FRANCHISE DISCLOSURE DOCUMENT

Fitopia Franchising LLC
an Ohio limited liability company
4794 Redbank Expressway
Cincinnati, Ohio, 45227
Telephone: 614-425-2580
Email: bkakar@FitopiaEMS.com
www.FitopiaEMS.com

A FITOPIA franchised business offers an Electrical Muscle Stimulation (EMS) based fitness in a studio setting. FITOPIA delivers personal training and Classes using FDA-cleared EMS equipment and methods (each, a "Franchised Business").

The total investment necessary to begin the operation of a single FITOPIA Franchised Business is $186,450 to $350,200. This includes from $80,000 to $102,500 that must be paid to the franchisor and its affiliate(s).

Under our current form of Area Development Agreement, you and we will agree for you to develop a minimum of two FITOPIA Franchised Businesses. The total investment necessary to begin operation under the FITOPIA Area Development Agreement is $206,450 (2 units) to $430,200 (5 units). This includes from $100,000 to $182,500 that must be paid to franchisor and its affiliate(s).

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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Bharat Kakar at 4794 Redbank Expressway, Cincinnati, Ohio, 45227, and 614-425-2580.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contracts 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: March 9, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
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 G 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 FITOPIA 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 Fitopia Franchising LLC franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 Ohio. 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 Ohio 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.

TABLE OF CONTENTS

ITEM		PAGE
ITEM 1.	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2.	BUSINESS EXPERIENCE	2
ITEM 3.	LITIGATION	3
ITEM 4.	BANKRUPTCY	3
ITEM 5.	INITIAL FEES	3
ITEM 6.	OTHER FEES	4
ITEM 7.	ESTIMATED INITIAL INVESTMENT	8
ITEM 8.	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	12
ITEM 9.	FRANCHISEE'S OBLIGATIONS	15
ITEM 10.	FINANCING	16
ITEM 11.	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	16
ITEM 12.	TERRITORY	23
ITEM 13.	TRADEMARKS	26
ITEM 14.	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	27
ITEM 15.	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	28
ITEM 16.	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	29
ITEM 17.	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	29
ITEM 18.	PUBLIC FIGURES	36
ITEM 19.	FINANCIAL PERFORMANCE REPRESENTATIONS	36
ITEM 20.	OUTLETS AND FRANCHISEE INFORMATION	37
ITEM 21.	FINANCIAL STATEMENTS	41
ITEM 22.	CONTRACTS	41
ITEM 23.	RECEIPTS	41

EXHIBITS

EXHIBIT A – FRANCHISE AGREEMENT
EXHIBIT B – AREA DEVELOPMENT AGREEMENT
EXHIBIT C – RESTRICTIVE COVENANT AGREEMENT
EXHIBIT D – POWER OF ATTORNEY TO ASSIGN TELEPHONE NUMBER
EXHIBIT E – STATE FRANCHISE REGULATORS AND AGENTS FOR SERVICE OF PROCESS
EXHIBIT F – LIST OF FRANCHISEES
EXHIBIT G – FINANCIAL STATEMENTS
EXHIBIT H – TABLE OF CONTENTS OF OPERATING MANUAL
EXHIBIT I – STATE SPECIFIC ADDENDA AND RIDERS
EXHIBIT J – STATE EFFECTIVE DATES
RECEIPTS

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

To simplify the language in this disclosure document, "Fitopia Franchising LLC," "FITOPIA," "we," or "us" means Fitopia Franchising LLC, the franchisor. "You" means the business entity that buys the franchise and includes each entity's partner, shareholder, member, or other owners.

The Franchisor

Fitopia Franchising LLC is an Ohio limited liability company formed on October 31, 2022. Our principal office is located at 4794 Redbank Expressway, Cincinnati, Ohio, 45227. We do business under our legal name and the name "FITOPIA". Our agents for service of process are listed in Exhibit E. We do not conduct business in any other line of business, and we do not offer franchises in any other line of business. We are not currently an approved supplier to our franchisees. We began offering FITOPIA franchises as described in this disclosure document on January 17, 2023.

Predecessors, Parents, and Affiliates

We do not have any parents our predecessors. We do not have any affiliates, parents, or predecessors that offer franchises in any line of business.

Our affiliate, Kinetic Output Fitness LLC ("Kinetic") shares our business address. Kinetic owns the FITOPIA marks being licensed in this disclosure document and has operated FITOPIA businesses like the franchises being offered in this disclosure document since November 2019. Kinetic is the exclusive approved supplier of EMS suits, undergarments, marketing material, equipment, décor, and gift cards to FITOPIA franchisees. Kinetic will serve as the training model for our franchisees.

Prior Business Experience

Our affiliates, Kinetic, has operated FITOPIA businesses like the franchises being offered in this disclosure document since October 2019. We have never operated the kind of business that is being offered in this franchise disclosure document.

Our Business and the Franchise Offered

A FITOPIA franchised business offers an Electrical Muscle Stimulation (EMS) based fitness in a studio setting. FITOPIA delivers personal training and classes using FDA-cleared EMS equipment and methods. We offer the franchises under the form of a franchise agreement attached to this disclosure document (the "Franchise Agreement").

As a FITOPIA franchisee, you will use specialized business formats and systems called the "System," which we may modify, supplement, and update. You will use certain trademarks and other commercial symbols referring to the FITOPIA brand, products, and services, which we call the "Marks." FITOPIA Franchised Businesses must provide all and only FITOPIA products and services unless we consent in writing.

If you desire and qualify to develop multiple FITOPIA Franchised Businesses, we offer the opportunity to enter into an Area Development Agreement with us (the "Area Development Agreement"). Under an Area Development Agreement, you are granted the ability to develop multiple FITOPIA Franchised Businesses within a designated area (the "Development Area") per a development schedule specified in the Area Development Agreement (the "Development Schedule"). Our current form of Area Development Agreement is attached as Exhibit B to this disclosure document.

For each Franchised Business you open, you must sign a then-current form of the FITOPIA Franchise Agreement. For each future unit franchise agreement, you may be required to sign a form of the franchise agreement different from the franchise agreement included in this disclosure document. If you do not open your Franchised Businesses per the Development Schedule, we may terminate the Area Development Agreement, and you will lose the ability to develop other FITOPIA Franchised Businesses under the Area Development Agreement; we may keep the full development fee, which you paid; however, the Franchise Agreements for the FITOPIA Franchised Business already opened will not be terminated, because you did not follow the Development Schedule.

We may continue to develop new products and services, but we are not obligated to do so. If we do develop new products or services, we may offer you the opportunity to provide such products or services, but we are not required to offer you such an opportunity, and if we do, we may require you to take additional training, pay additional fees, sign additional agreements, or meet other requirements.

You have no obligation or right to open any additional FITOPIA Franchised Businesses unless you sign an Area Development Agreement.

Industry-Specific Regulations

In addition to laws governing business generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health and Safety Act, your FITOPIA Franchised Business will be subject to and have to comply with FDA approval standards and clients pass the contraindication list.

There may also be state and local statutes, regulations, laws, licensure requirements, and ordinances specific to your state or local area. You are responsible for investigating and complying with all laws affecting your Franchised Business.

General Description of the Market and Competition

The market for goods and/or services that the franchised business industry will offer is developing and competitive with competition from local and national brands. The fitness classes and personal training industry is not seasonal.

The target audience for FITOPIA businesses is (1) busy people who may not have time for a workout; (2) new-to-fitness clients who have not worked out and/or want to lose weight; (3) 45+ and seniors looking to work out in a safe manner that requires low- to no-impact and low weights; (4) athletes who want to improve their overall power and can integrate into their routine; (5) post-Injury-clients who need to continue to develop their muscles safely and in a symmetrical manner; (6) new moms who need to strengthen their pelvic floor muscles; (7) people with chronic back pain who want to improve back pain; (8) people wanting to reverse age-related, injury-related, of GLP-1-related muscle loss; and (9) fitness challenged clients who may have Arthritis, Multiple Sclerosis, Parkinson's, HSP, EDS, and other medical conditions who need to improve functional strength.

ITEM 2.
BUSINESS EXPERIENCE

Chief Executive Officer: Bharat Kakar

Mr. Kakar is our owner and Chief Executive Officer since our formation in October 2022. Mr. Kakar is also the owner of our affiliate, Kinetic Output Fitness, LLC since its inception in November 2019.

Director of Real Estate: Karl Weidner

Mr. Weidner has served as our Director of Real Estate since November 2022. Mr. Weidner concurrently serves as Owner and Principal Broker of Property Development Associates Company LLC at Cincinnati, Ohio (March 2004 to present).

Director of Finance: John Zoellner

Mr. Zoellner has served as our Director of Finance since November 2022. Mr. Zoellner concurrently serves as Owner of Zoellner Garten and Company at Cincinnati, Ohio (July 1987 to present).

Director of Marketing: Amy Scalia

Ms. Scalia has served as our Director of Marketing since December 2024. Ms. Scalia concurrently serves as Chief Consulting Officer of Local Creator Studio at Cincinnati, Ohio (November 2024 to present). From March 2011 to November 2024.

ITEM 3.
LITIGATION

No litigation is required to be disclosed in this item.

ITEM4.
BANKRUPTCY

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

ITEM 5.
INITIAL FEES

Initial Franchise Fee

The FITOPIA initial franchise fee is $50,000. The initial franchise fee is non-refundable and deemed fully earned upon payment. You must pay the initial franchise fee in full when you sign the franchise agreement. The franchise fee is uniform for all franchisees, except as described in this section below.

Area Development Fee

FITOPIAs you agree to develop	Franchise Fee Due at Signing of First Franchise Agreement and Development Agreement	Remaining Development Fee Due	Total Fees Due under a Development Agreement
2	$70,000	$20,000	$90,000
3	$90,000	$40,000	$130,000
4	$110,000	$60,000	$170,000
5	$130,000	$80,000	$210,000

The Area Development Fee is $40,000 per additional franchise. The Development Fee is payable as 50% upon signing the Area Developer Agreement and 50% upon signing the franchise agreement for the additional territory. You must open a minimum of two FITOPIA Franchised Business under an Area Development Agreement. Under an Area Development Agreement, there is no maximum number of additional FITOPIA Franchised Businesses. The total Area Development Fee is based on the number of additional franchises you and we agree you will develop. The Area Development Fee is uniformly charged

for all Area Development Agreements currently being offered. The Area Development Fee is considered fully earned and non-refundable upon payment.

Startup Package

Before starting your Franchised Business, you must order from our affiliate, Kinetic Output Fitness LLC, a Startup Package that includes: 3 or 6 Machines (each "Machine" is a battery pack that delivers impulses through vest suits), 12 or 18 vest suits, 4 or 8 trunk cables, 1 or 2 iPads for applications, 60 undergarments, and miscellaneous items such as spray bottles and additional wires. The amount charged for the Startup Package ranges from $30,000 to $52,500 and is uniformly charged to all franchisees and is non-refundable.

Military Discount

We offer a 10% discount on the initial franchise fee to honorably discharged U.S. military veterans. If you sign an Area Development Agreement, the discount is only applicable to your first Franchised Business.

Existing Relationship Discount

We offer a 10% discount on the initial franchise fee to current employees and current franchisees. If you sign an Area Development Agreement, the discount is only applicable to your first Franchised Business.

We reserve the option to discount initial fees, discontinue discount(s) offers at any time, or offer new discounts in the future.

The initial fees are not refundable under any circumstances. Except as explained and listed above, the Initial fees are uniformly calculated for all Franchised Businesses currently being offered.

ITEM 6.
OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	The greater of (i) 7% of Gross Revenue or (ii) $500 per month ("Minimum Royalty").	10th of each month	Royalty Fees are payable by electronic funds transfer. We may require you to pay the Royalty Fee on a weekly, bi-weekly, monthly, or other bases on thirty (30) days' prior notice to you. The Minimum Royalty will not be assessed until after you have been open for 3 months.
National Advertising Contributions	2% of Gross Revenue; may increase up to 4% of Gross Revenue	10th of each month; same as Royalty	National Advertising Contributions are contributions to the National Advertising Fund payable by electronic funds transfer. We are not currently collecting the National Advertising Contributions, but upon 30 days' notice, you must begin making contributions. We may require you to pay the Royalty Fee on a weekly, bi-weekly,

Name of Fee	Amount	Due Date	Remarks
			monthly, or other bases on thirty (30) days' prior notice to you
Local Advertising	Currently not required; recommend $1,000 per month	As incurred	It is suggested that you spend this amount locally to promote your Franchised Business.
Regional Advertising Cooperative	Currently not assessed; up to 1% of Gross Revenue	As incurred	The amount is determined by the Cooperative but will not exceed the amount equal to 1% of Gross Revenue.
Technology Fee	$1,000	10th of each month; same as Royalty	This amount is paid to us for using FITOPIA software and computer applications.
Late Fees	$100	Upon demand	A late fee must be paid on any payment to us that is more than 5 days late.
Interest	18% per annum, maximum allowed by law	Upon demand	In addition to the Late Fee, interest is assessed on any payment to us that is more than 30 days late. The interest accrues from the date the payment was due.
Business Insurance	Amount of premium paid by us plus 20%	Upon demand	If you do not purchase insurance coverage as required, you must reimburse us this amount to secure insurance coverage. See Item 11.
Additional Training and Conventions	$1,000 per day plus travel expenses for additional onsite support; $2,000 per attendee of additional training, national conventions, and for new or replacement managers to attend the initial training	Upon your registration for the training or convention	You must pay the current training fee for training and support beyond the initial training and National Conventions.
Transfer Fee	50% of the then-current Initial Franchise Fee	Upon Franchisee's request for consent to the proposed transfer of franchise or Area Development Agreement	A transfer includes any sale, assignment, conveyance, giving away, pledging, mortgaging, or otherwise encumbering any interest in ownership in the Franchised Business, Franchise Agreement, or Area Development assets outside of the ordinary course of business or ownership rights. The Transfer Fee is non-refundable
Renewal Franchise Fee	$12,500 or 25% of the then-existing Initial Franchise Fee, whichever is greater	At least 9 months before the expiration of the franchise	In addition to paying this fee, other conditions must be met, as listed in the Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
Interim Franchise Royalty Fees	Franchisor's then-current Royalty Fee plus 2%	10th of the month for the immediately preceding month. We may require you to pay the Royalty Fee on a weekly, bi-weekly, monthly, or other bases on thirty (30) days' prior notice to you when applicable	An Interim Franchise Fee applies if your Franchise Agreement expires, no renewal franchise agreement is signed, and you continue the franchise business operation.
Relocation Fee	Reimbursement of Franchisor's costs and expenses incurred for reviewing or approving the relocation	When applicable	If you relocate your franchise business, you must reimburse us for the cost and expenses we incur in connection with your relocation.
Supplier Approval	Reimbursement of costs and expenses Franchisor incurs in approving a supplier	When applicable	If you want us to approve a supplier for the purchase of a designated product or service other than the supplier we designate, we may require that you reimburse us for the costs and expenses we incur in approving the supplier.
Step-In Right Expenses	Franchisor's personnel and administrative and travel costs, plus fifteen percent (15%) of that Gross Revenue	As incurred	If you are absent, ill, or unable to operate the Franchised Business or fail to pay taxes or required amounts, or the Franchised Business is having a significant negative impact on the FITOPIA System, we may step-in, and you must reimburse us our costs and expenses.
Audit	All costs of inspection and audit	Upon demand	You must reimburse us for audit expenses if the audit is initiated due to your non-compliance with the terms herein or the Operating Manual or if an inspection reveals an understatement of Gross Revenue by 3% or more.
System Standard Violation	All costs of inspection and audit	Upon demand	If you fail to adhere to the System Standards, you must reimburse us for any and all costs and expenses associated with counsel, inspection, support, assistance, and enforcement rendered to and against Franchisee regarding said System Standards violation and/or non-compliance.
Cost of Enforcement	Cost including attorney fees	Upon demand	If we prevail, you must reimburse us for all costs to enforce obligations under the Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
Indemnification	Cost including attorney fees	Upon demand	You must defend suits at your cost and hold us harmless against suits involving damages resulting from your operation of the Franchised Business.
Sales/Use Taxes	The amount of federal, state, and local taxes levied on the Royalty Fees and National Advertising Contributions paid to Franchisor and other monies paid to Franchisor	Payable with your royalty fee or National Advertising Contribution payments	You must pay any state or local sales or use tax that may be assessed on fees paid to us.

Notes:

Generally. All fees are nonrefundable and uniformly imposed on all new franchisees. Some franchisees under future versions of our franchise agreement or by negotiated agreements may be obligated to pay more, less, or different fees than listed here.

1. "Gross Revenue" means any and all money and other consideration you receive in connection with the ownership or operation of your Franchised Business and from the sale of any authorized products and services or from the sale of any goods or services under the Marks. Gross Revenue does not include sales or excise taxes that are separately stated and that you are required to collect from customers and pay to a governmental taxing authority.

2. For each FITOPIA business operated by us or our affiliates in a geographical area for which a Cooperative has been established, we will make a Cooperative Contribution on the same basis as assessments required of comparable franchises that are members of the same Cooperative. If outlets owned by us have the controlling voting power, Cooperative Contribution will not exceed 1% of Gross Revenue.

3. We may increase the Technology Fee upon 30 days written notice to you. The Technology Fee shall not increase more than 10% annually for any of our proprietary software or applications. For any third-party software fee that we collect, the Technology Fee shall not be greater than 10% of actual cost of the third party software fees and expenses.

4. We provide an initial FITOPIA training program which includes orientation to the FITOPIA system; customer service; operational management; financial management; computer software use; advertising and marketing; and reporting procedures. The training lasts up to 1 week depending on your existing experience level. We provide onsite assistance at our then current rate. We may provide additional training programs at reasonable times and at locations selected by us during the term of the Franchise Agreement and will host national conventions at times and locations selected by us. You must attend the national convention. We may require attendance at other additional training programs. You must pay for all travel, lodging, and other costs of attending training and the national convention.

5. We may step in to operate your Business if we deem necessary to prevent any interruption or harm to your Business or to the FITOPIA System. Reasons may include our determination that you: are incapable of operating the franchise; are absent or incapacitated because of illness or death; have

failed to pay when due any taxes or assessments against the franchise or property used in connection with the franchise; have failed to pay when due any liens or encumbrances of every kind placed upon or against your business property; or we decide that operational problems require us to operate the franchise for a time. All revenue derived from our operation of Franchised Business will be credited to a separate account for your benefit, but we may pay from that account all expenses, debts, and liabilities that we incur during our operation of Franchised Business.

6. The royalties or other fees you pay to us may be entirely or partially subject to state or local sales or use tax, depending upon the laws in your state. If we are required to pay these taxes in your state, you must add the tax to what you pay us.

ITEM 7.
ESTIMATED INITIAL INVESTMENT

A. YOUR ESTIMATED INITIAL INVESTMENT – SINGLE UNIT

TYPE OF EXPENDITURE[1]	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	Low Estimate	High Estimate			
Initial Franchise Fee[2]	$50,000	$50,000	Lump-sum via Check or Wire	Upon Signing the Franchise Agreement	Franchisor
Startup Package[3]	$30,000	$52,500	Lump-sum via Check or Wire	Before Beginning Operations	Franchisor
Technology Fee (3 months)[4]	$3,000	$3,000	EFT	Monthly after opening	Franchisor
Leasehold Improvements[5]	$50,000	$125,000	As incurred	Before Beginning Operations	Landlord or Contractors
Rent (3 months)[6]	$9,000	$24,000	As incurred	Before Beginning Operations	Landlord
Utility Deposits[7]	$100	$1,000	As incurred	Before Beginning Operations	Utilities
Furniture & Fixtures[8]	$2,000	$4,000	As incurred	Before Beginning Operations	Suppliers
Fitness Equipment[9]	$4,750	$9,500	As incurred	Before Beginning Operations	Suppliers
Business Insurance[10]	$2,000	$6,000	As incurred	Before Beginning Operations	Insurance Companies
Signage[11]	$4,000	$12,000	As incurred	Before Beginning Operations	Vendors
Office and Cleaning Supplies[12]	$4,000	$5,000	As incurred	Before Beginning Operations	Vendors

TYPE OF EXPENDITURE[1]	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	Low Estimate	High Estimate			
Business Management & Technology System[13]	$2,500	$3,200	As incurred	Before Beginning Operations	Suppliers
Travel to Initial Training[14]	$500	$4,000	As incurred	Before Beginning Operations	Airlines, Hotels, and Vendors
Licenses & Permits[15]	$100	$1,000	As incurred	Before Beginning Operations	Licensing Authorities
Legal & Accounting[16]	$2,500	$5,000	As incurred	Before Beginning Operations	Attorney, Accountant
Pre-Opening and Grand Opening Advertising[17]	$7,000	$15,000	As incurred	Before opening and during the first 3 months of operation	Vendors
Additional Funds (3 months)[18]	$15,000	$30,000	As incurred	As Necessary	Us, Vendors, Landlord, Etc.
TOTAL[19]	**$186,450**	**$350,200**			

Notes:

1. Type of Expenditure. The amounts provided in this Item 7 include costs you will incur to start your business. All fees and payments made to us, or our affiliate, are non-refundable, unless otherwise stated. Where you must purchase from a vendor or supplier, the issue of refundability is determined by the specific vendor or supplier you purchase from.

2. Franchise Fee. The standard Initial Franchise Fee for opening a single Franchised Business is $50,000.

3. Startup Package. You must purchase an initial startup package for your Business. Before starting your Business, you must order from Kinetic Output Fitness LLC the Startup Package that includes: 3 or 6 Machines (each "Machine" is a battery pack that delivers impulses through vest suits), 12 or 18 vest suits, 4 or 8 trunk cables, 1 or 2 iPads for applications, 60 undergarments, and miscellaneous items such as spray bottles and additional wires. The amount charged for this Package is uniformly charged across all franchisees and is nonrefundable.

4. Technology Fee. This figure includes payment of the Technology Fee to us through your first three months of operation, currently the Technology Fee equals $1,000 per month.

5. Leasehold Improvements. This estimate includes the net cost of leasehold improvements to our standard prototype 1,400 square foot site, including floor coverings, wall treatments, ceilings, painting, electrical, carpentry, plumbing, HVAC, and similar work. This estimate includes both materials and the cost of labor. The low estimate assumes you are renting a space that already includes many of our standard improvements and/or is close to the 1,400 square feet space. The high estimate assumes that the space you have rented does not already have these improvements and is closer to the 1,600 square foot space.

If you are able to negotiate a tenant improvement allowance from your landlord, the landlord typically may require you to provide proof that you have paid for the leasehold improvements before reimbursing you the money. Some landlords may require you to receive the tenant improvement allowance in the form of reduced rent over the life of your lease, rather than in the form of a lump sum reimbursement.

Your actual costs will depend on, among other factors, the location, the size, and the condition of the premises being remodeled, national and local economic factors, the local costs of materials and labor, and the amount of tenant improvement allowances that you are able to obtain, if any.

6. Rent (3 months). The site for your Franchised Business is a fitness studio which is 1,400 square feet or greater to accommodate workout areas, a retail area, changing rooms, a shower, restrooms, an employee lounge, storage, and a washer/dryer located in a higher-end retail space that is safe, accessible, and well-lit. The upper estimate is based on an assumption that you will have to pay a higher security deposit in addition to rent and the lower estimate is based on a lower security deposit. Some lessors may refund the security deposit if you cancel the lease before you occupy the sites.

7. Utility Deposits. If you are a new customer of your local utilities, you will generally have to pay deposits to obtain services, including electric, telephone, gas, and water. The amount of the deposit and whether the deposit is refundable will vary on the local utilities. You should contact your local utilities for more information.

8. Furniture & Fixtures. You must purchase and/or lease and install furniture, fixtures and equipment and décor necessary to operate your Business in accordance with FITOPIA standards and specifications. The cost of the furniture, fixtures and equipment will vary according to local market conditions, the size of the facility, suppliers, and other related factors. We do not know if the amounts you pay for furniture, fixtures or equipment are refundable. Factors determining whether furniture, fixtures and equipment are refundable typically include the condition of the items, level of use, length of time of possession and other variables. You should inquire about the return policy of the suppliers at or before the time of purchasing or leasing. We reserve the right to require that you purchase your furniture, fixtures and equipment from us or our affiliate.

9. Fitness Equipment. You will be required to purchase additional fitness equipment that is not included in the Startup Package. You will need weights, weight racks, squat racks, and other fitness equipment.

10. Business Insurance. You must purchase insurance for your Business in the amounts and coverage we specify. See Item 8.

11. Signage. This range includes the cost of all signage used in your Business. The signage requirements and costs will vary based upon the size and location of the Site, local zoning requirements, landlord requirements and local wage rates for installation. The amounts you pay for signage are typically non-refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchase. We must approve all signage before you order it.

12. Office and Cleaning Supplies. You must purchase general office supplies including stationery, business cards and typical office equipment. We have also included the cost of a washer and dryer in this estimate. Factors that may affect your cost of office equipment and supplies include market conditions, competition amongst suppliers and other factors.

13. Business Management & Technology System. You must purchase the computer equipment, hardware, and software necessary for operating the franchise. We currently require you to have and use

MindBody Software, credit card reader, WiEMS Software, music, camera (optional), WiFi/Internet, and Phone.

14. Travel to Initial Training. The cost of initial training for you and your Franchised Business Designated Manager and Personal Trainers is included in the Initial Franchise Fee. The amount in the table above reflects your travel and stay expenses during the initial training.

15. Licenses & Permits. State and local government agencies typically charge fees for occupancy permits, operating licenses, health department licenses and construction permits. Your actual costs may vary from the estimates based on the requirements of state and local government agencies. These fees are typically non-refundable. You should inquire about the cancellation and refund policy of the agencies at or before the time of payment.

16. Legal & Accounting. You will need to employ an attorney, an accountant, and other consultants to assist you in establishing your franchise. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants, and consultants. These fees are typically non-refundable. You should inquire about the refund policy of the attorney, accountant, or consultant at or before the time of hiring.

17. Pre-Opening & Grand Opening Advertising. This is the recommended amount that you spend on advertising prior to and upon opening. The range will depend on your Territory and local market demographics.

18. Additional Funds, Three Months. This is an estimate of the amount of additional operating capital that you may need from the time you sign your franchise agreement through the first three months after opening your business. This estimate includes additional funds you may need to pay employee salaries and wages, utilities, payroll taxes (including payroll to cover the grand opening promotional period and the pre-opening training period for your staff), Royalty Fees, Marketing Fees, legal and accounting fees, additional advertising, health and workers' compensation insurance, bank charges, miscellaneous supplies and equipment, staff recruiting expenses, state tax and license fees, deposits, prepaid expenses, and other miscellaneous items. The preceding list is by no means intended to be exhaustive of the extent of possible categories of expenses.

19. Total. This total amount is based upon our management team's experience developing and operating the Company-Owned Outlet, as well as industry data, and the experience of our franchisee in operating similar businesses. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area. You should independently investigate the costs of opening a Franchised Business in the geographic area in which you intend to open a Franchised Business. You should also review the figures carefully with a business advisor before making any decision to purchase the Franchise.

