("**Monthly Royalty Fee**") in an amount equal to seven and a half percent (7.5%) of Franchisee's monthly "Gross Sales," as hereinafter defined and in accordance with Section 12D below, for use of the Curves System and the Curves Marks. Franchisee shall pay the Monthly Royalty Fee on or after the first (1st) day of each month in accordance with Section 12F below for the Term of this Agreement commencing either upon the opening of Franchisee's Club for business to the general public or the expiration of one hundred eighty (180) days from the Effective Date of this Agreement, whichever occurs first. Monthly Royalty Fees shall be paid in accordance with Section 3A herein.

Notwithstanding anything to the contrary in this Agreement, in no event shall the Monthly Royalty Fee be less than three hundred seventy-five ($375) ("**Minimum Monthly Royalty Fee**") for the Term of this Agreement. The Monthly Royalty Fee is not refundable, with the exception of any fees that may have been overpaid to Franchisor in error by Franchisee.

In the event this Agreement is terminated in accordance with Section 20, any amount due by Franchisee for the remaining Term of this Agreement shall be based upon an average of the last six (6) months of Monthly Royalty Fees, or if Franchisee's Club has been open for less than six (6) months, an average of the Monthly Royalty Fees since Franchisee's Club has been open. Should you continue to operate your Club after the expiration or termination of your Franchise Agreement, the Monthly Royalty Fee will automatically increase to the greater of (a) ten percent (10%) of the previous month's Gross Sales or if no accurate Gross Sales is reported for the previous month, the ten percent (10%) of the highest Gross Sales during the most recent twelve months of reported Gross Sales or (b) seven hundred d fifty ($750).

B. Monthly Advertising Fee. Franchisee shall pay to Franchisor, subject to the limitations listed below, a continuing monthly fee ("**Monthly Advertising Fee**") in an amount equal to two percent (2%) of Franchisee's monthly "Gross Sales," as hereinafter defined and in accordance with Section 12D below. Franchisee shall pay the Monthly Advertising Fee on or after the twentieth (20th) day of each month in accordance with Section 12F below for the Term of this Agreement commencing either upon the opening of Franchisee's Club for business to the general public or the expiration of one hundred eighty (180) days from the Effective Date of this Agreement, whichever occurs first. Monthly Advertising Fees shall be paid in accordance with Section 3A herein.

Notwithstanding anything to the contrary in this Agreement, in no event shall the Monthly Advertising Fee be less than one hundred seventy-five fifty ($175) ("**Minimum Monthly Advertising Fee**") for the Term of this Agreement. The Monthly Royalty Fee is not refundable, with the exception of any fees that may have been overpaid to Franchisor in error by Franchisee.

All Monthly Advertising Fees will be deposited in a national advertising fund that Franchisor operates (the "**Advertising Fund**"). The Advertising Fund is not a trust or escrow account, and Franchisor has no fiduciary obligations regarding the Advertising Fund. The Advertising Fund shall be used on national, regional and local advertising, marketing, promotional and public relations campaigns, including the cost of preparing and conducting print, radio, television, Internet, electronic and billboard advertising and employing advertising agencies. Franchisor also may use outside advertising agencies to create and place adverting in coordination with Franchisor's in-house marketing personnel. Franchisor is reimbursed for reasonable administrative costs and overhead incurred in administering the Advertising Fund. Franchisor reserves the right to use a portion of the Advertising Fund on advertising the Curves System. Franchisor shall not be liable for any act or omission with respect to the Advertising Fund which is consistent with this Agreement or done in good faith. Franchisor cannot guarantee or insure that any individual franchisee will benefit directly, or on a pro rata basis, from the future placement of any such advertising in its local market. If less than the total of all contributions to the Advertising Fund are expended during any fiscal year, such excess may be accumulated for use during subsequent years. If Franchisor advances money to the Advertising Fund, Franchisor shall be entitled to be reimbursed for such advances. Franchisee may request, in writing, a financial statement for the Advertising Fund, after 120 days from the end of Franchisor's last fiscal year.

C. Other Fees, Costs, Expenses, Taxes, Etc. Franchisee shall remit payment to Franchisor for any and all fees, costs, expenses, taxes and charges which are paid by Franchisor, in Franchisor's sole discretion and without any obligation to do so, on behalf of Franchisee in connection with products, services, supplies, marketing materials, equipment, goods, materials or inventory furnished to Franchisee by Franchisor or by any third-party, or otherwise, including, but not limited to, amounts paid to vendors, contractors, insurance carriers and any sales, use, transfer or other taxes, assessments or charges paid to governmental agencies arising from the existence, operation or maintenance of Franchisee's Club. Any payment due under this paragraph shall be remitted in accordance with Section 3A of this Agreement.

D. Gross Sales. The term "**Gross Sales**" as used in this Agreement means all sums received or receivable by Franchisee, directly or indirectly, in and from the operation of Franchisee's Club, including, but not limited to, all revenues generated from any and all sources on account of the sale of memberships, any products and goods and from the rendering of any service of any kind or nature, at or from Franchisee's Club, or under, or in any way connected with the use of, Curves Marks, whether for cash, check, credit, barter or otherwise, without reserve or deduction for inability or failure to collect the same. Gross Sales includes all such revenue described above regardless of where the sale originated or where the delivery or performance of such is made. Gross Sales also include any sums or receipts derived from the sale of products and memberships to employees of Franchisee's Club. There shall be deducted from Gross Sales for purposes of said computation (but only to the extent that they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to members or customers, if such taxes are separately stated when the member or customer is charged, and the amount of any actual refunds, rebates, over-rings and allowances given to members or customers in good faith.

E. Reporting. On or before the fifth (5th) day of each month of the Term of this Agreement, Franchisee shall submit to Franchisor a sales report authorized by Franchisee, in electronic format through Curves required operating system, reporting all Gross Sales for Franchisee's Club for the preceding month and such additional financial information as Franchisor may request ("**Data Sheet**"). Any revenue adjustments requested by Franchisee are required to be completed within 30 days of prior month reporting. Any Data Sheet not submitted electronically through Curves required operating system will not be deemed as received by Franchisor. Franchisee shall be solely responsible for any reports submitted to Franchisor through Curves required operating system using the password to access Curves required operating system provided to Franchisee by Franchisor. If Curves required operating system becomes temporarily or permanently inoperable, Franchisor may determine an alternative method for Franchisee to provide the Data Sheets.

F. Payments. In accordance with Section 3A of this Agreement, Franchisor may automatically withdraw from Franchisee's Bank Account Monthly Royalty Fees on or after the first (1st) day of each month. In accordance with Section 3A of this Agreement, Franchisor may also automatically withdraw from Franchisee's Bank Account Monthly Advertising Fees on or after the twentieth (20th) day of each month. Each Monthly Royalty Fee and Monthly Advertising Fee shall be computed in accordance with this Section based upon the Gross Sales for the preceding month as provided by Franchisee in the Data Sheet. For each month that Franchisee fails to submit a Data Sheet in accordance with this Agreement, the amount of the Monthly Royalty Fee shall be $750 and the amount of the Monthly Advertising Fee shall be $395.

G. Late Payments and Remedies. Any Monthly Royalty Fee or Monthly Advertising Fee or any other fee or payment owing to Franchisor that is more than five (5) days late shall incur a fee of fifty-five Dollars ($55), or the maximum allowed by law, whichever is less. Franchisor may automatically withdraw from Franchisee's Bank Account any fees as provided in this paragraph at the time or at any time thereafter such fees become due.

At any time Franchisee has an outstanding amount due under this Agreement, Franchisor may collect such outstanding amount from any funds due to Franchisee, held by Franchisor or an affiliate of Franchisor, including from funds received as part of any wellness program or any other program for the collection of membership dues. In addition, any amount owed to Franchisor that is outstanding more than thirty (30) days shall incur interest at the highest rate allowable by law beginning upon the expiration of thirty (30) days from when the amount owed was originally due to Franchisor.

Nothing in this Agreement is to be construed to mean that Franchisee shall pay, or has contracted to pay, any sum in excess of that which may lawfully be charged or contracted for under any applicable law. The intention of the parties is to conform strictly to applicable usury laws, and it is agreed that if an excess is inadvertently collected, it shall be applied to reduce the amount owed under Sections 12A and 12B herein. No claim by Franchisee that Franchisor is in default under any provision hereof shall be a defense to a claim by Franchisor for Monthly Royalty Fees, Monthly Advertising Fees, or other amounts owing hereunder. Franchisee shall not, on the grounds of the alleged nonperformance by Franchisor of any of its obligations hereunder, withhold payment of any amounts due to Franchisor.

H. Place of Payment. All payments required to be made to Franchisor under this Agreement shall be made at an address designated by Franchisor in Waco, Texas, or to such addresses and to such parties as Franchisor may designate in writing.

13. ACCOUNTING PROCEDURES: RIGHT OF AUDIT

A. Accounting. Franchisee shall keep true, accurate and complete records of its business in such form as Franchisor now or hereafter may require. Upon request by Franchisor, Franchisee shall furnish Franchisor with a quarterly and fiscal year-to-date profit and loss statement in the format prescribed by Franchisor. Franchisee, upon request by Franchisor, shall submit to Franchisor quarterly balance sheets for the operation of Franchisee's Club. All profit and loss statements and balance sheets shall be prepared in accordance with generally accepted accounting principles and, if requested by Franchisor, shall be submitted to Franchisor within thirty (30) days after the end of the period covered by the report.

All of the accounts, books, records and federal, state and local sales and income tax returns and reports of Franchisee, to include all supporting and back up information and documents, so far as they pertain to the business transacted under this Agreement, shall be open to inspection, examination and audit by Franchisor and its authorized representatives at any and all times, and copies thereof may be made by Franchisor and retained for its own use. All of such records shall be maintained and retained by Franchisee for the Term of this Agreement and for five (5) years thereafter.

B. Annual Financial Statements. Franchisee's fiscal year shall begin on January 1 and end on December 31 of each year. Upon request by Franchisor, Franchisee shall submit a full disclosure of all persons with any interest in the Franchise granted in this Agreement and a complete annual financial statement, including, but not limited to, a profit and loss statement and a balance sheet, for Franchisee's Club, which statement shall be certified by a certified public accountant ("**Annual Financial Statement**"). The Annual Financial Statement shall be signed by all Owners of the Franchise granted in this Agreement, representing that the Annual Financial Statement is true and correct and is the financial position of Franchisee and the results of the operation of Franchisee's Club during the period covered.

C. Audits.

1. Franchisor or its representatives shall, at all reasonable times, have the right to examine or audit the books, records, tax returns or accounts of Franchisee. Any such inspection, examination and audit shall be at Franchisor's cost and expense unless Gross Sales, as shown by Franchisee's records, are found to be understated by more than two percent (2%). Then, in such event, the cost and expense for such inspection, examination and audit shall be borne and paid by Franchisee. Any such cost and expense and any amounts found to be due but not paid shall be set forth in a written invoice delivered to Franchisee by Franchisor. Franchisee shall reimburse Franchisor for the invoice amount within seven (7) days after the invoice has been delivered to Franchisee.

2. Franchisor may examine or audit the books, records, tax returns or accounts of any and all persons or entities who are guarantors of the Franchisee's performance under this Agreement in those instances in which Franchisee has failed to make payments of the Monthly Royalty Fees or Monthly Advertising Fees or any other fees due under this Agreement or any reports required under this Agreement in a timely fashion or has otherwise defaulted under this Agreement. Then, in such event, the cost and expense for such inspection, examination and audit shall be borne and paid by Franchisee. Any such cost and expense and any amounts found to be due but not paid shall be set forth in a written invoice delivered to Franchisee by Franchisor. Franchisee shall reimburse Franchisor for the invoice amount within seven (7) days after the invoice has been delivered to Franchisee.

D. Membership Information. To assist Franchisor in providing Franchisee with ongoing advice and assistance, and to determine whether Franchisee is complying with the terms of this Agreement and with the specifications, standards and procedures established for operation of Franchisee's Club, Franchisor, or its authorized representative, may, during regular business hours, or at such other times as may be mutually agreed upon, inspect all customer/membership records, both active and inactive, and any other related records. Upon request by Franchisor, and subject to any applicable state or federal data protection laws, Franchisee shall furnish to Franchisor, in whatever format required by Franchisor, all member lists and records for Franchisee's Club, both active and inactive, which includes, but is not limited to, names, addresses, and telephone numbers of such members (hereinafter collectively referred to as "**Membership Lists**"). Franchisee acknowledges and agrees that Franchisor is the sole owner of the Membership Lists and that Franchisee will not distribute, in any form or manner, the Membership Lists to any third-party without the prior written consent of Franchisor.

14. LIMITATIONS OF FRANCHISEE

A. Trademarks, Trade Names, Service Marks and Trade Secrets.

1. **Curves' Ownership of the Trademarks.** Franchisee agrees that the trademarks, *Curves*®, and *Curves for Women*®, and all goodwill arising from these trademarks, are the exclusive properties of Franchisor, and Franchisee asserts no claim and will hereafter assert no claim to the ownership thereof. Franchisee shall not contest Franchisor's ownership of the Curves Marks or their validity and shall not do or permit any act or thing to be done in derogation of any of the rights of Franchisor in connection with the Curves Marks either during the Term of this Agreement or thereafter. Nothing in this Agreement is to be construed to give Franchisee any right, title or interest in or to the Curves Marks except for a non-exclusive revocable privilege and license to display and use the Curves Marks during the Term of, and pursuant to the conditions contained in, this Agreement.

   Franchisee expressly understands and agrees that it has not acquired and shall not acquire any ownership interests, equitable rights, goodwill or other interests in any Curves Marks by virtue of this Agreement, its relationship with Franchisor, or Franchisee's use of the Curves Marks and shall not represent that it has. Franchisee also understands and agrees that following the expiration or termination of this Agreement for any reason, it cannot attribute any monetary amount to any goodwill associated with its use of the Curves Marks or in connection with its operation of Franchisee's Club.

2. **Trade Secrets.** Franchisee agrees that all materials loaned or otherwise made available to it and all disclosures made to Franchisee and not to the general public by or at the direction of Franchisor at any time before or during the Term of this Agreement relating to the Curves System, including the Confidential Operations Manual in its entirety, financial information, marketing strategy and marketing programs, are trade secrets of Franchisor and shall be kept confidential and used by Franchisee only in connection with the operation of Franchisee's Club and other franchised Clubs. Franchisee agrees not to divulge any of the trade secrets to any person other than its employees and then only to the extent necessary for the operation of Franchisee's Club and, specifically, that Franchisee shall not, nor permit anyone to, reproduce, copy or exhibit any portion of the Confidential Operations Manual or any other trade secrets of Franchisor. At Franchisor's request, Franchisee shall procure from each Owner and employee an executed agreement similar in substance to this Section in a form acceptable to Franchisor and naming Franchisor and/or Curves International, Inc. as third-party beneficiaries with the independent right to enforce such agreement.

3. **Modification of Curves Marks.** If Franchisor, at the direction of Franchisor, decides to modify or discontinue use of the Curves Marks and/or to adopt or use one or more additional or substituted trademarks, Franchisee shall promptly conform its use of the Curves Marks as directed, in writing, by Franchisor. It is the sole obligation of Franchisee in any such event to purchase new signs, letterhead, etc. so as to comply with the Curves Marks, and Franchisee waives any other claim arising from or relating to any such change, modification or substitution of Curves Marks.

4. **Franchisee's Use of the Curves Marks.** Franchisor's prior written consent is required for the use of any or all of the Curves Marks, or any other mark Franchisor is or will be licensed to use, reproduce, or sublicense by Franchisor, except as granted herein. Franchisee shall not use the Curves Marks, any variations or abbreviations, or any words confusingly similar to the Curves Marks, as part of its name if Franchisee is or becomes a corporation or other legal entity. Franchisee shall use the Curves Marks and/or any trademark or service mark or trade name adopted by Franchisor, or other written instructions from Franchisor, including the form and manner and appropriate legends as may be prescribed by Franchisor.

   Franchisee shall not use any other trademark, service mark or trade name in combination with the Curves Marks without Franchisor's prior written consent. Franchisee shall not use the Curves Marks, or any other mark Franchisor is or will be licensed to use, reproduce, or sublicense by Franchisor., in any advertising that has not been provided to Franchisee by Franchisor or previously approved in writing by Franchisor. Franchisee shall permit Franchisor to inspect Franchisee's uses of the Curves Marks at all reasonable times for the purpose of ascertaining compliance with this Agreement.