We do not provide financing to franchisees either directly or indirectly in connection with their initial investment requirements. The availability and terms of financing obtained from third parties will depend upon such factors as the availability of financing, your credit worthiness, collateral which you may make available, or policies of local lending institutions with respect to the nature of the business.

B. YOUR ESTIMATED INITIAL INVESTMENT – 2 TO 5 UNITS UNDER DEVELOPMENT AGREEMENT

TYPE OF EXPENDITURE	Low Estimate 2 Units	High Estimate 5 Units	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Development Fee due at signing of FA[1]	$70,000	$130,000	Lump sum	50% due upon signing DA, 50% due upon signing FA for additional territory	Franchisor
Estimated Initial Investment for First Unit (minus Franchise Fee)[2]	$136,450	$300,200			
TOTAL[3]	**$206,450**	**$430,200**			

Notes:

1. Development Fee. Upon signing the Development Agreement, you must pay us 50% of the additional per business fee of $40,000. The Development Fee varies based on the number of Franchised Businesses you commit to developing. The low estimate is based on a commitment to develop two and the high estimate is based on a commitment to develop five Franchised Businesses. You will pay the outstanding 50% of the Development Fee at the time you sign the Franchise Agreement for that unit. The Development Fee is not refundable. See Item 5.

2. Estimated Initial Investment for First Franchised Business. For each Franchised Business that you develop under a Development Agreement, you will execute a Franchise Agreement and incur the initial investment expenses for the development of a single Franchised Business as described in the first table of this Item 7. This estimate is based on the expenses described in the first table of this Item 7. The estimate does not include the Franchise Fee since the Development Fee is credited towards the Franchise Fee for each.

3. Total. We do not provide financing to franchisees either directly or indirectly in connection with their initial investment requirements.

ITEM 8.
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Specifications

Every detail of FITOPIA Franchised Businesses is essential, not only to your Franchised Business but also to other FITOPIA franchisees and us, to develop and maintain high and uniform operating standards, to increase the demand for the products and services offered by all franchisees, to establish and maintain a reputation for uniform, efficient, high-quality products, and services, and to protect the goodwill of all FITOPIA franchises. You agree to comply with FITOPIA uniform specifications, standards, operating procedures, and rules for the development and operation of your FITOPIA Franchised Businesses (collectively referred to as System Standards). System Standards are described in the FITOPIA Operating Manual and otherwise communicated to you. The FITOPIA System and Operating Manual are occasionally updated, supplemented, modified, and enhanced.

Business Insurance

You must provide us with evidence of insurance in at least the minimum amounts and coverage as follows: (a) General Liability in the amount of not less than $500,000; (b) Property Insurance in an amount sufficient to replace the equipment, the Franchised Business Site, if any, and personal property upon loss or damage; (c) Theft Insurance in the amount sufficient to replace the equipment, the Franchised Business Site; (d) Building Insurance in an amount required by the Franchised Business Site lease; (e) Umbrella Liability Insurance in the amount of $1,000,000; (f) Professional Liability in the amount of $500,000; (g) EPLI in the amount of $100,000 or greater; and (h) sexual abuse for not less than $100,000 each incident and $200,000 aggregate. The Franchisee shall maintain Workman's Compensation, Unemployment Compensation, disability insurance, social security, and other similar insurance coverage in such amounts as may now or hereafter be required by any applicable law.

Evidence of this insurance must be initially provided at least 10 days before you begin the operation of your FITOPIA Franchise Business. A renewal certificate must be provided no later than 10 days before the expiration date of each policy. Each required liability insurance policy must name us as an additional insured and provide that we will be given at least 30 days' notice before the policy's cancellation, modification, or amendment.

The Site of the Franchise Business

The site for a FITOPIA Fitness Studio Franchised Business is a real property space (the "Site"). We do not select the site for your FITOPIA Franchised Business. We approve the Site for your Franchised Business. Supplies, Fixture, Equipment, Inventory.

Equipment, Furniture Fixtures, and Inventory

All the equipment, supplies, fixtures, inventory, and products for your Franchised Business must comply with FITOPIA Standards and specifications.

Advertising

You shall use, display, and publish the FITOPIA Marks per System Specification. All your FITOPIA advertising in any medium must be conducted dignifiedly, accurately, and truthfully and conform to all applicable laws and regulations relating to consumer advertising and FITOPIA System Standards. You must submit to us and obtain our prior approval for all advertising, promotional plans, materials, and other materials displaying the FITOPIA Marks. You may not use your advertising materials unless we issue you written approval. Post submission to us, we shall, within fifteen (15) days, notify you of approval or disapproval of advertisements.

Computer System

You must buy and use MindBody Software - scheduling, POS, Employee management, reports, credit card reader, WiEMS Software - technical software to manage wireless suits for training, music, camera (optional), WiFi/Internet, and Phone. You may not install or permit to be installed any devices, software, mobile, internet, and other applications, or other programs not approved by us for use with the Computer Systems. From time to time, we may develop or authorize others to develop proprietary software, mobile, internet, and other software programs for use in the FITOPIA System, which you may be required to purchase or license and use. You may be required to execute any license, sublicense, or maintenance agreement, install, and pay any applicable fees for maintenance, updates, upgrades, and support required by us or any other approved licensor or approved supplier of such proprietary software programs.

Gift Cards and Loyalty Programs

You must participate in all gift certificates, loyalty programs, and gift card administration programs, as we may designate from time to time. You must honor all coupons, gift certificates, loyalty promotions, gift cards, and other programs or promotions we direct. You must fully participate in all guest loyalty, consumer relations management programs (CRM), or frequent customer programs now or in the future adopted or approved by us. You may not create, honor, accept, or issue any gift certificates or gift cards and may only sell gift certificates or cards that have been issued or approved by us. You must not issue, honor, or accept any coupons or discounts except as approved by us in writing.

Employee Uniforms

Your FITOPIA employees and staff may be required to wear uniforms that conform to FITOPIA specifications, which are contained in the FITOPIA Operating Manual.

Designated and Approved Suppliers

For any product or service, we designate an approved supplier, you may not purchase these products and services from any other suppliers. We may designate new or different approved suppliers, including designating ourselves or one of our affiliates as an approved supplier of any goods or services.

Kinetic Output Fitness LLC, our affiliate, is the sole exclusive supplier of EMS suits, undergarments, equipment, décor, and gift cards to FITOPIA franchisees. We are not currently an approved supplier to our franchisees.

The criteria for designating approved suppliers include a supplier's ability to meet quality standards, availability, and consistency of the products or services. The criteria for designating and approving suppliers are not published and are not made available to franchisees. Franchisees may not contract with alternative suppliers for designated products or services.

To approve a supplier, we require a sample of the product(s), information regarding the product or service's quality standards, availability, terms, and conditions of purchase, and other information we may request. If desired, we may request a physical inspection of the supplier's place of business or manufacturing facility. Upon submitting samples and information required for approval, we will notify you within 30 days of our approval or disapproval of a supplier. As a condition of approval, we require reimbursing any costs or expenses we incur in approving the supplier. We may revoke the approval of any supplier upon 30 days' written notice to franchisees.

We estimate that assuming the estimated minimum initial costs to begin operations and other financial obligations are within the ranges described in Item 7 of this disclosure document, the proportion of your purchases and leases of goods and services from approved suppliers or of products that meet our specifications to be approximately 70% of all the purchases and leases in establishing your FITOPIA Franchised Business and approximately 2% to 3% of your ongoing costs of operating your FITOPIA Franchised Business.

Fitopia Franchising LLC derived 22% of its total $47,210 in revenue from required purchases and leases to FITOPIA franchisees or suppliers in the calendar year 2024. Our affiliate did not earn any revenue, rebates, or other material consideration from required purchases and leases to FITOPIA franchisees or suppliers in the calendar year 2024.

Except where we or our affiliate is the approved supplier, none of the Fitopia Franchising LLC officers, directors, or managers have an interest in any of the FITOPIA-approved or designated vendors.

Currently, we have not negotiated any purchase arrangements with suppliers, including prices or terms that benefit franchisees. We reserve the right to negotiate other purchase arrangements in the future. There are no formal or mandatory purchasing or distribution cooperatives, but we reserve the right to institute cooperatives in the future.

We do not provide a material benefit to franchisees based on a franchisee's purchases of particular products or services or the use of particular suppliers.

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 under these agreements and in other items of this disclosure document.

Unless otherwise noted, the Section references are to those in the Franchise Agreement and Area Development Agreement (ADA).

Obligation	Section in Franchise Agreement	Item in This Disclosure Document
a. Site selection and acquisition/lease	Article 2	Items 6 and 11
b. Pre-opening purchase/leases	Section 5(B)	Item 8
c. Site development and other pre-opening requirements	Article 5 ADA Article 3	Items 6, 7, and 11
d. Initial and ongoing training	Article 6	Item 11
e. Opening	Section 5(E) and Section 5(F) ADA Article 3	Item 11
f. Fees	Article 4 ADA Article 2	Items 5 and 6
g. Compliance with standards and policies/operating manual	Article 7 and Article 14	Item 11
h. Trademarks and proprietary information	Article 13 ADA Article 5	Items 13 and 14
i. Restrictions on products/services offered	Section 7(C)	Item 16
j. Warranty and customer service requirements	Section 8(G)	Item 11
k. Territorial development and sales quotas	Section 7(C) ADA Article 3	Item 12
l. Ongoing product/service purchases	Article 10, Article 7	Item 8
m. Maintenance, appearance, and remodeling requirements	Section 5(H)	Item 11
n. Insurance	Article 12	Items 6 and 8
o. Advertising	Article 16	Items 6 and 11
p. Indemnification	Article 13	Item 6
q. Owner's participation/ management/staffing	Section 8(A)	Items 11 and 15
r. Records and reports	Article 11	Item 6
s. Inspections and audits	Section 11(B)	Item 17
t. Transfer	Article 17 ADA Article 7	Item 17

Obligation	Section in Franchise Agreement	Item in This Disclosure Document
u. Renewal	Section 3(B)	Item 17
v. Post-termination obligations	Article 19	Item 17
w. Non-competition covenants	Article 20 ADA Article 9	Item 17
x. Dispute resolution	Article 21 ADA Article 11	Item 17
y. Other:	Not Applicable	Not Applicable

ITEM 10.
FINANCING

We do not offer any direct or indirect financing. We do not guarantee your note, lease, or obligation.

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

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

Pre-Opening Obligations

1. The Site for a FITOPIA Fitness Studio Franchised Business is a real property space. We do not select the Site for your FITOPIA Franchised Business. We approve the Site for your Franchised Business (Section 4 of the Franchise Agreement) (Article 3 of the Area Development Agreement).

2. For your Site, we provide building specifications for your real property space, we review your design plans, and you must obtain a feasibility study prepared by a qualified third party (Section 4 of the Franchise Agreement).

3. We provide you with the standards, specifications, and a list of designated and approved suppliers for all décor, equipment, signs, fixtures, opening inventory, supplies, products, and other materials you will need to operate the franchised business. We do not deliver or install equipment for your site. Kinetic Output Fitness LLC, our affiliate, is the sole exclusive supplier of EMS suits, undergarments, equipment, décor, and gift cards to FITOPIA franchisees. We are not currently an approved supplier to our franchisees. Delivery is provided, but not installation. (Section 6 of the Franchise Agreement).

4. We provide a listing of all products and services that your Franchised Business may offer (Franchise Agreement Article 6).

5. We provide final written approval before opening your FITOPIA Franchise Business. (Section 4 of the Franchise Agreement).

6. We provide 1 day of free-of-cost onsite assistance upon opening. We may provide additional onsite assistance at our then-current rate, which currently is $1,000 per day plus travel expenses (Section 4 of the Franchise Agreement).

7. We approve the Designated Manager of your Franchised Business. We do not select or hire your employees. (Section 7 of the Franchise Agreement).

8. We provide you with an initial training program as further described in this item (Section 5 of the Franchise Agreement).

9. We loan or make a copy of the FITOPIA Operating Manual, which is confidential and will remain our property. We may modify the Operating Manual from time to time. (Section 14 of the Franchise Agreement). The table of contents is listed in Exhibit H. The operating manual has approximately a total of 150 pages.

After the Franchised Business Opens

1. In the event of relocation, we do not select the site for your Franchised Business. We approve the Site for your Franchised Business (Section 4 of the Franchise Agreement).

2. For your Site, we provide building specifications for your real property space, we review your design plans, and you must obtain a feasibility study prepared by a qualified third party for the site of your Franchised Business upon relocation or remodeling or updating upon relocation. (Section 4 of the Franchise Agreement).

3. We maintain and provide updated standards, specifications, and designated and approved suppliers for all the equipment, supplies, products, and other materials you will need to operate the franchised business (Section 6 of the Franchise Agreement).

4. We maintain and provide an updated listing of all products and services that your Franchised Business may offer (Franchise Agreement Article 6).

5. We provide initial training for replacement staff and managers (Section 5 of the Franchise Agreement).
6. We may provide additional and ongoing training for staff and managers (Section 5 of the Franchise Agreement).

7. We may organize an annual conference for all FITOPIA franchisees and staff (Section 5 of the Franchise Agreement).

8. If you do not resolve a dispute with a client, we may investigate and resolve the dispute (Franchise Agreement 7).

9. We provide continuing assistance in operating your FITOPIA Franchise Business (Section 5 of the Franchise Agreement).

10. We loan or make any updates and changes to the FITOPIA Operating Manual (Section 15 of the Franchise Agreement).

11. We may review your FITOPIA advertising material (Section 15 of the Franchise Agreement).

12. We set and establish pricing for Franchise Business products, to the extent permitted by law, to promote System uniformity and consistency. You must fully participate, honor, and comply with any and all System, local, regional, seasonal, promotional, and other programs, initiatives, and campaigns adopted by us that we require you to participate in (Section 6 of the Franchise Agreement). You honor all and only the currency, credit, charge, courtesy, and cash cards approved by Franchisor in writing (Franchise Agreement 6(D)).

13. We approve any replacement Designated Manager of your Franchised Business. We do not select or hire your employees. (Section 8 of the Franchise Agreement).

Advertising

We will provide marketing consultation, general advertising strategy, promotional planning, and budgeting at your request. We are not obligated to conduct advertising or spend any money on advertising in your Territory or area except as provided below. We are not obligated to conduct local, regional, or national advertising except as provided below.

Your Advertising

You must submit to us for our prior approval samples of all advertising and promotional plans, materials, and other materials displaying the Marks. We will provide you with written approval or disapproval in 15 days. You may not use your advertising materials or materials that bear the Marks unless you have received our prior written approval. We have the right to use and have ownership of any Franchisee developed advertising.

Social Media

You may not establish or maintain a domain name, an internet website, or a webpage that relates to or advertises your FITOPIA Franchised Business or displays the Marks, as we reserve the exclusive right to control any websites or web pages concerning FITOPIA Franchise Businesses and the Marks. You may advertise and promote your Franchised Business via Social Media, which may be comprised of pages, communications, and content located on third-party platforms using the Proprietary Marks as specified by us (collectively, "Franchisee's Social Media"), provided that we are granted administrator access to your Social Media. All uses of the Social Media and communication channels and uses must be established in accordance and at all times comply with the Operating Manual and System Standards. We will be the sole owner of all related intellectual property rights of all Social Media and other digital and media accounts and all content posted on Social Media.

Gift Cards and Loyalty Programs

You must participate in all gift certificates, loyalty programs, and gift card administration programs, as we may be designated occasionally. You must honor all coupons, gift certificates, loyalty promotions, gift cards, and other programs or promotions we direct. You must fully participate in all guest loyalty, consumer relations management programs (CRM), or frequent customer programs now or in the future adopted or approved by us. You may not create, honor, accept, or issue any gift certificates or gift cards and may only sell gift certificates or cards that have been issued or approved by us. You must not issue, honor, or accept any coupons or discounts except as approved by us in writing.
Local Advertising.

You must expend sufficient monies resources and conduct advertising and public relations within the local area to promote your FITOPIA Franchised Business. Currently, it is suggested that you spend $1,000 per month on local advertising (Local Advertising).

Pre-Opening and Grand Opening Advertising

It is recommended that you spend at least $7,000 to $15,000 on pre-opening and grand opening advertising prior to and during the first 3 months of operation. You may choose to spend more. Factors that may affect your decision on the amount to spend include local media cost, the location of the Franchised Business, and customer demographics in the surrounding area.

Regional and Local Advertising Cooperatives

We may designate any geographical area in which at least two FITOPIA Franchised Businesses are located to establish a local or regional marketing and advertising cooperative (Cooperative). Each Cooperative will be organized and governed in a manner approved by us in writing. If your Territory is within the geographic boundaries of a Region or Local Cooperate that we designate, you will be required to participate in the cooperative. The members of the Cooperative will determine the amount of the Cooperative Contribution, but the Cooperative Contribution may not exceed 1% of Gross Revenue. Within thirty days after the end of each calendar month, each Cooperative will prepare an unaudited statement of the Cooperative's financial position and the results of operations of the Cooperative. Each member of the Cooperative will be entitled to receive a copy of the Cooperative's financial statements upon request. For each FITOPIA business operated by us or our affiliates in a geographical area for which a Cooperative has been established, we will make a Cooperative Contribution on the same basis as assessments required of comparable franchises that are members of the same Cooperative. If outlets owned by us have the controlling voting power, Cooperative Contribution will not exceed 1% of Gross Revenue. You do not have the right to form, change, dissolve, or merge any Regional Advertising Cooperative. We shall administer the Regional Advertising Cooperative. There are currently no Regional Advertising Cooperatives or governing documents available for your review.

National Advertising Fund

You are obligated to contribute up to 4% of Gross Revenue to the FITOPIA National Advertising Fund. Currently, we require franchisees to contribute 2% of monthly Gross Revenue. We are not currently collecting National Advertising Fund contributions, but upon 30 days' written notice, you must begin making such contributions. Contributions to the FITOPIA National Advertising Fund may be used for in-house, national or regional agencies to maintain, administer, research, direct, and prepare advertising and/or promotional activities, including, without limitation, the costs of preparing and conducting advertising campaigns, which may be local, regional or national, in various media; direct mail and outdoor billboard advertising; marketing surveys and other public relations activities; employing advertising agencies to assist therein; product development; and developing and providing promotional and other marketing materials for franchisees in the System. We are reimbursed for any labor or services that we provide to the fund and for any costs that we incur for or on behalf of the fund. We may loan the National Advertising Fund additional funds if needed. For each company-owned location (if any), we will contribute to the National Advertising Fund on the same basis as assessments required of comparable franchises within the System. Franchisees who contribute to the fund may obtain a copy of the fund's unaudited financial statements after April 30th of each year upon your written request. Except as disclosed above, neither we nor any affiliate of ours will receive any payment from the fund. We do not use National Advertising Fund dollars to solicit new franchise sales. (Section 4 of the Franchise Agreement).

The National Advertising Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of all franchisees within the System or a region, as the case may be. In administering the National Advertising Fund and making expenditures, we are not obligated or required to spend any amount of money in your Territory or ensure that you or any franchise benefits are equivalent or proportionate to the FITOPIA National Advertising Fund contributions.

The National Advertising Fund did not collect any contributions in 2024. If excess amounts remain in the National Advertising Funds at the end of the year, the unused monies shall be retained by the National Advertising Fund. All expenditures in the following year(s) shall be made first out of accumulated earnings from the previous year(s), next out of earnings in the current year, and finally from contributions.

Franchise Advisory Council

We may establish a Franchise Advisory Council. The purpose of the Franchise Advisory Council is to facilitate communication between our franchisees and us, which will lead to mutual growth, development, and profitability of the entire FITOPIA System. At your sole expense, you shall participate in local, regional, and national franchise advisory committees or councils if established or sanctioned by us. The Council serves in an advisory capacity only and does not have the authority to establish or modify our policies. We have the power to determine membership, the election of Council Officers, and change or dissolve the Franchise Advisory Council.

Computer Requirements

You must buy and use MindBody Software - scheduling, POS, Employee management, reports, credit card reader, WiEMS Software - technical software to manage wireless suits for training music, camera (optional), WiFi/Internet, and Phone. We estimate the cost of leasing or purchasing the computer system to be $2,500 to $3,200.

You must maintain, repair, upgrade, and update your computer system. Without a contractual limit on frequency and cost, you are required to lease, buy, use, update, and upgrade the computer hardware and software, mobile, internet, and other applications, or other programs that we designate and stipulate. We are not required and do not require our affiliates or third parties to maintain, repair, upgrade, and update your computer system. We estimate the annual costs of any optional or required maintenance updating, upgrading, or support contracts for the cash register or computer systems to be $3,000 — Article 10 of the Franchise Agreement.

You must pay us a Technology Fee of $1,000 per month on the 10th of each month for the use of the computer system software and applications. We may increase the Technology Fee upon 30 days' written notice to you. The Technology Fee shall not increase more than 10% annually for any of our proprietary software or applications. For any third-party software fee that we collect, the Technology Fee shall not be greater than 10% of the actual cost of the third-party software fees and expenses.

You will use your computer system to maintain information about your customers, prepare proposals and invoices, transmit payment for products or services, maintain the financial records of the franchised business, access internet sites, and communicate with prospective and current customers, suppliers, us, and others via e-mail. You must provide us with independent access to all of the information generated and stored on your computer system if we request it, including the delivery of a backup of your database. There are no contractual limitations on our right to access the information.

Site Selection and Opening

The site of a FITOPIA Fitness Studio Franchised Business is a 1,400 square feet or greater to accommodate workout areas, a retail area, changing rooms, a shower, restrooms, an employee lounge, storage, and a washer/dryer located in a higher-end retail space that is safe, accessible, and well-lit. We do not select your site. Your site is subject to our approval (Section 4 of the Franchise Agreement). We generally do not own or lease the premises or Site to franchises for the operation of the Franchised Business. To obtain our approval, you must provide all information and documents we require about the site. The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms. The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. For your Site, we provide building specifications for your real property space, we review your design plans, and you must obtain a feasibility study prepared by a qualified third party for the Site of your Franchised Business (Section 4 of the Franchise Agreement). You are responsible for conforming the Site premises to local ordinances and building codes and obtaining any required permits for constructing,

remodeling, or decorating the Site premises. We may but are not obligated to provide you with assistance to ensure that your Site conforms to local ordinances and building codes or obtain any required permits for construction or remodeling.

The typical time between signing the Franchise Agreement, the first payment of consideration for the franchise, and opening the franchised business varies. However, you should be able to commence operation within 12 months after signing as required by the Franchise Agreement. Factors affecting this time period include how long it took to complete any modification of your FITOPIA site, completion of financing arrangements, compliance with local ordinances and obtaining permits, obtaining and installing equipment, your previous employment commitments (if any), your ability to complete our training program, and/or hiring and training personnel.

If you do not secure a Site, we do not approve a Site, you and us do not agree on a Site for your Franchised Business within 3 months from the signing of your Franchise Agreement, or you do not open your Franchised Business within 12 months of the signing of your Franchised Business, we may terminate your Franchise Agreement and retain all monies that you have paid us or our affiliates.

We do not select the site for any additional franchises under your Area Development Agreement, and we generally do not own the premises or lease sites for the Franchised Businesses under the Area Development Agreement. We approve each additional Site for the Franchised Businesses under the Area Development Agreement. Our then-current standards for Sites' approval will apply. For your Site, we provide building specifications for your real property space, we review your design plans, and you must obtain a feasibility study prepared by a qualified third party for the additional Sites of your Franchised Business. (Article 3 of the Area Development Agreement)

The typical time between signing the Area Development Agreement or the first payment of consideration for the Area Development Agreement and securing the Site for each additional franchise under the Area Development Agreement is an additional 3 months for each franchise. You must open each additional franchised business under the Area Development Agreement within an additional 12 months for each franchise. Factors affecting this time period include how long it takes to complete any modification of your FITOPIA site, completion of financing arrangements, compliance with local ordinances, obtaining permits, and obtaining and installing equipment. If you do not secure a Site or fail to obtain our approval for a Site within the additional 3 months for each additional franchise or do not open the additional franchised businesses within the additional 12 months under the Area Development Agreement, we may terminate the Area Development Agreement, but we may not terminate the franchise agreements for the franchised businesses already open for your failure to open or secure a Site within the required time period. (Article 3 of the Area Development Agreement).

Training Program

We provide a tuition-free initial FITOPIA training program, which includes orientation to the Fitopia Franchising LLC system, customer service, operational management, financial management, computer software use, advertising, and marketing and reporting procedures. The training lasts up to 1 week or less, depending on your current experience level. It is currently held at our Cincinnati, Ohio location, but we may hold the training at one of our other locations in the future. Instructional materials may include manuals, videos, scripts, and PowerPoint presentations. Training is not scheduled regularly but will be offered to you before the opening of your Franchised Business. You and your Franchised Business Designated Manager and Personal Trainers must attend and successfully complete the initial training 30 days before the opening of the Franchised Business to our satisfaction. You must pay for all travel, lodging, and other costs of initial training attendance. After that, we may charge a fee for attendance at the initial training for new and replacement managers. Our current fee for a replacement and new managers is $2,000 per attendee.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
EMS as a subject	1	0	Online or Cincinnati, Ohio
Operations	3	0	Online or Cincinnati, Ohio
Sales	2	0	Online or Cincinnati, Ohio
Understanding suit	1	2	Online or Cincinnati, Ohio
Finance & Accounting	2	0	Online or Cincinnati, Ohio
Marketing	3	0	Online or Cincinnati, Ohio
Operating EMS	2	4	Online or Cincinnati, Ohio
Mindbody Software	3	2	Online or Cincinnati, Ohio
One-Off	3	3	Online or Cincinnati, Ohio
Total	20 Hours	11 Hours	

Instructors for Initial Franchise Training are:

- Bharat Kakar, Chief Executive Officer, who has opened and operated a FITOPIA since 2019.

- Anthony Schoo, our Lead CPT, is a Certified Personal Trainer with over 3 years of EMS-based fitness experience. He also has experience in training fitness-challenged clients. He will be responsible for training trainers, clients, and front and desk staff.

We may change, add to, or make substitutions for the subjects and instructors listed in the above tables as necessary or appropriate. All instructors and substitute instructors will have a minimum of one year of experience in the FITOPIA System or the subject matter for which they provide training and instruction.

We may provide additional training programs at reasonable times and locations selected by us during the Franchise Agreement term. We will host national conventions at times and locations selected by us. You must attend the national convention. We may require attendance at other additional training programs. You must pay for all travel, lodging, and other costs of attending training and the national convention. We may charge a reasonable per diem fee for other training programs.

After executing the Franchise Agreement, you are encouraged to schedule your training as soon as possible. We will not be liable for your costs or expenses if we terminate the Franchise Agreement because mandatory training is not completed to our satisfaction.

You are responsible for all expenses you and your employees incur to attend the initial training, including wages, benefits, transportation, meals, accommodations, and entertainment. Other than providing initial training, we do not provide any other assistance with the hiring or training of your employees.

ITEM 12.
TERRITORY

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

Under the Franchise Agreement, you are granted the right to operate a FITOPIA Franchised Business from a specific Site we approve.

You may relocate the Site of your Franchised Business so long the new Site meets our then-current Site requirements, and you reimburse us for any costs and expenses we incur in your relocation. Currently, for relocation and Site selection, the Site must be approved by us, and we provide building specifications for your real property space, we review your design plans, and you must obtain a feasibility study prepared by a qualified third party. You are obligated to reimburse us for any cost and expense that we incur reviewing or approving your relocation as a relocation fee.

Subject to the Franchise Agreement Terms, you are granted a territory, which is typically a: (a) 2-mile radius from the Franchised Business Site or (b) a 20-minute driving radius of the Franchised Business Site in a sparsely populated area, or (c) a block radius consisting of approximately three to five blocks in a more heavily populated area, metropolitan downtown area, or similarly situated/populated central business district from the Franchised Business Site ("Territory"). You may only sell and accept orders from the Site and only advertise, solicit, and offer to sell within the Territory. You do not have the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Territory unless we give you written consent to serve another specified area where no other FITOPIA franchise or company-owned unit is located. If you are granted consent to service another specified area, you shall be obligated to pay royalty fees and other fees to us for the services performed or products sold.

If you are in compliance with the Franchise Agreement, you meet the performance standards outlined in your Franchise Agreement, and are subject to the limitations stated below, we promise and agree not to operate or authorize anyone else to operate a business using the same FITOPIA System as your Franchised Business in the Territory during the Term of your Franchised Agreement. We are not obligated to ensure that no other franchise will conduct operations in your Territory. Although such activities are discouraged, we reserve the right to determine how to respond to any such situation. We are not required to pay you any compensation for us or other franchisees soliciting or accepting orders in your Territory.

We reserve the right to limit your Territory as follows:

- Own, acquire, establish, operate, and license others to establish and operate businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks outside the Territory.

- Acquire a system of Competitive Businesses with units located within your Territory or outside the Territory.

- Establish or license another to establish a FITOPIA, such as, for example only, storefront, brick and mortar, co-branded, pop-up, virtual, or mobile outlets that are different than your Model Concept within or outside the Territory under the FITOPIA Marks or other marks, trademarks, or services.

- Sell or franchise others to sell the services and products authorized for FITOPIA Franchised Businesses using the FITOPIA Marks or other trademarks, service marks, and commercial symbols through alternate channels of distribution; venues; joint marketing with partner companies; direct

mail; catalog sales; internet sites; and co-branding strategies, under such terms and conditions as Franchisor deems appropriate.

- Advertise, promote, market, or sell goods or services using the FITOPIA Marks over the internet, the World Wide Web, or any other electronic network.

- Offer and sell the services and products authorized for Franchised Business using the FITOPIA Marks or other trademarks, service marks, and commercial symbols to Special Accounts.

- Own, acquire, establish, operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, in Special Venues.

We and our affiliates do not operate or have plans to operate or franchise others to operate a business selling the same goods or products under a different name or solicit customers within your Territory except as stated above.

Special Venues

We or other franchisees or licensees may own, acquire, establish or operate businesses like the FITOPIA Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks in any temporary or permanent venues where there is a captive audience and where the primary purpose is other than patronizing a FITOPIA business (referred herein as a "Special Venue"), in the way of examples, but not an exhaustive list: malls, colleges, universities, entertainment, and sports centers, military bases, transportation facilities, medical and rehabilitation facilities within or outside of the Territory or Development Area.

Special Accounts

The Franchisor has the exclusive right to contract with customers or third-party delivery carriers and/or vendors whose offices, stores, plants, buildings, or other physical facilities are not confined to the territory of a single FITOPIA territory or the trading area of a single Franchise, Franchisor-owned, or Affiliate-owned business (referred to herein "Special Accounts"). If Franchisor establishes a contract for facilities of a Special Account located in the Territory, Franchisor shall offer Franchisee the first option of providing the services to the Special Account at those facilities in the Territory at the prices and subject to the contract requirements negotiated by Franchisor with the Special Account. If Franchisee accepts the project, Franchisor will collect all amounts due from the Special Account and remit to Franchisee the amount due for products and services rendered Special Account, less the amount of Royalties and other fees due under this Agreement. All amounts collected from Special Accounts on Franchisee's behalf or by Franchisee from Special Accounts will be included in Franchisee's Gross Revenue to calculate Royalties and other fees due under this Agreement.

If Franchisee declines to accept the project, Franchisor will have the unfettered right to fulfill the contract requirements to the Special Account in the Territory in any manner it deems suitable, including through another FITOPIA Franchisee, a Franchisor or Affiliate-owned business, or a third-party contractor. Additionally, if at any time a Special Account for any reasonable requests that services in the Territory be provided by someone other than Franchisee, Franchisor may revoke Franchisee's option or right to provide or continue to provide the services and may fulfill the contract requirements of the Special Account in the Territory in any manner Franchisor deems suitable.

Acquisition of Competing System

If you are in compliance with the Franchise Agreement and we acquire a system of Competitive Businesses (an "Acquired Systems") during the term of the franchise agreement, we will offer you the option to purchase and operate as a FITOPIA Franchise, any unit of the Acquired Systems (an "Acquired Unit") that is both purchased by us for operation by us or our Affiliate (e.g., the unit will not be operated by a licensee of the Acquired Systems) and is located within your Territory. We shall provide you with written notice of our purchase of the Acquired Systems, the terms and conditions applicable to your option to purchase Acquired Units, and other information that we believe must be included in the notice. If you do not elect to purchase or fail to complete the purchase of an Acquired Unit within two (2) months after notice, we can operate through an Affiliate or third-party licensee, the Acquired Unit under any trade name or trademark other than FITOPIA Marks. You have no right to purchase, and we are not obligated to offer you any option to purchase any Acquired Unit that a licensee operates under the Acquired Systems. We may license such units to be operated under any trade name or trademarks other than FITOPIA Marks. We may also license additional units of the Acquired Systems to be developed and operated within your Territory.

If you are in good standing under the Franchise Agreement and meet our financial qualifications, you may request that we sell you another FITOPIA franchise. We reserve the right to determine whether to sell you another franchise. If you buy an additional franchise, it will be under the then-current form of the Franchise Agreement and other applicable agreements that may differ from those described in this disclosure document.

Your Franchise Agreement does not give you any other options, rights of first refusal, or similar rights to acquire additional franchises within the territory or contiguous territories. We may establish another franchise or company-owned location in the Territory if you fail to comply with the Franchise Agreement or fail to achieve $8,000 per month within 1 year of the opening of the Franchised Business and $12,000 per month within 2 years of the opening of the Franchised Business, and every month thereafter. Except as disclosed in Item 12, no other circumstances permit us to modify your territorial rights.

Area Development Program

The Development Area Territory is determined as mutually agreed upon by you and us and outlined in the Area Development Agreement when signing the Area Development Agreement.

While the Area Development Agreement is in effect, provided that you open and operate FITOPIA Franchised Businesses per the Development Schedule and the minimum number of Franchises that you have open and operating in the Development Area at any given time is not less than the minimum required according to the Development Schedule, we will not operate, or license any person other than you to operate, a FITOPIA Franchised Business under the Marks and the System within the Territory. You will receive a protected Area Development territory.

We reserve the right to own, acquire, establish and operate, and license others to establish and operate businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, outside the Development Area; acquire a system of Competitive Businesses with units located within your Development Area or outside the Development Area; sell the services and products authorized for FITOPIA Franchised Business using the Marks or other trademarks, service marks and commercial symbols through alternate channels of distribution, venues; site or location models other than the Model Concept of your Franchised Business, including such as a storefront, brick, and mortar, co-branded, pop-up, virtual, or mobile outlets; joint marketing with partner companies; direct mail; catalog sales; internet sites; and co-branding strategies, pursuant to such terms and conditions as Franchisor deems appropriate; advertise, promote, market or sell goods or services using the FITOPIA Marks over the internet, the World Wide Web or any other electronic network; offer and sell the services and products authorized for Franchised Business using the FITOPIA Marks or other trademarks, service

marks and commercial symbols to Special Accounts; own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, in Special Venues.

We do not select the Site for any additional franchises under your Area Development Agreement. We generally do not own the premises or lease sites to the Franchised Businesses under the Area Development Agreement. We approve the Sites for each additional Franchised Businesses under the Area Development Agreement. For your Site, we provide building specifications for your real property space, we review your design plans, and you must obtain a feasibility study prepared by a qualified third party for the additional Sites of your Franchised Businesses.

The typical time between signing the Franchise Agreement, or the first payment of consideration for the Area Development Agreement, and opening the franchised business varies. However, you should be able to commence operation within an additional 12 months for each additional franchise business after signing as required by the Area Development Agreement. Factors affecting this time period include how long it takes to complete any modification of your FITOPIA Site, completion of financing arrangements, compliance with local ordinances, obtaining permits, and obtaining and installing equipment. If you fail to adhere to the Development Schedule, we may terminate the Area Development Agreement, and all of your territorial rights will be eliminated. We otherwise will not change the size of your Development Area. Your Area Development Agreement does not give you any other options, rights of first refusal, or similar rights to acquire additional franchises within the territory or contiguous territories. If a default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement, we may terminate your Area Development Agreement. However, a default under the Area Development Agreement is not cause for termination of any existing Franchise Agreement.

ITEM 13.
TRADEMARKS

Our trademark, FITOPIA (the "Mark"), is registered with the United States Patent and Trademark Office (the "Trademark Office") on the registry as stated below:

Mark	Registration Number	Registration Date
FITOPIA	6258216	January 26, 2021

We have filed all required affidavits and renewals with respect to these registrations.

The trademark is owned by our affiliate, Kinetic Output Fitness, LLC. We have a perpetual license agreement to use and franchise the trademarks, which may only be terminated upon our dissolution. In such an event, you may lose your right to use the trademark.

There are no currently effective material determinations of the Trademark Office, the Trademark Trial and Appeal Board, any other trademark administrator, or any court, pending interference, opposition, cancellation proceedings, or any pending material litigation involving the Marks.

We do not know of any prior rights that could materially affect the franchisee's use of the principal trademark. Currently, no agreements significantly limit our rights to use or license the use of the Marks in any manner material to the franchise. We are unaware of any infringing uses of the Marks that could materially affect your use.

Your use of the FITOPIA Marks is limited to use in connection with the operation of your FITOPIA Franchised Business as described in the Franchise Agreement and as outlined in the FITOPIA Operating

Manual. You must promptly notify us of any use of the FITOPIA Marks or any colorable variation by any person or legal entity or any litigation instituted by any person or legal entity against you or us involving the FITOPIA Marks. We will control any litigation or proceeding. We are not required to defend the FITOPIA Marks. If we undertake the defense, prosecution, or settlement of any litigation relating to the FITOPIA Marks, you agree to assist as necessary to carry out such defense, prosecution, or settlement. We retain the right to modify or discontinue the Mark(s). We are not required to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us or if the proceeding is resolved unfavorably. You shall, upon demand by us, modify or discontinue the use of FITOPIA Mark(s), at your sole cost and expense, any Mark(s), as directed by us. We are not required to reimburse or compensate you for any modification or discontinuation of the Marks.

If any party demonstrates to us a superior right to use any of the FITOPIA Marks, you shall, upon demand by us, discontinue the use of such FITOPIA Mark(s) and adopt, at your sole cost and expense, any Mark(s), if any, selected by us to replace such discontinued Mark(s).

You shall not use any of the FITOPIA Marks or any derivative or a colorable variation thereof: (i) as part of your corporate or other legal names; (ii) on or as part of any Web Site, domain name, URL, web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the internet, World Wide Web, internet service providers, electronic mail services, communication providers, search engines, or other similar services (without our prior written consent); (iii) with any prefix, suffix (including, but not limited to, the word "Inc."), or other modifying words, terms, designs, or symbols; or (iv) in any modified form. Franchisee shall not register any of the Marks, or any derivative or a colorable variation thereof, as a service mark, trademark, or internet domain name, or hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as could reasonably result in making Franchisor liable therefore or that may harm, tarnish, or impair Franchisor reputation, name, services, or Marks. The provisions of this paragraph shall survive the expiration, termination, or cancellation of this Agreement.

ITEM 14.
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no pending patent applications or registrations material to the franchise. We do not own any patents material to the franchise. We do not own any copyright registration material to the franchise. We do have unregistered copyrights in the FITOPIA Operating Manual, and all printed, audiovisual, and other materials developed and distributed for use by our franchisees or us (collectively called the "Proprietary Information"). Information not protected by copyright but confidential to us, such as information about our methods, policies, and marketing programs, is also part of the Proprietary Information.

The Operating Manual, operating methods, business procedures, and all client information, including names, addresses, and financial information, are confidential and proprietary. The Proprietary Information is our trade secret. You may not use this information in any other business or in any other way not authorized by us in writing.

There are no material determinations of the United States Patent and Trademark Office, the United States Copyright Office, or a court regarding our copyright materials.

You must promptly notify us of any infringement of the FITOPIA copyright-protected materials, Operating Manual, advertising materials, and other proprietary documents by any person or legal entity or any litigation instituted by any person or legal entity against you or us involving the FITOPIA copyright-protected materials, Operating Manual, advertising materials, or other proprietary documents. We will control any litigation or proceeding. We are not required to defend the FITOPIA copyright-protected materials, Operating Manual, advertising materials, or other proprietary documents. If we undertake the defense, prosecution, or settlement of any litigation relating to the FITOPIA copyright-protected materials,

Operating Manual, advertising materials, or proprietary documents, you agree to assist as necessary to carry out such defense, prosecution, or settlement. We are not required to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the FITOPIA copyright-protected materials, Operating Manual, advertising materials, or other proprietary documents or if the proceeding is resolved unfavorably to you.

We retain the right to modify the FITOPIA copyright-protected materials, Operating Manual, advertising materials, and other proprietary documents. Upon demand by us, you shall discontinue the use of FITOPIA copyright-protected materials, Operating Manual, advertising materials, or other proprietary documents at your sole cost and expense, as directed by us. We are not required to reimburse or compensate you for any modification or discontinuation of the FITOPIA copyright-protected materials, Operating Manual, advertising materials, or proprietary documents.

We have no actual knowledge of superior prior rights or infringing uses of the FITOPIA copyright-protected materials, Operating Manual, advertising materials, or other proprietary documents that could materially affect your use of such copyrights or proprietary information. You will not acquire any interest in the Proprietary Information. All Proprietary Information must be returned to us immediately upon the termination of the Franchise Agreement for any reason. The Proprietary Information is disclosed to you solely on the condition that you (1) will not use it in any other business or capacity; (2) will maintain the absolute confidentiality of the information during and after the term of your Franchise Agreement; (3) will not make unauthorized copies of any portion of the Operating Manual or any other written communication from us; (4) will not disclose or duplicate any part of the Proprietary Information other than disclosure to an employee of the franchised business to the extent necessary to do his or her job; and (5) will adopt and implement all reasonable procedures we may require preventing unauthorized use or disclosure of the information, including restrictions on disclosure of the information to employees of the franchised business and the use of nondisclosure and non-competition clauses in employment agreements. All shareholders, officers, directors, partners, and members of the franchise are presumed to have access to Proprietary Information and must sign a Nondisclosure and Noncompetition Agreement to maintain the confidentiality of the Proprietary Information and conform to the noncompetition covenants.

You must inform us in writing if anyone breaches the Nondisclosure and Noncompetition Agreement or any other violation of the obligations regarding any of the Proprietary Information or if you learn about any improper use of any of it.

If we require you to modify or discontinue using the subject matter covered by the patent or copyright. In that case, we are not required to reimburse or compensate you for the modification or discontinuation.

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

You must maintain a designated full-time on-premise manager of the franchised business who we approve devotes his/her full-time, and energy to the operation of the Franchised Business and successfully complete the initial training program to our satisfaction. The designated on-site manager must sign a confidentiality, non-solicitation, and non-competition agreement in a form that is satisfactory to us. The manager need not have an ownership interest in the franchise. No individual franchisee or any shareholder, partner, member, or other owner of a business entity franchisee may compete with us or own an interest in any competitor of ours anywhere during the term of your Franchise Agreement or within 25 miles of any FITOPIA franchise territory for two years after the expiration or termination of your Franchise Agreement.

You are not required or obligated to participate personally in the direct operations of the Franchised Business; however, we strongly recommend that you do so. You and each shareholder, partner, member, and other equity owners of the franchise, and each individual shareholder, partner, member, and other equity

owners of any shareholder, partner, member, and other equity owners that is itself a business entity, must personally guarantee all of the franchisee's obligations and performance under the Franchise Agreement.

To prevent any interruption of the Franchised Business that may cause harm to the Franchised Business and to the FITOPIA system and lessen their value, we may step in to operate the Franchised Business when we deem necessary. Reasons may include our determination that you: are incapable of operating the franchise; are absent or incapacitated because of illness or death; have failed to pay when due any taxes or assessments against the franchise or property used in connection with the franchise; have failed to pay when due any liens or encumbrances of every kind placed upon or against your business property; or we decide that operational problems require us to operate the franchise for a time.

All Revenue derived from our operation of the Franchised Business will be for your account. We may pay all expenses, debts, and liabilities incurred during our franchise business operation from that Revenue. We will keep account of all Revenue generated by the operation of the Franchised Business, less the business's expenses, including reasonable compensation and expenses for us and our representatives.

ITEM 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are permitted to sell only goods or services approved by us. You must offer and sell all products and services, only those products and services authorized by us and specified in the FITOPIA Operating Manual or as designated in writing by us (the "Permitted Products and Services"). Without limit, we have the right to change, add and delete products or services to or from the FITOPIA Permitted Products and Services at any time. We may also designate any products or services as optional.

You may only sell and accept orders from the Site and only advertise, solicit, and offer to sell within the Territory unless we give you written consent to serve another specified area where no other FITOPIA franchise or company-owned unit is located. If you are granted consent to service another specified area, you shall be obligated to pay us royalty fees and other fees for the services performed or products sold. You do not have the right to use other distribution channels such as the internet, catalog sales, telemarketing, or other direct marketing unless we give you written consent.

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 Agreement	Summary
a. Term of the franchise	Section 2(A)	10 years from the date that we signed the Franchise Agreement.
b. Renewal or extension of the term	Section 2(B)	Upon the expiration of the initial term or any renewal term of the Franchise Agreement, you may, at its option, renew the Franchise Agreement for an additional term of 10 years (the "Successor Franchise"), provided that at the end of each term you meet conditions listed including paying a Successor Fee.

Provision	Section in Franchise Agreement	Summary
c. Requirements for you to renew or extend	Section 2(B)	Renew means upon the expiration of your Franchise Agreement; you may sign an agreement with materially different terms and conditions from the original franchise agreement for an additional 10 years term. The other agreement you must sign to renew may have materially different terms and conditions from the original franchise agreement. In order to renew, we must be offering FITOPIA Franchises; you must give us written notice between 6 months to 1 year, prior to the end of the term; you must not be in default under any provision of The Franchise Agreement or any other agreement between you and our affiliates, approved suppliers of the FITOPIA System, or the lessor of your FITOPIA Site, and has substantially complied with all of the terms and conditions of Franchise Agreement; you have the right to remain in possession of your FITOPIA Site, or a suitable substitute location that is approved by us and meets our then-current specifications and standards, for the entire term of the Successor Franchise; you must refurbish your FITOPIA Franchised Business to conform to the then-current FITOPIA trade dress, color schemes, and presentation of the Marks and FITOPIA Systems Standards; you must sign the then-current FITOPIA franchise agreement terms of which may differ from the terms of the Franchise Agreement; you must pay us a Successor Franchise Fee of $12,500 or 25% of the then-existing Initial Franchise Fee, whichever is greater; and you must comply with then-current FITOPIA qualifications and training requirements. When renewing, you may be asked to sign a contract with materially different terms and conditions then your original contract.
d. Termination by you	Section 17(A)	We will be considered in default of the Franchise Agreement if we breach any material obligations of the Franchise Agreement and fail to cure the default within 60 days of written notice from you, subject to state law.
e. Termination by us without cause	Not applicable	
f. Termination by us with cause	Section 17(B)	We can terminate only if you default.
g. “Cause” defined -- defaults which can be cured	Section 17(B)	We may elect to terminate your FITOPIA Franchise Agreement if you fail to pay, when due, any sum required to be paid under the Franchise Agreement or any other agreement between us after written notice and ten (10) days opportunity to cure; or if you fail to perform, or the breach, any other provision of your FITOPIA Franchise Agreement or any other agreement or instrument between us; or you fail to operate the Franchised Business in full compliance with the Franchise Agreement, the FITOPIA Operating Manual, or FITOPIA System Standards, or fail

Provision	Section in Franchise Agreement	Summary
		to cure any such breach within thirty (30) days from notice of the breach.
h. "Cause" defined defaults which cannot be cured	Section 17(B)	We may elect to terminate your FITOPIA Franchise Agreement, without opportunity to cure if you fail to locate and secure a Site and get approval with the terms of the Site Selection Addendum or fail to open the Franchised Business within the time limits prescribed by the Franchise Agreement; you fail to satisfy all of the training obligations on three (3) or more separate occasions within any period of twelve (12) consecutive months; you fail to submit reports or other information or supporting records when due or otherwise fail to comply with the Franchise Agreement, whether or not such failures to comply are corrected after notice; you fail to operate your FITOPIA Franchised Business for more than two (2) consecutive days, or otherwise abandon the Franchised Business; you provide for offers or sales of any Permitted Products and Services at or from a location that is within the franchise territory of another FITOPIA franchisee (except as expressly stated in this Agreement, the Operating Manual, or any other written agreement between Franchisor and Franchisee), or otherwise infringes upon rights granted by us under franchise agreements with other franchisees of Franchisor; you fail to achieve or exceed the Minimum Performance Standards for two (2) consecutive calendar years; you fail to achieve or exceed System Standards in two (2) inspections in any twenty four (24) month period; you are declared bankrupt or insolvent or you are the debtor in a voluntary or involuntary bankruptcy proceeding under the U.S. Bankruptcy Code; a receiver is appointed for you or for any part of your property, or you make any assignment for the benefit your creditors, if not dismissed within fifteen (15) days; you lose the right to possession of the premises upon which the Franchised Business is located, or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located; Franchisee fails, for a period of ten (10) days after receipt of notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business; you make any transfer or attempted transfer that fails to comply with this Agreement; the Franchised Business is seized, taken over or foreclosed by a government official in the exercise of his duties, or seized, taken over or foreclosed by a creditor, lien holder or lessor; a final judgment against you remains unsatisfied for thirty (30) days (unless superseded as or other appeal bond has been filed), or a levy of execution has been made upon the franchise granted by this Agreement or upon any property

Provision	Section in Franchise Agreement	Summary
		used in the Franchised Business that is not discharged within five (5) days of such levy; any conduct or activity by you or any of your Principals, directors, or officers that Franchisor believes is reasonably likely to have an adverse effect or reflect unfavorably on the Franchised Business, us, the FITOPIA System, the Marks, or the goodwill associated; you knowingly maintain false books or records, or knowingly submit any false reports to us, or knowingly understate your Gross Revenue reported to Franchisor; any threat or danger to public health or safety resulting from the construction, maintenance, or operation of the Franchised Business, and you have not immediately commenced actions to cure the problem or have not promptly cured or corrected the problem or activity that gave rise to the threat or danger; you make or attempt to make any transfer or assignment of the Franchised Business, Franchise business assets, rights under the Agreement, or ownership the Franchised Business contrary to the Franchise Agreement; or you or any of your Principals violate any of the Covenants of the Franchisee, commit an infringement of the Proprietary Marks, or communicate, divulge, or use Confidential Information contrary to the Franchise Agreement.
i. Your obligations on termination or nonrenewal	Article 20	Upon the termination, you must: cease to operate your Franchised Business and not hold itself out as a present or former FITOPIA franchisee of Franchisor; cease to use the FITOPIA System or FITOPIA Marks; make modifications to the Franchised Business Site to prevent the operation of any business on the Site that might be deemed substantially similar to the FITOPIA Franchised Business; at our option, assign to us (i) telephone numbers of the Franchised Business and all related Yellow Pages, White Pages, and other business listings, and (ii) Web Sites, web pages, listings, banners, URLs, advertisements, or any other services and links, and sell us the assets of the Franchised Business; turn over the FITOPIA Operating Manual, records, customer and other files, instructions, correspondence, and software provided and/or licensed by us; cancel any assumed name or equivalent registration that contains the FITOPIA Marks; pay all sums due and owing to us; obtain and maintain professional liability or errors and omissions insurance and general liability insurance for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Business is located; appoint us as the true and lawful attorney-in-fact and agent for Franchisee to carry out Franchisee obligations under the terms of termination.
j. Assignment of contract by us	Section 16(A)	We have the right to transfer or assign all or any part of our rights and/or obligations to any person or legal entity.

Provision	Section in Franchise Agreement	Summary
k. "Transfer" by you definition	Section 16(B)	A transfer includes any sales assignment, transfer, convey, give away, pledge, mortgage, or encumbrance of any interest therein or in Franchise or Franchisee assets.
l. Our approval of transfer by franchisee	Section 16(B)	We have the right to approve all transfers but may not unreasonably withhold consent.
m. Conditions for Fitopia Franchising LLC approval of transfer	Section 16(B)	All outstanding obligations related to the Franchised Business must be paid, and the transferor's right to receive compensation must be subordinated and secondary to our rights. The transferee must sign a written assumption; the transferee must meet FITOPIA standards; the transferee must sign a then-current FITOPIA franchise agreement and other ancillary agreements; the transferee must successfully complete FITOPIA initial training, and you or the transferee must pay a transfer fee.
n. Our right of first refusal to acquire your business	Section 16(D)	We have the right, exercisable by written notice to you, to purchase such rights or interests for the price and on the terms and conditions of any offer for your Franchised Business, except we may substitute equivalent cash for any form of payment proposed in such offer. Any purchase by us must be completed within ninety (90) days after your receipt of our written notice. If we do not exercise our right of first refusal, you may complete the sale of interest to the bona fide purchaser, subject to our approval; however, if the sale to the purchaser is not completed within one hundred twenty (120) days after the delivery of the offer to us, we will again have the right of first refusal.
o. Our option to purchase your business	Section 20(8)	Upon termination or expiration of your Franchise Agreement, at our option (to be exercised within thirty (30) days after termination), you must sell to us any or all of the furnishings, equipment, signs, fixtures, supplies, or inventory related to the operation of your Franchised Business, at the depreciated book value.
p. Your death or disability	Section 16(E)	Must transfer to an approved 3rd party within 6 months, subject to all conditions except the transfer fee.
q. Noncompetition covenants during the term of the franchise	Section 19(A)(3)	No involvement in a competing business; cannot assist or deal with a competing business; cannot infringe on another franchisee's territorial rights.
r. Noncompetition covenants after the franchise is terminated or expires	Section 19(B)	No involvement in a competing business for 2 years in or within 25 miles of any FITOPIA; no solicitation of customers of your franchise for 2 years, subject to state law.
s. Modification of the agreement	Section 22(A)	The Agreement may not be modified or amended except by a written instrument signed by each of the parties hereto, expressing such amendment or modification.
t. Integration/merger clauses	Section 22(A)	The Agreement, together with the exhibits attached hereto, constitutes the entire Agreement between the parties hereto and supersedes any prior agreements between such parties except those disclosures included in the Franchisor's now current Franchise Disclosure Document.