Except when necessary to comply with this Agreement, Franchisee shall not place the Curves Marks, nor provide any third-party the Curves Marks for the purpose of placing the Curves Marks on any products, supplies or any other item in any form for any purpose, unless Franchisee acquires prior written approval from Franchisor. Except when necessary to comply with this Agreement, Franchisee shall not use or associate in any way the Curves Marks with any services not approved by Franchisor in writing.

5. **Defense of the Curves Marks.** Franchisee shall not, directly or indirectly, at any time during the Term of this Agreement or thereafter, do or cause to be done any act or thing disputing, attacking or in any way impairing or tending to impair Franchisor. or Franchisor's right, title or interest in the Curves Marks or the Curves System. If Franchisee learns of any claim, suit or demand against Franchisee or the Curves Marks on account of any alleged infringement, unfair competition, or similar matter relating to the Curves Marks, or any unauthorized use of the Curves Marks, Franchisee shall promptly notify Franchisor in writing. Franchisor may take such action, if any, as Franchisor, deems necessary or appropriate in connection therewith. Franchisor has the sole right to defend, compromise or settle any such claim at Franchisor's sole cost and expense, using attorneys of their own choosing. Franchisee shall cooperate fully with Franchisor in connection with the defense of any such claim and hereby irrevocably appoints Franchisor. to defend or settle all of such claims, demands or suits. Franchisee may participate at its own expense in such defense or settlement, but Franchisor's decisions shall be final and binding upon Franchisee. Franchisee shall not settle or compromise any such claim without the prior written consent of Franchisor. Franchisor agrees to indemnify and hold Franchisee harmless against any claim or demand arising from Franchisee's authorized use of the Curves Marks provided Franchisee has promptly notified Franchisor of the claim or demand as required by this Section.

6. **Trademarks and Trade Names.** In connection with the operation of Franchisee's Club, including advertising, Franchisee shall use no name or service mark other than the names *Curves*® or any derivative of such name, or such other name Franchisor is or will be licensed to use, reproduce, or sublicense in any advertising that has not been provided to Franchisee by Franchisor or previously approved in writing by Franchisor. Franchisee shall identify itself as a holder of a license from Franchisor unless applicable law requires other or additional identification. Franchisee shall use the name and service mark in such format and with such suffix or prefix as Franchisor may from time to time designate. Franchisee shall not register the Curves Marks with any authority unless required to do so by this Agreement.

7. **Assumed Name Registration.** In the event that Franchisee is required to do so by any statute or ordinance, Franchisee shall promptly, upon the Effective Date of this Agreement, file with applicable government agencies or offices, notice of its intent to conduct its business under the name "Curves." Upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall promptly execute and file such documents as may be necessary to revoke or terminate such assumed name registration, and if Franchisee fails to promptly execute and file such documents as may be necessary to effectively revoke and terminate such assumed name registration, Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact to do so for and on behalf of Franchisee and Franchisee hereby agrees to reimburse Franchisor, upon demand by Franchisor, for any costs associated with the effective revocation or termination of such assumed name registration by Franchisor.

B. Independent Contractor.

1. Franchisee and Franchisor acknowledge and agree that this Agreement does not create a fiduciary relationship between Franchisee and Franchisor, that Franchisee is an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name.

2. During the Term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating Franchisee's Club pursuant to a franchise agreement with Franchisor. Franchisee shall post notices as specified by Franchisor to that effect in such locations and by such means determined reasonably necessary by Franchisor to inform the public, customers and suppliers.

3. Franchisee is responsible for, and shall promptly pay when due, all expenses of Franchisee's Club, including all taxes and levies of any kind in connection with Franchisee's Club and the income arising from such Franchisee's Club.

4. Franchisor does not regulate the hiring or discharge of Franchisee's Key staff, employees, officers or agents, the parties from whom Franchisee may accept business, the working conditions of Franchisee's Key Staff, employees, officers or agents or Franchisee's contracts with customers, suppliers or others.

5. Franchisee shall represent that it is doing business as a Franchisee under the trade name and style of *Curves*®. Franchisee shall prominently display a notice or certificate in the public area of Franchisee's Club, as well as a statement on Franchisee's letterhead and on all forms, printed materials and advertising materials to be distributed to the public, which clearly states that "EACH CLUB IS INDEPENDENTLY OWNED AND OPERATED."

15. COMPETITION AND ECONOMIC DEVELOPMENT

A. Unfair Competition. Franchisee acknowledges and agrees to the uniqueness of the Curves System and that Franchisor is making its knowledge, know-how and expertise available to Franchisee for the purpose of operating Franchisee's Club. Franchisee agrees that it would be an unfair method of competition for Franchisee to use or duplicate or to allow others to use or duplicate any of the knowledge, know-how and expertise received from Franchisor for any use other than for the operation of Franchisee's Club. Franchisee, therefore, warrants that, during the Term of this Agreement, it will utilize its best and continuing efforts to promote and develop the business at Franchisee's Club and during the Term of this Agreement and at all times thereafter shall not, directly or indirectly, engage in the operation of any club or facility, other than Franchisee's Club and other Franchisor-only clubs franchised from Franchisor, which utilizes or duplicates the Curves System, any trade secrets of, the Curves Marks or the present or any former image of Franchisor.

B. Reservation of Rights. Franchisor and its affiliates retain all rights that are not expressly granted to Franchisee in this Agreement including, among other things, the right to: (i) establish and operate or license others the right to establish and operate a Club, or any other business using the Curves Marks in combination with any other trademarks, at any location outside the Franchised Territory, regardless of the proximity of such business to the Franchised Territory; (ii) establish and operate or license others the right to establish and operate any business under service marks and trademarks other than the Curves Marks inside or outside the Franchised Territory; (iii) sell and distribute and license others to sell and distribute products or services the same as or different from the products and services offered from Franchisee's Club under the Curves Marks or any other trademarks through alternate channels of distribution, including the internet or other direct marketing sales, within and outside the Franchised Territory; and (iv) advertise the Curves System on the internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Curves Marks.

In addition to the rights outlined above, Franchisor further reserves the right to merge with, acquire or become associated with, and to consolidate business resources and assets with, any businesses under other systems or other marks, which businesses may convert to or operate under the Curves Marks or other trademarks and may offer or sell products or services that are the same as or similar to the products and services offered at or from Franchisee's Club, and which may be located anywhere inside or outside the Franchised Territory. Franchisor also reserves the right, and Franchisee acknowledges and agrees that Franchisor and Franchisor's affiliates and designees now sell and shall have the right to sell and/or license third parties to manufacture and/or sell authorized products (and items of a similar nature) to wholesale and retail accounts, or otherwise to any account and at any location within or outside the Franchised Territory. Franchisor, its affiliates, licensees and other authorized third parties also may engage in broadcast, print or other advertising and promotional activities in the Franchised Territory, whether by radio, television, cable, satellite, print, Internet or other media.

16. INSURANCE; INDEMNIFICATION

A. Insurance. At least thirty (30) days prior to the commencement of any activities or operations pursuant to this Agreement, Franchisee shall procure and maintain in full force and effect during the Term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the Term of this Agreement), at Franchisee's sole cost and expense, the following insurance policy or policies in connection with Franchisee's Club or other clubs on the premises, or by reason of the construction, operation, or occupancy of Franchisee's Club or other clubs on the premises, naming Franchisor as an additional insured on the face of each policy:

1. Commercial general liability insurance in no less than the following amounts, which amounts may be changed from time to time on written notice by Franchisor:

(a) Bodily Injury: One Million Dollars ($1,000,000) each person, One Million Dollars ($1,000,000) each accident; and

(b) Property Damage: One Million Dollars ($1,000,000) each accident; and

2. Statutory workers' compensation insurance, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which Franchisee's Club is located; and

3. Business automobile liability insurance for bodily injury and property damage as may require by statue or rule of the state in which Franchisee's Club is located.

4. Additionally, as Franchisor deems necessary, Franchisor requires Franchisee to purchase cyber liability insurance ($500,000 each incident) and employment practices liability insurance ($500,000 each incident).

All such policies of insurance shall contain a statement that they cannot be canceled without thirty (30) days' prior written notice to Franchisee and Franchisor. Franchisee shall provide documentary evidence to Franchisor that such insurance is in full force and effect at least thirty (30) days prior to the opening of Franchisee's Club.

Franchisee shall promptly notify Franchisor of any and all claims against Franchisee and/or Franchisor. Franchisee shall renew and provide Franchisor with a copy of such renewal prior to the expiration of any required policies during the Term of this Agreement. All policies shall be purchased and maintained by an insurance company with an "A" rating or better.

This obligation of Franchisee to maintain insurance is separate and distinct from its obligation to indemnify Franchisor under the provisions of Section 16C. If Franchisee fails to provide Franchisor with proof of insurance as required herein, Franchisee agrees that Franchisor has the right, but not the obligation, to purchase and maintain insurance as required herein for Franchisee's Club and automatically withdraw all payments made by Franchisor for such insurance in accordance with Section 3A herein.

B. Bonds. If the laws of the Franchised Territory require Franchisee to purchase and maintain as current a bond to operate Franchisee's Club, Franchisee shall provide Franchisor with proof of such bond upon request by Franchisor. If Franchisee fails to provide Franchisor with proof of such bond, Franchisee agrees that Franchisor has the right, but not the obligation, to purchase and maintain a bond as required by the laws of the Franchised Territory and automatically withdraw all payments made by Franchisor for such bond in accordance with Section 3A herein.

C. Indemnification.

1. Franchisee agrees to indemnify and hold harmless Franchisor, Franchisor's owners and affiliates, and its officers, agents and employees, from any and all liability, loss or damage Franchisor may suffer as a result of claims, demands, costs or judgments against Franchisor arising out of the operation of Franchisee's Club or any acts of Franchisee, its officers, agents or employees, whether the liability, loss or damage is caused by or arises out of the negligence of Franchisor, its officers, agents, employees, or otherwise. The indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement for any reason. Franchisor's right to indemnity under this Agreement shall arise and be valid notwithstanding that joint or concurrent liability may be imposed on Franchisor by statute, ordinance, regulation or other law. The indemnification of Franchisor by Franchisee is not limited by the amount of insurance required under Section 16A. This indemnity obligation shall include, but is not limited to, claims related to the employment of Franchisee's employees. This obligation of Franchisee to indemnify and defend Franchisor is separate and distinct from its obligation to maintain insurance under the provisions of Section 16A.

2. Franchisee agrees to defend, indemnify and save Franchisor and Franchisor's officers, directors, agents, employees, attorneys, accountants, subsidiaries, affiliated and parent companies, harmless of, from and with respect to any claims, demands, losses, obligations, costs, expenses, liabilities, debts or damages any of them may incur (including, but not limited to, reasonable attorney's fees) arising from or relating to the sale of securities of Franchisee, including, but not limited to, claims, demands, losses, obligations, costs, expenses, liabilities, debts or damages arising from or related to any alleged violation of any federal or state securities law in connection with a sale of securities of Franchisee. Franchisor will notify Franchisee of any claims, and Franchisee will be given the opportunity to assume the defense of the matter. If Franchisee fails to assume the defense, Franchisor may defend the action in the manner it deems appropriate, and Franchisee shall pay to Franchisor all costs, including attorney's fees, incurred by Franchisor in effecting such defense, in addition to any sum Franchisor may pay by reason of any settlement or judgment against Franchisor. Franchisor's right to indemnity under this Agreement arises and is valid notwithstanding that joint or concurrent liability may be imposed on Franchisor by statute, ordinance, regulation or other law. Franchisor and the other indemnities, in all instances, have the right to be represented by counsel of its/their own choosing, at Franchisee's expense, and to participate in the defense of any such claim.

D. **Defense of Claims.** Franchisor shall notify Franchisee of any claims subject to indemnification by Franchisee, and Franchisee shall be responsible for the costs of defense of the matter. Franchisor may choose the attorney to defend any such claim or action at Franchisee's cost and expense. If Franchisee fails to pay the costs of the defense of any claim covered by the indemnification provisions of Section 16C, Franchisor may defend the action in the manner it deems appropriate, and Franchisee shall pay to Franchisor all costs, including attorney's fees, incurred by Franchisor in effecting such defense, in addition to any sum which Franchisor may pay by reason of any settlement or judgment against Franchisor. No settlement of any claim against Franchisor can be made by Franchisee which is in excess of the amount of insurance referred to in Section 16A or which would subject Franchisor to liability in any amount not covered by such insurance without the prior written consent of Franchisor.

17. TAXES

Franchisee shall pay, when due, all taxes levied or assessed in connection with the possession, ownership or operation of Franchisee's Club, the Curves Equipment or any other equipment or in connection with amounts paid or received under this Agreement, including without limitation any sales, use or other ad valorem taxes (other than any tax that is measured by or related to the net income of Franchisor or to its corporate status in a state). If any such tax is paid by Franchisor, Franchisee shall promptly reimburse Franchisor the amount paid. If any bona fide dispute as to the liability for a tax assessed against Franchisee, Franchisee may contest the validity or the amount of the tax in accordance with procedures of the taxing authority. Franchisee shall not permit a tax sale or seizure against Franchisee's Club or the Curves Equipment.

Without derogating from the above, and for avoidance of doubt, all payments to Franchisor under and/or in connection with this Agreement shall be made net of any deductions and/or withholding of any amount (including without limitation of taxes) and in the event that Franchisee will have to withhold any amounts from payments payable to Franchisor under and/or in connection with this Agreement, including without limitation, any withholding of income taxes or any other taxes, the Franchisee shall gross up such payment such that Franchisor will receive, as its net payment, the amount payable under and/or in connection with this Agreement after all withholdings and deductions. Any duties imposed under, if imposed, in relation to this Agreement or Franchisee's Club, will be borne and paid solely by Franchisee.

18. ASSIGNMENT: CONDITIONS AND LIMITATIONS

A. Full Compliance. Any purported assignment or transfer by Franchisee of Franchisee's rights and obligations under this Agreement that is not in full compliance with this Section 18 shall be of no force or effect and null and void and gives Franchisor the right to immediately terminate this Agreement without opportunity to cure pursuant to Section 20A of this Agreement.

B. Transfer. As used in this Section 18, the term "**transfer**" means and includes the voluntary, involuntary, conditional, direct or indirect assignment, sale, gift or other transfer by Franchisee or any of its Owners of any interest in or grant of any security interest in (a) this Agreement, (b) Franchisee's Club, (c) Franchisee, or (d) some or all of the assets of Franchisee's Club (other than inventory items in the ordinary course of business). Franchisee represents and warrants that its Owners are set out in Exhibit "C" of this Agreement and covenants that it will not permit the identity of such Owners or their respective interests in Franchisee, to change without complying with this Agreement, including compliance with this Section.

C. Transfer and/or Assignment by Franchisee. Franchisee shall not transfer or assign this Agreement without the express written approval of Franchisor. Franchisee shall not transfer or assign this Agreement prior to opening Franchisee's Club for business to the general public. Franchisee acknowledges that Franchisor is entering into this Agreement in reliance upon and in consideration of Franchisee's business skill, financial capacity, aptitude and other qualifications. Accordingly, the rights and duties created by this Agreement are personal to Franchisee and neither Franchisee's interest in this Agreement nor any of its rights or privileges hereunder nor Franchisee's Club or any interest therein may be assigned, transferred, shared or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner, without the prior written consent of Franchisor. Any actual or intended assignment, transfer or sale made or accomplished in violation of the terms of this Section shall be null and void and will constitute a material breach of this Agreement giving Franchisor the right to immediately terminate this Agreement without opportunity to cure pursuant to Section 20A of this Agreement.