Provision	Section in Franchise Agreement	Summary
		Any representations or promises outside the Franchise Disclosure Document and other agreements may not be enforceable. Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representation made in this Franchise Disclosure Document. Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	
v. Choice of forum	Section 22(D)	Any and all suits, actions, or other proceedings concerning, arising out of, or in connection with this Agreement shall be litigated in courts having a situs within Butler County, Ohio (subject to applicable state law).
w. Choice of law	Section 22(D)	The state of Ohio (subject to applicable state law).

A provision in your Franchise Agreement or Area Development Agreement that terminates the franchise on your bankruptcy may not be enforceable under federal bankruptcy law.

Area Development Relationship

Provision	Section in Area Development Agreement	Summary
a. Term of the franchise	Article 6	The term ends in accordance with the Development Schedule.
b. Renewal or extension of the term	Not applicable	Not applicable
c. Requirements for you to renew or extend	Not applicable	Not applicable
d. Termination by you	Not applicable	Not applicable
e. Termination by us without cause	Not applicable	Not applicable
f. Termination by us with cause	Section 7	We can terminate only if you default. We can terminate the Area Development Agreement if the Franchise Agreement is terminated. Termination of the Area Development Agreement is not cause for terminating the Franchise Agreement.
g. "Cause" defined defaults which can be cured	Not applicable	Not applicable
h. "Cause" defined defaults which cannot be cured	Section 7(A)	We may terminate the agreement if you fail to pay any initial franchise fee or execute any Franchise Agreement by any Fee Deadline specified in the Development Schedule; you fail to have opened and maintained in

Provision	Section in Area Development Agreement	Summary
		continuous operation the minimum number of FITOPIA Franchised Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule; if a default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or you breach or otherwise fail to comply fully with any other provision contained in this Area Development Agreement or any other agreement between the Franchisor and/or its Affiliates. However, a default under the Area Development Agreement is not cause for termination of any existing Franchise Agreements.
i. Your obligations on termination or nonrenewal	Not applicable	Not applicable
j. Assignment of contract by us	Section 8(A)	We have the right to transfer or assign all or any part of our rights and/or obligations to any person or legal entity.
k. "Transfer" by you – definition	Section 8(B)	A transfer includes any voluntary or involuntary sale, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest voluntarily or involuntary therein or in Franchisee or Franchisee assets.
l. Our approval of transfer by franchisee	Section 8(B)	We have the right to approve all transfers but may not unreasonably withhold consent.
m. Conditions for Fitopia Franchising LLC approval of transfer	Section 8(B)	All outstanding obligations related to the Franchised Business must be paid; the transferor's right to receive compensation must be subordinated and secondary to our rights. The transferee must sign a written assumption, meet FITOPIA standards, and you or the transferee must pay a transfer fee.
n. Our right of first refusal to acquire your business	Section 8(C)	If we elect to purchase an interest under a bona fide offer, the closing will occur within 90 days after the date of our notice to the seller electing to purchase the interest. If we do not elect to purchase such interest within the 30-day period, you may sell or transfer their offered interests to a third party, provided that such sale or transfer: (i) is made within 90 days after we give notice of its election, (ii) is made at a price and on the same material terms as those offered to us, and (iii) is made in full compliance with all applicable requirements of this Agreement.
o. Our option to purchase your business	Not applicable	Not applicable
p. Your death or disability	Not applicable	Not applicable
q. Noncompetition covenants during the term of the franchise	Section 9(c)	No involvement in a competing business; cannot assist or deal with a competing business; cannot infringe on another franchisee's territorial rights.
r. Noncompetition covenants after the	Section 9(B)	No involvement in a competing business for 2 years in or within 25 miles of any FITOPIA; no solicitation of customers of your franchise for 2 years.

Provision	Section in Area Development Agreement	Summary
franchise is terminated or expires		
s. Modification of the agreement	Section 10(B)	The Agreement may not be modified or amended except by a written instrument signed by each of the parties hereto, expressing such amendment or modification.
t. Integration/merger clauses	Section 10(B)	The Agreement, together with the exhibits attached hereto, constitutes the entire Agreement between the parties hereto and supersedes any prior agreements between such parties except those disclosures included in the Franchisor's now current Franchise Disclosure Document. Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representation made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not applicable
v. Choice of forum	Section 10(E)	Any and all suits, actions, or other proceedings concerning, arising out of, or in connection with this Agreement shall be litigated in courts having a situs within Butler County, Ohio (subject to applicable state law).
w. Choice of law	Section 10(E)	The state of Ohio (subject to applicable state law)

A provision in your Area Development that terminates the agreement on your bankruptcy may not be enforceable under federal bankruptcy law.

ITEM 18.
PUBLIC FIGURES

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

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 a possible performance at a particular location or under circumstances.

The below financial performance representation is based on the historical performance of the two outlets that operated during the entire 2024 calendar year. We only had two outlets, one Company-Owned and one franchised that operated during this period. We have no other outlets currently operating. The representation is based on date provided to use by the operating outlets and has not been independently verified by an accountant or by our management team. Except as disclosed below, both outlets operate similar to the outlets we offer in this disclosure document.

Written substantiation for the financial performance representation will be available upon a reasonable request.

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

The notes included beneath each table are integral to the table and to providing the context for the data presented.

Table 1

Below is the Revenue and Certain Expenses for calendar year 2024 of our two outlets.

Calendar Year 2024		
	Franchised Outlet	**Company-Owned Outlet**
Gross Revenue	$352,356	$253,535
Operating Expenses		
Rent	$48,001	$62,473
Salary & Trainer Wages	$39,933	$74,581
Local Marketing	$20,000	$14,318
Payment Processing Fees	$12,333	$13,335
Other Operating Expenses	$11,976	$12,049
Total Revenue minus Operating Expenses	**$215,321**	**$76,779**
Franchise Fees		
Royalties (7% of Gross Revenue)	$24,665	$17,747
Technology Fee	$12,000	$12,000
EBITDA	**$183,448**	**$47,032**
EBITDA Margin	**52%**	**19%**

Notes to table above:

- The Franchised Outlet operates as an owner-operator and, in addition to administering the business, conducts about 60% of the training sessions with clients. The Franchised Outlet paid us $4,200 ($350 per month) for Equipment Insurance Fee, which is included in the "Other Operating Expenses" herein but which we no longer assess, as of January 2025.

- The Company-Owned Outlet is operated with a manager running the location and models a semi-absentee ownership approach.

- Neither outlet paid into the National Advertising Fund because one has not been developed, if they had paid into it the contemplated 2% of Gross Revenue, the Franchised Outlet would have paid $7,047, and the Company-Owned Outlet would have paid $5,070.

Table 2

The below tables represent the Average Monthly Client Value for our outlets for calendar year 2024.

	Franchised Outlet	Company-Owned Outlet
Monthly Client Value - Average	$284.19	$253.34
Monthly Client Value - Median	$285.49	$251.00
Monthly Client Value - High	$295.29	$267.09
Monthly Client Value - Low	$270.85	$248.53
# Months that met or exceeded the Average	8	5
Total number of months	12	12

Notes to the table above:

- The term "Monthly Client Value" is defined as the monthly revenue derived from membership clients divided by the number of members for each month.

Tables 3 and 4

The below tables demonstrate the breakdown of membership types and membership terms for clients of our outlets.

Membership Types	Franchised Outlet	Company-Owned Outlet
Packs (1-time purchases of classes)	0%	2%
Traditional (1 class per week)	18%	41%
Elite (2 classes per week)	64%	54%
Ignite (3 classes per week)	18%	3%

Membership Terms	Franchised Outlet	Company-Owned Outlet
Month-to Month Memberships	3%	2%
6-Month Memberships	73%	39%
12-Month Memberships	24%	59%

Other than the preceding financial performance representation, Fitopia Franchising LLC does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Bharat Kakar at 4794 Redbank Expressway, Cincinnati, Ohio, 45227 or by telephone at 614.425.2580, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEMWIDE OUTLET SUMMARY
For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2022	0	0	0
	2023	0	1	+1
	2024	1	1	0
Company-Owned	2022	2	2	0
	2023	2	1	-1
	2024	1	1	0
Total	**2022**	**2**	**2**	**0**
	2023	**2**	**2**	**0**
	2024	**2**	**2**	**0**

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(Other than Franchisor)
For Years 2022 to 2024

State	Year	Number of Transfers
Total	**2022**	**0**
	2023	**0**
	2024	**0**

Table No. 3
STATUS OF FRANCHISED OUTLETS
For Years 2022 to 2024

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
OH	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total	**2022**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**

Table No. 4
STATUS OF COMPANY-OWNED OUTLETS
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
OH	2022	2	0	0	0	0	2
	2023	2	0	0	0	1	1
	2024	1	0	0	0	0	1
Total	**2022**	**2**	**0**	**0**	**0**	**0**	**2**
	2023	**2**	**0**	**0**	**0**	**1**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**1**

Table No. 5
PROJECTED OPENINGS
As of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Indiana	0	2	0
Kentucky	0	1	0
Michigan	0	4	0
Ohio	0	3	0
Texas	0	6	0
TOTAL	**0**	**16**	**0**

A list of the names, addresses, and telephone numbers of all FITOPIA franchisees is attached to this disclosure document as Exhibit F. A list of the names, last known home addresses, and telephone numbers of every FITOPIA franchise which has had their 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 date of this disclosure document, is attached to this disclosure document as Exhibit F. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

A Franchise Advisory Council has not been established as of the date of this document.

As of the date of this disclosure document, there are no other trademark-specific franchisee organizations associated with the FITOPIA franchise system that we have created, sponsored, or endorsed, and there are no independent trademark-specific franchisee organizations that have asked to be included in our disclosure document.

ITEM 21.
FINANCIAL STATEMENTS

Our audited closing balance sheet as of December 31, 2024, December 31, 2023 and our unaudited balance sheet as of December 31, 2022, are attached to this disclosure document as Exhibit G.

The franchisor has not been in business for three years or more; and, therefore, cannot include all financial statements required by the FTC. Our fiscal year ends on December 31.

ITEM 22.
CONTRACTS

The following exhibits to this disclosure document are the contracts used by us in offering franchises:

Contract	Location in FDD
Franchise Agreement	Exhibit A
EFT Authorization Form	Attachment 3 to the FA
Site Selection Addendum	Attachment 4 to the FA
Lease Rider	Attachment 5 to the FA
Franchisee Compliance Questionnaire	Attachment 6 to the FA
Area Development Agreement	Exhibit B
Restrictive Covenant Agreement	Exhibit C
Power Of Attorney To Assign Telephone Number	Exhibit D

ITEM 23.
RECEIPT

The Receipt pages are attached as the last two pages of this disclosure document. You must sign the receipts to acknowledge your receipt of this disclosure document and return one copy to us. You should keep the other copy for your records.

EXHIBIT A

FRANCHISE AGREEMENT

Franchise Agreement

BETWEEN

FITOPIA FRANCHISING LLC

AND

_____

FRANCHISEE

_____

DATED

TABLE OF CONTENTS

Section		Page
1.	APPOINTMENT	1
2.	TERM AND RENEWAL	4
3.	INITIAL AND ONGOING FEES	6
4.	OPENING OF FRANCHISED BUSINESS	7
5.	TRAINING AND ASSISTANCE	8
6.	SYSTEM STANDARDS	9
7.	FRANCHISED BUSINESS OPERATIONS	12
8.	MANAGEMENT AND STAFFING	14
9.	COMMUNICATIONS AND INFORMATION SYSTEMS	15
10.	RECORDS AND REPORTS	17
11.	INDEMNIFICATION AND INSURANCE	18
12.	PROPRIETARY MARKS	19
13.	CONFIDENTIAL OPERATING MANUAL	21
14.	CONFIDENTIAL INFORMATION	21
15.	ADVERTISING	22
16.	TRANSFERABILITY OF INTEREST	27
17.	TERMINATION	30
18.	OBLIGATIONS UPON TERMINATION	33
19.	COVENANTS OF FRANCHISEE	35
20.	ENFORCEMENT	37
21.	INDEPENDENT CONTRACTOR AND INDEMNIFICATION	38
22.	MISCELLANEOUS	38

ATTACHMENTS

ATT 1. ---------- **FRANCHISEE-SPECIFIC TERMS**
ATT. 2 ----------**PERSONAL GUARANTY**
ATT. 3 ----------**EFT AUTHORIZATION FORM**
ATT. 4 ----------**SITE SELECTION ADDENDUM**
ATT. 5 ----------**RIDER TO LEASE AGREEMENT**
ATT. 6 ---------- **FRANCHISEE COMPLIANCE QUESTIONNAIRE**

FITOPIA

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement"), made by and between Fitopia Franchising LLC, an Ohio limited liability company (the "Franchisor"), and the person(s) or entity identified as the "Franchisee" on Attachment 1, on the date signed herein by the Franchisor (the "Effective Date").

W I T N E S S E T H:

WHEREAS Franchisor has dedicated time, skill, effort, and money to create and develop and continues to develop a system (the "System") for the establishment and operation of a distinctive type of business (referred to as a "FITOPIA" or "Franchised Business") that offers an Electrical Muscle Stimulation (EMS) based fitness in a studio setting. FITOPIA delivers personal training and classes using FDA-approved EMS equipment and methods; and

WHEREAS, the System consists of distinctive methods and procedures for marketing and advertising; specially designed business forms and procedures for the efficient operation of the Franchised Business; an operations manual (the "Operating Manual"); and specially designated equipment, techniques, and procedures for the promotion and provision of Franchisee's services; and

WHEREAS, Franchisor has invested substantial amounts of money in developing and continues to develop, use and control the use of the marks FITOPIA design, stylized, any derivatives thereof, and certain other trade names, business names, service marks, trademarks, logos, designs, and trade symbols (collectively referred to as the "Marks") to identify to the public the source of services marketed thereunder and through the FITOPIA System and to represent the FITOPIA uniform and high standards of quality; and

WHEREAS, the mark "FITOPIA" is registered/being with the United States Patent and Trademark Office. This registration engenders the exclusive right to use all of the Marks and any derivatives thereof in connection with the operation of the FITOPIA System, as are now or may from time to time be designated in writing for use in connection with the operation of the System, and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high standards of quality and service, the necessity of opening and operating the Franchised Business in conformity with Franchisor's standards and specifications as presented in Franchisor's Operating Manual and updates, and preserving the confidentiality of the System; and

WHEREAS, Franchisee has applied for a license to operate a FITOPIA Franchise. In reliance upon all of the representations made by Franchisee in the application and this Agreement, Franchisor has approved Franchisee's application;

NOW, THEREFORE, in consideration of the above Recital, which is incorporated herein as if fully rewritten, and the mutual promises contained herein, the parties agree as follows:

1. APPOINTMENT

A. Grant of Franchise

Franchisor grants to Franchisee the right to operate a Fitness Studio Franchised Business (the "Model Concept") under the System and the Marks and using the system standards set (referred to herein as "System Standards," which include the terms of this Agreement, the Operating Manual (as defined here), other directives provided by Franchisor) at the location (the "Site") and in the geographic area specified in the Site Selection Letter attached as Schedule A to Attachment 1, which thereby constitutes the collectively

Franchised Business Territory (the "Territory"). Franchisee is herein granted the right to only sell and accept orders from the Site and only advertise, solicit, and offer to sell within the Territory Permitted Products and Services (as defined herein) in accordance with this Agreement.

Franchisee shall not offer or perform services or sell products other than to only sell and accept orders from the Site and only advertise, solicit, and offer to sell within the Territory (referred to as "Outside Territory Activity") without Franchisor's prior written consent, which Franchise may give and withdraw as Franchisor deems appropriate, and which may be conditioned as Franchisor sees necessary or desirable. If Franchisor permits Outside Territory Activity, Franchisee must comply with all of the conditions and other requirements that Franchisor may, from time to time, specify in the Brand Standards Manuals or otherwise in writing with respect to such activities. Franchisor may at any time condition Franchisee's continued Outside Territory Activity on Franchisee's agreement to purchase the franchise rights for the territory in which the Outside Territory Activity is being performed. At any time upon our demand or upon notice from Franchisor that the territory in question has been assigned to another Franchised Business or affiliate or assignee of Franchisor, Franchisee agrees to immediately cease all Outside Territory Activity and to comply with Franchisor's procedures for the transition of customer accounts for that territory. Under no circumstances will Franchisor be liable to Franchisee for violations by other Franchised Businesses of our policies on Outside Territory Activity.

If a Site is not identified upon the signing of this Agreement, Franchisee shall execute a Site Selection Addendum (Attachment 4). Franchisee acknowledges and agrees that Franchisor's approval of the Site may, in part, be conditioned on Franchisee's and the Site landlord's execution of the Lease Rider, which is included herein as Attachment 5 or in another form acceptable to Franchisor. In any event, the Site of the Franchised Business must be secured by lease or other lawful rights of possession no later than 3 months. Time is of the essence. It is acknowledged and agreed that Franchisee's failure to secure a Site or Franchisor's failure to approve a Site within the aforementioned time is a material default of this Agreement, which may, among other things, be grounds for the termination of this Agreement.

Franchisee may not and is not granted the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Territory, or operate using other Model Concepts unless we give you written consent to serve another specified area where no other FITOPIA franchise or company-owned unit is located. Franchisee acknowledges and agrees to obtain the prior written consent of Franchisor before advertising, offering, or selling beyond the aforementioned grant herein. If Franchisee is granted consent to service another specified area, Franchisee covenants and agrees to be obligated to pay royalty fees and other fees to Franchisor for the services performed or products sold.

B. Franchisor Restrictions

Provided that Franchisee is in compliance with Agreement and Franchisee is not in breach of this Agreement, and so long as Franchisee meets the Minimum Performance Standards as set forth in this Agreement, subject to the limitation, and except as otherwise set forth herein, Franchisor shall not establish or franchise another to establish the same FITOPIA Model Concept under the FITOPIA Marks within the Territory during the Term of this Agreement. If, for any reason, the boundaries of the Territory are moved, altered, or eliminated, Franchisor shall re-define the boundaries of the Territory to correspond as nearly as possible, in Franchisor's discretion, to Franchisee's original Territory and Franchisor's decision shall be final and binding upon both Franchisor and Franchisee. Franchisor is not obligated to ensure that no other franchise will conduct operations in your Territory. Although such activities are discouraged, we reserve the right to determine how to respond to any such situation. Franchisor is not required to pay Franchisee any compensation for Franchisor or other franchisees soliciting or accepting orders in Franchisee's Territory. Under no circumstances will we be liable to you for violations by other Franchised Businesses of our policies on out-of-Territory sales and services.

C. Reserved Rights

Franchisor specifically reserves all rights not expressly granted to Franchisee in this Agreement. Without limiting the generality of the preceding sentence, Franchisor has the right to:

1. Own, acquire, establish, operate, and license others to establish and operate businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks outside the Territory.

2. Acquire a system of Competitive Businesses (as defined herein) with units located within the Territory or outside the Territory, subject to the provisions of this Agreement.

3. Establish or license another to establish a FITOPIA Model Concept, including but not limited to a storefront, brick and mortar, co-branded, pop-up, virtual, or mobile outlets that are different than the Franchised Business Model Concept within or outside the Territory under the FITOPIA Marks or other marks, trademarks, or services.

4. Sell or franchise others to sell the services and products authorized for FITOPIA Franchised Business using the Marks or other trademarks, service marks, and commercial symbols through alternate channels of distribution, venues, sites, or Model Concepts other than the Model Concept of the Franchised Business (including but not limited to storefront, brick, and mortar, co-branded, pop-up, virtual, or mobile outlets, joint marketing with partner companies, direct mail, catalog sales, internet sites, and co-branding strategies, pursuant to such terms and conditions as Franchisor deems appropriate.

5. Franchisor, its affiliates, or a franchisee or licensee may advertise, promote, market, or sell goods or services using the Marks over the Internet, the world wide web, or any other electronic network.

6. Offer and sell the services and products authorized for Franchised Business using the Marks or other trademarks, service marks, and commercial symbols to Special Accounts as defined and per the conditions set forth in this Agreement.

7. Own, acquire, establish, operate, and license others to establish and operate businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, in Special Venues as defined in this Agreement.

D. Special Venues

Franchisor, its affiliates, or a franchisee or licensee may own, acquire, establish and operate, and license others to establish and operate businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks in any temporary or permanent venue where there is a captive audience and where the primary purpose is other than patronizing a FITOPIA business (referred herein as a "Special Venue"), in the way of examples, but not an exhaustive list: malls, colleges, universities, entertainment, and sports centers, military bases, transportation facilities, medical and rehabilitation facilities within the Territory or outside of the Territory.

E. Special Accounts

The Franchisor has the exclusive right to contract with customers or third-party delivery carriers and/or vendors whose offices, stores, plants, buildings, or other physical facilities are not confined to the territory of a single FITOPIA territory or the trading area of a single Franchise, Franchisor-owned, or Affiliate-owned business (referred to herein "Special Accounts"). If Franchisor establishes a contract for facilities of

a Special Account located in the Territory, Franchisor shall offer Franchisee the first option of providing the services to the Special Account at those facilities in the Territory at the prices and subject to the contract requirements negotiated by Franchisor with the Special Account. If Franchisee accepts the project, Franchisor will collect all amounts due from the Special Account and remit to Franchisee the amount due for products and services rendered Special Account, less the amount of Royalties and other fees due under this Agreement. All amounts collected from Special Accounts on Franchisee's behalf or by Franchisee from Special Accounts will be included in Franchisee's Gross Revenue for purposes of calculating Royalties and other fees due under this Agreement.

If Franchisee declines to accept the project, Franchisor will have the unfettered right to fulfill the contract requirements to the Special Account in the Territory in any manner it deems suitable, including through other FITOPIA Franchisees, a Franchisor or Affiliate-owned business, or a third-party contractor. Additionally, if at any time a Special Account for any reasonable requests that services in the Territory be provided by someone other than Franchisee, Franchisor may revoke Franchisee's option or right to provide or continue to provide the services and may fulfill the contract requirements of the Special Account in the Territory in any manner Franchisor deems suitable.

F. Acquisition of Competing System

If Franchisee is in compliance with this Agreement and Franchisor acquires a system of Competitive Businesses (an "Acquired System") during the term of this Agreement, the following terms apply:

1. Franchisor shall offer Franchisee the option to purchase and operate, as a FITOPIA Franchise, any unit of the Acquired System (an "Acquired Unit") that is both purchased by Franchisor for operation by Franchisor or an Affiliate (e.g., the unit will not be operated by a licensee of the Acquired Systems) and is located within the Territory. Franchisor shall provide Franchisee with written notice of Franchisor's purchase of the Acquired System, the terms and conditions applicable to Franchisee's option to purchase Acquired Units, and such other information that Franchisor deems necessary to be included in the notice. The terms and conditions offered to Franchisee will include, without limitation, the following: (i) the purchase price of the unit; and (ii) the requirement that Franchisee enters into Franchisor's then-current form of the franchise agreement for the Acquired Unit provided that Franchisee shall not be required to pay an Initial Franchise Fee for an Acquired Unit. If Franchisee does not elect to purchase or fails to complete the purchase of an Acquired Unit within two (2) months after its receipt of the notice, Franchisor has the right to operate itself or through an Affiliate or third-party licensee, the Acquired Unit under any trade name or trademark other than the Marks.

2. Franchisee has no right to purchase, and Franchisor is not obligated to offer Franchisee any option to purchase any Acquired Unit that a licensee operates under the Acquired Systems. Franchisor may license such units to be operated under any trade name or trademarks other than the Marks and may also license additional units of the Acquired Systems to be developed and operated within the Territory.

2. TERM AND RENEWAL

A. Initial Term

Except as otherwise provided, the term of this Agreement shall be for a period of 10 years commencing on the date set forth on the cover hereof.

B. Renewal

Upon the expiration of the initial term or any renewal term hereof, Franchisee may, at its option, renew this Agreement for an additional term of 10 years (the "Successor Franchise"), provided that at the end of each term:

1. Franchisor is still offering Franchises at the time of each renewal period;

2. Franchisee has given Franchisor written notice of its election to renew not less than six (6) months, but not more than one (1) year, prior to the end of the preceding term;

3. Franchisee is not in default under any provision of this Agreement, any amendment or successor thereto, or any other agreement or instrument between Franchisee and Franchisor or its affiliates, approved suppliers of the System and had substantially complied with all of the terms and conditions of all such agreements during the then-current terms;

4. Franchisee has access to and the right to remain in possession of the Site or a suitable substitute location that is approved by Franchisor and meets Franchisor's then-current specifications and standards for the entire term of the Successor Franchise.

5. Franchisee shall refurbish the Franchised Business to conform to the then-current trade dress, color schemes, and presentation of the Marks and Systems Standards;

6. Within thirty (30) days after delivery to Franchisee of all agreements and documents required by Franchisor for renewal, Franchisee shall execute and tender to Franchisor the then-current form of the franchise agreement and all other agreements and contracts that are normally and customarily signed by franchisees for renewal, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, different royalty and National Advertising Contributions; provided; however, the agreement offered Franchisee upon renewal shall not require Franchisee to pay the initial franchise fee again;

7. Franchisee must pay Franchisor a Successor Franchise Fee of $12,500 or 25% of the then-existing Initial Franchise Fee, whichever is greater, at the same time that Franchisee gives Franchisor the written request required by this Section. If Franchisor refuses to grant Franchisee a Successor Franchise, Franchisor shall notify Franchisee of the refusal and refund the Successor Franchise Fee paid by Franchisee. The Successor Franchise Fee is not refundable under any other circumstances; and

8. Franchisee shall comply with Franchisor's then-current qualification and training requirements, including, without limitation, any training requirements specifically designated for renewing Franchisees.

C. Interim Term

If Franchisee does not execute a Successor Agreement before the expiration of the Agreement and Franchisee continues to operate the Franchised Business, then at Franchisor's option, this agreement may be treated either as (i) expired as of the expiration date, with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis (the "Interim Term") until terminated by either party with at least one month written notice. In the latter case, all of Franchisee's obligations will remain in full force and effect during the Interim Term as if this agreement had not expired, except the Royalty Fees, and all other fees shall be at the Franchisor's then-current rates and amounts plus an additional royalty equal to 2% of Gross Revenue, and all obligations and restrictions

imposed on Franchisee upon the expiration of this agreement will be deemed to take effect upon termination of the Interim Term. Except as described in this paragraph, Franchisee has no right to continue to operate the Franchised Business following the expiration of the Initial Term. If any applicable Franchise Law requires a longer notice period, the one-month period will be deemed modified to be the shortest notice period required by the Franchise Law.

3. INITIAL AND ONGOING FEES

A. Initial Franchise Fee

Franchisee shall pay Franchisor an initial franchise fee equal to $50,000 in cash or by check, money order, or bank draft. The initial franchise fee is fully earned, due, and payable to Franchisor upon the execution of this Agreement, in consideration of, among other things, the administrative and other expenses incurred by Franchisor in furnishing items to Franchisee as described herein and for Franchisor's lost or deferred opportunity to franchise to others. Except as provided below, the initial franchise fee is not refundable.

B. Startup Package Purchase

Upon signing the lease for your Site, you will purchase from us or our affiliate a package of equipment, technology, and inventory, which currently includes: 3 or 6 Machines (each "Machine" is a battery pack that sends impulses through a vest suit), 12 or 18 vest suits, 60 undergarments, 1 or 2 iPads for applications, and some miscellaneous supplies. We reserve the right to change the price and contents of the package at any time.

C. Royalty Fee

Following the commencement of the Franchised Business and in consideration of Franchisee's continued right to utilize the System and the Marks and Franchisor's ongoing assistance as described herein, Franchisee shall pay Franchisor, without offset, credit, or deduction of any nature, 7% of Gross Revenue each month after opening ("Standard Royalty") and when open 3 full calendar months, Standard Royalty or $500 per month ("Minimum Royalty"), whichever is greater, each and every month thereafter (the "Royalty Fee"). Royalty Fees are currently due and payable by the 10th of the month for the immediately preceding month. We may require you to pay the Royalty Fee on a weekly, bi-weekly, monthly, or other bases on thirty (30) days' prior notice to you based on Franchisee's Gross Revenue for the preceding calendar month. Franchisee shall also pay all federal, state, and local sales or use taxes that may be levied or assessed, in whole or in part, on the Royalty Fees payable to Franchisor, regardless of whether such taxes be assessed against or payable by Franchisor or Franchisee.

D. National Advertising Contributions

We have not created a National Advertising Fund and therefore do not currently collect a National Advertising Contribution (as defined herein). We reserve the right to develop a National Advertising Fund and provide that upon 30 days' notice, Franchisee shall contribute to such National Advertising Fund, without offset, credit, or deduction of any nature, as Franchisor may establish for advertising for the System, a National Advertising Contribution up to 4% of monthly Gross Revenue (the "National Advertising Contribution"). If we create a National Advertising Fund, we will we require you to pay 2% of monthly Gross Revenue. National Advertising Contributions are due and payable by the 10th of the month for the immediately preceding month. We may require you to pay the National Advertising Contribution on a weekly, bi-weekly, monthly, or other bases on thirty (30) days' prior notice to you based upon Franchisee's Gross Revenue for the preceding calendar month. Franchisee shall also pay all federal, state, and local sales or use taxes that may be levied or assessed, in whole or in part, on the National Advertising Contributions payable to Franchisor, regardless of whether such taxes be assessed against or payable by Franchisor or Franchisee.

E. Late Payments

Franchisee shall pay Franchisor a late fee of $100 plus interest at the rate of 18% for each Royalty Fee or National Advertising Contribution payment that is not received by Franchisor within five (5) days after the due date or the highest rate allowed by law, whichever is lower, from the date payment is due to the date payment is received by Franchisor, regardless of any subordinate agreement that may be in effect to postpone payment of fees.

F. Gross Revenue

The term "Gross Revenue," as used in this Agreement, shall mean all sales and other income (recognized on an accrual basis), whether cash or credit or barter for exchange (regardless of the collection in the case of credit), arising from the operation of the Franchised Business, less (i) all refunds and discounts made to customers in good faith and in accordance with Franchisor's policies, and (ii) any sales or excise taxes that are separately stated and that Franchisee may be required to and does collect from customers and pays to any federal, state, or local taxing authority.

G. Technology Fee

Franchisee shall pay Franchisor a Technology Fee, currently $1,000 per month, on the 10th of each month, without offset, credit, or deduction of any nature, for the use of the computer system software and applications. Franchisor may increase the Technology Fee upon a 30-day written notice to you. The Technology Fee shall not increase more than 10% annually for any of our proprietary software or applications. For any third-party software fee that we collect, the Technology Fee shall not be greater than 10% of the actual cost of the third-party software fees and expenses.

H. Method of Payment

Franchisee agrees to remit fees and any other amounts due to Franchisor hereunder via electronic funds transfer or other means as Franchisor may stipulate. Franchisee agrees to execute and deliver to Franchisor an authorization for the electronic transfer of funds (in the form attached hereto as Attachment 3 or such other form as Franchisor may accept for direct debits from Franchisee's business bank operating account and comply with procedures specified by Franchisor and perform such acts as may be necessary to accomplish payment by electronic fund transfer. Franchisee authorizes Franchisor to initiate debit entries and/or correction entries to a designated checking account for payment of royalties or any other fees and amounts payable to Franchisor, including, but not limited to, attorney fees and interest. The franchisee shall make funds available to Franchisor for withdrawal by electronic transfer no later than the due date for payment. If Franchisee has not timely reported Franchisee's Gross Revenue to Franchisor for any reporting period, then Franchisor shall be authorized to debit Franchisee's account in an amount equal to 125% of the Royalty Fees and other fees and amounts payable by Franchisee for the last reporting period for which a statement of operations was received from Franchisee. Nothing contained in this paragraph shall be construed to waive Franchisee's obligations to submit any reports, records, or other materials required by this Agreement or waive any remedy available to Franchisor for Franchisee's failure to make timely payments.

4. OPENING OF FRANCHISED BUSINESS

A. Site

The site for a FITOPIA Fitness Studio Franchised Business is a real property space. The Site must be approved by and meets Franchisor's then-current site requirements and is identified in Schedule A to Attachment 1 to this Agreement. Franchisee shall solely operate the Franchised Business from the Site.

Franchisee may relocate the Site of the Franchised Business so long the new Site meets Franchisor's then-current Site requirements and is approved by Franchisor, and Franchisee reimburses Franchisor for any costs and expenses incurred by Franchisor in the Franchised Business relocation.

B. Schedule of Equipment

Franchisor shall provide, at no charge to Franchisee, a schedule of all equipment necessary to operate the Franchised Business.

C. Franchisee Obligations

Franchisee shall comply with all federal, state, and local laws, codes, and regulations, including the applicable provisions of the ADA regarding the construction, design, and operation of the Franchised Business. If Franchisee receives any complaint, claim, or other notice alleging a failure to comply with the ADA, Franchisee shall provide Franchisor with a copy of such notice within five days after receipt thereof.

D. Opening Date

Franchisee shall complete all pre-opening requirements hereunder before opening the Franchised Business, and Franchisee shall open the Franchised Business, in accordance with the requirements contained herein, in the Operating Manual, and/or elsewhere in writing by Franchisor, not later than 12 months after the execution of this Agreement. Time is of the essence.

E. Notice and Franchisor's Final Inspection Approval

In connection with the opening of the Franchised Business, Franchisee shall provide at least thirty (30) days prior notice to Franchisor of the date on which Franchisee proposes first to open the Franchised Business for business. Franchisee agrees not to open Franchised Business without first obtaining Franchisor's final written inspection approval.

5. TRAINING AND ASSISTANCE

A. Initial Training

Prior to opening the Franchised Business, you and/or your Designated Manager and Personal Trainers shall attend and successfully complete, to Franchisor's satisfaction, the initial training program offered by Franchisor at a location designated by Franchisor. If any required attendee does not satisfactorily complete such training, Franchisor may require that a replacement person attends and successfully completes, to Franchisor's satisfaction, the initial training program.

Franchisee acknowledges that the grant of the franchise under this Agreement is conditioned upon the successful completion of Franchisor's initial training program by Franchisee or, if Franchisee is other than an individual, the Designated Manager. If during the initial training program or within fifteen (15) days thereafter, Franchisor concludes that Franchisee or the Designated Manager, as the case may be, has not exhibited the aptitude, abilities, or personal characteristics necessary or desirable to successfully operate a FITOPIA Franchised Business per the standards and procedures of the FITOPIA Methods and the System, Franchisor may, in its sole discretion and judgment, cancel this Agreement and all rights hereunder by giving notice to Franchisee. Upon the cancellation of this Agreement pursuant to this paragraph, Franchisee shall return to Franchisor the Operating Manual and all other materials, information, and other items that Franchisee received from Franchisor, including all copies thereof and notes thereon. Franchisee agrees to maintain the confidentiality of all information strictly received relating to the FITOPIA Method and not to use, in connection with the offering or selling of fitness classes and personal training, or similar business, any trade secrets or confidential information obtained from Franchisor.

B. Training of Replacement Personnel

If Franchisee's Designated Manager or Franchised Business Manager ceases active employment in the Franchised Business, Franchisee shall designate a new Designated Manager who meets Franchisor's then-current training requirement and is approved by Franchisor within a reasonable amount of time after the cessation of such former Designated Manager's employment, but no later than forty-five (45) days. Franchisor reserves the right to review any Franchisee-trained personnel and require that such persons attend and complete, to Franchisor's satisfaction, the initial training programs offered by Franchisor at a location designated by Franchisor.

C. Ongoing Training.

Franchisor may also require that Franchisee (and/or its Designated Manager), employees, and contractors attend such refresher courses, seminars, and other training programs as Franchisor may reasonably require from time to time.

D. Annual Meeting

Franchisor may require Franchisee (or if Franchisee is other than an individual, the Designated Manager) to attend a regional or national meeting of FITOPIA franchisees at a location within the United States designated by Franchisor. Franchisor reserves the right to charge Franchisee a fee for such meetings. This provision shall not be construed to require Franchisor to hold, provide, sponsor, host, or organize any such meetings.

E. Continuing Assistance

Franchisor will provide Franchisee, at no charge to Franchisee, periodic and continuing advisory assistance with technical, operational, sales, personnel, accounting, or other issues affecting the day-to-day operation of the Franchised Business in such manner and frequency as Franchisor deems advisable.

F. Training Costs

For all training courses, seminars, and programs, Franchisor shall provide instructors and training materials, provided that Franchisor reserves the right to charge a fee for a refresher, remedial, and additional training it provides. Franchisee shall bear the cost of all other expenses for its attendees during the training period, including, without limitation, the costs of transportation, lodging, meals, wages, and workers' compensation insurance.

6. SYSTEM STANDARDS

A. Standards

Franchisee acknowledges and agrees that every detail of the System is essential, not only to Franchisee but also to Franchisor, and other FITOPIA franchisees, to develop and maintain high and uniform operating standards, to increase the demand for the products and services offered by all franchisees, to establish and maintain a reputation for uniform, efficient, high-quality products and services, and to protect the goodwill of all FITOPIA franchises. Franchisee further acknowledges and agrees that a fundamental requirement of the System, this Agreement, and other FITOPIA franchises are adherence by all Franchisees to the uniform specifications, standards, operating procedures, and rules prescribed by Franchisor for the development and operation of the Franchised Business (collectively referred to as System Standards).

Accordingly, Franchisee agrees to comply with each and every System Standard, as periodically modified and supplemented by Franchisor in its sole and absolute discretion, during the term of this Agreement.

Franchisee further agrees that System Standards prescribed from time to time in the Operating Manual or otherwise communicated to Franchisee in writing shall constitute provisions of this Agreement as if fully outlined in this Agreement. All references to this Agreement include all System Standards as periodically modified.

Franchisee agrees to comply with System Standards and not to deviate from Franchisor's specifications or procedures. In addition to all other remedies provided herein or otherwise, if the franchisee fails to adhere to the System Standards or Franchisee is found in violation of the System Standards, Franchisee shall reimburse Franchisor for any and all costs and expenses associated with counsel, inspection, support, assistance, enforcement rendered to and against Franchisee regarding said System Standards violation and/or non-compliance.

B. Supplier Approval

Franchisee shall purchase all supplies, equipment, marketing materials, and other products and materials required for the operation of the Franchised Business as the Franchisor designates from time to time solely from vendors and suppliers who demonstrate to Franchisor's continuing reasonable satisfaction the ability to meet Franchisor's then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved, in writing, by Franchisor and not thereafter disapproved. If Franchisee desires to purchase any items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval or shall request the supplier itself to do so. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, at Franchisor's option, either to Franchisor or to an independent certified laboratory designated by Franchisor, for testing and the actual cost of the tests shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's criteria. Franchisor may charge a reasonable fee for the inspection, review, and approval of suppliers. Franchisor may revoke supplier approval at any time for any reason upon notice to the franchisees.

Franchisee will not make any claims against Franchisor or our affiliates with respect to any equipment, products, supplies, or services provided or sold or manufactured or rendered, or delivered directly or indirectly from a third-party vendor or supplier, whether approved or designated by Franchisor used in the operation of the Franchised Business. THE FRANCHISOR MAKES NO WARRANTIES REGARDING ANY SAID EQUIPMENT, PRODUCTS OR SUPPLIES, OR SERVICES AND HEREBY DISCLAIMS THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, ANY IMPLIED WARRANTY OF QUALITY OF SAID EQUIPMENT, PRODUCTS OR SUPPLIES, OR SERVICE, AND ANY IMPLIED WARRANTY. FRANCHISEE HEREBY AGREES THAT SUCH DISCLAIMER IS AN ESSENTIAL PART OF THE BARGAIN AND THAT THE FRANCHISOR WOULD NOT HAVE ENTERED INTO THIS AGREEMENT ABSENT SUCH DISCLAIMER. Any claim with respect to any equipment, products, supplies, or services-related and/or similar matters shall be made only against the third-party vendor or manufacturer. Franchisee will provide us with written notice prior to taking any action in connection with such a claim. Franchisor will use diligent efforts in Franchisor's sole discretion to assist Franchisees in resolving any disputes with third-party vendors or manufacturer-approved and/or designated by Franchisor.

C. Products and Services

Franchisee shall offer and sell all products and services, and only those products and services authorized by Franchisor and specified in the Operating Manual or as designated in writing by Franchisor (the "Permitted Products and Services"). Franchisor may unilaterally add and delete products or services to or from the Permitted Products and Services at any time. Franchisor may also designate any products or services as optional.

D. Pricing

Franchisor has the right to set and establish pricing for Franchise Business products, to the extent permitted by law, to promote System uniformity and consistency. Franchisee shall honor all and only the currency, credit, charge, courtesy, and cash cards approved by Franchisor in writing.

E. Promotions

Franchisee shall fully participate, honor, and comply with any and all System, local, regional, seasonal, promotional, and other programs, initiatives, and campaigns adopted by Franchisor that Franchisor requires Franchisee to participate in, including but not limited to gift certificates, specials, discounts, loyalty programs, gift card administration programs consumer relations management programs (CRM) or frequent customer programs as Franchisor may be designated from time to time. Franchisee may not create, honor, accept, or issue any gift certificates or gift cards and may only sell gift certificates or gift cards that have been issued or approved by Franchisor. Franchisee shall not issue, honor, or accept any coupons or discounts of any type except as approved by Franchisor in writing.

F. Fixtures and Furnishings

Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, signs, Computer Systems, and other equipment as may be specified by the System Standards from time to time; and shall not permit the installation of any fixtures, furnishings, signs, Computer Systems, or other equipment not conforming to the System Standards.

G. Maintenance Standards

Franchisee shall at all times maintain the Franchised Business in a high degree of cleanliness, repair, and condition, and in connection therewith and shall make such additions, alterations, repairs, and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, fixtures, equipment, and décor as Franchisor may direct.

H. Refurbishing

At the request of Franchisor, which may be made once every (2) years during the term of this Agreement (excluding any periods of renewal of the franchise rights, for which additional refurbishment may be required), Franchisee shall refurbish the Franchised Business at its own expense to conform to the trade dress, color schemes, and presentation of the Marks in a manner consistent with the image than in effect for the new FITOPIA Franchised Business under the System. Such refurbishment may include structural changes, installation of new equipment and signs, remodeling, redecoration, and modifications to existing improvements. Franchisee shall complete the refurbishing within the time period specified by Franchisor.

I. Product and Service Liability

Franchisor disclaims all express and implied warranties and all other liability concerning any defects, malfunctions, or other deficiencies in services, inventory, fixtures, equipment, or other products and services manufactured by and/or rendered either directly or indirectly by anyone other than Franchisor or its affiliates. Franchisee agrees not to make any claims against Franchisor or its affiliates with respect to products or services that Franchisor and its affiliates did not manufacture or render, even if Franchisor or its affiliate sold the product or designated or approved its source. Franchisee is required to assert any claims only against the manufacturer or vendor of the product or service, even if Franchise obtained it through Franchisor or its affiliate.

J. Variance

Franchisee acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege to vary System Standards for any FITOPIA Franchisee based upon any condition that Franchisor deems to be of importance to the successful operation of such franchisee's business.

7. FRANCHISED BUSINESS OPERATIONS

A. Business Operation

After opening, Franchisee shall maintain the Franchised Business in continuous operation during all normal business hours as provided for in the Operating Manual during the term of this Agreement. Franchisee shall use its best efforts to promote and develop the market for the Permitted Products and Services. The Franchised Business must at all times be under the direct supervision of Franchisee, the Designated Manager, or the Franchised Business Manager, who must devote his/her full time and energy to the operation of the Franchised Business is approved by Franchisor and has successfully completed Franchisor's initial training.

B. Inspection

To ensure compliance with this Agreement and System Standards, Franchisor or its designated agents have the right, at any reasonable time and without prior notice, to (i) inspect the Franchised Business; (ii) observe Franchise Owner and its employees during the performance of work; (iii) confer with the Franchise Owner, and its employees; (iv) contact and interview customers and suppliers/distributors of Franchise Owner; (v) inspect, inventory, and check any and all inventory, equipment, signage, fixtures, furniture and operating methods of the Franchise Owner; (vi) test products and supplies; and (vii) conduct online or other surveys and secret shoppers, including tape-recorded and interviews. Franchisor may require that Franchisee furnishes its customers with an evaluation form specified by the Franchisor pre-addressed to the Franchisor. Franchisee agrees to fully cooperate with representatives of the Franchisor, making any inspection or observing or evaluating the work of Franchisee or its employees. If any inspection conducted by Franchisor or its designee reveals that the Franchised Business fails to meet System Standards, Franchisor may charge the then-current standard re-inspection fee. Franchisee's failure to achieve or exceed System Standards in two (2) inspections in any twenty (24) month period is a material breach of this agreement, for which Franchisor, in addition to its other legal and equitable remedies, may terminate this Agreement, refuse to renew the Franchise granted under this agreement, or reduce the geographic size of the Territory.

C. Performance Standard

Franchisee acknowledges and agrees that in order to remain in good standing and maintain the Territory right granted hereunder, the Franchised Business must achieve $8,000 per month within 1 year of the opening of the Franchised Business and $12,000 per month within 2 years of the opening of the Franchised Business, and every month thereafter or greater. Failure to meet the Performance Standards for 6 consecutive months is a material default of this Agreement, and Franchisor may grant a franchise to another to open a FITOPIA within the Territory.

Franchisee acknowledges that the Performance Standard amounts do not constitute and are not in the nature of "earnings claims" or "financial performance representations." Franchisor disclaims any representation, warranty, or guarantee that Franchisee can or will achieve levels of sales necessary to comply with the Performance Standard amounts above or any other level or range of sales, income, or other measures of performance. As a practical business matter, Franchisor is unable to reliably estimate or predict the future financial or other results of any FITOPIA Franchisee and is unable to estimate or predict Franchisee's potential results reliably.

D. Payment of Liabilities

Franchisee shall at all times pay its distributors, lessors, contractors, suppliers, trade creditors, employees, and other creditors promptly as the debts and obligations to such persons become due and hold Franchisor harmless therefrom. Franchisee's failure to do so shall constitute a breach of this Agreement. In the event Franchisee shall fail to pay any such obligations promptly as the debts to such persons or entities become due, Franchisor shall, in addition to its other remedies provided in this Agreement, have the right, at its election and without being obligated to do so, to pay such obligations and the amount or amounts paid therefore shall be paid by Franchisee to Franchisor with the next succeeding payment due Franchisor under this Agreement, together with interest at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement by Franchisee.

E. Payment of Taxes

Franchisee shall at all times pay its taxes on real and personal property, leasehold improvements, and fixtures and equipment, and all sales, payroll, and other taxes promptly when due and hold Franchisor harmless therefrom. Franchisee's failure to do so shall constitute a breach of this Agreement. All taxes shall be paid directly to the taxing authorities prior to the delinquent date. If any taxes become delinquent, Franchisor may elect to pay the delinquent tax on behalf of Franchisee, together with penalties and interest, if any, and Franchisee agrees, upon demand of Franchisor, to reimburse Franchisor for any sums so paid by Franchisor, together with interest at the rate of eighteen percent (18%) per annum, or the highest rate allowed by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement by Franchisee.

F. Compliance with Law

Franchisee agrees to comply with all laws, regulations, and requirements of federal, state, municipal, and other governmental entities and agencies (including, but not limited to, Title VII of the Civil Rights Act, the ADA, the Age Discrimination in Employment Act, and any other federal, state or local employment laws relating to occupational hazards and health, consumer protection, employment discrimination, and sexual harassment), and to obtain and maintain any and all licenses and permits required by any governmental agencies or otherwise necessary to conduct the Franchised Business in any jurisdiction in which it operates. Franchisee agrees and acknowledges that Franchisee alone shall be responsible for compliance with the obligations under this paragraph and that Franchisor shall have no obligation with respect thereto.

G. Notice of Suit

You are required to notify us promptly of any legal proceeding or any order of a court or government agency that may adversely affect the operation or financial condition of the Franchised Business.

H. Client Service

Franchisee acknowledges that client satisfaction is essential to Franchisee's success as well as the reputation and success of the Marks, the System, and other FITOPIA franchisees. Accordingly, Franchisee agrees to (i) use its best efforts to ensure the satisfaction of each of Franchisee's customers; (ii) use good faith and fair dealing in all dealings with customers, potential customers, suppliers, and creditors; (iii) respond to client complaints in a courteous, prompt, and professional manner; and (iv) use its best efforts to resolve client disputes promptly and fairly in a mutually agreeable manner. If Franchisee fails to resolve a dispute with a client for any reason whatsoever, Franchisor, in its sole discretion, may (but shall not be obligated to) investigate the matter and require Franchisee to take such actions as Franchisor deems necessary or appropriate to resolve the dispute fairly and promptly. Nothing contained in this Section or any other

provision of this Agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

8. MANAGEMENT AND STAFFING

A. Non-Individual Franchisee

If Franchisee is other than an individual, it shall comply with the following requirements prior to its execution of this Agreement:

1. Franchisee shall be newly organized, and its charter, articles of organization, bylaws, partnership agreement, or operating agreement shall provide that its activities are confined exclusively to operating the Franchised Business;

2. Franchisee, prior to the execution of this Agreement, shall have provided Franchisor with written information as to each shareholder, member, or partner of Franchisee ("Principals"), and the interest of each, on Attachment 1 hereto, and shall promptly notify Franchisor of any changes in any such information during the term of this Agreement;

3. All Principals of Franchisee shall enter into an agreement, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor;

4. Each ownership certificate of Franchisee, if any, shall have conspicuously endorsed upon its face the following legend:

"The transfer, sale, or pledge of these shares is subject to the terms and conditions of a Franchise Agreement with FITOPIA dated _____."

5. Copies of Franchisee's articles of incorporation or organization, bylaws, partnership agreement, operating agreement, and other governing documents, including the resolutions of the Principals or Board of Directors authorizing the execution of this Agreement, shall be furnished to Franchisor for its approval; and

6. Franchisee's name shall not consist of or contain the Marks or any colorable variation thereof or any other mark in which Franchisor has or claims a proprietary interest.

B. Designated Manager

If Franchisee is other than an individual, prior to beginning the initial training program, Franchisee shall designate, subject to Franchisor's approval, an individual (the "Designated Manager") who shall be responsible for general oversight and management of the operations of the Franchised Business on behalf of Franchisee. Criteria for Franchisor's approval of the Designated Manager may include completion of the Franchisor's initial training and other criteria as stipulated by Franchisor. Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Manager to have been given by Franchisee decision-making authority and responsibility regarding all aspects of the Franchised Business. In the event that the person designated as the Designated Manager dies, becomes incapacitated, leaves Franchisee's employ, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Franchised Business, Franchisee shall promptly, but no event later than forty-five (45) days, designate a new Designated Manager, subject to Franchisor's approval.

C. Franchised Business Staff

Franchisee shall maintain a competent, conscientious, trained staff (who shall have been adequately trained per Franchisor Standards) in numbers sufficient to service customers promptly and properly, including at least a trained manager (or other trained supervisory employees in accordance with the Operating Manual) on duty at all times at which the Franchised Business is open (including daily Franchised Business opening and closing procedures), and take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may prescribe.

D. Compliance with the USA Patriot Act

Franchisee certifies that neither Franchisee nor any of its Affiliates, Principals, employees, or other persons associated with Franchisee is an Embargoed Person. Franchisee shall not hire or have any dealings with an Embargoed Person or permit an Embargoed Person to hold an Ownership Interest in or position as a director or officer of Franchisee. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee or any of its Affiliates, Principals, employees, or other persons associated with Franchisee being an Embargoed Person. Franchisee shall comply with and assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws. In connection with that compliance, Franchisee certifies, represents, and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its Affiliates and Principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities so stated in this agreement include Franchisee's obligations under this paragraph. Any misrepresentation by Franchisee under this paragraph or any violation of the Anti-Terrorism Laws by Franchisee, its Affiliates, Principals, or employees, will constitute grounds for immediate termination of this Agreement and any other agreement between any Franchisor-Related Person and Franchisee or any of its Affiliates, Principals, or employees.

9. COMMUNICATIONS AND INFORMATION SYSTEMS

A. Computer System

To ensure the efficient management and operation of the Franchised Business and the transmission of data to and from Franchisor, Franchisee, at its own expense, shall install, prior to opening the Franchised Business, and shall maintain and utilize during the term of this Agreement, such Computer Systems as may be specified by the System Standards from time to time.

1. As used in this Agreement, the term communication and information system shall mean models of communications, computer systems, point of sales systems, software, applications, and hardware used by, between, or among the Franchised Business, Including without limitation: (a) back office and point of sale systems, software, applications, mobile devices, data, audio, video, and voice storage, retrieval, and transmission systems by or for use at the Franchised Business, between or among Franchised Businesses, and between and among Franchisee's Franchised Business and Franchisor, our designee, and/or Franchisee; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; and (e) Internet and mobile access modes and applications (e.g., the form of telecommunications connection) and speed (collectively, the "Computer System").

2. Franchisee shall lease and/or purchase its Computer Systems only from Franchisor Approved vendor or vendors or suppliers. Franchisee shall not install or permit to be installed any

devices, software, applications, or other programs not approved by Franchisor for use with the Computer Systems.