Franchisor's consent to a proposed transfer of any type shall not be unreasonably withheld conditioned upon the strict compliance of the following requirements by Franchisee and proposed assignee, and Franchisee agrees that the following requirements are reasonable:

1. The payment by Franchisee to Franchisor of a fee in the amount of Five Thousand Dollars ($5,000) in a method of payment determined by Franchisor ("**Transfer Fee**"). Franchisee agrees that such Transfer Fee is reasonably required to cover Franchisor's expenses relating to said transfer; and

2. The payment by the proposed assignee to Franchisor of a Training Fee in the amount prescribed by the then-current franchise agreement; and

3. The remittance by Franchisee to Franchisor of an amount of One Thousand Eight Hundred Dollars ($1,800) ("**Escrow Amount**") that will be held by Franchisor and from which Franchisor can withdraw any and all amounts that are or become due from Franchisee to Franchisor or its affiliates. Franchisor will return any unused amount from the Escrow Amount to Franchisee upon completion and execution of all legal documents effecting such requested transfer; and

4. That Franchisee is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates; and

5. Franchisor's receipt of notification by Franchisee as required herein, all information and forms required by Franchisor to evaluate the proposed assignee and any other information Franchisor may request concerning the proposed transaction between Franchisee and the proposed assignee; and

6. The proposed assignee, in Franchisor's sole judgment, satisfies all of Franchisor's business and financial standards and requirements; has the aptitude and ability to operate Franchisee's Club; and that the proposed assignee complete and be approved through Franchisor's standard franchise application and selection process. If the proposed assignee does not meet the financial standards and requirements necessary for approval of the requested transfer, Franchisor may, at its own discretion, approve the requested transfer conditioned upon the execution of a guarantee of all payment obligations by Franchisee of up to the first twelve (12) months of the proposed assignee's franchise agreement; and

7. That the proposed assignee must deliver to Franchisor, upon request by Franchisor, a letter from an independent certified public accountant acknowledging, among other things, that such accountant has reviewed the terms of the proposed assignment, transfer or sale with the proposed assignee; and

8. That all of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates, whether arising under this Agreement or otherwise, have been satisfied; and

9. Payment of all taxes, debts and obligations owed to third parties which were incurred by Franchisee in connection with Franchisee's Club or assumption of such liabilities by the proposed assignee; and

10. That Franchisee and each transferor execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its affiliates, and their respective officers, directors, agents, and employees, in their corporate and individual capacities

11. The proposed assignee's execution of the then-current franchise agreement; and

12. Proof of receipt by the proposed assignee of any information required by the rules and regulations of any franchise disclosure legislation to be delivered to the proposed assignee by Franchisor as required by state and/or federal laws; and

13. The delivery by Franchisee or assignee to Franchisor, prior to assignment of the Franchise, an executed copy of the contract setting out an intent to sell by Franchisee and an intent to buy by the proposed assignee of the Franchise, and Franchisor, in its reasonable judgment, does not object to such contract within twenty (20) days after receipt of such contract. Approval of such contract by Franchisor does not constitute approval of the transfer by Franchisor.

D. Notice of Proposed Transfer by Franchisee. Franchisee shall notify Franchisor of such intention to transfer by written notice by certified mail or otherwise prescribed by Franchisor setting forth the proposed assignee's name, address, statement of financial qualification and business experience during the previous five (5) years as required by Franchisor. If Franchisor does not exercise its right of first refusal under Section 19 herein, Franchisor shall have sixty (60) days from the completion of the conditions set out in Section 18C above and receipt of such notice as required in this paragraph to submit to Franchisee and the proposed assignee the necessary documentation to effect the transfer of Franchisee's Club.

E. Franchisee Information. Franchisor may furnish any proposed assignee with copies of all financial statements, and/or Data Sheets which have been furnished by Franchisee to Franchisor in accordance with this Agreement during the three (3) year period prior to the date the approval of the proposed assignment, transfer or sale is sought. Franchisor may advise any proposed assignee of any uncured breaches or defaults by Franchisee under this Agreement, or any other agreement relating to Franchisee's Club proposed to be assigned, transferred or sold. Franchisor's approval of such proposed transaction shall not, however, be deemed a representation or guarantee by Franchisor that the terms and conditions of the proposed transaction are economically sound or that, if the transaction is consummated, the proposed assignee will be capable of successfully conducting Franchisee's Club and no inference to such effect shall be made from such approval.

F. Transfer of Equity Interest or Securities. If Franchisee is a partnership or limited partnership, the partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner shall automatically be deemed an Owner of Franchisee. If Franchisee is a corporation or limited liability company, equity securities of Franchisee may not be transferred by Franchisee or by any Owner unless, in addition to obtaining the prior written consent of an authorized officer of Franchisor as required above, such transferor complies with all policies or guidelines Franchisor may then have in effect for approval of a proposed distribution of securities of franchisees. Prior to such approval, Franchisee also shall provide the applicable prospectus to Franchisor. Franchisee and any other participants in any offering of securities of Franchisee shall fully indemnify Franchisor in connection with such offering, as provided in Section 16C.

G. Prohibition Against Encumbrance. Without Franchisor's prior written consent, Franchisee shall not grant any security interest in this Agreement, in Franchisee's Club, or in any membership agreements or membership drafts or fees used in the operation of Franchisee's Club, nor shall any ownership interest in any corporate, limited liability or partnership Franchisee be pledged or encumbered.

H. Transfer Due to Death or Incapacity. The transfer of Franchisee's interest in this Agreement in the event of the death or legal incapacity or "**Permanent Disability**" (as defined below) of Franchisee or the operating principal, if a transfer or assignment is necessary as a result of such an event, will not require payment of a transfer fee, as set forth herein, so long as the person designated by Franchisee's heirs, legatees, personal representative, conservator or guardian, as applicable timely does the following:

1. Upon the death of Franchisee or an Owner, the deceased's executor, administrator, or other personal representative shall transfer the deceased's interest to a third-party approved by Franchisor within six (6) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the deceased's estate, then the distribute of such interest must be approved by Franchisor. If the distribute is not approved by Franchisor, then the distribute shall transfer the deceased's interest to a third-party approved by Franchisor within six (6) months after the death; and

2. Upon the Permanent Disability of any Franchisee or Owner of Franchisee with a controlling interest in Franchisee, Franchisor shall have the right to require such interest to be transferred to a third-party in accordance with the conditions described in this Section 18 within six (6) months after notice to Franchisee. "**Permanent Disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) consecutive months from the date of determination of disability is unlikely. Permanent Disability shall be determined by a licensed practicing physician selected by Franchisor upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 18H2 as of the date of refusal. Franchisor shall pay the cost of the required examination.

3. Upon the death or Permanent Disability of any Franchisee or Owner of Franchisee, such person or his representative shall promptly notify Franchisor of such death or claim of Permanent Disability. Any transfer upon death or Permanent Disability shall be subject to the same terms and conditions as any *inter vivos* transfer.

In the event of death or legal incapacity or Permanent Disability of Franchisee or the operating principal requiring a transfer or assignment of Franchisee's interests in this Agreement or in Franchisee's Club, Franchisor may, at its sole discretion, assume the operation of Franchisee's Club pending the transfer or assignment. Franchisor may require the applicant to sign a then-current franchise agreement.

I. No Waiver. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

J. Assignment by Franchisor. Franchisor may assign this Agreement and all of its rights and privileges hereunder to any other person, firm or corporation.

K. Organization of Franchisee. If an individual Franchisee desires to assign this Agreement to a corporation or limited liability company formed or controlled by Franchisee, in addition to Franchisee's compliance with the conditions set out in Section18C above, Franchisor may grant its consent, provided:

1. Franchisee is, and covenants to remain, the Owner of one hundred percent (100%) of the voting stock of the corporation or, if Franchisee is more than one individual, each individual has the same proportionate ownership interest in the corporation as that individual had in the Franchise prior to the transfer; and

2. The payment by Franchisee to Franchisor of an assignment fee in the amount of One Thousand Dollars ($1,000) in a method of payment determined by Franchisor. Franchisee agrees that such assignment fee is reasonably required to cover Franchisor's expenses relating to said transfer; and

3. All documents of the transferee entity reasonably required by Franchisor are provided to Franchisor prior to the transfer; and

4. Franchisee or another qualified individual is designated operating principal in accordance with Section 10J hereof; and

5. Franchisee and all the shareholders, officers and directors of the assignee corporation or entity personally guarantee the obligations to be performed under this Agreement by the Franchisee corporation or entity and each shall sign a franchise agreement; and

6. Franchisee may not assign to a trust, limited partnership, or other entity not acceptable to Franchisor; and

7. Transferee entity must assume the obligations to be performed under this Agreement and shall sign a then-current franchise agreement.

L. Reasonableness. Franchisee has the sole burden of proving that Franchisor acted unreasonably in any respect.

19. RIGHT OF FIRST REFUSAL

A. If Franchisee desires to accept any *bona fide* offer from a third-party to purchase Franchisee, any material assets of Franchisee, or any direct or indirect interest in Franchisee, Franchisee or its Owner shall promptly notify Franchisor of such offer and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of all such information, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the thirty-party. If Franchisor elects to purchase the seller's interest, the closing on such purchase shall occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor.

1. Any material change in the terms of the offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 19 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 19, with respect to a proposed transfer.

2. In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one (1) independent appraiser, then an independent appraiser shall be promptly designated by Franchisor and another independent appraiser shall be promptly designated by Franchisee, which two (2) appraisers shall, in turn, promptly designate a third appraiser; all three (3) appraisers shall promptly confer and reach a single determination, which determination shall be binding upon Franchisor and Franchisee. The cost of any such appraisal shall be shared equally by Franchisor and Franchisee. If Franchisor elects to exercise its right under this Section 19, Franchisor shall have the right to set off all amounts due from Franchisee, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

B. Any sale, attempted sale, assignment or other transfer of the interests described in Sections 18 or 19 herein, without first giving Franchisor the right of first refusal described herein, shall be void and of no force and effect. Any waiver by Franchisor of the right of first refusal described herein does not relieve Franchisee from complying with Section 19 herein.

20. TERMINATION BY FRANCHISOR

A. Default and Termination Without Right to Cure. Franchisee shall be deemed to be in default of this Agreement, and Franchisor may terminate this Agreement and all rights hereunder, without affording Franchisee an opportunity to cure the default, effective immediately upon delivery of notice by Franchisor to Franchisee's address listed herein or the last home address of which Franchisee has notified Franchisor in writing, if:

1. Franchisee becomes insolvent or makes a general assignment for the benefit of creditors; or proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee or a petition in bankruptcy is filed by Franchisee or such a petition if filed against and not opposed by Franchisee or Franchisee is adjudicated as bankrupt or insolvent or a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee or a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction. Franchisee expressly and knowingly waives any rights that it may have under the provisions of the Bankruptcy Code and consents to the termination of this Agreement or any other relief which may be sought in a complaint filed by Franchisor to lift the provisions of the automatic stay of the Bankruptcy Code. Additionally, Franchisee agrees not to seek an injunctive order from any court in any jurisdiction relating to insolvency, reorganization or arrangement proceedings which would have the effect of staying or enjoining this provision; or

2. A final judgment related to Franchisee remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); or the assets of Franchisee's Club are liquidated; or execution is levied against Franchisee; or suit to foreclose any lien or mortgage against Franchisee's Club or its Curves Equipment is instituted against Franchisee and not dismissed within thirty (30) days; or the real or personal property of Franchisee's Club must be sold after levy thereupon by any sheriff, marshal or constable; or

3. Franchisee has made any material misrepresentations or misstatements, or omits any material facts to Franchisor on the application to be a franchisee, or with respect to the ownership of Franchisee's Club; or

4. Franchisee abandons the franchise relationship and/or Franchisee's Club without the prior written consent of Franchisor at any time during the Term of this Agreement. The cessation of operation of Franchisee's Club on the premises other than with the prior written consent of Franchisor, or the failure of Franchisee to commence operating Franchisee's Club in accordance with Section 5 herein, whether the premises

remain vacant or are converted to any use, will be considered abandonment of the franchise relationship provided, however, that Franchisee's Club will not be deemed abandoned if the cessation is due to circumstances beyond Franchisee's reasonable control (such as lack of electrical power not due to any action or inaction by Franchisee, weather conditions, earthquakes, strikes and the like) and Franchisee diligently undertakes to resume operations after the reason for such cessation has been abated; or

5. If a threat or danger to public health or safety results from the construction, maintenance or operation of Franchisee's Club, of if Franchisee violates any law, regulation, order or Franchisor standard relating to health, sanitation or safety and fails to cure the default within twenty-four (24) hours after delivery or attempted delivery of written notice by Franchisor, or fails to provide evidence of such remedy to Franchisor; or

6. Engages in a similar business to that licensed and established under and pursuant to this Agreement without obtaining Franchisor's prior written consent, or violates the covenant against competition, or markets any service or product under a name or mark which, in Franchisor's sole opinion, is confusingly similar to the Curves Marks; or

7. Franchisee is convicted of or pleads no contest to a felony, a crime involving moral turpitude, fraud, dishonesty or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect upon Franchisee's Club, the Curves Marks, the goodwill associated therewith, or Franchisor's interest therein; or

8. Franchisee discloses or divulges the contents of the Confidential Operations Manual or other confidential information provided to Franchisee by Franchisor, whether intentional or not, contrary to the terms of this Agreement, or Franchisee or any Owner uses or duplicates the Curves System or engages in unfair competition in violation of Section 22 or discloses any trade secrets of Franchisor in violation of Section 22; or

9. Any sale, assignment, merger or transfer in violation of Sections 18 or 19 of this Agreement occurs; or

10. Franchisee knowingly maintains false books or records, or knowingly submits any false or fraudulent reports, statements or documents to Franchisor or any of its affiliates or wellness providers; or

11. Franchisee misuses or makes any unauthorized use of the Curves Marks or any other identifying characteristics of the Curves System, or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein; or

12. Franchisee fails to maintain insurance at all times in accordance with Section 16 this Agreement; or

13. Franchisee is repeatedly in default for failing to comply with any part of this Agreement, whether or not cured after notice; or

14. Franchisee contests Franchisor's ownership of the Curves Marks or any other trademarks owned or used by Franchisor; or

15. Franchisee sells products not previously approved by Franchisor, or purchases any product from a supplier not previously approved by Franchisor; or

16. Franchisee understates Gross Revenue by five percent (5%) or more for any period of time; or

17. Franchisee takes any action that in Franchisor's reasonable opinion reflects materially and unfavorably upon the operation and reputation of Franchisee's Club or the Franchisor generally.

B. Default With Opportunity to Cure. Except as set forth in Section 21A herein, Franchisee shall have twenty

(20) days after receipt of a written notice of default from Franchisor within which to remedy any default under this Agreement and provide evidence thereof to Franchisor; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the twenty (20) day period (or within such longer period as Franchisor may grant), and by promptly providing proof thereof to Franchisor. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement will terminate without further notice to Franchisee. Franchisee will be in default under this Agreement for failure to comply with any of the requirements imposed by this Agreement or the Confidential Operations Manual as it may from time to time be reasonably supplemented or fails to carry out the terms of this Agreement in good faith.

C. No Waiver. The failure of Franchisor to terminate this Agreement upon the occurrence of one or more events of default shall not constitute a waiver or otherwise affect the right of Franchisor to terminate this Agreement because of a continuing or subsequent failure to cure one or more of the aforesaid events of default or any other default.

D. Notice of Default As Required by Law. Notwithstanding anything to the contrary contained in this Section, if applicable law or regulation limits Franchisor's rights to terminate or requires longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by such laws and regulations. Franchisor shall not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination thereof.

E. Cross-Default. Any default by Franchisee under the terms and conditions of this Agreement or any other agreement between Franchisor and Franchisee, which permits Franchisor to terminate this Agreement or any other agreements, shall be deemed to be a default of each and every other franchise agreement and any other agreements. Furthermore, in the event of termination for any cause of this Agreement or any other agreement between the parties hereto, Franchisor may terminate any or all said agreements and all other franchise agreements.

F. Non-Compliance Damages. If, as a result of any default or breach by Franchisee or its Owners, this Agreement is terminated prior to the natural expiration of the Term of this Agreement, the damages Franchisor would suffer for the loss of prospective fees, damage to the Curves Marks, the Curves System, the Franchisor's franchise system and other amounts payable to or for Franchisor in this Agreement would be difficult, if not impossible, to ascertain. In that regard, Franchisee agrees to pay non-compliance damages based on a reasonable estimate of the probable damages Franchisor would suffer in the form of lost fees, damage to the Curves Marks, the Curves System, the Franchisor's franchise system and other amounts payable hereunder, and not as a penalty, in the lesser amount of an average of the last six (6) months of Monthly Royalty Fees multiplied by the remaining months on the Term of this Agreement, or if Franchisee's Club has been open less than six (6) months, an average of the Monthly Royalty Fees since Franchisee's Club has been open multiplied by the remaining months on the Term of this Agreement.

In addition, if Franchisee continues to operate Franchisee's Club or a similar business to Franchisee's Club from and after the date of expiration or termination of this Agreement in violation of Section 22B of this Agreement, such continued operation shall constitute willful trademark infringement and unfair competition by Franchisee, and Franchisee shall be liable to Franchisor for non-compliance damages resulting from such infringement in the lesser amount of an average of the last six (6) months of Monthly Royalty Fees, or if Franchisee's Club has been open less than six (6) months, an average of the Monthly Royalty Fees since Franchisee's Club has been open, for each month that Franchisee continues to operate Franchisee's Club or a similar business to Franchisee's Club from and after the date of expiration or termination of this Agreement in violation of Section 22B of this Agreement.

The agreements regarding the payment of non-compliance damages set forth in this Section are not an election of remedies, and Franchisor may pursue all other remedies available to it under this Agreement and applicable law.