3. Franchisor may, from time to time, develop or authorize others to develop proprietary software programs for use in the System, which Franchisee may be required to purchase and/or license and use in connection with the Franchised Business. Franchisee agrees that it shall execute any license, sublicense, or maintenance agreement and pay any applicable fees required by Franchisor or any other approved licensor or approved vendor of such proprietary software programs.

4. If required by Franchisor, Franchisee shall obtain and maintain a contract with a vendor that Franchisor has approved in writing for software and application maintenance, support, and upgrade services for Franchisee's Computer Systems and to provide Franchisee with such assistance as Franchisee and Franchisee's employees may require. Franchisee acknowledges that Franchisor may be one of or the only approved vendor for such services, and if Franchisee obtains these services from Franchisor, then Franchisee agrees that it shall pay Franchisor the maintenance fee and help desk fee specified by Franchisor for such services. Notwithstanding these rights of Franchisor, Franchisor shall not at any time be obligated to provide any such services or support for the hardware or software used in the Computer Systems.

5. Franchisee shall upgrade and update its Computer Systems in the manner and when specified by Franchisor in writing.

6. Franchisee shall have the sole and complete responsibility for the manner in which Franchisee's Computer Systems interfaces with other systems, including those of Franchisor and other third parties, as well as any and all consequences that may arise if Franchisee's Computer Systems are not properly operated, maintained, and upgraded.

7. Franchisee shall: (a) promptly enter into its Computer Systems and maintain all information required to be entered and maintained by Franchisor; (b) provide to Franchisor such reports as Franchisor may request from the data so collected and maintained, and (c) permit Franchisor to access Franchisee's Computer Systems at all times via modem or other means specified by Franchisor from time to time. Franchisee shall cooperate with Franchisor and shall execute all documents required by Franchisor to permit access to Franchisee's Computer Systems and data contained therein. The reporting requirements set forth in this Section shall be in addition to and not in lieu of the reporting requirements set forth otherwise in this Agreement.

8. Any and all data collected or provided by Franchisee, downloaded from Franchisee's Computer Systems, and otherwise collected from Franchisee's system by Franchisor and/or provided to Franchisor is and shall be owned exclusively by Franchisor, and Franchisor shall have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee, including, but not limited to, the disclosure or distribution of such information to other franchisees of Franchisor, or the disclosure of such information to prospective franchisees of Franchisor, by inclusion in Franchisor's franchise disclosure document or otherwise; however, Franchisee is hereby licensed (without any additional fee) to use such data solely for the purpose

of operating the Franchised Business, and such license shall automatically and irrevocably expire when this Agreement terminates or expires, without additional notice.

B. Telephone and Electronic Mail, Text, and Messaging

1. Franchisee shall maintain telephone, electronic mail, text, and messaging services and features for use exclusively by the Franchised Business as required by Franchisor in the Operations Manual or otherwise communicated to Franchisee from time to time.

2. Franchisee acknowledges that, at all times, The Franchised Business telephone number(s), electronic mail, text, and messaging account(s), and listing(s) will remain in the name, and sole property, of Franchisor, provided that Franchisee will be responsible for any and all costs, expenses, and deposits associated with the Franchised Business telephone numbers(s), electronic mail, text, and messaging account(s)and listings(s) including without limitation any deposits, connection, installation, maintenance, storage, and usage fees.

3. Franchisee agrees to advertise the Franchised Business (at the Franchisee's expense) in all telephone directories or other directories as Franchisor designates using only such advertisements as may be approved by Franchisor.

10. RECORDS AND REPORTS

A. Records

During the term of this Agreement, Franchisee shall maintain and preserve, for at least seven (7) years from the date of their preparation, full, complete, and accurate books and records of accounts prepared in accordance with generally accepted accounting principles, and client files and records pertaining to the Franchised Business granted pursuant to this Agreement, all in the form and manner prescribed by Franchisor in the Operating Manual or otherwise in writing. In connection with its maintenance of such accounts and records, Franchisee, at its expense, shall:

1. Submit to Franchisor, on or before the 10th of the month for the immediately preceding month. We may require you to pay the Royalty Fee on a weekly, bi-weekly, monthly, or other bases on thirty (30) days' prior notice to you during the term of this Agreement, a Gross Revenue Report and statement of operations in the form prescribed by Franchisor and certified by Franchisee or the Designated Manager, accurately reflecting Franchisee's Gross Revenue and the results of operations of the Franchised Business, respectively, during the preceding period, along with such other data or information as Franchisor may require.

2. Submit to Franchisor monthly, quarterly, and/or annual financial reports, including balance sheets, cash flow statements, profit and loss statements, and other reports as required by Franchisor. All reports shall be submitted timely in accordance with Franchisor's schedule, and all reports shall be certified by Franchisee or the Designated Manager to accurately reflect, respectively, the financial condition of the Franchised Business.

3. Submit to Franchisor signed copies of the federal income tax returns for the previous tax year, as filed with the Internal Revenue Service, of Franchisee and of any Principal who owns an ownership interest in Franchisee greater than or equal to fifty percent, on or before April 30 of each year, or, if the taxpayer has received an extension of time to file and submits to Franchisor a signed,

file-stamped copy of IRS Form 4868 or 2688, as applicable, then within fifteen (15) days after the final due date for such return, but in no event later than October 30th.

4. Submit to Franchisor for review or auditing such other forms, reports, bank statements, client files, records, information, and data as Franchisor may designate, in the form and at such times and places as Franchisor may request.

5. Purchase and install such equipment as Franchisor may require automating the reporting of financial information and payment of recurring fees pursuant to this Agreement, including, but not limited to, internet or intranet reporting and pre-authorization of electronic fund transfer or bank debit.

B. Franchisor Audits and Inspection

At all times during the term of this Agreement and for a period of three (3) years after the termination or expiration of this Agreement, Franchisee covenants and agrees to permit Franchisor or its designated agents at all reasonable times to examine, at Franchisor's expense and at such location as Franchisor may reasonably select, Franchisee's books and records of accounts, bank statements, canceled checks, client files, federal, state, and local income tax, sales and use tax, and payroll tax returns, the federal income tax returns of any Principal who owns an ownership interest in Franchisee greater than or equal to fifty percent, and any other information or records pertaining to the Franchised Business (collectively referred to as Franchisee's Business Records). If such an inspection should reveal that Gross Revenue have been understated in any report to Franchisor, then Franchisee shall immediately pay the amount of Royalty and other fees and amounts due with respect to such understatement, plus the late fees and interest as provided by this Agreement. In addition, if the audit is initiated due to franchisee's non-compliance with the terms herein or the Operating Manual or if an inspection reveals an understatement of Gross Revenue of three percent (3%) or more for any monthly period so inspected, or if an inspection is prompted by Franchisee's failure to maintain any records or to timely submit any report or other information required by this Agreement, then Franchisee shall also reimburse Franchisor for any and all costs and expenses of such inspection (including, without limitation, wages paid by Franchisor to its employees, travel expenses, and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have. Franchisor shall also have the right, at any time, to have an independent audit made of Franchisee's Business Records.

C. Authorized Disclosure

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

11. INDEMNIFICATION AND INSURANCE

A. Indemnification

Franchisee is responsible for all losses or damages from contractual liabilities to third persons from the possession, ownership, and operation of the Franchised Business and all claims or demands for damages to property or for injury, illness, or death of persons, directly or indirectly arising out of, or in connection with, possession, ownership or operation of the Franchised Business or the actions or omissions of Franchisee, its employees, officers, managers, representatives, and agents. Franchisee shall provide written notice to

Franchisor of any and all demands for damages, claims, civil, administrative, or regulatory suits, complaints, or action, demands for arbitration, mediation, filed against Franchise or Franchisee's owners, employees, or agents no more than 14 days from service of any of the aforementioned.

Franchisee agrees to indemnify, hold harmless and, at the Franchisor's request, defend the Franchisor and its affiliates and franchisees, and their agents, employees, attorneys, successors, and assigns against any and all claims, suits, demands, losses, damages, or liabilities, and all related expenses, including reasonable attorneys' fees and court costs, which directly or indirectly arising out of, in connection with, or as a result of possession, Franchisee's ownership or operation of the Franchised Business or the acts or omissions of Franchisee. This indemnity obligation will continue in full effect even after the expiration, transfer, or termination of this Agreement. The Franchisor's right to indemnity under this Agreement will arise and be valid, notwithstanding that joint or concurrent liability may be imposed on the Franchisor by statute, ordinance, regulations, or other laws. As an Indemnitee, Franchisor may elect to assume the defense of any Action subject to this indemnification and control all aspects of defending the Action, including negotiations and settlement, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

B. Insurance

Franchisee must obtain and provide Franchisor with evidence of insurance in at least the minimum amounts and with the coverages specified in the Operating Manual or otherwise by Franchisor. Evidence of this insurance must be initially provided before beginning the operation of the Franchise Business. Certificates of renewal must be provided no later than 10 days before the expiration date of each policy. If Franchisee fails to maintain insurance as so required or does not provide Franchisor with evidence of any required insurance policies at any due date, in addition to any other remedies available to Franchisor, Franchisor may purchase that insurance at the Franchisee's expense. Franchisee shall reimburse Franchisor on demand for Franchisor's cost in obtaining said insurance together with a 20% surcharge of the said cost of insurance plus interest at the rate of 18% per annum or the highest rate allowed by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement by Franchisee. Each required policy of liability insurance must name Franchisor as an additional insured and must provide that Franchisor will be given at least 30 days' notice before cancellation, modification, or amendment of the policy.

12. PROPRIETARY MARKS

A. Use by Franchisee

Franchisee's right to use the Marks as granted in this Agreement is limited to their use in connection with the operation of the Franchised Business as stated herein and as set forth in the Operating Manual or as may be prescribed in writing by Franchisor from time to time. Franchisor retains the right to modify or discontinue the Marks at its discretion. Franchisee, at its cost and expense, shall modify or discontinue the use of the Marks as Franchisor modifies or discontinues. Franchisor is not required to reimburse or compensate Franchisee for any modification or discontinuation of the Marks.

B. Exclusive Property of Franchisor

Franchisee acknowledges Franchisor's right, title, and interest in and to the Marks, along with the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in the System, are exclusive to Franchisor. Except as expressly provided by this Agreement, Franchisee shall acquire no right, title, or interest therein, and any and all goodwill associated with the system and the Marks shall inure exclusively to Franchisor's benefit. Upon the expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the system or the Marks.

C. Infringement by Franchisee

Franchisee acknowledges that the use of the Marks outside of the scope of this Agreement without Franchisor's prior written consent is an infringement of Franchisor's rights, title, and interest in and to the Marks. Franchisee expressly covenants that during the term of this Agreement and after the expiration or termination hereof, Franchisee shall not, directly or indirectly, commit an act of infringement or contest or aid in contesting the validity or ownership of the Marks or take any other action in derogation thereof.

D. Infringement by Others

Franchisee shall promptly notify Franchisor of any use of the Marks or any colorable variation thereof by any person or legal entity other than Franchisor or any of its representatives and agents or other Franchisees, or any other mark in which Franchisor has or claims a proprietary interest. Franchisee further agrees to notify Franchisor promptly of any litigation instituted by any person or legal entity against Franchisor or Franchisee involving the Marks. In the event Franchisor, in its sole discretion, undertakes the defense, prosecution, or settlement of any litigation relating to the Marks, Franchisee agrees to execute any and all documents and to render such assistance as may, in the opinion of Franchisor, be reasonably necessary to carry out such defense, prosecution or settlement. In the event that any party demonstrates, to Franchisor's sole satisfaction, a superior right to use any of the Marks, Franchisee shall, upon demand by Franchisor, discontinue its use of such Mark(s) and adopt, at Franchisee's sole cost and expense, any Mark(s), if any, selected by Franchisor to replace such discontinued Mark(s).

E. Improper Use

Franchisee shall not use any of the Marks, or any derivative or a colorable variation thereof: (i) as part of Franchisee's corporate or other legal names; (ii) on or as part of any Website, domain name, URL, web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the internet, World Wide Web, internet service providers, electronic mail services, communication providers, search engines, or other similar services (without Franchisor's prior written consent); (iii) with any prefix, suffix (including, but not limited to, the word "Inc."), or other modifying words, terms, designs, or symbols; or (iv) in any modified form. Franchisee shall not register any of the Marks, or any derivative or a colorable variation thereof, as a service mark, trademark, or internet domain name, or hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as could reasonably result in making Franchisor liable therefore or that may harm, tarnish, or impair Franchisor's reputation, name, services, or Marks. The provisions of this paragraph shall survive the expiration, termination, or cancellation of this Agreement.

F. Non-exclusive Use

Franchisee expressly acknowledges and agrees that this license to use the Marks is non-exclusive, and Franchisor has and retains the rights, among others:

1. To grant other licenses for the use of the Marks, in addition to those already granted to existing franchisees and to Franchisee; and

2. To develop and establish other systems and programs utilizing the same or similar Marks, or any other proprietary marks, and to grant franchises therein without granting Franchisee any rights therein;

G. Use by Others.

Franchisee shall not permit any third party to imprint the Marks on any products, materials, documents, and supplies utilized by Franchisee in connection with the operation of the Franchised Business without first

obtaining the consent of Franchisor and causing such third party to execute a license agreement as specifically provided for in this Section of this Agreement.

13. CONFIDENTIAL OPERATING MANUAL

A. Business Operations

In order to protect the reputation and goodwill of FITOPIA System and to maintain uniform standards of operation under the Marks, Franchisee shall conduct its operations hereunder in accordance with the Operating Manual, as the same may be amended or modified from time to time.

B. Confidentiality

The Operating Manual shall, at all times, remain the sole property of Franchisor. Franchisor treats the Operating Manual and all information contained therein as confidential and proprietary. Franchisee shall treat the Operating Manual and all information contained therein as confidential and proprietary and shall use all reasonable efforts to maintain such information as confidential and proprietary. Franchisee shall also ensure that its employees treat the Operating Manual and all information contained therein as confidential and proprietary. Franchisee shall not at any time copy, duplicate, record, or otherwise make the same available to any unauthorized person. The foregoing provisions shall survive the expiration, termination, or cancellation of this Agreement.

C. Modification

Franchisor shall have the right to add, delete, or otherwise modify the Operations Manual from time to time to reflect changes in any of the System Standards, provided that no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement. All additions, deletions, or modifications to the Operating Manual and System Standard shall be effective five (5) days after the Franchisor has given notice to Franchisee or as directed by Franchisor. Franchisee agrees to comport with said additions, deletions, or modifications to the Operations Manual and System Standards at its own cost and expense. Any such modifications, enhancements, and replacements may require Franchisee to incur costs and expenses. Franchisee acknowledges that Franchisor cannot estimate the costs of future maintenance, enhancements, modifications, and replacements in accordance with updated System Standards. Franchisee shall at all times ensure that its copy of the Operations Manual is kept secure, current, and up to date, and in the event of any dispute as to the contents of the Operations Manual, the terms of the master copy of the Operations manual maintained by Franchisor at Franchisor's home office shall be controlling. Upon Franchisor's request, Franchisee will cooperate in the efficient return of all Operations manuals that have been identified by the Franchisor as obsolete.

14. CONFIDENTIAL INFORMATION

A. Use of Confidential Information

Franchisee shall not, during the term of this Agreement and thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, or corporation any confidential information, knowledge, or know-how concerning the FITOPIA Method, the System, or the methods of operation hereunder that may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's business operations 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 the Franchised Business as described herein. In connection therewith, Franchisee shall be fully responsible for ensuring that its employees comply with this Section.

B. Use of and Improvements to the Method

In order to assure maximum uniformity of quality and service in all treatments provided by all FITOPIA employees and staff, Franchisee agrees to follow the procedures prescribed by FITOPIA methods strictly. As Franchisor develops or learns of improvements, enhancements, or innovations in the procedures and techniques embodied in the FITOPIA Method, Franchisor will disseminate such information to all franchisees of the system and authorize their use in the Franchised Business. In return and in consideration, therefore, Franchisee agrees that any idea or suggested innovation or variation that may tend to enhance or improve the FITOPIA Method that Franchisee develops, discovers, or otherwise becomes aware of during the term of this Agreement shall be submitted to Franchisor for its evaluation for adoption and use, and Franchisee agrees that all proprietary rights to such ideas, innovations, improvements, enhancements, or variations created or acquired by Franchisee or any of its employees shall belong exclusively to Franchisor and may be made available to all FITOPIA and FITOPIA franchisees and FITOPIA licensees.

C. Remedies

Franchisee acknowledges that any failure to comply with this Section will cause Franchisor irreparable injury, and Franchisee consents to the issuance of and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, specific performance of, or any injunction against a violation of, the requirements of this Section.

D. Preservation of Confidentiality

Franchisee shall require Franchisee's Principals, directors, officers, and managers, at the time of the commencement of their association with Franchisee, to execute confidentiality agreements, in a form approved by Franchisor, requiring that all information is proprietary or confidential hereunder that may be acquired by or imparted to such persons in connection with their association with Franchisee be held in strict confidence and used solely for the benefit of Franchisee's Franchised Business and Franchisor, at all times during Franchisor's association with Franchisee and thereafter. Such covenants shall include specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce the same.

15. ADVERTISING

A. Advertising

Recognizing the value of advertising and the importance of consistency of advertising and promotion to the furtherance of the goodwill and public image of the System, the parties agree that Franchisor shall conduct, determine, maintain, and administer all national and/or regional advertising funds that are or may hereafter be established pursuant to this Section, and shall have sole discretion over the concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout, and content of all national, regional, and local advertising, and accordingly agree as follows:

B. National Advertising Fund

If established and upon 30 days' notice, Franchisee shall make National Advertising Contributions to such national advertising fund ("National Advertising Fund") for advertising for the System.

1. The National Advertising Fund shall be maintained and administered by Franchisor as follows*:*

2. Franchisee agrees and acknowledges that the National Advertising Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of all franchisees

within the System or within a region, as the case may be, and that Franchisor is not obligated to administer the National Advertising Fund to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchise benefits directly or pro-rata from the placement of advertising.

3. The National Advertising Fund, all contributions thereto, and any earnings thereon shall be used exclusively to meet any and all costs of maintaining, administering, researching, directing, and preparing advertising and/or promotional activities, including, without limitation, the costs of preparing and conducting advertising campaigns in various media; direct mail and outdoor billboard advertising; marketing surveys and other public relations activities; employing advertising agencies to assist therein; product development; and developing and providing promotional and other marketing materials for franchisees in the System.

4. Franchisor shall, for each of its company-owned locations (if any), make contributions to the National Advertising Fund on the same basis as assessments required of comparable franchisees within the System.

5. Franchisee shall contribute to the National Advertising Fund separately via transaction payable to the FITOPIA National Advertising Fund or such other designation as Franchisor may, from time to time, prescribe. Such sums shall not be used to defray any of Franchisor's expenses except for such reasonable salaries, overhead, and administrative, accounting, legal (including, without limitation, the defense of any claims against Franchisor and/or Franchisor's designee regarding the management of the National Advertising Fund) and other costs, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the National Advertising Fund or advertising programs for franchisees and the System, including the costs of enforcing contributions to the National Advertising Fund required under this Agreement and the costs of preparing a statement of operations. The National Advertising Fund and its earnings shall not otherwise inure to the benefit of Franchisor.

6. It is anticipated that all contributions to and earnings of the National Advertising Fund shall be expended for advertising and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the National Advertising Fund at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from the previous year(s), next out of earnings in the current year, and finally from contributions.

7. Franchisee agrees that Franchisor (and any designee of Franchisor) shall not have any direct or indirect liability or obligation to Franchisee, the National Advertising Fund, or otherwise with respect to the management, maintenance, direction, administration, or otherwise of the National Advertising Fund. Franchisee further agrees that Franchisor shall not be liable for any act or omission, whether with respect to the National Advertising Fund or otherwise, which is consistent with this Agreement or other information provided to Franchisee, or which is done in subjective good faith. Franchisee and Franchisor, each having a mutual interest and agreeing on the critical practical business importance of his or her relationship being governed solely by written instruments signed by the parties to be bound (and not having either party subject to the uncertainty inherent in the application of legal or other concepts not expressly agreed to in writing by both parties), agree that their rights and obligations with respect to the National Advertising Fund and all related matters are governed solely by this Agreement and that neither this Agreement nor the National Advertising Fund are in the nature of a "trust," "fiduciary relationship" or similar special

arrangement, but is only an ordinary commercial relationship between independent businesspersons for their independent economic benefit.

8. The National Advertising Fund is not and shall not be an asset of Franchisor.

9. Although Franchisor intends the National Advertising Fund to be of perpetual duration, Franchisor maintains the right to terminate any Fund. No Fund shall be terminated, however, until all money in the Fund has been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions.

C. Franchise Advisory Council

Franchisee shall participate, at Franchisee's sole expense, in local, regional, and national franchise advisory committees or councils if established or sanctioned by Franchisor. The Council shall serve in an advisory capacity only and will not have the authority to establish or modify our policies or to direct or control the uses of our Marketing. Franchisor shall have the power to determine membership, the election of Council Officers, and to change or dissolve the Franchise Advisory Committees.

D. Advertising Materials

In addition to any other advertising requirements described in this Agreement, Franchisee shall obtain and maintain an adequate supply of brochures, pamphlets, and special promotional materials of such kind and size as Franchisor may reasonably require from time to time in the Operating Manual or otherwise in writing.

E. The delegation of Franchisor's Duties

Franchisor shall have the right to delegate and redelegate its responsibilities and duties under this Agreement to any designee(s) of its choosing, provided, however, that the right of final approval of all advertising programs shall be retained at all times by Franchisor.

F. Web Site, Social Media, and Other Media

Franchisee specifically acknowledges and agrees that any Website (as defined below) is "advertising" under this Agreement and is subject to (among other things) Franchisor's approval. As used in this Agreement, the term Website means an interactive electronic document, a series of symbols, or otherwise, that is contained in a network of computers or other devices linked by communications software. The term Website includes, but is not limited to, the internet, World Wide Web home pages, URL addresses, and Social Media accounts and pages. In connection with any Website, Franchisee agrees to the following:

1. Franchisor shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Marks, any or all of the Permitted Products and Services, FITOPIA Franchised Business, the franchising of FITOPIA Franchised Business, and/or the System.

2. Franchisor shall have the sole right to control all aspects of the Website, including, but not limited to, its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage. Franchisor shall also have the right to discontinue the operation of the Website.

3. Franchisor shall have the right, but not the obligation, to designate one or more web pages to describe Franchisee, the Franchise, or the Franchised Business, with such web pages to be located within Franchisor's Web site. Franchisee shall comply with Franchisor's policies with

respect to the creation, maintenance, and content of any such web pages, and Franchisor shall have the right to limit and discontinue the content and operation of such a Website and web pages.

4. Franchisee may advertise and promote the Franchised Business via Social Media, which may be comprised of pages, communications, and content located on third-party platforms using the Proprietary Marks as specified by Franchisor (collectively, "Franchisee's Social Media"), provided that Franchisor Is granted administrator access to the Franchisee's Social Media. All uses of the Franchisee's Social Media and communication channels and uses must be established in accordance and at all times be in compliance with the Operating Manual and System Standards.

5. Franchisee shall not establish a separate Website or Social Media account without Franchisor's prior written approval.

6. Franchisee agrees not to transmit or cause any other party to transmit consumer advertising or solicitation by e-mail or other digital media without the Franchisor's prior written consent.

7. Franchisor shall be granted and given administrator access to your Social Media at all times. All uses of Social Media and communication channels. Franchisor shall have, and Franchisee shall grant Franchisor the sole ownership of all related intellectual property rights in all Social Media, and other media and digital accounts, and all content posted on Social Media.

8. Franchisor shall have the right to modify the provisions of this Section relating to Web sites, social media, and other media as Franchisor shall solely determine if it is necessary or appropriate for the best interests of the System.

G. Approval of Advertising

All advertising by Franchisee in any medium shall be conducted in a dignified manner, shall be completely accurate and truthful, shall conform to all applicable laws and regulations relating to consumer advertising and to such standards and requirements as Franchisor may specify from time to time in writing, and shall give notice that the Franchised Business is independently owned and operated. Franchisee shall submit to Franchisor, for Franchisor's prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans and materials (including, but not limited to, signs and vehicles), and all other materials displaying the Marks that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. Unless Franchisee receives a written objection thereto from Franchisor within fifteen (15) days after the date Franchisor received such plans and materials, Franchisor shall be deemed to have given the required approval. At Franchisor's request, Franchisee will promptly modify, take down, remove from publication, and/or discontinue any Advertising (including but not limited to Internet marketing material), which the Franchisor directs in its discretion. Franchisee shall display the Marks in the manner prescribed by Franchisor on all signs and all other advertising and promotional materials used in connection with the Franchised Business.

H. Copyright to Advertising

Franchisee acknowledges and agrees that any and all copyrights in and for advertising and promotional materials developed by or on behalf of Franchisee which bear the Marks shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the Franchised Business or the System and approved by Franchisor may be used by Franchisor and other franchisees of Franchisor without any compensation to Franchisee.

I. Local Advertising

Franchisee shall conduct advertising, promotion, and public relations within the local area to be serviced by the Franchised Business ("Local Advertising"). It is suggested that Franchisee spends at least $1,000 per month every month for Local Advertising to generate public interest and awareness of the Franchised Business and to adequately penetrate the market for Franchisee's products and services within Franchisee's trading area. Franchisee shall submit proof of local advertising spending to franchisor by the 10th day following the end of each fiscal quarter.

J. Regional Advertising Cooperatives

Franchisor may, at its discretion, designate any geographical area in which at least two FITOPIA Franchised Businesses are located for the purpose of establishing a local or regional marketing and advertising cooperative ("Cooperative"). Franchisee shall take appropriate steps to establish and participate in a Cooperative if required to do so by Franchisor. If a Cooperative for the geographical area in which the Franchised Business is located has already been established when Franchisee opens the Franchised Business, then Franchisee shall immediately become a member of the Cooperative under the terms of its governing documents. If a Cooperative for the geographical area in which the Franchised Business is located is established during the term of this Agreement, Franchisee shall immediately become a member of the Cooperative and take all steps necessary to become a member. In no event shall Franchisee be required to be a member of more than one Cooperative for the Franchised Business established under this Agreement. The following provisions apply to each Cooperative:

1. Each Cooperative will be organized and governed in a form and manner prescribed or approved by Franchisor in writing and will commence operations on a date specified by Franchisor. Any disputes arising between Franchisee on one side, and other franchisees in the Cooperative or the Cooperative on the other side, will be resolved in accordance with the rules and procedures in the Cooperative's governing documents. Each member of a Cooperative, whether Franchisor, an affiliate of Franchisor, or a franchisee of Franchisor, will be entitled to one vote for each Franchised Business operated by the member in the geographical area for which the Cooperative is established.

2. Franchisor, in its sole discretion, shall establish the geographical area covered by each Cooperative by determining the common coverage areas of advertising media relevant to the particular geographic market, the Metropolitan or Metropolitan Statistical Area, industry practices, or Franchisor's advertising policies.

3. Each Cooperative will be organized for the exclusive purpose of administering local or regional advertising programs and developing, subject to Franchisor's approval, standardized promotional materials for use by the members in local or regional advertising and promotion.

4. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without the prior approval of Franchisor pursuant to the procedures in this Section of this Agreement.

5. Each month that a Cooperative is in existence for Franchisee's geographical area, Franchisee shall contribute to the Cooperative an amount specified by Franchisor or Cooperative (the Cooperative Contribution). Franchisee's Cooperative Contribution will not be credited toward the National Advertising Contribution required by this Section.

6. The members of the Cooperative will determine the amount of the Cooperative Contribution in accordance with its governing documents, but the Cooperative Contribution may not exceed the monthly Suggested Local Advertising Expenditure provided here above. Franchisee shall pay its Cooperative Contribution, together with any statements or reports that Franchisor or

the Cooperative (with Franchisor's prior written approval) may require, on a date each month determined by the Cooperative, but no later than the tenth day of each month.

7. Within thirty days after the end of each calendar month, each Cooperative will prepare and submit to Franchisor financial statements presenting the financial position and results of operations of the Cooperative for the preceding month. Each member of the Cooperative will be entitled to receive a copy of the Cooperative's financial statements upon request.

8. For each of FITOPIA Franchised Business operated by Franchisor or an affiliate of Franchisor in a geographical area for which a Cooperative has been established, Franchisor shall make a Cooperative Contribution on the same basis as assessments required of comparable franchises that are members of the same Cooperative.

9. Cooperatives established by Franchisor are intended to be of perpetual duration. However, Franchisor maintains the right to modify, merge, or dissolve any Cooperative. Franchisor shall use any unexpended monies from the dissolved Cooperative only for advertising or promotional purposes for the System.

10. Franchisee acknowledges that FITOPIA Franchised Business operated by other franchisees of Franchisor, even though located in the same geographical area in which the Franchised Business is located, may be operating under franchise agreements containing terms that vary substantially from the terms of this Agreement, and consequently, may not be required to participate in Cooperatives.

K. Grand Opening

It is recommended, and Franchisee so covenants and agrees to spend at least $7,000 to $15,000 on grand opening advertising before opening the Franchised Business and/or during the first 3 months of operation. Franchisee may choose to spend more. Factors that may affect your decision on the actual amount to spend include local media costs, the location of the Franchised Business, and customer demographics in the surrounding area.

16. TRANSFERABILITY OF INTEREST

A. Transfer by Franchisor

Franchisor shall have the right to transfer or assign all or any part of its rights and/or obligations herein to any person or legal entity, including a subfranchisor specifically responsible for assisting Franchisee. Franchisee agrees to execute any forms that Franchisor may reasonably request to effectuate any transfer or assignment by Franchisor.

B. Transfer by Franchisee

Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and, if Franchisee is other than an individual, Franchisee's Principals, and that Franchisor has entered into this Agreement in reliance upon the business skills and financial capacity of Franchisee and if Franchisee is other than an individual, Franchisee's Principals. Accordingly, neither Franchisee, nor any Principal of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the Franchise, shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest therein or in Franchisee without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor, shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without the opportunity to cure. Franchisor shall not unreasonably withhold its consent to a transfer of any

interest in Franchisee or in this Franchise; provided, however, that prior to the transfer, Franchisor may, in its sole discretion, require that:

1. All of Franchisee's accrued monetary obligations to Franchisor and all other outstanding obligations related to the Franchised Business shall have been satisfied.

2. The transferor's right to receive compensation pursuant to any agreement for the purchase of any interest in Franchisee or in the Franchised Business shall be subordinated and secondary to Franchisor's rights to receive any outstanding monetary obligations or other outstanding obligations due from the transferor or Franchisee pursuant to this Agreement, whether arising before or after the transfer.

3. The transferee franchisee shall enter into a written assumption, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement prior to and after the date of the assumption.

4. The transferee franchisee shall demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise) and has adequate financial resources and capital to operate the Franchised Business.

5. The transferee franchisee shall execute Franchisor's then-current form of the franchise agreement and such other ancillary agreements as Franchisor may require for a term ending on the expiration date of this Agreement and with such renewal term(s) as provided in the then-current Franchise Agreement.

6. At the transferee franchisee's expense, and upon such other terms and conditions as Franchisor may reasonably require, the transferee Franchisee, its Designated Manager, and other persons that are normal and customary required to attend training must satisfactorily complete Franchisor's training requirements then in effect for franchisees.

7. Any right of Franchisee to any payments from the transferee franchise resulting from the transfer shall be subordinate to any claim or right of Franchisor against the transferee franchisee subsequent to the effective date of the transfer, and Franchisee and the transferee Franchisee shall execute any and all instruments reasonably required by Franchisor to evidence such liability.

8. Either Franchisee or the transferee Franchisee shall pay Franchisor a transfer fee of 50% of the then-current Initial Franchise Fee. The transfer fee shall be due and paid upon Franchisee's request for consent to the proposed transfer. The Transfer Fee is non-refundable. No transfer fee will be required in the case of a transfer of Franchisee's interest under this Agreement to an entity formed solely for the convenience of ownership in accordance with the provisions of this Agreement.

9. Notwithstanding the provisions of Subsection above, neither Franchisee nor any Principal of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the Franchised Business, shall pledge, mortgage, grant a security interest, or otherwise encumber any interest in this Agreement, in the franchise granted hereunder, or in Franchisee (whether or not in

connection with an absolute transfer of an interest in the Franchised Business). Franchisor shall not be obliged to consent to any such transfer.

C. Transfer to Controlled Entity

In the event that Franchisee proposes to transfer all of its interest in the Franchised Business to an entity formed solely for the convenience of ownership, Franchisor's consent to such transfer may, in its sole discretion, be conditioned on the following requirements:

1. Franchisee shall own a controlling interest in the transferee entity;

2. The transferee entity shall be newly organized, and its charter, articles of organization, bylaws, partnership agreement, or operating agreement shall provide that its activities are confined exclusively to operating the Franchised Business;

3. Franchisee, prior to the transfer, shall have provided Franchisor with written information as to each Principal of the transferee entity and the interest of each and shall promptly notify Franchisor of any changes in any such information during the term of this Agreement;

4. The transferee entity shall designate a Designated Manager in compliance with this Agreement;

5. All Principals of the transferee entity shall enter into an agreement, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of the transferee entity's obligations to Franchisor;

6. Each ownership certificate of the transferee entity, if any, shall have conspicuously endorsed upon its face the following legend:

> "*The transfer, sale, or pledge of these shares is subject to the terms and conditions of a Franchise Agreement with Fitopia Franchising LLC dated _____.*"

7. Copies of the transferee entity's articles of incorporation or organization, bylaws, partnership agreement, operating agreement, and other governing documents, including the resolutions of the Principals or Board of Directors authorizing the execution of this Agreement, shall be furnished to Franchisor for its approval; and

8. The transferee entity's name shall not consist of or contain the Marks or any colorable variation thereof or any other mark in which Franchisor has or claims a proprietary interest.

D. Franchisor's Right of First Refusal

If Franchisee or its Principals shall at any time decide to sell, transfer, or assign any right or interest under this Agreement and/or the franchise granted pursuant hereto, Franchisee or its Principals shall first obtain a bona fide, executed, written offer from a responsible and fully disclosed purchaser and shall submit an exact copy thereof to Franchisor. For a period of thirty (30) days after the date of delivery of such offer to Franchisor, Franchisor shall have the right, exercisable by written notice to Franchisee or any of its officers, to purchase such rights or interests for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute equivalent cash for any form of payment proposed in such offer. Any purchase by Franchisor must be completed within ninety (90) days after Franchisee's receipt of Franchisor's written notice of its intent to purchase. If Franchisor does not exercise its right of first refusal, Franchisee or its Principals may complete the sale of such interest to the bona fide purchaser, subject to Franchisor's approval of the purchaser as provided herein; provided, however, if the sale to such purchaser

is not completed within one hundred twenty (120) days after the delivery of the offer to Franchisor, Franchisor shall again have the right of the first refusal herein provided.

E. The Right of Franchisee's Heirs upon Death or Disability of Franchisee

A transfer to the heirs, surviving spouse, or personal or other legal representatives of Franchisee (collectively, Involuntary Transferees) upon the death or legal disability of Franchisee shall not be subject to Franchisor's right of first refusal above or right to terminate for failure to obtain written approval for Transfer as provided herein, so long as the Involuntary Transferees (i) satisfy Franchisor that they are qualified to act as a franchisee, and (ii) perform all other applicable acts required of a Transferee and Transferor as prescribed this Agreement. Such transfer shall be made within one hundred eighty (180) days after the death or disability of Franchisee, or Franchisor, at its option, may terminate this Agreement, whereupon all rights granted to Franchisee hereunder shall revert to Franchisor. Any subsequent sale or other transfer by any Involuntary Transferee shall be subject to Franchisor's right of written approval set forth in this Section in this Agreement and to Franchisor's right of first refusal set forth above. Transfer to Involuntary Transferees shall not require the payment of the transfer fee required by this Agreement. Actual legal costs incurred by Franchisor to approve and effect the transfer will be charged, however.

17. TERMINATION

A. Termination by Franchisor

Upon Notice to Franchisee, Franchisor may elect to terminate this Agreement, without prejudice to any other legal or equitable rights or remedies upon the occurrence of any one or more of the following events: listed below. In such event, the Termination of this Agreement shall be effective immediately upon Franchisee's receipt of a written Notice of termination.

1. Franchisee fails to timely (i) locate and secure a Site as so required by this Agreement, or (ii) open the Franchised Business within the time limits prescribed by this Agreement.

2. Franchisee fails to satisfy all of the training obligations herein.

3. Franchisee is delinquent by more than ten (10) days in paying any sum due as required under this Agreement or any other agreement or instrument between Franchisor or Franchisor's affiliate and Franchisee.

4. Franchisee is late for more than 10 days on any payment due and owing to a FITOPIA approved or designated vendor or supplier.

5. Franchisee fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, Royalty Fees or other fees and payments when due to Franchisor or any Affiliate of Franchisor, or commits (3) defaults or more under this agreement or any other agreement with Franchisor or any Affiliate of Franchisor, whether or not such defaults or such failure to pay or submit information is corrected after notice thereof is delivered to Franchisee or after curing a default under this Agreement, Franchisee commits the same default again within six months of the default, even if Franchisee would otherwise be given an opportunity to cure the current default.

6. Franchisee (or an affiliate of Franchisee) defaults under any other agreement between Franchisor (or an affiliate or Franchisor) such that Franchisor or its Affiliate, as the case may be, has the right to terminate the said agreement or said agreement automatically terminates.

7. Franchisee fails to operate the Franchised Business for more than two (2) consecutive days

that the Franchised Business is required or is customarily open in the ordinary course of business or otherwise abandons the Franchised Business.

8. Franchisee provides, offers, or sells products or services other than those that are Permitted Products and Services and/or Franchisee fails to provide, offer, or sell any one, some, or all of the Permitted Products and Services.

9. If Franchisees fail to participate in a promotional campaign, discount program, or honor a coupon in accordance with the standards established by Franchisor within five (5) days of the notice being sent to Franchise.

10. Franchisee provides, offers, or sells any Permitted Products and Services at or from a location that is within the franchise territory of another FITOPIA franchise (except as expressly stated in this Agreement, the Operating Manual, or any other written agreement between Franchisor and Franchisee), or otherwise infringes upon rights granted by Franchisor under franchise agreements with or other franchisees of Franchisor.

11. Franchisee refuses to allow or cooperate with an inspection or audit of the Franchised Business, or a Franchisee fails to achieve or exceed System Standards in two (2) inspections in any twenty (24) month period or fails to meet the Performance Standard as set forth herein.

12. Franchisee is declared bankrupt or insolvent, or Franchisee is the debtor in a voluntary or involuntary bankruptcy proceeding under the U.S. Bankruptcy Code (this provision may not be enforceable under federal bankruptcy law).

13. A receiver is appointed for Franchisee or for any part of its property; Franchisee makes any assignment for the benefit of its creditors, if not dismissed within fifteen (15) days, and/or a final judgment is entered against Franchisee in the amount of twenty-five thousand ($25,000) dollars or more which remains unsatisfied or is on record for thirty (30) days or longer without a supersedeas bond being filed.

14. Franchisee loses the right to possession of the Site upon which the Franchised Business is located or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located unless such default results from circumstances beyond the control of Franchisee and does not arise from any action taken or failure to act by Franchisee or Franchisee's failure to cure or correct the circumstances that led to such default (provided, however, that if through no fault of Franchisee, the Site is damaged or destroyed by an event such that repairs or reconstruction cannot be completed within ninety (90) days thereafter, or if the Site is acquired pursuant to a government taking of property, then Franchisee shall have thirty (30) days after such event in which to apply for Franchisor's approval to relocate the Franchised Business or reconstruct the Franchised Business, which approval shall not be unreasonably withheld).

15. Franchisee fails, for a period of ten (10) days after receipt of notification of noncompliance, to comply with any federal, state, or local law or regulation applicable to the operation of the Franchised Business.

16. Franchisee makes any transfer or attempted transfer that fails to comply with this Agreement.

17. The Franchised Business is seized, taken over, or foreclosed by a government official in the exercise of his duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor; a final judgment against Franchisee remains unsatisfied for thirty (30) days (unless a supersedeas or other appeal bond has been filed), or a levy of execution has been made upon the franchise granted

by this Agreement or upon any property used in the Franchised Business that is not discharged within five (5) days of such levy.

18. Franchisee or any Principal violates the restrictive covenants of the confidentiality, solicitation, competition as set forth in this agreement or otherwise directly or indirectly uses or discloses Confidentiality Information to or for the benefit of it, his/her, or benefit of another or publishes causes to be published Confidential Information without the expressed written consent of Franchisor.

19. Any conduct or activity by Franchisee or any Designated Manager, Principal, director, or officer of Franchisee that Franchisor believes is reasonably likely to have an adverse effect or reflect unfavorably on the Franchised Business, Franchisor, the System, the Marks, or the goodwill associated therewith, including, but not limited to, any criminal misconduct for which Franchisee or any Designated Manager, Principal, director, or officer of Franchisee is convicted.

20. Franchisee knowingly maintains false books or records, or knowingly submits any false reports (including, but not limited to, the information provided as part of Franchisee's application for this franchise) to Franchisor or understates its Gross Revenue reported to Franchisor by more than five percent (5%) and any given 180-day period.

21. Any threat or danger to public health or safety resulting from the construction, maintenance, or operation of the Franchised Business, and Franchisee has not immediately commenced actions to cure the problem or has not promptly cured or corrected the problem or activity that gave rise to the threat or danger.

22. Franchisee fails to perform or breaches any other provision of this Agreement or of any other agreement or instrument between Franchisor, Franchisor's affiliates, or a FITOPIA designated supplier and Franchisee and fails to cure any such breach within thirty (30) days from notice of breach or if any agreement by and between the Franchisee or its affiliates and Franchisors or its affiliates or a FITOPIA designated supplier is terminated by reason of Franchisee's, Franchisee's affiliate(s)', or Franchisees Principal Owner(s)' default, irrespective of such default was in part or in whole directly or indirectly the reason for termination.

B. Termination with the Opportunity to Cure

If other than so stated above, if Franchise so breaches this Agreement, fails to operate the Franchised Business in full compliance with the terms of this Agreement, the Operating Manual, or the System Standards, Franchisor may elect to terminate this Agreement, without prejudice to any other legal or equitable rights or remedies, upon Notice of Termination, if franchisee so fails to fully cure said noted breach(es) within thirty (30) days of said Notice. Termination of this Agreement shall be effective automatically upon the expiration of the time period specified above (or such longer period as may be required by applicable law) or, if no notice of default is required, immediately upon Franchisee's receipt of a written notice of termination.

C. Liability for Default

If Franchisee fails to cure any default within the applicable time period set forth in this Section, Franchisee shall pay all damages, costs, and expenses incurred by Franchisor as a result of any such default, including, but not limited to, reasonable attorney and accounting fees. This provision shall apply regardless of whether or not Franchisor exercises its right to terminate this Agreement or initiate legal or arbitration proceedings against Franchisee.

D. Our Step-In Rights

The parties herein want to prevent any operation or interruption of the Franchised Business that would cause harm to the Franchised Business and to the System and lessen its value. Therefore, Franchisee authorizes Franchisor to step in to operate the Franchised Business for as long as Franchisor believes necessary and practical in Franchisor's exclusive judgment. Franchisor may do so without waiving any other rights or remedies that Franchisor may have.

Cause for stepping-in may include Franchisor's determination that: Franchisee is incapable of operating the Franchised Business; Franchisee is absent or incapacitated because of illness or death; Franchisee has failed to pay when due any real property, equipment rent or lease payments, suppliers, or inventory payments; Franchisee has failed to pay to Franchisor when due any franchise, royalty, advertising, or other fees; Franchisee has failed to pay when due any taxes or assessments against the Franchised Business or property used in the Franchised Business; Franchisee has failed to pay when due any liens or encumbrances placed upon or against Franchised Business property; Franchised Business activities are having a negative impact on the value of System or Franchisor decides that significant operational problems require Franchisor to operate the Franchised Business for a time.

All Revenue from Franchisor's operation of the Franchised Business will be for Franchisee's exclusive account. Franchisor will pay from that Revenue all expenses, debts, and liabilities. Franchisor incurs during Franchisor's operation of the Franchised Business. This will include our personnel and administrative and travel costs, plus fifteen percent (15%) of that Revenue to cover Franchisor overhead expenses. In addition, Franchisor will have the option, but not the obligation, to pay to Franchisee any claims owed by Franchisee to any creditor or employee of the Franchised Business. Franchisee will reimburse Franchisor upon demand, including at the rate set forth above, for overdue amounts.

Our exercise of these Step-In Rights, Franchisee agrees to hold Franchisor harmless for all acts, omissions, damages, or liabilities arising during Franchisor's operation of the Franchised Business. Our operation of the Franchised Business will not operate as an assignment to Franchisor of any lease or sublease of Franchised Business property. Franchisor will have no responsibility for payment of any rent or other charges owing on any lease for Franchisee property, except as the charges relate to the period of Franchisor's operation of the Franchised Business. You agree to pay Franchisor's legal and accounting fees, and costs Franchisor incurs because of Franchisor's exercise of these Step-In Rights.

18. OBLIGATIONS UPON TERMINATION

Upon the termination or expiration of this Agreement, for any reason, Franchisee shall forthwith:

1. Cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

2. Immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, materials, confidential methods, procedures, or techniques associated with the System or that display the Marks, or any other distinctive forms, slogans, signs, symbols, or devices associated with or belonging to Franchisor.

3. Make such modifications or alterations to the Site of the Franchised Business, including the improvements thereon, as may be necessary or requested by Franchisor (including, but not limited to, changing the telephone number) to prevent the operation of any business on the Site upon which the Franchised Business is located that might be deemed substantially similar to that of the Franchised Business or any other franchisee of Franchisor. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor shall have the right to enter the Site without being guilty of trespass or any other tort or crime for the purposes of making or causing to

be made such changes as may be required, at the expense of Franchisee.

4. At the option of Franchisor, assign to Franchisor or Franchisor's designee any interest of Franchisee in any lease or sublease for the Site of the Franchised Business. If Franchisee fails to do so, Franchisor shall have the right, for which purpose Franchisee hereby appoints Franchisor as its attorney-in-fact, to make such assignment on Franchisee's behalf. If Franchisor elects not to exercise its option to acquire Franchisee's lease/sublease, Franchisee shall make such modifications or alterations to the Site of the Franchised Business as described in the subparagraph above immediately upon termination or expiration of this Agreement as may be necessary and requested by Franchisor for that purpose (including, but not limited to, changing the telephone number).

5. Turnover to Franchisor the Operating Manual, records, customer and other files, instructions, correspondence, and software provided and/or licensed by Franchisor, including, without limitation, brochures, agreements, disclosure statements, and any materials relating to the business operated hereunder, which may be in Franchisee's possession, together with all copies thereof (all of which Franchisee acknowledges to be Franchisor's sole property).

6. At the option of Franchisor, assign to Franchisor or Franchisor's designee all of Franchisee's rights, title, and interest in and to any and all (i) telephone numbers of Franchisee's franchise and all related Yellow Pages, White Pages, and other business listings, and (ii) Web Sites, web pages, listings, banners, URLs, advertisements, or any other services and links related to the Franchised Business or the use of Franchisor's trademarks, service marks or other logos, on or with the internet, World Wide Web, internet service providers, electronic mail services, communication providers, search engines or other similar services.

7. At the option of Franchisor (to be exercised within thirty (30) days after termination), sell to Franchisor any or all of the furnishings, equipment, signs, fixtures, supplies, or inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's depreciated book value.

8. Take such action as may be necessary to cancel any assumed name or equivalent registration that contains the mark FITOPIA or any of the other Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within fifteen (15) days after termination or expiration of this Agreement.

9. Immediately pay all sums due and owing to Franchisor and its affiliates, including, but not limited to, any unpaid Royalty Fees, other fees, and monies.

10. Obtain and maintain in effect all coverage for the professional liability or errors and omissions insurance and general liability insurance by this Agreement, to extend the period in which claims may be made for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Business is located.

11. Franchisee does hereby irrevocably constitute and appoint Franchisor as the true and lawful attorney-in-fact and agent for Franchisee to carry out Franchisee's obligations under this Section. Franchisee agrees to promptly execute, acknowledge, and deliver to Franchisor any and all such documents as may be required to carry out Franchisee's obligations hereunder. The provisions of this Section shall survive the expiration, termination, or cancellation of this Agreement.

19. COVENANTS OF FRANCHISEE

A. Management of Franchise

Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, the Franchised Business shall at all times be under the direct supervision of Franchisee, the Designated Manager, or the Franchised Business Manager, who shall devote his/her full time, energy, and best efforts to the management and operation of the Franchised Business.

B. Covenants during the Term of Franchise Agreement

Franchisee specifically acknowledges that pursuant to this Agreement; Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the design, development, and operation of the Franchised Business, procedures and techniques of the FITOPIA Method, and sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with, any person, persons, partnership, or corporation:

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

2. own, maintain, engage in, or have any interest in any business offering fitness classes and personal training or any other products or services that are offered in the Franchised Business ("Competitive Business"), unless otherwise consented to in writing by Franchisor.

C. Covenants after Termination of Franchise Agreement

Franchisee further covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, directly, or indirectly, for itself or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

1. for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, own, maintain, operate, engage in, or have any interest in any business offering fitness classes and personal training, or any other services that had been offered by the Franchised Business, within twenty-five (25) miles of any FITOPIA Franchised Business; or

2. for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, directly or indirectly solicit or perform services for any person who was a client of the Franchised Business at any time during the term of this Agreement.

3. Franchisee and Franchisor agree that the covenants contained in this Section shall survive the expiration, termination, or cancellation of this Agreement. In the event of the violation of this Section by Franchisee following expiration, termination, or assignment of this Agreement, the period of time Franchisee shall be required to abide by the breached obligation shall be extended to a period of two (2) years after Franchisee is no longer in breach of such obligation.

D. Exclusion for Publicly Traded Company

This Section shall not apply to the beneficial ownership by Franchisee of less than five percent (5%) of the outstanding equity securities of any corporation that is registered under the Securities and Exchange Act of 1934.

E. Independent Covenants; Severability

The parties agree that each of the covenants in this Section shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenants subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Section.

F. Reduction of Covenants by Franchisor

Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions hereof.

G. Claims Against Franchisor No Defense

Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

H. Injunctive Relief

Franchisee acknowledges that its violation of the terms of this Section would result in irreparable injury to Franchisor for which no adequate remedy at law may be available; and Franchisee accordingly consents to the issuance of and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section.

I. Execution of Covenants by Key Personnel

At the request of Franchisor, Franchisee shall provide Franchisor with executed Restrictive Covenant Agreements, containing covenants similar in substance to those set forth in this Section (including covenants applicable upon the termination of a person's relationship with Franchisee), from each manager, officer, director, and Principal of Franchisee. With respect to each person who becomes associated with Franchisee in one of the capacities enumerated above subsequent to the execution of this Agreement, Franchisee shall require and obtain such covenants from them and promptly provide Franchisor with executed copies thereof. In no event shall any person enumerated above be granted access to any confidential aspect of the System or the Franchised Business prior to their execution of such a covenant. All covenants required by this Section shall be in a form satisfactory to Franchisor, including, without limitation, the specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. The failure by Franchisee to obtain the execution of the covenants required by this Section and provide the same to Franchisor shall constitute a material breach of this Agreement.

20. ENFORCEMENT

A. Injunctive Relief

Franchisor shall be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to (a) Franchisee's use of the Marks; (b) the obligations of Franchisee upon the termination or expiration of this Agreement; (c) Covenants of Franchisee; (d) any assignment or transfer of this Agreement or any ownership interest contrary to this Agreement; or (e) as necessary to prohibit any act or omission by Franchisee or its employees or agents: (i) that would constitute a violation of any applicable law, ordinance, or regulation: (ii) that is dishonest or misleading to Franchisor and/or Franchisor's other franchisees; or (iii) that, in Franchisor's reasonable judgment, may harm, tarnish, impair or reflect unfavorably upon the reputation, name, services or operation of the Franchised Business, Franchisor, the System or the Marks.

B. Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing herein contained shall bar Franchisor's right to seek injunctive relief against threatened conduct that shall cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

FRANCHISEE AND FRANCHISOR EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IF THERE IS A DISPUTE WITH THE OTHER, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED. FRANCHISEE WAIVES AND DISCLAIMS ANY RIGHT TO CONSEQUENTIAL DAMAGES IN ANY ACTION OR CLAIM AGAINST FRANCHISOR CONCERNING THIS AGREEMENT OR ANY RELATED AGREEMENT. IN ANY CLAIM OR ACTION BROUGHT BY FRANCHISEE AGAINST FRANCHISOR CONCERNING THIS AGREEMENT, FRANCHISEE'S CONTRACT DAMAGES SHALL NOT EXCEED AND SHALL BE LIMITED TO REFUND OF FRANCHISEE'S FRANCHISE FEE PAYMENTS.

FRANCHISEE AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

C. Limitations of Claims

Except for claims against Franchisee concerning the underreporting of gross sales and for claims against Franchisee by Franchisor relating to third-party claims or suits brought against Franchisor; as a result, Franchisee's operation of the franchise business, any and all claims arising out of or relating to this Agreement or the relationship between the parties hereto shall be barred unless an arbitration or legal proceeding is commenced within one (1) year from the date Franchisee, or Franchisor knew or should have known of the facts giving rise to such claims.