21. EFFECT OF TERMINATION

A. Effect of Termination. Upon termination, expiration or non-renewal of this Agreement for any reason, Franchisee agrees to, and shall do, the following:

1. Cease to operate Franchisee's Club and shall not thereafter use the Curves Marks or any confusingly similar name, device, mark, service mark, trademark, trade name, slogan or symbol used in connection with Franchisee's Club, including any reproduction, counterfeit copy, variation, emulation or colorable imitation thereof which is likely to cause confusion or mistake or deceive the public and take any steps necessary to change the name of any corporation or entity which Franchisee may have formed, or under which Franchisee trades or does business, so that the name will not likely be confused with Curves Marks; and

2. Immediately return to Franchisor the Confidential Operations Manual, or any other operations manual loaned to it, together with all materials containing Franchisor's trade secrets or Curves Marks or otherwise marked by Franchisor as confidential; and

3. Cease to use the Curves System and methods of operation and comply with the post-term covenants contained in this Agreement; and

4. Grant to Franchisor the option to purchase the Curves equipment used in the operation of the Franchisee's club and other usable items bearing Curves mark at fair market value not to exceed $1,000 and, regardless of Franchisor exercising that option, Franchisee shall not use for any business purposes or sell or give to any third-parties for any business purposes any equipment used in the operation of Franchisee's Club or other usable items bearing the Curves Marks; and Franchisor shall have the option to purchase from Franchisee all furnishings, non-Franchisor equipment, signs, fixtures, supplies related to the operation of Franchisee's Club, at the lesser of Franchisee's cost or fair market value with such cost based upon a five (5) year straight line depreciation of original cost and any equipment that is more than five (5) years old, the parties agree that fair market value shall be deemed to be ten (10%) of the original cost; and

5. Promptly assign to Franchisor, upon Franchisor's demand, any interest and right that Franchisee may have in the premises where Franchisee's Club granted herein is located and operates, unless Franchisee owns said premises; where landlord's consent is required to any such assignment Franchisee will use its best efforts to procure such consent or, if Franchisor does not so demand such assignment, immediately make such removals or changes in signs and the building as Franchisor requests, so as to effectively distinguish the building and premises from its former appearance and from any other Club. If Franchisee fails to make the changes, Franchisee consents to Franchisor entering the building and premises to make non-structural changes at Franchisee's expense; and

6. Immediately cease use of all telephone numbers and any domain names, websites, social media (Facebook, Twitter, Instagram, etc.), email addresses, and any other identifiers, whether or not authorized by Franchisor, used by Franchisee while operating Franchisee's Club. In no event shall Franchisee use such number(s) or identifier(s) for any other business. Franchisee shall immediately take all such actions as may be necessary to transfer any telephone number(s) and any telephone directory listings associated with Franchisee's Club or the Curves Marks to Franchisor. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers and directory listings associated with Franchisee's Club or the Curves Marks. The parties further agree that if the telephone company requires that the parties execute the telephone company's assignment forms or other documentation at the time of termination or expiration of this Agreement, Franchisor's execution of such forms or documentation on Franchisee's behalf shall effectuate Franchisee's consent and agreement to the assignment; and

7. Promptly assign and deliver to Franchisor, or Franchisor's designee, in accordance with any applicable privacy laws and at Franchisee's expense, any and all check drafts for any and all memberships, any and all membership lists, past and present, and any and all leads for potential members for Franchisee's Club. Franchisee shall not duplicate any membership lists or leads, past or present, used in any manner with Franchisee's Club, and after deliverance of said materials to Franchisor, Franchisee shall destroy any and all copies of membership lists, leads and check drafts used in any manner with Franchisee's Club; and

8. Promptly pay all sums and debts owing to all third-party creditors of Franchisee's Club, as well as to Franchisor and its affiliates, whether such sums and debts owing to Franchisor and its affiliates are evidenced by promissory note, invoice, bill or other writing and notwithstanding the fact that such sums and debts owing to Franchisor and its affiliates may not at that time by fully due and payable, such debts being accelerated automatically without further notice to Franchisee. If termination is for any default of Franchisee, sums owing to Franchisor shall include all damages, costs and expenses (including reasonable attorney's fees) incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the vehicles, personal property, furnishings, equipment, signs, inventory, fixtures or other assets owned by Franchisee and used in Franchisee's Club at the time of default, and Franchisee authorizes Franchisor to file any documents Franchisor deems necessary to perfect this lien; and

9. Upon termination, expiration or non-renewal of this Agreement for any reason, Franchisee agrees to satisfactorily resolve all customer disputes or reimburse Franchisor or any franchisee who does so for the reasonable cost of such services.

B. Execution of Documents. Franchisor may, if Franchisee fails or refuses to do so, execute in Franchisee's name and on its behalf, any and all documents necessary to effect the obligations of Franchisee under this Agreement, and Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact to do so.

C. Franchisor's Rights Not Prejudiced. The expiration, termination or nonrenewal of this Agreement for any reason shall be without prejudice to Franchisor's rights against Franchisee and such expiration, termination or nonrenewal shall not relieve Franchisee of any of its obligations to Franchisor existing at the time of expiration, termination or nonrenewal, including claims for damages arising directly or indirectly out of any breach or default, nor shall it terminate those obligations of Franchisee which by their nature survive the expiration, termination or nonrenewal of this Agreement.

22. RESTRICTIVE COVENANTS

A. Confidential Information. Franchisee shall not, during the Term of this Agreement or any time thereafter, communicate, divulge or use for the benefit of any other person, persons, partnership, entity, association, corporation any confidential information, knowledge or know-how concerning the methods of operation of the business franchised hereunder which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation of Franchisee's Club under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate Franchisee's Club. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential or is otherwise included in the Confidential Operations Manual or part of the Curves System shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others. Any employee who may have access to any confidential information regarding Franchisee's Club shall execute a covenant that s/he will maintain the confidentiality of information they receive in connection with their association with Franchisee. Such covenants shall be on a form provided by Franchisor, which form shall, among other things, designate Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. Franchisee acknowledges that any failure to comply with the requirements of this Section 22A will cause

Franchisor. irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor. in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 22A.

Franchisee agrees to disclose to Franchisor all ideas, concepts, methods, techniques and products conceived or developed by Franchisee, its affiliates, Owners or employees during the term of this Agreement relating to the development and/or operation of Franchisee's Club. Franchisee hereby grants to Franchisor and agrees to procure from its affiliates, owners or employees a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques and products in all food service businesses operated by Franchisor or its affiliates, franchisees and designees. Franchisor shall have no obligation to make any payments to Franchisee with respect to any such ideas, concepts, methods, techniques or products. Franchisee agrees that Franchisee will not use or allow any other person or entity to use any such concept, method, technique or product without obtaining Franchisor's prior written approval.

B. Covenant Not to Compete. Franchisee and each Owner of Franchisee acknowledges that any type of ownership as prohibited below of a competing business of a Franchise in any way would be inherently unfair to Franchisor and all Franchisor's franchisees. Therefore, during the Term of this Agreement, Franchisee, nor any of its Owners, shall not own an interest in, conduct or operate, directly or indirectly, or be employed by or associated in any way with any "Competing Business" located anywhere in the United States. The term "**Competing Business**" means any business that sells or offers for sale any fitness or weight loss products or services. Franchisee and its Owners acknowledge that the Curves Marks, the business reputation and goodwill associated thereto, the methods and techniques employed by Franchisor, the specialized training and instruction to be provided under and pursuant to this Agreement, the knowledge of the services and methods of Franchisor, and the opportunities, associations and experience established and acquired by Franchisee under and pursuant to this Agreement and as a member of the license system, are of considerable value. In consideration thereof, Franchisee and its Owners therefore covenant and agree and specifically consent that, by signature herein below, neither Franchisee nor its Owners, shall, directly or indirectly, as a proprietor, partner, investor, shareholder, member, director, officer, employer, employee, principal, agent, adviser, franchisor, franchisee, consultant or in any other individual or representative capacity or otherwise for a period of two (2) years immediately following the later of the expiration, termination or nonrenewal of this Agreement for any reason or the date on which Franchisee actually ceases operation of Franchisee's Club:

1. Engage in or participate in or derive any benefit from any Competing Business within ten (10) miles of the location of Franchisee's Club and within ten (10) miles of the location of any other Franchisor Club; or

2. Divert or attempt to divert any customer or business from Franchisor or any other franchisee or solicit or endeavor to obtain the business of any person who shall have been a customer of Franchisee's Club.

This Section 22B shall not apply to ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

C. Curves Confidential Operations Manual, Curves System and Curves Marks. Upon the expiration, termination or nonrenewal of this Agreement for any reason or the date on which Franchisee actually ceases operation of Franchisee's Club, Franchisee shall never use any confidential information from the Confidential Operations Manual or Curves System in any manner in any similar business to that licensed and established under and pursuant to this Agreement, and Franchisee will never use the Curves Marks, or any form of the Curves Marks, any other mark owned by Franchisor or that Franchisor is or will be licensed to use, reproduce, or sublicense by Franchisor at the time of expiration, termination or nonrenewal of this Agreement, or any confidential and/or proprietary information from the Confidential Operations Manual or Curves System in any manner to engage in or participate in or derive any benefit from any similar business to that licensed and established under and pursuant to this Agreement, except as provided with any other agreement between Franchisor and Franchisee.

D. Ancillary to Agreement. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. Franchisee acknowledges that the restrictive covenants set forth in this Section 22 are ancillary to this Agreement and are reasonable and necessary for the protection of Franchisor's legitimate interests in the goodwill of the business operated by Franchisor , but, if it is determined that the covenants set forth in this Section 22 are not enforceable for any reason (including but not limited to being unenforceable for the full stated period of time or the stated geographic region), such covenants shall not be stricken, but shall be reformed to the extent required to be enforceable under and comply with applicable law and as reformed will be fully enforceable.

E. Owners and Personnel. Franchisee shall require and obtain execution of covenants similar to those set forth in Section 6, 9 and this Section 22 (as modified to apply to an individual) from any of its Owners and personnel, including its operating principal. The covenants required by Section 22B shall be in the form included in the Confidential Operations Manual. Failure by Franchisee to obtain execution of a covenant required by this Section 22B shall constitute a default under Section 20 above.

23. RESOLUTION OF DISPUTES

A. Non-Binding Mediation. Franchisee agrees to attempt to resolve any dispute between Franchisee and Franchisor that arises out of this Agreement through non-binding mediation, save and except any dispute relating to Section 22 herein. The mediation procedure to be followed by the parties will be in accordance with Franchisor's then-current procedures for resolving disputes (the "**Procedures**") which will be made available to Franchisee upon written request to Franchisor. All non-binding mediation will occur in Waco, Texas. All parties will pay their respective costs and expenses of mediation. Franchisor will be responsible for fifty percent (50%) of all costs and fees charged by mediator. All Franchisee parties who participate in any mediation will be collectively responsible for fifty percent (50%) of all costs and fees charged by the mediator.

B. Institution of Legal Proceedings. Franchisee will not institute any legal or administrative proceeding for claims arising out of a dispute pursuant to this Agreement without first attempting to resolve the dispute through negotiation and non-binding mediation.

C. Injunctive Relief. Notwithstanding Sections 23A and 23B above, either party hereto may initiate a court action to obtain temporary, preliminary or permanent injunctive relief as to any claim arising from or out of this Agreement or the relationship between the parties.

D. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of Franchisee's Club, brought by any party hereto against the other, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or, it is expressly acknowledged and agreed by all parties, such claim or action shall be irrevocably barred.

E. Franchisor and Franchisee hereby waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other, and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

F. Jury Waiver. In any trial between Franchisor and Franchisee that in any way relates to or arises out of this Agreement or any dealings between Franchisor and Franchisee, Franchisor and Franchisee waive the right to a jury trial and agree to have such action tried by a judge.

G. Class Action Waiver. Franchisee agrees that any claim Franchisee may have against Franchisor shall be brought individually. Franchisee shall not join or participate in any class action against Franchisor.

24. MISCELLANEOUS: GENERAL CONDITIONS

A. Fiduciary Duty. Franchisor and Franchisee specifically agree and acknowledge that Franchisor shall not be deemed a fiduciary for or with respect to Franchisee or the operation of Franchisee's Club.

B. Construction and Interpretation. The Introduction and Recitals are considered a part of this Agreement. Section captions are used only for convenience and are in no way to be construed as part of this Agreement or as a limitation of the scope of the particular Sections to which they refer. Words of any gender used in this Agreement include any other gender, and words in the singular include the plural, where the context requires. If any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision has the meaning which renders it valid. The Section headings used herein are descriptive only and shall have no legal force or effect whatsoever. The term "**affiliate**" as used in this Agreement is applicable to any company directly or indirectly owned or controlled by Franchisor. The word "**corporation(s)**" as used in this Agreement includes limited liability companies and such other similar organizations as are duly formed and existing pursuant to state law. The word "**partnership(s)**" as used in this Agreement includes limited liability partnerships and such other similar organizations as are duly formed and existing pursuant to state law. All words in this Agreement are deemed to include all genders and the singular as well as the plural, as the context of this Agreement requires.

C. Governing Law, Forum Selection and Compliance.

1. This Agreement shall become valid when executed and accepted by Franchisor. The parties agree that it shall be deemed made and entered into in the State of Texas and will be governed and construed under and in accordance with the laws of the State of Texas, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of the state's choice of law rules).

2. Any claims, controversies or disputes arising out of or related to this Agreement that are not subject to non-binding mediation as provided above, will be brought in the U.S. District Court for the Western District of Texas or the judicial district courts (or successor) in and for McLennan County, Texas. Franchisor and Franchisee irrevocably consent to the jurisdiction of such courts. The provisions of this Section 24C will survive the termination of this Agreement.

3. Anything in this Agreement to the contrary notwithstanding, Franchisee shall conduct its business in a lawful manner and faithfully comply with applicable laws or regulations of the United States and the state, city or other political subdivision in which Franchisee's Club is located.

D. Reasonable Business Judgment. Reasonable Business Judgment applies in all circumstances involving or requiring Franchisor's approval or consent, unless provided otherwise in this Agreement. "**Reasonable Business Judgment**" means that Franchisor's determinations or choices shall prevail, even if other alternatives are also reasonable or arguably preferable, if Franchisor intends to benefit or is acting in a way that could benefit the Curves System by, for example, enhancing the value of the Curves Marks, increasing customer satisfaction, minimizing possible customer confusion as to the Curves Marks or location, or increasing the financial strength of Franchisor. Except where otherwise indicated in this Agreement, Franchisor agrees to use Reasonable Business Judgment when discharging its obligations and exercising its rights and discretion. Franchisee has agreed to this concept of Reasonable Business Judgment in recognition of the fact that Franchisor should have at least as much discretion in administering the Curves System as a corporate board of directors has in directing a corporation, and because the long-term interests of the Curves System, all franchisees and owners of Clubs in the Curves System, and Franchisor and its shareholders, taken together, require that Franchisor have the latitude to exercise Reasonable Business Judgment. Franchisor shall not be required to consider Franchisee's particular economic or other circumstances or to slight its own economic or other business interests when exercising its Reasonable Business Judgment. Franchisee acknowledges that Franchisor has a legitimate interest in seeking to maximize the return to its shareholders and the fact that Franchisor benefits economically from an action will not be relevant to showing that Franchisor did not exercise Reasonable Business Judgment. Neither Franchisee nor any third-party (including but not limited to any third-party acting as a trier of fact) shall substitute its judgment for Franchisor's

Reasonable Business Judgment. Franchisee has the sole burden of proving that Franchisor failed to exercise this Reasonable Business Judgment in any respect.

E. Severability. Each provision contained in this Agreement shall, for all purposes, be construed to be separate and independent. If any provision of this Agreement or the application thereof to any person or circumstance will to any extent be invalid and unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions of this Agreement; and the remainder of the Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, it being hereby agreed that such provisions are severable and that this Agreement will be construed in all respects as if such invalid or unenforceable provisions were omitted. Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

F. Notices.

1. All notices to Franchisor shall be in writing and must be delivered or sent by registered or certified mail, postage fully prepaid, addressed to Franchisor at its offices at 400 Schroeder Drive, Waco, Texas 76710, Attention: General Counsel, or at such other address as Franchisor may designate in writing.

2. All notices to Franchisee shall be in writing sent to the Curves Email Address or hand delivered, which includes, but is not limited to, delivery by any courier service, or sent by registered or certified mail or telegraph or facsimile, addressed to Franchisee at Franchisee's Club or Franchisee's address as provided in this Agreement. Franchisee is solely responsible for notifying Franchisor by certified mail addressed to the Legal Department at 400 Schroeder Drive, Waco, Texas 76710, Attention: General Counsel, of any change of address where, upon such notification, Franchisor will deliver any notices as required or permitted under this Agreement.

3. Notices shall be deemed delivered on the date sent to the Curves Email Address or, if hand delivered, on the earlier of actual receipt or the third (3^{rd}) day after being deposited in the U.S. Mail or with any courier service as provided herein.

G. Performance. This Agreement is performed in McLennan County, Texas. Both parties agree that this Agreement is executed in and is performable in McLennan County, Texas.

H. Waiver and Delay. The acceptance by Franchisor of any payment specified to be paid by Franchisee hereunder with knowledge of a breach of any covenant or agreement hereof shall not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement. The failure or delay to enforce any of the provisions of this Agreement shall not constitute a waiver of rights or a waiver of any subsequent enforcement of the provisions of this Agreement. The waiver or remedy of any default or breach hereunder shall not waive or affect the default remedied or any prior or subsequent default. However, either party may, by written notice, unilaterally waive or reduce any obligation or restriction of the other party. The waiver or reduction may be revoked at any time for any reason on ten (10) days' written notice. All rights and remedies herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law and said rights and remedies may be exercised and enforced concurrently and whenever and as often as the occasion therefore arises. If one (1) year has elapsed since an action that Franchisee has against Franchisor for any default or breach of this Agreement or the relationship between Franchisee and Franchisor first originated, then, if Franchisor has not received written notification of such action from Franchisee, Franchisee agrees that such action is waived and Franchisee is restricted from seeking recovery for such action.

I. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

J. Savings Clause. If any term hereof may be construed to obligate Franchisee to pay interest in excess of the highest legal amount, it is agreed that such term is a mistake in calculation or wording and, notwithstanding same, it is agreed that neither Franchisee nor any other person or entity obligated for the payment of any sums hereunder shall ever be obligated to pay interest in excess of the highest lawful amount.

K. **Modification of Agreement.** Any modification of this Agreement or additional obligation assumed by either party in connection therewith shall be binding only if placed in writing and signed by all parties hereto.

L. **Legal Fees.** In the unlikely event that a dispute occurs or an action in law or equity arises between Franchisor and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, Franchisor, if it prevails on most issues, shall be entitled to recover reasonable attorney's fees, court costs and expenses incurred in the action.

M. **Acknowledgments.**

1. Franchisee acknowledges that Franchisor and its subsidiaries and affiliates have certain rights reserved to them to grant licenses and rights to others, which may or may not be similar to the license and rights conveyed hereunder; to market Franchisor-approved products; and to otherwise use Curves Marks and Curves System as set forth in this Agreement. Franchisee acknowledges that, prior to the execution of this Agreement, Franchisee has had the opportunity to contact existing franchisees of Franchisor. Franchisee acknowledges that Franchisee had the opportunity to independently investigate, analyze and construe both the business opportunity being offered hereunder and the terms and provisions of this Agreement itself, utilizing the services of such independent attorneys, accountants, or other advisers as Franchisee so elects. Franchisee acknowledges that no representation or statement has been made by Franchisor or any employee, agent or salesman thereof and relied upon by Franchisee regarding the future growth of Franchisor's franchise system, the anticipated income, earnings and growth of Franchisee, the actual sales or income of existing Franchisor businesses or the viability of the business opportunity conveyed hereunder. FRANCHISEE ACKNOWLEDGES RECEIPT OF A COPY OF THIS COMPLETED AGREEMENT AND ITS EXHIBITS AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT IS EXECUTED AND ACKNOWLEDGES THAT IT HAS READ ALL OF THE FOREGOING AGREEMENT AND THAT IT HEREBY ACCEPTS AND AGREES TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS THEREOF. FRANCHISEE FURTHER ACKNOWLEDGES THAT IT RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION FRANCHISE RULES AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.

2. Franchisee and its Owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its Owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its Owners are not otherwise in violation of any of the Anti-Terrorism Laws. "**Anti-Terrorism Laws**" means trade restrictions under United States law, including (without limitation) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., or any Executive Orders or regulations promulgated thereunder (including Executive Order 13224 of September 24, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, and the Specially Designated Nationals and Blocked Persons List), and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any 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 Franchisee, its Owners, or their employees, or any "blocking" of Franchisee's assets under the Anti-Terrorism Laws shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or one of its affiliates, in accordance with the termination provisions of this Agreement.

3. Although Franchisor retains the right to establish and periodically modify the Curves System standards,

which Franchisee has agreed to maintain in the operation of Franchisee's Club, Franchisee retains the right and sole responsibility for the day-to-day management and operation of Franchisee's Club and the implementation and maintenance of Curves System standards at Franchisee's Club.

N. No Implied Covenant. Franchisor and Franchisee have negotiated the terms of this Agreement and agree that neither party will claim the existence of an implied covenant of good faith and fair dealing to contravene or limit any term, condition or covenant of this Agreement.

O. Submission of Agreement. Submission of this Agreement does not constitute an offer, and this Agreement shall become effective only upon the execution hereof by both Franchisor and Franchisee and delivery of an executed copy to Franchisee. THIS AGREEMENT IS NOT BINDING ON FRANCHISOR UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY FRANCHISOR, AND FRANCHISEE HAS RECEIVED AN EXECUTED COPY OF THIS AGREEMENT. THIS AGREEMENT IS NOT EFFECTIVE UNTIL AND UNLESS FRANCHISEE HAS BEEN FURNISHED BY FRANCHISOR WITH ALL DISCLOSURE DOCUMENTS, IN WRITTEN FORM, AS MAY BE REQUIRED UNDER OR PURSUANT TO APPLICABLE LAW, FOR REQUISITE TIME PERIODS.

P. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the parties and may not be altered, amended or added to unless such amendment or addition is in writing and signed by both an authorized officer of Franchisor and by Franchisee. This Agreement is deemed to cancel and supersede the terms of all prior written or oral agreements and understandings, if any, between Franchisor and Franchisee pertaining to such license. Nothing in this Agreement or in any related agreement is intended to disclaim any written representations made in the federally required franchise disclosure document provided by Franchisor.

Q. Effective Date. This Agreement is effective as of the date first above written.

IN WITNESS WHEREOF, the parties have duly executed this Agreement in multiple originals, each of which may stand alone as an original, and acknowledge that they signed this in their stated capacities, on the date set forth hereinabove.

CURVES NA, INC.

By:____
Elizabeth Krishea Holloway, President

ATTEST:

____

FRANCHISEE:

____
, **Individually**

EXHIBIT A

Franchisor grants Franchisee a Franchise to operate one (1) *Curves®* thirty-minute fitness and weight loss Club at the location set out below on the terms and conditions contained in this Agreement executed simultaneously herewith:

The territory shall be called for the purposes of this Agreement the ___**area**. The territory boundaries of the ____________**area** are identified by the design outlined in **Orange** on the map set out on the page immediately following this page and shall be included as part of this Exhibit A.

The description representing the boundaries set forth on this page above is identified as of the date of this Agreement. Except when both Franchisor and Franchisee agree in writing, the area, as stated herein as of the date of this Agreement, shall not be altered in any manner in the future as to size or location regardless of any future alterations to the identifying marks representing the description of the boundaries herein.

EXHIBIT B

Curves NA, Inc. provides Franchisee with the following equipment as part of the Initial Franchise Fee:

Biceps/Triceps
Leg Extension/Leg Curl
Shoulder/Laterals
Chest/Back
Squat
Leg Press
AB/Back
Oblique/Rotary Torso
Glute
Dip Shrug
Pec Dec
Mats (11)
Stretching Station

EXHIBIT "C"

LIST OF ALL OWNERS AND KEY STAFF

Name of Owner	Address and Telephone	Email address	Owner's Occupation	Interest %
Name of Key Staff	**Address**	**Telephone**	**Email Address**	

INITIALED:

FRANCHISEE: ______

EXHIBIT "D"

CURVES SOCIAL MEDIA ADDENDUM

THIS SOCIAL MEDIA AGREEMENT (the "Addendum"), is entered into as of this ____ day of _______, 2021 (the "Effective Date"), by and between Curves NA, Inc. ("Franchisor"), and , individually ("Franchisee"). Franchisor and Franchisee may collectively be referred to hereinafter as the "Parties."

RECITALS

WHEREAS, Franchisor and Franchisee entered into a franchise agreement, guaranteed by Guarantor, for the operation of Franchisee's Club within a geographic area described in Exhibit "A" of the franchise agreement as the area (the "Franchise Agreement");

WHEREAS, the Franchise Agreement prohibits Franchisee from marketing over the internet without prior written approval of Franchisor. Such approval has never been granted for social media.

WHEREAS, Franchisor began exploring execution of a social media platform that would aid in marketing efforts of its franchisees without diluting or harming Franchisor's brand. In or about the winter of 2014/2015, Franchisor determined an appropriate method to have marketing messages disseminated by its franchisees through Facebook without diluting or harming Franchisor's brand.

WHEREAS, Franchisee has requested to utilize Facebook under the strictures that Franchisor requires, and this Addendum clarifies the terms and conditions of that participation.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Addendum, and for other good and valuable consideration, the Parties agree as follows:

1. Franchisor shall set up a master Facebook page for its brand. Franchisor shall cause to be set up a "child" page for Franchisee for Franchisee's Club containing Franchisee's Club address, phone number and links to appropriate sites.

   If Franchisee already has a Facebook page for Franchisee's Club, Franchisee shall enable Franchisor to be the administrator on the page so that all existing "friends" shall transfer to the new child page.

2. Franchisor shall:

   a. Provide corporate posts on a regular basis to its master Facebook page;
   b. Provide training on how to post on Facebook while limiting liability;
   c. Provide templates for child page posts;
   d. Provide monthly suggested posts; and
   e. Be available for questions and post review.

3. Franchisee shall:

   a. Adhere to all brand standards and guidelines;
   b. Post no less than once per week (including sharing Franchisor's page posts on the child page);
   c. Indemnify Franchisor and its affiliates for any unapproved postings/social media usage; and
   d. Not create any additional Facebook pages for Franchisee's Club.

4. Franchisee agrees and acknowledges that failure to adhere to the strictures set forth herein could cause brand dilution and brand damage and that such failure shall be considered a default under the Franchise Agreement.

5. Franchisee acknowledges that it has been advised that it must comply with all FTC guidelines and

regulations regarding weight loss claims. Franchisee shall indemnify Franchisor against any claims which may arise from a breach of this section. This section shall survive the termination of this Addendum.

6. The Parties represent that in entering this Addendum, they have had an opportunity to seek the advice of attorneys of their own choice, that they have not relied on anything orally stated by the other party in their understanding of this Addendum, and that the terms of this Addendum are fully understood and voluntarily accepted by the Parties. The Parties further represent that failure to seek advice of an attorney of their choice was a voluntary choice on their part.

7. Miscellaneous.

    a. Binding Effect. All of the provisions of this Addendum will be binding on, and benefit, the Parties and their respective legal representatives, heirs, successors and assigns.
    b. Entire Addendum. This Addendum, and the documents that are contemplated by this Addendum, represents the entire understanding and agreement between the Parties respecting the subject matter hereof, and supersedes all other negotiations, understandings and representations made between the Parties. This Addendum may be modified or changed only in writing, signed by both Parties hereto.
    c. Severability. The provisions of this Addendum are severable and the invalidity or unenforceability of a provision will not affect any other remaining provisions of this Addendum.
    d. Enforceability. Failure of Franchisee to cooperate with this Addendum shall be considered a default under the Franchise Agreement.
    e. Governing Terms and Conditions. This Addendum is governed by the Franchise Agreement and all terms and conditions which are not in conflict.

8. This Addendum may be executed in one or more counterparts, each of which shall be deemed an original and taken together shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have executed this Addendum as of the Effective Date.

FRANCHISEE	**FRANCHISOR**
	CURVES NA, INC.
By: ______________________________	By____________________________
, Individually	**Elizabeth Krishea Holloway, President**

EXHIBIT C

PERSONAL GUARANTY

PERSONAL GUARANTY OF FRANCHISE AGREEMENT

This PERSONAL GUARANTY OF FRANCHISE AGREEMENT ("Guaranty Agreement") is entered into by ______, individually, whose principal address is _________ ("Guarantor").

WHEREAS, Curves NA, Inc. ("Curves") and _________ ("Corporate Entity") entered into a Franchise Agreement pursuant to which Curves granted the Corporate Entity a license to use Curves' trademarks, confidential business practices, trade secrets, proprietary information, related business processes, training methods and equipment in the operation of a thirty minute fitness and weight-loss club for a geographic area described in Exhibit A as the _________ area (hereinafter referred to as "Franchise Agreement"); and

WHEREAS, Guarantor is an owner, manager, officer and/or director of the Corporate Entity and acknowledges the benefits received by Guarantor from the Franchise Agreement; and

WHEREAS, to induce Curves to enter into the Franchise Agreement with the Corporate Entity, Guarantor has agreed to unconditionally enter into this Guaranty Agreement; and

WHEREAS, in consideration of Curves entering into the Franchise Agreement with the Corporate Entity, Guarantor promises and agrees to unconditionally and absolutely guarantee to Curves that Guarantor shall pay to Curves all monies owed under the Franchise Agreement, assume any and all obligations, covenants, conditions and liabilities as the Franchisee under the Franchise Agreement and fulfill and perform all obligations, covenants, warranties, non-competition covenants and all other terms and conditions as set forth in the Franchise Agreement.

NOW, THEREFORE, in consideration as cited herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor agrees as follows:

1. Guarantor hereby unconditionally accepts the Franchise Agreement in its present form including all obligations, covenants, conditions, liabilities, warranties, non-competition covenants, terms, etc.; and

2. Guarantor hereby unconditionally and absolutely individually guarantees to Curves the performance of and compliance with all obligations, covenants, warranties, non-competition covenants and all other terms and conditions as set forth in the Franchise Agreement; and

3. Guarantor shall promptly pay all royalties, advertising fees, late charges and any other financial obligations under the Franchise Agreement; and

4. Guarantor hereby unconditionally and absolutely individually guarantees to Curves the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, any and all indebtedness, liabilities and obligations of the Franchise Agreement, together with interest and collection costs as are provided for in the Franchise Agreement; and

5. Curves shall not be required to pursue any other remedies before invoking the benefits of Guarantor's guaranty herein; especially, without limitation, Curves shall not be required to commence, pursue or exhaust any remedy against the Corporate Entity and/or any of the Corporate Entity's partners, owners, managers, shareholders or members; and

6. Should the legal status of the Corporate Entity change or the Corporate Entity ceases to exist through any means, whether by sale, dissolution, bankruptcy, etc., Guarantor shall continue to remit and also cover all payments due under the Franchise Agreement and other payments of the Corporate Entity under the new status and perform and comply with all obligations, covenants, warranties, non-competition covenants and other terms and conditions as set forth in the Franchise Agreement, according to the terms hereof, guaranteeing the performance of the terms, conditions and obligations in the Franchise Agreement; and

7. In the event of a merger, sale or reorganization of or with the Corporate Entity, Guarantor specifically agrees that this Guaranty Agreement will be a surviving agreement, as well as the liability of any merger, sale or reorganization of or with the Corporate Entity; and

8. In the event any payment by the Corporate Entity to Curves is held to constitute a preference under the bankruptcy laws, or, if for any other reason Curves is required to refund such payment or pay the amount thereof to any other party, such payment by the Corporate Entity to Curves shall not constitute a release of Guarantor from any liability hereunder, and Guarantor agrees to pay such amount to Curves on demand; and

9. Guarantor agrees that Curves, at its sole discretion, and the Corporate Entity may from time to time amend the Franchise Agreement and the exercise of, or failure to exercise, such right to amend the Franchise Agreement shall in no way impair or diminish the obligations of Guarantor hereunder; and

10. This Guaranty Agreement shall inure to the benefit of any transferee, assignee, heir and successor in interest of Curves. Curves, as used herein, shall mean and include any successor to Curves or any such heir, transferee, assignee or subsequent owner.

11. The provisions of this Guaranty Agreement shall not be interpreted to allow the status of the Corporate Entity or Guarantor's ownership interests in the Franchise Agreement to be altered without strict compliance with the terms of the Franchise Agreement.

12. Each person executing this Guaranty Agreement on behalf of any of the parties hereto represents and warrants that he/she has been fully empowered to execute this Guaranty Agreement and that all necessary action for the execution of this Guaranty Agreement has been taken. Further, that each person executing this Guaranty Agreement on behalf of any of the parties hereto represents and warrants that he/she has had the opportunity to have this Guaranty Agreement reviewed by counsel of his/her choice and has fully been advised by counsel of his/her choice regarding this Guaranty Agreement.

13. If any provision of this Guaranty Agreement shall for any reason be held to violate any applicable law, governmental rule or regulation, or if any provision of this Guaranty Agreement is held to be unenforceable or unconscionable, then the invalidity of such specific provisions herein shall not be held to invalidate the remaining provisions of this Guaranty Agreement.

14. Guarantor agrees that to take any and all necessary steps, sign and execute any and all necessary documents, agreements or instruments that are or will be required to implement the terms of this Guaranty Agreement, and Guarantor shall refrain from taking any action, either expressly or impliedly, which would have the effect of prohibiting or hindering the enforcement of this Guaranty Agreement.

15. Guarantor agrees that this Guaranty Agreement is performable in McLennan County, Texas and Guarantor waives the right to be sued elsewhere and agree that this Guaranty Agreement and its application will be governed by the laws of the State of Texas. In the event of a default or dispute, Guarantor agrees that any dispute procedures or requirements under the Franchise Agreement and the venue as provided in the Franchise Agreement shall apply to this Guaranty Agreement. Guarantor further hereby waives all questions of personal jurisdiction for the purposes of carrying out this provision and specifically consents to jurisdiction in McLennan County, Texas.

16. If an action is commenced in connection with the enforcement of any provision of this Guaranty Agreement, Guarantor agrees to pay Curves reasonable costs and expenses, including attorney's fees, in the event Curves prevails on most issues regarding this Guaranty Agreement.

17. This Guaranty Agreement may be executed in any number of counterparts and by Guarantor on separate counterparts, each of which, when so executed and delivered, shall be deemed an original and all of which

taken together constitute but one and the same instrument.

THIS GUARANTY AGREEMENT is effective as of the ______ day of ___________________, _______.

GUARANTOR:

____
Name, Individually

THE STATE OF ____________________ '
COUNTY OF ______________________ '

BEFORE ME, the undersigned authority, on this day personally appeared ____, proven to me to be the person whose name is subscribed to the foregoing Personal Guaranty of Franchise Agreement and he/she acknowledged to me that he/she executed this Personal Guaranty of Franchise Agreement for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ______day of _______________________________, ____________.

____
NOTARY PUBLIC IN AND FOR THE STATE OF __________

EXHIBIT D

PROMISSORY NOTE AND SECURITY AGREEMENT

CURVES NA, INC.
SECURED PROMISSORY NOTE

$________________ Date: _______, 20__

The undersigned ("Franchisee"), for value received, jointly and severally promises to pay to the order of Curves NA, Inc., a Texas corporation ("Franchisor"), at 400 Schroeder Drive, Waco, Texas 76710 or at such other place as Franchisor periodically may designate in writing, the principal sum of $___________, together with interest computed at a rate of ____% on the unpaid balance of the principal and interest, on or before __________, 20___ (the "Maturity Date").

Franchisee acknowledges that the principal amount of this Secured Promissory Note ("Note") arose under and remains due under the *Curves*® Franchise Agreement between Franchisor and Franchisee, dated _________, 20__ (the "Franchise Agreement") pursuant to which Franchisee operates a *Curves*® club (the "Franchisee's Club"), and that Franchisor's acceptance of this Note does not represent a cure, satisfaction, or discharge of any of Franchisee's obligations under the Franchise Agreement, and does not represent a waiver or relinquishment of any rights or remedies that Franchisor may have under the Franchise Agreement.

Commencing on the date noted above, Franchisor agrees to loan to Franchisee the principal sum of $__________ together with interest at the fixed rate of ___% per annum. Franchisee agrees to pay the unpaid principal balance and all accrued interest on or before the Maturity Date in 24 monthly payments beginning on the ____ day of the month following the date of this Note. Specifically, interest shall accrue immediately on a monthly basis from the date of this Note until the Maturity Date. All accrued interest will be due on a monthly basis beginning _____________, 20__, and will be payable each calendar month thereafter until the Maturity Date. Franchisee agrees to repay the principal sum in monthly installment payments beginning _______________, 20__, and continuing each month thereafter until the Maturity Date. A payment schedule is attached and may be adjusted from time to time in the event Franchisee prepays or is late in paying any amount due under this Note.

The entire unpaid principal balance and all accrued but unpaid interest under this Note will be immediately due and payable as a balloon payment upon the earlier of: (1) the expiration of the Franchise Agreement; (2) the termination of the Franchise Agreement; or (3) a "transfer" occurs (as defined in the Franchise Agreement).

Franchisee may prepay this Note in whole at any time, or in part from time to time, without penalty. Each such prepayment will be applied first against accrued interest and the balance, if any, to the reduction of principal. Franchisor's failure or delay to exercise any right or remedies hereunder or afforded by applicable law will not operate as a waiver thereof. Such failure or delay will not be construed as a bar to or waiver of such right or remedy on a future occasion.

Franchisee agrees to pay all costs of collecting or enforcing payment or performance under this Note, together with reasonable attorneys' fees and legal expenses at any time paid or incurred by Franchisor, whether suit be brought or not.

Franchisee waives presentment, protest and demand, delinquency, notice of protest, demand and dishonor, and any other notice otherwise required to be given by law in connection with the delivery, acceptance, performance, default, enforcement or collection of this Note, and expressly agrees that this Note, or any payment hereunder, may periodically be extended or subordinated, without affecting the liability of Franchisee.

Any default by Franchisee under the Franchise Agreement after the date of this Note will constitute a default under this Note. Any default under this Note will constitute a default under the Franchise Agreement. If any default by Franchisee occurs under this Note, or any default by Franchisee occurs under the Franchise Agreement and such default is not cured under the terms thereof, the entire principal balance and accrued but unpaid interest under this Note will immediately become due and payable at Franchisor's option. Upon any acceleration of the principal balance under this Note due to a default under the Note or the Franchise Agreement, interest will accrue on all unpaid amounts from the date of acceleration at a rate of 18% per annum or the maximum rate permitted by law, whichever is less, until the entire principal balance and all accrued but unpaid interest is paid.

To secure Franchisee's payment of the Note and Franchisee's performance of its obligations hereunder, Franchisee grants to Franchisor a security interest in and to Franchisee's inventory, chattel paper, equipment, general intangibles, furniture, fixtures, machinery and all other business assets; whether owned now or acquired later; and all additions, located at or arising from transactions related to the Club, all policies of insurance covering such assets and all proceeds thereof.

This Note is guaranteed pursuant to a Personal Guarantee, Indemnification and Acknowledgment (the "Guaranty") provided by Franchisee and _____________ upon the execution of the Franchise Agreement. This Note may not be amended or modified, and no waiver of any provision hereof will be effective, except by an instrument in writing signed by the party against whom enforcement of any amendment, modification, or waiver is sought. If Franchisee consists of two or more individuals, the liability of each individual will be joint and several.

This Note is governed by the laws of the State of Texas.

Franchisee has caused this Note to be made and executed as of the date first above written.

FRANCHISEE:

____
_____________, Individually

____
_____________, Individually

or

____
[Name of Franchisee Entity]

By:______________________________
Its:____________________________

PAYMENT SCHEDULE

Loan Amount	**$__________**				
Interest Rate	**___%**				
Date of Loan	**_______________, 20__**				
Payment	**Payment Due Date**	**Principal**	**Interest**	**Total Monthly Payment**	**Loan Balance After Payment**
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					

EXHIBIT E

BANK DRAFT AUTHORIZATION FORM

CURVES NA, INC.

DEBIT AUTHORIZATION FORM

I (we) authorize Curves NA, Inc. (“CURVES”) to electronically debit my (our) account (and, if necessary, electronically credit my (our) account to correct erroneous debits) as follows:

 Checking Account / Savings Account (select one) at the depository financial institution named below (“DEPOSITORY”). I (we) agree that ACH transactions I (we) authorize comply with all applicable law.

Franchise Number *(if applicable)* ____

Financial Institution Name ____

Routing Number ____

Account Number ____

I authorize Curves NA, Inc. to automatically withdraw from my account above any and all payments for initial franchise fees, royalties, advertising fees, and other fees due to Curves NA Inc. and any products I purchase for the Curves franchise.

I (we) understand that this authorization will remain in full force and effect until I (we) notify Curves NA, Inc. in writing to Accounts Receivables at 400 Schroeder Drive, Waco, TX 76710 that I (we) wish to revoke this authorization. I (we) understand that Curves NA, Inc. requires at least **30** days prior written notice in order to cancel this authorization.

Name(s) on Account ____
(Please Print)

Date ______________________________

Signature(s) ____

EXHIBIT F
TRANSFER OF SERVICE AGREEMENT

____
(Name of Telephone Company)

____
(Address)

TRANSFER OF SERVICE AGREEMENT

In the event my *Curves* franchise business is discontinued for any reason, I hereby release the use of the following telephone number(s) used in conjunction with said business to CURVES NA, INC., or its designee: ____
____

______________________________________ ______________
(Present Customer's Signature) (Date)

SWORN AND SUBSCRIBED before me by the said ______________________on the _______day of ______________________, 20___.

____
Notary Public, State of __________________

I hereby assume all charges outstanding, either billed or unbilled, including White Pages directory charges, on the telephone number(s) listed above.

______________________________________ ______________
(New Customer's Signature) (Date)

SWORN AND SUBSCRIBED before me by the said ______________________on the _______day of ______________________, 20___.

____
Notary Public, State of __________________

EXHIBIT G

SAMPLE COPY OF TERMINATION OF LICENSE AGREEMENT AND MUTUAL RELEASE DOCUMENT

TERMINATION OF LICENSE AGREEMENT AND MUTUAL RELEASE

This TERMINATION OF LICENSE AGREEMENT AND MUTUAL RELEASE ("Termination Agreement") is entered into by and between **CURVES NA, INC.**, a Texas corporation having its principal address at 400 Schroeder Drive, Waco, Texas 76710, its subsidiaries and affiliates (hereinafter collectively referred to as "Licensor"), and ______________________, individually, residing at ____ (hereinafter referred to as "Licensee").

WHEREAS Licensor and Licensee entered into a license agreement dated as of _______________ (the "Agreement") pursuant to which Licensor granted Licensee a license to use Licensor's trademarks, related processes and equipment in the operation of a thirty-minute fitness and weight-loss club and for a geographic area described in Exhibit A as the ___ (the "Licensed Business"); and

WHEREAS, on the terms set forth below, Licensor and Licensee desire to terminate and cancel the Agreement, and both parties desire to release one another from all obligations under the Agreement, except as hereinafter specifically reserved, and release one another of and from any and all claims, demands or causes of action as set out herein.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Licensor and Licensee agree as follows:

1. Termination. The Agreement is hereby terminated by mutual agreement and Licensee hereby releases and assigns to Licensor and Licensor accepts assignment of all rights under the Agreement.

2. Consideration and Representations of Licensor. In consideration of the releases granted herein, the representations of Licensee herein and the payment by Licensee to Licensor of ___and NO/100'S DOLLARS ($_____) and other valuable consideration, upon execution of this Termination Agreement, Licensor shall terminate the Agreement and release Licensee from all obligations under the Agreement except those obligations listed herein and those that expressly survive the termination of the Agreement.

3. Consideration and Representations of Licensee. In consideration of the releases granted herein, the representations of Licensor herein and termination of the Agreement, Licensee shall:

a. not communicate, divulge or use for itself or for the benefit of any other person, persons, partnership, association, corporation or entity any information, knowledge or know-how concerning Licensor's manuals and system; and

b. except as provided by any other license agreement between Licensor and Licensee in effect at the time of execution of this Termination Agreement or thereafter, Licensee shall cease to use any trademarks of Licensor or any confusingly similar name, device, mark, service mark, trademark, trade name, slogan or symbol used in connection with the Licensed Business, including any reproduction, counterfeit copy, variation, emulation or colorable imitation thereof which is likely to cause confusion or mistake or deceive the public; and take any steps necessary to change the name of any corporation or entity which Licensee may have formed, or under this Licensee trades or does business, so that the name will not likely be confused with any trademarks of Licensor; and

c. immediately return to Licensor the Confidential Operations Manual if Licensee has received such, or any other operations manual loaned to it, together with all materials containing Licensor's trade secrets or trademarks; and

d. immediately cease to use any of Licensor's systems and methods of operation and comply with the post-term covenants contained in Section 22B in the Agreement; and

e. forfeit to Licensor all equipment and other usable items bearing trademarks of Licensor; and,

f. promptly make such removals or changes in signs and the building so as to effectively distinguish the building and premises from its former appearance and from any other Licensor club. In the event Licensee fails to make the changes, Licensee consents to Licensor entering the building and premises to make non-structural changes at Licensee's expense; and

g. if applicable, promptly assign to Licensor any interest that Licensee may have in the telephone number and telephone listing used by Licensee in connection with the operation of the Licensed Business. Licensee shall promptly transfer all telephone calls by call-forwarding to Licensor, or to such other party or entity as Licensor shall direct; to execute any such instruments and take such actions as Licensor may deem necessary to affect such transfer and call-forwarding of telephone calls. Licensee acknowledges that the Agreement is conclusive evidence of Licensor's rights to such telephone number and directory listings and its authority to direct this transfer; and

h. promptly assign and deliver to Licensor, at Licensee's expense, any and all check drafts for any and all memberships, any and all membership lists, past and present, and any and all leads for potential members for the Licensed Business. Licensee shall not duplicate any membership lists or leads, past or present, used in any manner with the Licensed Business, and after deliverance of said materials to Licensor, Licensee shall destroy any and all copies of membership lists, leads and check drafts used in any manner with the Licensed Business; and

i. promptly pay all sums and debts owing to all third-party creditors of the Licensed Business, as well as to Licensor, whether such sums and debts owing to Licensor are evidenced by promissory note, invoice, bill or other writing and notwithstanding the fact that such sums and debts owing to Licensor may not at that time by fully due and payable, such debts being accelerated automatically without further notice to Licensee; and

j. satisfactorily resolve any customer disputes or reimburse Licensor or any franchisee who does so for the reasonable cost of such services.

4. Mutual Releases. Licensor does hereby fully release and forever discharge Licensee, his/her heirs, executors, representatives, successors and assigns of and from any and all liability and obligations arising out of or in any way connected with the Agreement, except for any fees that become due pursuant to the Agreement during the month of the execution date of this Termination Agreement; and, except the provisions of this Termination Agreement and Section 16 of the Agreement, which Licensor might or could have against Licensee.

Licensee, his/her heirs, executors, representatives, successors and assigns do hereby fully, unconditionally and absolutely release and forever discharge Licensor, its respective officers, directors, stockholders, attorneys, employees, parent, subsidiaries, affiliates, agents, successors and assigns, from and against any and all claims, actions, causes of action, liabilities, tort claims, good faith and fair dealing claims, distributor claims, demands, damages, costs, suits, debts, covenants, controversies, attorneys' fees and other charges, accrued or which may ever accrue, whether based in contract or tort, whether known or unknown, liquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal or equitable, which the Licensee has, have had or may have, which relate to or arise out of any and all franchise relationships, whether open or closed; any agreement of any kind or type to specifically include but not be limited to any and all franchise agreements; any offer and sale of any franchise; and/or, any development and operation of any franchise, whether open or closed, with the Licensor. Any claims, causes of action, liabilities, obligations, tort claims, or damages of any and every kind, of whatever nature, whether known or unknown, accrued or which may ever accrue, whether based on contract, tort or statute, arising from or in any way related to Licensee and/or any and all franchise relationships; any agreement of any kind or type; any offer and sale of any franchise; and/or, any development and operation of any franchise with Licensor which are not released as a result of this Termination Agreement are hereby assigned to the Licensor by Licensee.

5. Non-Compete. Licensee hereby acknowledges and recognizes the highly competitive and confidential nature of Licensor's business and the fact that as a franchisee, Licensee has been exposed to all of Licensor's systems, information, methods and trade secrets; and, for the consideration of releasing Licensee from any outstanding and future obligations of Licensee pursuant to the Agreement, except as provided by any other License Agreement between Licensor and Licensee in effect at the time of execution of this Termination Agreement or thereafter and except as herein specifically reserved, Licensee agrees to abide by Section 22 in that Licensee shall not, directly or indirectly, as a proprietor, partner, investor, shareholder, member, director, officer, employer, employee, principal, agent, adviser, franchisor, franchisee, consultant or in any other individual or representative capacity or otherwise for a period of two (2) years immediately following the execution of this Termination Agreement:

a. engage in or participate in or derive any benefit from any similar business to that licensed and established under and pursuant to the Agreement within ten (10) miles of the area listed on Exhibit A of the Agreement; or

b. employ or seek to employ any person who is employed by Licensor or any franchisee of Licensor, or otherwise induce or seek to induce such person to leave his or her employment; or

c. interfere or attempt to interfere with any of the business relationships and/or advantages of Licensor or any franchisee of Licensor; or

d. use any confidential information from Licensor's manuals or system in any manner in any similar business to that licensed and established under and pursuant to the Agreement; or

e. use any of Licensor's trademarks or logos, or any form of these trademarks or logos, or any other mark owned by Licensor, or any confidential information from Licensor's manuals or system in any manner to engage in or participate in or derive any benefit from any similar business to that licensed and established under and pursuant to the Agreement; or

f. divert or attempt to divert any customer or business from Licensor or any franchisee of Licensor or solicit or endeavor to obtain the business of any person who shall have been a customer of the Licensed Business.

It is expressly understood and agreed that although Licensee and Licensor consider the restrictions contained in this Section 5 reasonable for the purpose of reserving for Licensor its good will and other proprietary rights, if a final judicial determination is made by a court having jurisdiction at the time or of the territory or any other restriction contained in this Section 5 is adjudicated by such court to be unreasonable or an otherwise unenforceable restriction against Licensee, the provisions of such clause shall not be rendered void, but shall be deemed amended to apply as to such maximum time and territory and to such other extent as such court may judicially determine or indicate to be reasonable.

As to the reasonableness of the non-competition and restrictive covenants contained herein, Licensee further acknowledges and confesses that Licensee is capable of making a living and has made a living in employment areas other than those engaged in by Licensor; and, that the non-competition and restrictive covenants contained herein will not in the least manner impair or interfere with Licensee from earning a living after execution of this Termination Agreement.

6. Confidentiality and Non-Disclosure. Licensee agrees to maintain the terms of this Termination Agreement in strict confidence, and Licensee agrees that it will not disclose, disseminate, or publicize, or cause or permit to be disclosed, disseminated, or publicized, the existence or terms of this Termination Agreement,

including the consideration or any approximation or allocable amount thereof; or the fact that Licensee has entered into this Termination Agreement to any person, corporation, association, government agency, or other entity. Licensee is not, however, precluded from disclosing the terms of this Termination Agreement to their accountants, attorneys, tax preparers, any governmental or judicial authority which require disclosure of this Termination Agreement, and/or as otherwise required by law ("Permitted Recipients"). Licensee agrees all Permitted Recipients are bound by this confidentiality provision, and must execute all necessary documents with such Permitted Recipients to provide such confidentiality.

In the event that Licensee breaches the obligation of confidentiality in this Section 6, each of the parties hereto agrees that the harm that would be caused by such breach is incapable or difficult of estimation. Therefore, each of the parties hereto agrees that in the event that Licensee breaches the obligation of confidentiality in this Section 6, the Licensor will be entitled to recover from each breaching Licensee: (i) reasonable attorneys' fees and costs sustained by Licensor to seek recovery for the breach and (ii) an additional amount of liquidated damages of Ten Thousand United States Dollars ($10,000 USD), which Licensee agrees is a reasonable forecast of just compensation for such breach in light of the reputation, principles, position, and extensive, international business dealings of Licensor.

7. Nondisparagement. Licensee agrees that it will not make any disparaging remarks about Curves, its systems, franchises, franchisees, employees or anything else connected with Curves and its affiliated Companies.

8. Survival of Rights Hereunder. Notwithstanding the releases contained herein, all rights and obligations created under this Termination Agreement will survive the execution of this Termination Agreement and the conditions, covenants, obligations, duties and releases contained herein.

9. Authority to Execute. Each person executing this Termination Agreement on behalf of any of the parties hereto represents and warrants that he or she has been fully empowered to execute this Termination Agreement, and that all necessary action for the execution of this Termination Agreement has been taken.

10. Successors and Assigns. The provisions of this Termination Agreement shall inure to the benefit of and be binding upon the heirs, successors and assigns in interest of the parties. The release herein of any claim against any party hereto will, at the option of such party, bind and inure to the benefit of the principals, agents, representatives, successors and assigns of the undersigned, and will, at the option of such party, inure to the benefit of all other persons, firms, corporations, agents, or principals against whom the claims released herein might be asserted.

11. Indemnity Regarding Assignment of Claims. Each of the parties hereto represents and warrants to each other party that it has not heretofore assigned or transferred, or purported to assign or transfer to any person, entity or corporation whatsoever, any of the claims released hereunder. Each party agrees to indemnify and hold harmless each other party against any claim, demand, debt, obligation, liability, cost, expense, right of action or cause of action based on, arising out of, or in connection with any such transfer or assignment or purported transfer or assignment.

12. Captions. The captions of the paragraphs of this Termination Agreement are solely for the convenience of the parties, are not a part of this Termination Agreement and will not be used for the interpretation of any provision of this Termination Agreement.

13. Severability. If any provision of this Termination Agreement shall for any reason be held violative of any applicable law, governmental rule or regulation, or if said agreement is held to be unenforceable or unconscionable, then the invalidity of such specific provisions herein shall not be held to invalidate the remaining provisions of this Termination Agreement.

14. Further Assurances. Each party agrees that it shall take any and all necessary steps, sign and execute any and all necessary documents, agreements or instrument which are required to implement the terms of this Termination Agreement and each party shall refrain from taking any action, either expressly or impliedly, which would have the effect of prohibiting or hindering the performance of the other party to this Termination Agreement.

15. Applicable Law, Jurisdiction and Venue. This Termination Agreement and its application will be governed by the laws of the State of Texas. In the event of a default or dispute, the parties agree that venue shall be where Licensor's principal business address is then located and Licensee waives all questions of personal jurisdiction for the purposes of carrying out this provision.

16. Costs, Expenses and Attorney's Fees. If an action is commenced between the parties in connection with the enforcement of any provision of this Termination Agreement, the prevailing party will be entitled to reasonable costs and expenses, including attorneys' fees.

17. Entire Agreement. This Termination Agreement represents the entire agreement between the parties and supersedes all prior negotiations, representations or agreements between the parties, either written or oral. This Termination Agreement may be amended only by written instrument designated as an amendment to this Termination Agreement and executed by all of the parties.

18. Counterparts. This Termination Agreement may be executed in any number of counterparts and by each of the parties on separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together constitute but one and the same instrument.

19. Effective Date. This Termination Agreement is effective as of the ______day of ____________, _____.

LICENSOR:

CURVES NA, INC.

By:____________________________________
*, Officer

ATTEST:

____

LICENSEE:

____
*, Individually

ATTACHMENT A

LIST OF STATE ADMINISTRATORS
AND
AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 205 Honolulu, HI 96813 808-586-2744
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706 217-782-2538
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204 317-232-6681
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933 517-373-7117
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 500 St. Paul, MN 55101-2198
New York (State Administrator)	New York State Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, New York 10005 212-416-8285
New York (Agent)	Secretary of State for New York	99 Washington Avenue Albany, NY 12231
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920 401-462-9500
South Dakota	Department of Insurance Division of Securities	124 S. Euclid, Suite 104 Pierre, SD 57501 605-773-3563
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 201 W. Washington Ave., Suite 300 Madison, WI 53703 608-266-8557

ATTACHMENT B

LIST OF OUR CURRENT FRANCHISE LOCATIONS

Territory Name	Club Address	City	State	Zip Code	Club Phone Number
Hazel Green/Meridianville, AL	11365 Hwy 231/431, Ste. C	Hazel Green	AL	35750	256-829-0311
Montgomery, AL - East	7730 Atlanta Highway	Montgomery	AL	36117	334-272-2746
Coolidge, AZ	903 N. Arizona Blvd., Ste. A & B	Coolidge	AZ	85128	520-723-1001
Gilbert, AZ - West	538 S. Gilbert Rd, #107	Gilbert	AZ	85296	480-558-1070
Greenwood, AR	20 Town Square	Greenwood	AR	72936	479-996-9601
Aptos, CA	7000 Soquel Drive, Ste. 1 & 2	Aptos	CA	95003	831-688-2348
Bellflower, CA	16535 Bellflower Blvd.	Bellflower	CA	90706	562-461-2860
Concord, CA - South	2962-C Treat Blvd.	Concord	CA	94518	925-288-9344
Dixon, CA	1145 Pitt School Rd. #1F	Dixon	CA	95620	707-678-4200
Citrus Heights, CA	8106 Madison Avenue	Fair Oaks	CA	95628	916-965-7700
Fresno, CA - East Central	339 E. Shaw Avenue	Fresno	CA	93710	559-221-7001
Garden Grove, CA - Southwest	11899 Valley View Street	Garden Grove	CA	92845	714-893-7884
Bermuda Dunes, CA	80-150 Hwy. 111, C-10	Indio	CA	92201	760-289-2095
Los Altos, CA	2069 Grant Road	Los Altos	CA	94024	650-386-6708
Los Angeles, CA - Marina Del Rey South	12740 Culver Blvd. Ste. E	Los Angeles	CA	90066	310-301-6733
Madera Acres, CA	16810 Road 26	Madera	CA	93638	559-662-0234
Merced, CA	28 W. Olive Avenue	Merced	CA	95348	209-722-8783
Modesto, CA	3020 Floyd Ave., Ste. 311	Modesto	CA	95355	209-622-0798
Monrovia/Bradbury/Duarte, CA	447 W. Foothill Blvd.	Monrovia	CA	91016	626-303-4800
Paradise, CA	6848-G Skyway	Paradise	CA	95969	530-877-8300
Pasadena, CA - North	1633 E. Washington Blvd.	Pasadena	CA	91107	626-794-5294
Petaluma, CA - East	2000 Lakeville Hwy.Ste #C	Petaluma	CA	94954	707-778-1777
Claremont, CA	3258 N. Garey	Pomona	CA	91767	909-596-6000
Prunedale, CA	17819 Countryside Court	Prunedale	CA	93907	831-663-0107
Rancho Santa Margarita, CA	29821 Aventura Avenue, Ste. B	Rancho Santa Margarita	CA	92688	949-888-3540
Redding, CA-West	2485 Athens Avenue	Redding	CA	96001	530-246-7211
Downtown Riverside, CA	4280 Latham Street	Riverside	CA	92501	951-276-7100
Roseville, CA - Southwest	1801 Cirby Way, Ste. 6	Roseville	CA	95661	916-783-2601
Sacramento, CA - Arena	4331 Truxel Road, Ste. G-2	Sacramento	CA	95834	916-419-9000
San Jose, CA - Campbell	2990 Union Avenue	San Jose	CA	95124	408-371-8400
San Rafael, CA	555 E. Francisco Blvd., Unit 17	San Rafael	CA	94901	415-485-0400
Santa Barbara-West/Goleta, CA	185 S. Patterson Ave. #F	Santa Barbara	CA	93111	805-679-5712
Santa Cruz, CA	201 River Street, Suite A	Santa Cruz	CA	95062	831-465-8228
Santa Rosa, CA - Northeast	740 Montecito Center	Santa Rosa	CA	95409	707-537-9090
Thousand Oaks, CA - North	436 N. Moorpark Road	Thousand Oaks	CA	91360	805-449-0089
Torrance, CA - Central	3535 Torrance Blvd., Ste.	Torrance	CA	90503	310-540-0083
Twentynine Palms, CA	73487 - 29 Palms Highway	Twentynine Palms	CA	92277	760-361-3065
Windsor, CA	9025 Old Redwood Hwy, Ste. F	Windsor	CA	95492	707-838-8070
Arvada, CO - East	8250 W. 80th Avenue, Unit #3	Arvada	CO	80003	303-422-8900

Colorado Springs, CO - Cimarron Hills	5719 Constitution Avenue	Colorado Springs	CO	80915	719-574-4111
Colorado Springs, CO - Central	1817 N. Union Blvd.	Colorado Springs	CO	80909	719-667-1171
Loveland, CO	280 E. 29th Street	Loveland	CO	80538	970-669-9400
Broomfield, CO - North	12910 Zuni Street, Suite 200	Westminster	CO	80234	720-339-2202
Melbourne, FL - Central	401 N. Wickham Road, Stes. A & B	Melbourne	FL	32935	321-254-7171
Seminole, FL	8992 Seminole Blvd.	Seminole	FL	33772	727-320-9737
Winter Park, FL - West	1025 S. Orlando Avenue	Winter Park	FL	32789	407-667-9100
Cumming, GA - North	1795 Pilgrim Mill Road, Ste. 400	Cumming	GA	30041	678-947-3711
Dacula, GA	465-B Dacula Road	Dacula	GA	30019	770-237-5121
Peachtree City, GA	1988 Highway 54 W, Ste. A	Peachtree City	GA	30269	770-487-5673
Aiea, HI	99-080 Kauhale Street, #C-7	Aiea	HI	96701	808-488-7722
Cedar Rapids, IA-West	3720 Queen Court SW, Ste. 5	Cedar Rapids	IA	52404	319-363-4100
Coralville/North Liberty, IA	881 22nd Avenue	Coralville	IA	52241	319-337-9770
Boise, ID - Southwest	8960 W. Ardene Street	Boise	ID	83709	208-378-4740
Nampa, ID	1312 S. Edgewater Circle	Nampa	ID	83686	208-461-4534
Sandpoint, ID	300 Bonner Mall Way, Ste. 161	Ponderay	ID	83852	208-255-1661
Benton, IL	201 Public Square	Benton	IL	62812	618-438-0222
Champaign-South/Savoy, IL	2227 S. Neil Street	Champaign	IL	61820	217-352-9922
Chicago, IL - Edgewater	1354 W. Devon Avenue	Chicago	IL	60660	773-338-0969
Crete, IL	1395 C Main Street, Ste. 1NW & 1NE	Crete	IL	60417	708-672-3700
Elk Grove Village, IL	776 S. Arlington Heights Road	Elk Grove Village	IL	60007	847-956-9488
Ingleside, IL	25404 W. Main Street, Unit A	Ingleside	IL	60041	847-740-6550
Monticello, IL	1208 Bear Lane, Unit C	Monticello	IL	61856	217-762-3534
Oregon, IL	600 Gale Street	Oregon	IL	61061	815-732-3004
Peoria, IL - West	3709 N. Sterling Avenue	Peoria	IL	61615	309-685-4100
Olathe, KS-East	12705 S. MurLan Rd. , Ste. A1	Olathe	KS	66062	913-393-1125
Thibodaux, LA	1657 Saint Mary St., Ste.	Thibodaux	LA	70301	985-447-7600
Topsfield, MA	30 Main Street	Topsfield	MA	01983	978-887-9466
Webster, MA	31 Thompson Road, Unit 8 H	Webster	MA	01570	508-943-5333
White Marsh, MD	8114 Sandpiper Circle,	Baltimore	MD	21236	410-933-8889
Columbia, MD - West	8335 Guilford Road, Ste. H	Columbia	MD	21046	410-730-4800
Eastpointe, MI	18301 East Nine Mile	Eastpointe	MI	48021	586-298-6461
Plymouth, MI	44707 Five Mile Road	Plymouth	MI	48170	734-414-0515
Alexandria, MN	901 State Highway 29 North, #140	Alexandria	MN	56308	320-759-1887
Brooklyn Center, MN	6044 Shingle Creek Pkwy.	Brooklyn Center	MN	55430	763-503-3889
Cloquet, MN	1401 Cloquet Ave.	Cloquet	MN	55720	218-879-0908
Falcon Heights, MN	1553 Larpenteur Avenue W	Falcon Heights	MN	55113	651-646-3885
Little Falls, MN	123A NE 1st Ave.	Little Falls	MN	56345	320-632-6013

Staples, MN	216 - 2nd Avenue NE	Staples	MN	56479	218-894-1915
Ballwin, MO	15567 Manchester Road	Ballwin	MO	63011	636-227-3412
Kansas City, MO-Red Bridge	510 E. 112th Street	Kansas City	MO	64131	816-942-5600
Liberty, MO	312 State Route 291	Liberty	MO	64068	816-415-2878
Manchester, MO	#12 Stonegate Center	Manchester	MO	63088	636-225-9210
Saint Charles, MO - New Town	3030 Elm Street	Saint Charles	MO	63301	636-946-2878
Brookhaven, MS	122 East Monticello Street	Brookhaven	MS	39601	601-833-2878
Libby/Troy, MT	319 Mineral Avenue	Libby	MT	59923	406-293-8932
Indian Trail, NC	592 Indian Trail Road S.	Indian Trail	NC	28079	704-821-8440
Mint Hill/Matthews, NC	3555-4 Matthews Mint Hill Road	Matthews	NC	28105	704-841-1010
Mooresville, NC	603 N. Main Street	Mooresville	NC	28115	704-658-1037
Raleigh, NC - Capital Commons	Triangle Town Center, 3791-100 Sumner Blvd.	Raleigh	NC	27616	919-878-1966
Yadkinville, NC	714-B Carolina Avenue	Yadkinville	NC	27055	336-677-6932
North Platte, NE	521 N. Dewey Street	North Platte	NE	69101	308-534-5224
Londonderry Township, NH	4 Orchardview Drive, Unit #18	Londonderry	NH	03053	603-965-1088
North Plainfield/Green Brook Township, NJ	319 E. Highway 22	Green Brook	NJ	08812	732-926-0111
Dayton, NV	801Overland Loop, Ste.	Dayton	NV	89403	775-246-9900
Queens, NY - Whitestone/Murray Hill	25-54 Francis Lewis Blvd., 2nd Floor	Flushing	NY	11358	718-886-5700
Monroe, NY	791 State Route 17M	Monroe	NY	10950	845-774-7991
Montgomery, NY	40 Railroad Avenue	Montgomery	NY	12549	845-457-7701
Sayville, NY	207 N. Main Street	Sayville	NY	11782	631-218-2916
Caldwell, OH	110 West Street	Caldwell	OH	43724	740-732-7700
Centerville, OH - West	8016 McEwen Road	Centerville	OH	45458	937-434-3700
Cincinnati, OH - Finneytown	8588 Winton Road	Cincinnati	OH	45231	513-931-1300
Lima, OH	939 W. Market St. Suite 2	Lima	OH	45805	419-223-0246
Mansfield/Ontario, OH	1044 Park Avenue W	Mansfield	OH	44906	419-529-3476
West Chester, OH-East	9536 Cincinnati Columbus Road	Sharonville	OH	45241	513-644-9757
Columbus, OH - Northeast	6049 S. Sunbury Rd.	Westerville	OH	43081	614-890-4677
Aloha, OR	20229 SW Tualatin Valley Highway	Aloha	OR	97003	503-356-5454
Corvallis, OR	1333 NW 9th St., Ste. 155	Corvallis	OR	97330	541-250-0170
Monmouth/Independence, OR	625 Clay Street	Monmouth	OR	97361	503-838-7109
Newberg, OR	114 N. Everest	Newberg	OR	97132	503-554-0899
Sewickley/Edgeworth/Leet/Leetsdale, PA	24 Beaver Street	Ambridge	PA	15003	724-266-3414
Washington Township, PA	4203 Route 66, Ste. 104	Apollo	PA	15613	724-727-2900
Bloomsburg, PA	50 West 6th Street	Bloomsburg	PA	17815	570-784-5080
Collier/Heidelberg/Scott, PA	301 Old Washington Pike	Carnegie	PA	15106	412-276-6112
Dublin/Hilltown, PA	123 N. Main Street	Dublin	PA	18917	215-249-3760
Greenville, SC - East	3795 East North St. #12	Greenville	SC	29615	864-322-8551
Moncks Corner, SC	398 Corner Square Plaza	Moncks Corner	SC	29461	843-761-7737
Bristol, TN	1135 Volunteer Pkwy., Ste. 7-8	Bristol	TN	37620	423-989-9000
Sango, TN	894 Hwy 76, Suite 109	Clarksville	TN	37043	931-368-0039
Memphis, TN - Southeast	6655 Quince Road, Ste.	Memphis	TN	38119	901-754-3030
Soddy Daisy, TN	222 T Sequoyah Access Road, Ste. 3	Soddy Daisy	TN	37379	423-332-2600

Arlington, TX - Southeast	1110 E. Bardin Road, Ste. 110	Arlington	TX	76018	817-375-0073
Conroe, Texas-North	1111 League Line Rd., Suite 118	Conroe	TX	77303	936-890-7299
Houston, TX - Memorial	12570 Briar Forest Drive, Ste. C	Houston	TX	77077	281-920-3300
Spring Valley, TX	1330 Wirt Rd. Suite L	Houston	TX	77055	713-956-4846
Huntsville, TX	279 State Highway 75 N	Huntsville	TX	77320	936-295-3900
Lampasas, TX	215 E. Third Street	Lampasas	TX	76550	512-556-8040
Odessa, TX - East	1541 John Ben Shepperd Pkwy #5	Odessa	TX	79761	432-552-8130
Plano, TX - Southwest	3277 Independence Pkwy.	Plano	TX	75075	469-241-0886
Richardson, TX - East	1144 N. Plano Road, Ste. 141	Richardson	TX	75081	972-238-7710
Silsbee/Lumberton, TX	975 Hwy. 327 East, Ste.	Silsbee	TX	77656	409-385-0303
Houston, TX - Klein West	7902 B Louetta Spring	Spring	TX	77379	281-370-1933
Taylor, TX	1706 N. Main Street	Taylor	TX	76574	512-365-2878
Orem, UT	555 South State St., Suite 201	Orem	UT	84058	801-426-5910
Pleasant Grove/Lindon, UT	238 E. State Road, #7	Pleasant Grove	UT	84062	801-796-6060
Cottonwood Heights, UT	1844 East 7000 South, #8	Salt Lake City	UT	84121	801-942-3664
Glen Allen, VA	10278 Staples Mill Road	Glen Allen	VA	23060	804-756-2002
Stafford, VA - Courthouse	11 Hope Road, Ste. 207	Stafford	VA	22554	540-288-9040
Staunton/Verona, VA	2203 N. Augusta Street	Staunton	VA	24401	540-886-0262
Virginia Beach, VA - General Booth	1577 General Booth Blvd., #103	Virginia Beach	VA	23454	757-426-2100
Wytheville, VA	725 W. Main Street	Wytheville	VA	24382	276-223-1104
Federal Way, WA - South	32020 1st Ave S #100-101	Federal Way	WA	98003	253-661-7701
Tacoma, WA-Northeast	5401 6th Avenue, Ste. 305	Tacoma	WA	98406	253-761-9766
Tumwater, WA	6101 Capitol Blvd. SE.	Tumwater	WA	98501	360-528-3422
Orchards, WA	7702 NE 94th Ave.	Vancouver	WA	98662	360-254-5777
Franklin, WI	7117 S. 76th Street	Franklin	WI	53132	414-525-9413
Menomonee Falls, WI	W164 N8877 Mill Street, Ste. 110	Menomonee Falls	WI	53051	262-532-2416
Wauwatosa, WI - East	2669 N. 92nd Street, Ste. B	Milwaukee	WI	53226	414-476-3901
Oak Creek, WI	2031 E. Rawson Avenue, Ste. 200	Oak Creek	WI	53154	414-766-9385
Oconomowoc, WI	127 E. Wisconsin Ave.	Oconomowoc	WI	53066	262-567-4344
Onalaska, WI	1828 E. Main Street, Ste. 3	Onalaska	WI	54650	608-783-5550
River Falls, WI	111 East Walnut Street	River Falls	WI	54022	715-425-2242
Sheboygan Falls, WI	508 Broadway Street	Sheboygan Falls	WI	53085	920-467-2531
Watertown, WI	200 W. Main Street	Watertown	WI	53094	920-262-9986
Spencer, WV	320 Main Street	Spencer	WV	25276	304-927-4500

ATTACHMENT C

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM WITHIN THE MOST RECENTLY COMPLETED FISCAL YEAR

Former Franchisee	Last Known Address	City	State	Zip	Last Known Phone Number	Reason For Leaving System
Fit Together, Inc.	2012 Highway 185	Haleyville	AL	35565	205-412-0991	Abandoned
Tanner Maddox	2012 Highway 185	Haleyville	AL	35565	205-412-0991	Abandoned
Carrie Maddox	2012 Highway 185	Haleyville	AL	35565	205-412-0991	Abandoned
Christopher Fjelstad	4336 Medary Ave.	Mesa	AZ	85215	612-581-1320	Abandoned
Alyssa Fjelstad	4336 Medary Ave.	Mesa	AZ	85215	612-581-1320	Abandoned
Shanda M. Young	7814 W. Cheryl Dr.	Peoria	AZ	85345	623-979-3032	Not Renewed
Anita F. Brennan	4493 N. Plaza de Toros	Tucson	AZ	85750	520-749-4501	Abandoned
Audrey Lighter	6 Sana Ct.	Elk Grove	CA	95758	916-424-3241	Not Renewed
B Addicated 2 Energy	2747 Waudman Ave.	Stockton	CA	95029	209-473-8136	Abandoned
Rebecca Octave	2747 Waudman Ave.	Stockton	CA	95209	209-473-8136	Abandoned
Brad Nelson	8373 Pardini Place	Valley Springs	CA	95252	209-786-1626	Not Renewed
Colleen O'Connell	8373 Pardini Place	Valley Springs	CA	95252	209-786-1626	Not Renewed
Ruth Phillips	6150 Olive Street	Commerce City	CO	80022	303-268-3855	Not Renewed
Kevin Phillips	6150 Olive Street	Commerce City	CO	80022	303-268-3855	Not Renewed
Rebecca Emerson	299 Bighorn Terrace	Fort Lupton	CO	80621	303-502-5292	Not Renewed
Samuel T. Suskin	2358 NW 1th Place	Gainesville	FL	32162	352-318-9476	Closed Club
Lydia C. Wilson	7113 Golf Colony Ct. #102	Lake Worth	FL	33467	954-592-1895	Abandoned
Bonnie Gwin	4136 Amanda Drive	Plant City	FL	33565	813-716-2225	Not Renewed
Linda Isitt Powell	127 Gold Springs Ct.	Canton	GA	30114	678-267-2670	Not Renewed
Lisa Lee Messing	16 Beaver Run Dr.	Savannah	GA	31419	912-547-4116	Abandoned
Michelle Zaiz	460 Lee Road 941	Smiths	GA	31909	334-641-6364	Abandoned
Fit and Gorgeous, LLC	10973 Cascade Dr.	Dubuque	IA	52003	563-599-5460	Abandoned
Terri Helmle	10973 Cascade Dr.	Dubuque	IA	52003	563-599-5460	Abandoned
Alma Sports, LLC	1678 SE 5th Way	Meridian	ID	83642	208-971-2763	Abandoned
Alisha Phillips	1678 SE 5th Way	Meridian	ID	83642	208-971-2763	Abandoned
Mark Phillips	1678 SE 5th Way	Meridian	ID	83642	208-971-2763	Abandoned
Barnich Fit Life, Inc.	5828 Ridge Avenue	Berkeley	IL	60163	708-987-0164	Abandoned
Shari Barnich	5828 Ridge Avenue	Berkeley	IL	60163	708-987-0164	Abandoned
Deborah L. Isom	2878 US Highway 50E	Bedford	IN	47421	812-675-3698	Abandoned
Delene Worsena	2878 US Hwy. 50E	Bedford	IN	47421	812-675-3698	Abandoned

Janice Vice	1665 Cherry Grove Rd.	Flemingsburg	KY	41041	606-845-9686	Not Renewed
Tina DiGuglielmo	1230 Todds Station	Lexington	KY	40509	859-263-8597	Not Renewed
Edgar Maddox	1230 Todds Station	Lexington	KY	40509	859-263-8597	Not Renewed
Brittany Hawkins	16177 Crabbs Branch Way	Derwood	MD	20805	301-774-1085	Abandoned
Sharon Hawkins	3707 Carrisa Lane	Olney	MD	20832	301-774-1085	Abandoned
Kaityln Hawkins	3707 Carrisa Lane	Olney	MD	20832	301-774-1085	Abandoned
Marsha Brownlee	17370 Woodland Ln.	Nunica	MI	49448	616-846-1684	Not Renewed
Debby Talbott	12194 State Hwy A	Graham	MO	64455	816-387-3451	Abandoned
P.C. Fitness, LLC	2796 Santa Ynez Dr.	St. Charles	MO	63303	314-574-7105	Abandoned
Pamela Miller	2796 Santa Ynez Dr.	St. Charles	MO	63303	314-574-7105	Abandoned
Kingdom Fit, LLC	2833 Radius Circle	Billings	MT	59102	406-698-2256	Abandoned
Cole Tombre	2833 Radius Circle	Billings	MT	59102	406-698-2256	Abandoned
Stephanie Tombre	2833 Radius Circle	Billings	MT	59102	406-698-2256	Abandoned
Yes Way Fitness Durham, LLC	3213 Doubleday Pl.	Durham	NC	27705	919-403-9501	Abandoned
Blair L. Chesnut	3213 Douleday Pl.	Durham	NC	27705	919-403-9501	Abandoned
Laura H. Chesnut	3213 Doubleday Pl.	Durham	NC	27705	919-403-9501	Abandoned
Irene Villa	120 Belt Road	Hampstead	NC	28443	910-329-0602	Not Renewed
Chic Physique Body Fitness, LLC	3144 Short Rd.	Hickory	NC	28602	828-244-8903	Abandoned
Sarah Coffey	3144 Short Rd.	Hickory	NC	28602	828-244-8903	Abandoned
Kari Baker	1278 Surrey Run	East Aurora	NY	14052	716-572-5748	Abandoned
Christopher Lotey	319 Lansing St.	Herkimer	NY	13350	315-985-3037	Abandoned
Enza Giordano	3026 Clubhouse Rd	Merrick	NY	11566	516-670-8501	Not Renewed
Jeanette Ratliff	6904 Glen Landing Avenue	Las Vegas	NV	89130	702-656-4156	Not Renewed
Cynthia McDowell	437 S. Firestone Blvd.	Akron	OH	44301	330-773-4811	Abandoned
Carmen Tuttle	1108 12th Street B	Hood River	OR	97031		Abandoned
Christine Marie Semelsberger	127 W. Pauline Dr.	Clearfield	PA	16830	814-765-8487	Not Renewed
Colleen Littrell	2347 W. 32nd Street	Erie	PA	16506	814-218-7037	Abandoned
Lemma, LLC	5935 Palm Road	Zionsville	PA	18092	215-872-0901	Abandoned
Michelle Mory	5935 Palm Road	Zionsville	PA	18092	215-872-0901	Abandoned
Angelia Kirk	208 Fredericksburg	Simpsonville	SC	29681	803-968-555	Not Renewed
Nell Nguyen	1615 Cadogan Lane	Katy	TX	77450	281-599-7922	Abandoned
Annette Olson	568 E. Delano Park Rd	Eagle Mountain	UT	84005	801-636-2676	Abandoned
Robert H. Brown	1100 Mount Cross Road	Danville	VA	24540	434-792-0448	Not Renewed
Stephanie Mears	706 Beach Road	Hampton	VA	23664	757-602-7653	Abandoned
Kimberly Leach	260 Paul Street	Harrisonburg	VA	22801	540-434-4238	Not Renewed

PBJ Fitness, LLC	10040 Marengo Farm Lane	King George	VA	22485	540-775-5655	Abandoned
Paula Berry	10040 Marengo Farm Lane	King George	VA	22485	540-775-5655	Abandoned
Belinda Cameron	16407 Ridge Road	King George	VA	22485	540-775-4608	Abandoned
Jerri Cooper	12277 Calvert Ct	King George	VA	22485	540-775-5659	Abandoned
Debra Dockery	692 Homestead Trails	Ringgold	VA	24586	434-797-1288	Not Renewed
Melissa Tolliver	544 Power Dam Rd.	Rocky Mount	VA	24151	540-483-3584	Not Renewed
Helen J. Knutson	15030 23rd Ave.	Arlington	WA	98223	425-231-1535	Not Renewed
Tricia Bellizzi	15030 23rd Ave.	Arlington	WA	98223	425-238-9380	Not Renewed

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Curves NA, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Michigan, Washington and Wisconsin law, if applicable, we must provide this Disclosure Document to you 10 business days before signing any contract or making any payment relating to the franchise relationship. Under Maryland, Oklahoma, New York and Rhode Island law, if applicable, we must provide this Disclosure Document to you at the earliest of the first personal meeting or 10 business days before signing any contract or making any payment relating to the franchise relationship.

If Curves NA, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Attachment A.

The issuance date of this Disclosure Document is. May 12, 2022

The franchise sellers are: Mandy Cox, 400 Schroeder Drive, Waco, Texas 76710; (469) 598-0405 and Julie Ferrell, 400 Schroeder Drive, Waco, Texas 76710, (469)598-0407.

Curves NA, Inc. authorizes the respective state agencies identified on Attachment A to receive service of process for it in the particular state.

I received a Disclosure Document dated May 12, 2022, that included the following Exhibits and Attachments:

Exhibits

A: Financial Statements
B: Franchise Agreement
C: Personal Guaranty
D: Promissory Note and Security Agreement
E: Bank Draft Authorization Form
F. Transfer of Service Agreement
G: Sample Copy of Termination of License Agreement and Mutual Release Document
H. State Specific Franchise Disclosure Document Addenda

Attachments

A: List of State Administrators and List of Agents for Service of Process
B: List of Current Franchise Locations
C: List of Franchisees Who Have Left the System

____

Date (Do not leave blank)

____

Signature of Prospective Franchisee

____

Print Name

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