D. No Right to Offset

Franchisee may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor, or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

21. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

It is understood and agreed that nothing in this Agreement shall create a partnership, employment, or agency relationship between Franchisor and Franchisee or authorize 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. Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action by Franchisee. Franchisor shall not be liable to any third party for any act or omission of Franchisee in any of its operations hereunder (including, without limitation, any claim or action against Franchisee for negligent hiring, sexual harassment, or employment discrimination) or any claim or judgment arising therefore against Franchisee. Franchisee shall indemnify and hold Franchisor harmless from and against any and all claims, debts, liabilities, or obligations arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Franchised Business (excluding, however, liabilities caused by (i) Franchisee's improper reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor's negligence), and shall pay all costs (including, without limitation, attorney and accountant fees) incurred by Franchisor in defending against and/or responding to them. FRANCHISEE SHALL DISPLAY PROMINENTLY AT ITS PLACE OF BUSINESS, ON ALL CORRESPONDENCE WITH THIRD PARTIES, AND IN ANY PRINTED MATERIALS BEARING ITS NAME OR BUSINESS LOCATION, A STATEMENT THAT THE FRANCHISED BUSINESS IS INDEPENDENTLY OWNED AND OPERATED BY FRANCHISEE.

22. MISCELLANEOUS

A. Nature of Agreement

This Agreement, together with the exhibits attached hereto, constitutes the entire Agreement between the parties hereto and supersedes any prior agreements between such parties except those disclosures which are included in the Franchisor's now current Franchise Disclosure Document. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. This Agreement may not be modified or amended except by a written instrument signed by each of the parties hereto, expressing such amendment or modification. No failure on the part of any party hereto to exercise, and no delay in exercising, any right, power, or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

B. Benefit

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns. This Agreement shall not be assigned by Franchisee without the prior written consent of Franchisor.

C. Construction

This Agreement was accepted by Franchisor in Ohio. Except to the extent governed by the U.S. Trademark Act of 1946, this Agreement shall be governed by and construed in accordance with the laws of the State of Ohio; provided, however, that if any of the covenants contained in this Agreement would not be enforceable under the laws of Ohio and the Franchised Business is located outside of Ohio, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Business is located}. The laws of Ohio shall prevail in the event of any conflict of law, except as specifically provided otherwise by any applicable state franchise investment laws, rules, or regulations. If any provision of this Agreement relating to termination, nonrenewal, or assignment of the franchise, or choice of law, jurisdiction, or venue is inconsistent with any applicable state franchise investment law, rules or regulations, such applicable state law shall apply. Any addendum to this Agreement required by the regulatory authorities of any state for the purpose of disclosing the salient provision of such a state's law is hereby

made a part hereof.

D. Jurisdiction and Venue

Franchisee hereby irrevocably agrees that subject to Franchisor's sole and absolute election, any and all suits, actions, or other proceedings with respect to, arising out of, or in connection with this Agreement shall be litigated in courts having a situs within Butler County, Ohio. Franchisee hereby consents and agrees that the following courts shall have personal jurisdiction over Franchisee in all lawsuits relating to or arising out of this Agreement, and hereby submits to the jurisdiction of the following courts and irrevocably waives any defense Franchisee may have or lack of personal jurisdiction in any such lawsuits filed in these courts: (a) all courts included within the state court system of the State of Ohio; and (b) all courts of the United States of America sitting within the State of Ohio, including, without limitation, all United States District Courts within the State of Ohio. Franchisee hereby consents and agrees that venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Agreement and hereby irrevocably waives any right Franchisee may have to transfer or change the venue in any such lawsuits filed in these courts: (a) the state court of the county where Franchisor has its principal place of business. In the event any of these courts are abolished, Franchisee agrees that venue shall be proper in the state or federal court in Ohio that most closely approximates the subject matter jurisdiction of the abolished court as well as any of these courts that are not so abolished. Any and all lawsuits filed by Franchisee against Franchisor (whether in breach of the arbitration provisions of this Agreement or not) relating to or arising out of this Agreement shall be required to be filed in one of these courts. Any and all lawsuits filed by Franchisor against Franchisee may be filed in any of these courts or in any court in which jurisdiction and venue are proper. In all lawsuits relating to or arising out of this Agreement, Franchisee consents and agrees that Franchisee may be served with process outside the State of Ohio in the same manner of service that may be made within the State of Ohio by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction. Franchisee hereby waives any defense it may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

E. Headings

The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provision of this Agreement.

F. Notices

All payments shall be made to, and all notices, requests, demands, and other communications hereunder shall be deemed to have been duly received by, the person to whom addressed when personally delivered or forty-eight (48) hours after deposit in the United States mail, postage prepaid, addressed:

in the case of Franchisor:

Fitopia Franchising LLC
4794 Redbank Expressway
Cincinnati, Ohio, 45227

or to such other persons or address as Franchisor may from time to time furnish to Franchisee;

in the case of Franchisee: as listed in Attachment 1.

G. Severability

In the event that any provision of this Agreement, in whole or in part (or the application of any provision to a specific situation), shall be held by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, to be invalid, unenforceable or in violation of any federal, state or local law, regulation or ordinance applicable to this Agreement, such invalidity shall be limited to such specific provision or portion thereof (or to such situation), and this Agreement shall be construed and applied in such manner as to minimize such invalidity. All other provisions of this Agreement shall otherwise remain in full force and effect.

If any applicable and binding law or regulation of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement that is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or regulation of any jurisdiction any provision of this Agreement or any specification, standard, or operating procedure prescribed by Franchisor is invalid or unenforceable, then the prior notice and/or other action required by such law or regulation shall be substituted for the comparable provisions hereof, and Franchisor shall have the unlimited right to modify such invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision hereof, as though it was separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or from any specification, standard, or operating procedure prescribed by Franchisor, any portion or portions that a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Any such modifications to this Agreement shall be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions.

H. Survival of Covenants

All provisions of this Agreement which, by their terms, are intended to survive the termination or expiration of this Agreement (such as, by way of illustration and not limitation, the provisions relating to confidential information, indemnification, post-termination competition, and the Marks), and all provisions hereof necessary to enforce and interpret such provisions (such as, by way of illustration and not limitation, the provisions relating to arbitration and injunctive relief), shall survive the termination, expiration or cancellation of this Agreement or the franchise granted hereunder.

I. No Third-Party Beneficiaries

Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or entity not a party hereto.

J. Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed by their duly authorized agents as of the date first written above.

FRANCHISOR:
FITOPIA FRANCHISING, LLC

By:

Name:

Title:

Date:

FRANCHISEE:
[FRANCHISEE ENTITY]

By:

Name:

Title:

Date:

ATTACHMENT 1

FRANCHISEE-SPECIFIC TERMS

Effective Date:

Franchisee's Name:

Franchisee's State of Organization and Entity Type (if applicable):

Ownership of Franchisee: If the franchisee is an Entity (as defined in the Agreement), the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

Name	Percentage Ownership
	%
	%
	%

Operating Principal:

Key Manager:

Franchise Fee: **$**

Franchisee's Address for Notices:

A:

E:

P:

Additional Terms; Inconsistent Terms (if any): This section is limited to negotiated changes between the parties.

Signature Page for Attachment 1 (Franchisee-Specific Terms)

FRANCHISOR:
FITOPIA FRANCHISING, LLC

By:

Name:

Title:

Date:

FRANCHISEE:
[FRANCHISEE ENTITY]

By:

Name:

Title:

Date:

SCHEDULE A TO ATTACHMENT 1

LOCATION ACCEPTANCE LETTER

(to be completed after site selection and acceptance)

Date:

1. **Preservation of Agreement.** Except as specifically set forth in this letter, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This letter is attached to and upon execution becomes an integral part of the Franchise Agreement.

2. **Authorized Location**. The Authorized Location shall be the following:

_____

3. **Protected Territory.** Pursuant to the Franchise Agreement, Franchisee's Protected Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

_____

FRANCHISOR:
FITOPIA FRANCHISING, LLC

By:

Name:

Title:

FRANCHISEE ACKNOWLEDGEMENT:

By:

Name:

Date:

ATTACHMENT 2

PERSONAL GUARANTY

IN CONSIDERATION for, and as an inducement for Fitopia Franchising LLC ("Franchisor") to enter into a FITOPIA franchise agreement and any powers of attorney and other instruments dated concurrently herewith (collectively the "Franchise Documents") between Franchisor and the business entity identified below ("Franchisee"), the undersigned ("Guarantors") hereby jointly and severally guarantee to Franchisor, and to Franchisor's successors and assigns: (a) the timely payment of all Royalty Fees, late fees, interest charges, and all other fees and charges provided for under the Franchise Agreement; and (b) the timely performance of all of the provisions of the Franchise Documents for and during the term thereof (including all renewals thereof, if any). Guarantors further specifically agree to be individually bound by all covenants, obligations, and commitments of Franchisee contained in each of the Franchise Documents to the same extent as if each of the Guarantors had individually executed the same as Franchisee.

Guarantors understand and agree that any modification of the Franchise Documents, including any addendum thereto, or waiver by Franchisor of the performance by Franchisee of its obligations thereunder, or the giving by Franchisor of any extension of time for the performance of any of the obligations of Franchisee thereunder, or any other forbearance on the part of Franchisor or any failure by Franchisor to enforce any of its rights under the Franchise Documents, including any addendum thereto, shall not in any way release Guarantors from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of Franchisee is so released, terminated, affected or diminished. Notice to Guarantors of any such modification, waiver, extension, or forbearance under the terms thereof is hereby waived.

Guarantors hereby waive any and all notice of default on the part of Franchisee; waive exhausting of recourse against Franchisee; and consent to any assignment of the Franchise Documents, in whole or in part, that Franchisor or its assignees may make. Guarantors agree to pay all costs, including reasonable attorneys' fees, incurred by Franchisor to collect or otherwise enforce the terms of this Guaranty. This Guaranty has been delivered in the State of Ohio and shall be construed and enforced in accordance with the laws thereof. Jurisdiction and venue in any action to enforce this Guaranty shall be in any state or federal court within the State of Ohio in the judicial district where Franchisor has its principal place of business. Guarantors consent to the exercise of personal jurisdiction by any such court and waive any defense of lack of personal jurisdiction or improper venue.

GUARANTOR(S):
(add more signature boxes as necessary)

By:

Name:

Title:

ATTACHMENT 3

AUTHORIZATION FOR ELECTRONIC TRANSFER OF FUNDS

The undersigned depositor ("Depositor") hereby authorizes Fitopia Franchising LLC ("Payee") to initiate debit entries and/or credit correction entries to the Depositor's checking account designated below and authorizes the financial institution designated below ("Bank") to debit such account pursuant to Payee's instructions.

Name of Financial Institution:

Branch:

Address of Financial Institution:

Account Number:

Bank Transit/Routing Number:

This authority will remain in effect until the Bank receives a written cancellation notification from Depositor in such time as to afford Bank a reasonable opportunity to act on it. Depositor may stop payment of any entry by notifying Bank at least three (3) business days before the entry is charged to Depositor's account. Depositor may have the amount of any erroneous entry immediately credited to Depositor's account by notifying Bank within fifteen (15) calendar days after Bank issues Depositor's account statement containing the erroneous entry or forty-five (45) days after posting, whichever occurs first. These rights are in addition to any rights Depositor may have under federal and state banking or consumer protection laws.

Name of Depositor:

By:

Title:

Date:

A voided check must be attached to this form

ATTACHMENT 4

SITE SELECTION ADDENDUM

Concurrently herewith, Fitopia Franchising LLC ("Franchisor") and _____ ("Franchisee") have entered into a FITOPIA Franchise Agreement (the "Franchise Agreement") and desire to supplement its terms, as set out in this Site Selection Addendum (the "Addendum"). The parties hereto, therefore, agree as follows:

1. Within 3 months after the execution of the Franchise Agreement (the "Site Selection Period"), Franchisee shall acquire or lease, at Franchisee's expense, a location for the FITOPIA Franchised Business franchised under the Franchise Agreement (the "Franchised Business") at a site approved by Franchisor as hereinafter provided. Such location shall be within the following area: _____ (the "Site Selection Territory"). The Site Selection Territory is described solely for the purpose of selecting a site for the Franchised Business.

2. Franchisor shall not establish nor license another to establish; a FITOPIA Franchised Business within the Site Selection Territory until Franchisor approves of a location for the Franchised Business, or until the expiration of the Site Selection Period, whichever event occurs first.

3. Failure by Franchisee to acquire or lease a site for the Franchised Business within the Site Selection Period shall constitute a default of the Franchise Agreement and this Site Selection Addendum.

4. If Franchisee occupies the Site of the Franchised Business under a lease or sublease, Franchisee shall, prior to the execution thereof, submit such lease to Franchisor for its written approval. Franchisor's approval of the lease or sublease may be conditioned upon the inclusion of such provisions as Franchisor may reasonably require, including, without limitation:

(a) A provision that restricts the use of the Site solely to the operation of the Franchised Business;

(b) The lessor will consent to Franchisee's use of such Marks and signage as Franchisor may prescribe for the Franchised Business;

(c) A provision that in the event Franchisee fails to timely pay any and all amounts due to Franchisor or lessor under the lease or sublease, Franchisor has the right to charge and collect from Franchisee, all resulting costs and expenses incurred by and penalties imposed on, Franchisor;

(d) A provision which prohibits Franchisee from subleasing or assigning all or any part of its occupancy rights or extending the term of or renewing the lease without Franchisor's prior written consent;

(e) A provision giving Franchisor the right, but not the obligation, to enter the Site or make modifications necessary to protect the Marks or the System or to cure any default under the Franchise Agreement;

(f) A provision reserving to Franchisor the right, at Franchisor's election, to receive an assignment of the leasehold interest, with the right to sublease, upon termination or expiration of such lease or of the Franchise Agreement without any assessment of additional fees, penalties, or rent acceleration;

(g) A provision that the lessor will provide to Franchisor copies of any and all notices (including those related to default by Franchisee) given to Franchisee under the lease; and

(h) A provision that restricts the lease from being modified in a manner that could materially affect Franchisor's rights with respect to the lease without Franchisor's prior written consent.

5. Within sixty (60) days after the execution of the Franchise Agreement, Franchisee shall submit to Franchisor, in a form specified by Franchisor, a completed site approval package, which shall include a site approval form prescribed by Franchisor, an option contract, a letter of intent, or other evidence satisfactory to Franchisor which describes Franchisee's favorable prospects for obtaining such site, photographs of the site, demographic statistics, and such other information or materials as Franchisor may reasonably require (collectively, the "SAP"). Franchisee acknowledges that time is of the essence. Franchisor shall have thirty (30) days after receipt of the SAP from Franchisee to approve or disapprove, in its sole discretion, the proposed site for the Franchised Business. In the event Franchisor does not approve a proposed site by written notice to Franchisee within said thirty (30) days, such site shall be deemed disapproved by Franchisor.

6. Franchisor shall furnish to Franchisee the following:

(a) For your Site, we provide building specifications for your real property space, we review your design plans, and you must obtain a feasibility study prepared by a qualified third party;

(b) Such on-site evaluation as Franchisor may deem advisable in response to Franchisee's requests for site approval; provided, however, that Franchisor shall not provide on-site evaluation for any proposed site prior to the receipt of a completed SAP for such site prepared by Franchisee pursuant to this Addendum above. If the on-site evaluation is deemed necessary and appropriate by Franchisor, Franchisor shall, at no charge to Franchisee, conduct: (a) up to two (2) on-site evaluations if the Franchised Business is the first FITOPIA Franchised Business to be developed by Franchisee, or (b) one (1) on-site evaluation if Franchisee has opened a FITOPIA Franchised Business prior to the Franchised Business. For any additional on-site evaluation, Franchisee shall reimburse the Franchisor for Franchisor's reasonable expenses, including, without limitation, the costs of travel, lodging, wages, and meals.

(c) After the location for the Franchised Business is approved by Franchisor and leased or acquired by Franchisee hereof, the location shall constitute the Site described in the Franchise Agreement. Franchisee hereby acknowledges and agrees that approval by Franchisor of a site does not constitute a representation, or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose. Approval by Franchisor of the site indicates only that Franchisor believes the site complies with minimum acceptable criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that the application of criteria that have been effective with respect to other sites and Sites may not be predictive of the potential for all sites and that, subsequent to approval by Franchisor of a site, demographics and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by Franchisor could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Franchisor. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.

7. This Addendum shall be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlled with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and affirmed.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Site Selection Addendum on the dates set forth below.

FRANCHISOR:
FITOPIA FRANCHISING, LLC

By:

Name:

Title:

Date:

FRANCHISEE:
[FRANCHISEE ENTITY]

By:

Name:

Title:

Date:

ATTACHMENT 5

RIDER TO LEASE AGREEMENT

THIS LEASE RIDER is entered into between the undersigned parties.

WHEREAS, Company and Franchisee are parties to a Franchise Agreement dated _____, (the "Franchise Agreement"); and

WHEREAS, the Franchise Agreement provides that Franchisee will operate a FITOPIA Franchised Business ("Business") at a location that Franchisee selects and Company accepts; and

WHEREAS, Franchisee and Landlord propose to enter into the lease to which this Rider is attached (the "Lease"), pursuant to which Franchisee will occupy premises located at the address listed on the signature page below (the "Premises") for the purpose of constructing and operating the Business in accordance with the Franchise Agreement; and

WHEREAS, the Franchise Agreement provides that, as a condition to Company's authorizing Franchisee to enter into the Lease, the parties must execute this Lease Rider;

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth in this Rider and in the Franchise Agreement, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. During the term of the Franchise Agreement, Franchisee will be permitted to use the Premises for the operation of the Business and for no other purpose.

2. Subject to applicable zoning laws and deed restrictions and to prevailing community standards of decency, Landlord consents to Franchisee's installation and use of such trademarks, service marks, signs, decor items, color schemes, and related components of the FITOPIA system as Company may from time to time prescribe for the Business.

3. Landlord agrees to furnish Company with copies of all letters and notices it sends to Franchisee pertaining to the Lease and the Premises, at the same time it sends such letters and notices to Franchisee. Notice shall be sent to Company by the method(s) as stated in the lease to:

Fitopia Franchising LLC
4794 Redbank Expressway
Cincinnati, Ohio, 45227

4. Company will have the right, without being guilty of trespass or any other crime or tort, to enter the Premises at any time or from time to time (i) to make any modification or alteration it considers necessary to protect the FITOPIA system and marks, (ii) to cure any default under the Franchise Agreement or under the Lease, or (iii) to remove the distinctive elements of the FITOPIA trade dress upon the Franchise Agreement's expiration or termination. Neither Company nor Landlord will be responsible to Franchisee for any damages Franchisee might sustain as a result of action Company takes in accordance with this provision. Company will repair or reimburse Landlord for the cost of any damage to the Premises' walls, floor or ceiling that result from Company's removal of trade dress items and other property from the Premises.

5. Franchisee will be permitted to assign the Lease to Company or its designee upon the expiration or termination of the Franchise Agreement. Landlord consents to such an assignment and agrees not to impose any assignment fee or similar change, or to increase or accelerate rent under the Lease, in connection with such an assignment.

6. If Franchisee assigns the Lease to Company or its designee in accordance with the preceding paragraph, the assignee must assume all obligations of Franchisee under the Lease from and after the date of assignment, but will have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.

7. Franchisee may not assign the Lease or sublet the Premises without Company's prior written consent, and Landlord will not consent to an assignment or subletting by Franchisee without first verifying that Company has given its written consent to Franchisee's proposed assignment or subletting.

8. Landlord and Franchisee will not amend or modify the Lease in any manner that could materially affect any of the provisions or requirements of this Lease Rider without Company's prior written consent.

9. The provisions of this Lease Rider will supersede and control any conflicting provisions of the Lease.

10. Landlord acknowledges that Company is not a party to the Lease and will have no liability or responsibility under the Lease unless and until the Lease is assigned to, and assumed by, Company.

IN WITNESS WHEREOF, the parties have executed this Lease Rider on the date signed below:

LANDLORD:

By:

Name:

Title:

TENANT:

By:

Name:

Title:

FITOPIA FRANCHISING LLC

By:

Name:

Title:

Date:

ATTACHMENT 6

FRANCHISEE QUESTIONNAIRE/COMPLIANCE CERTIFICATION

DO NOT SIGN THIS STATEMENT IF YOU ARE A RESIDENT OF, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE).

As you know, Fitopia Franchising, LLC ("we", "us"), and you are preparing to enter into a franchise agreement for the right to operate a FITOPIA franchise (a "Business"). The purpose of this Questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay us the appropriate Franchisee Fee**. Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

1. Have you received and personally reviewed the Franchise Agreement, as well as each exhibit or schedule attached to these agreements that you intend to enter into with us?

Y/N _____

2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Y/N _____

3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Y/N _____

4. Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?

Y/N _____

5. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Business(es) with these professional advisor(s)?

Y/N _____

6. Do you understand the success or failure of your Business(es) will depend in large part upon your skills, abilities, and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your Territory, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, and the marketplace?

Y/N _____

7. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

Y/N _____

8. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the System mark or any other mark at any location outside your Territory under the Franchise Agreement, without regard to the proximity of these activities to the premises of your Business(es)?

Y/N _____

9. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated and/or arbitrated, at our option, at our then current headquarters?

Y/N _____

10. Do you understand the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential, or other special damages?

Y/N _____

11. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?

Y/N _____

12. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Principal Executive(s) (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Business to open or consent to a transfer of that Business?

Y/N _____

13. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Y/N _____

14. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises (other than those that you timely fulfill your development obligations and have contracted to open under the Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?

Y/N _____

15. Do you understand that we will send written notices, as required by your Franchise Agreement, to either your Business or home address until you designate a different address by sending written notice to us?

Y/N _____

16. Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Y/N _____

17. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Y/N _____

18. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the actual, average, or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Y/N _____

19. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Development Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Y/N _____

20. Is it true that no broker, employee, or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property, or services from you in connection with a Business purchase with exception of those payments or loans provided in the Disclosure Document?

Y/N _____

[SIGNATURE PAGE FOLLOWS]

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

FRANCHISEE OWNER:
(add more signature boxes as necessary)

By:

Name:

Title:

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

EXHIBIT B

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

BETWEEN

FITOPIA FRANCHISING LLC

AND

_____

DEVELOPER

_____

DATED

TABLE OF CONTENTS

Section		Page
1.	GRANT OF DEVELOPMENT RIGHTS AND DEVELOPMENT AREA	1
2.	FEES	1
3.	DEVELOPMENT SCHEDULE	1
4.	DEVELOPMENT AREA	2
5.	COMPETITIVE BUSINESS	3
6.	TERM	3
7.	TERMINATION	3
8.	ASSIGNMENT	4
9.	DEVELOPER'S COVENANT NOT TO COMPETE	5
10.	MISCELLANEOUS	6
11.	ENFORCEMENT	9

ATTACHMENTS

ATT. 1	DEVELOPER-SPECIFIC TERMS
ATT. 2	PERSONAL GUARANTY

FITOPIA

AREA DEVELOPMENT AGREEMENT

THIS AGREEMENT is made and entered into as of this _____ (the "Effective Date") by and between Fitopia Franchising LLC, an Ohio limited liability company ("Franchisor"), and the person(s) or entity listed in as the Developer in Attachment 1 ("Developer").

RECITALS

A. Franchisor has developed and is in the process of further developing a format and system consisting of uniform standards, methods, procedures, and specifications for the operation of FITOPIA (the "System") identified by the service mark "FITOPIA," and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Franchisor may designate to be used (collectively, the "Marks") in connection with, and relating to, the establishment and operation of a business offering A FITOPIA franchised business offers an Electrical Muscle Stimulation (EMS) based fitness in a studio setting. FITOPIA delivers personal training and Classes using FDA-approved EMS equipment and methods (each, a "Business" or "Franchised Business");

B. Franchisor and Developer desire to enter into an area development agreement under which Developer shall obtain the exclusive right to establish and operate a specified number of Franchised Businesses within a specified geographical area upon the terms and conditions contained in Franchisor's then-current standard franchise agreement (each, a "Franchise Agreement"); and

C. Developer and Franchisor have entered into that certain Franchise Agreement (the "Initial Franchise Agreement") dated the same date as this Agreement for the establishment and operation of the first Franchised Businesses to be developed under this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing promises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS AND DEVELOPMENT AREA

Subject to the terms and conditions of this Agreement, Franchisor hereby grants the right to Developer, and Developer undertakes the obligation to establish and operate in the area designated in Attachment 1 of this Agreement (the "Development Area") the number of Franchised Businesses specified in the Development Schedule. This Agreement does not grant Developer any right to use the Marks; the rights to use the Marks are granted only by Franchise Agreements.

2. FEES

The total amount of the Development Fee is listed in Attachment 2 (the "Development Fee"). The Development Fee will be applied toward the initial franchise fee due under subsequent Franchise Agreements in the manner specified in Attachment 2. Developer will pay the balance of the initial franchise fee as so stipulated and due under the then Current Franchise Agreement for each Franchised Business at the time the Franchise Agreement for each Franchised Business is executed. The Development Fee will not be refundable, notwithstanding anything to the contrary in this Agreement or any Franchise Agreement.

3. DEVELOPMENT SCHEDULE

Developer must enter into Franchise Agreements and open and operate FITOPIA Franchised Business in accordance with the deadlines set forth in the Development Schedule. By each "Fee Deadline" specified in the Development Schedule, Developer must have delivered to Franchisor an initial franchise

fee and a signed copy of Franchisor's then-current standard form of Franchise Agreement for the number of FITOPIA Franchised Businesses specified on the Development Schedule. By each "Opening Deadline" specified in the Development Schedule, Developer must have the specified number of FITOPIA Franchised Businesses open and operating. Developer must locate the FITOPIA Franchised Businesses only at sites that Franchisor has accepted in accordance with the terms of the applicable Franchise Agreement.

4. DEVELOPMENT AREA

A. Exclusivity

While this Agreement is in effect, provided that Developer opens and operates FITOPIA Franchised Businesses in accordance with the Development Schedule, and the minimum number of Franchised Business that Developer has open and is operating in the Development Area at any given time is not less than the minimum required pursuant to the Development Schedule, Franchisor shall not establish or license another to establish the same FITOPIA Model Concept in the Development Area; however, the Franchisor may establish or license another to establish a FITOPIA Model Concept including but not limited to storefront, brick, and mortar, co-branded, pop-up, virtual, or mobile outlets that are different than Developer's Model Concept within the Development Area under the FITOPIA Marks and the System within the Development Area.

B. No Other Restrictions

Developer acknowledges that, except to the extent expressly provided herein, Franchisor expressly retains all rights and discretion with respect to the Marks and System, including the right to:

1. establish, and license others to establish FITOPIA Franchised Businesses at any location outside of the Development Area;

2. establish, and license others to establish, businesses [other than a Competitive Business (as defined below)] under other systems using other proprietary marks at such locations, including within the Development Area, and on such terms and conditions as Franchisor deems appropriate;

3. purchase or otherwise acquire the assets or controlling ownership of, and thereafter continue to own and operate, one or more businesses identical or similar to the FITOPIA Franchised Businesses (and/or acquire a franchise, license, and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Development Area that does not use the Marks;

4. acquire (regardless of the form of the transaction) by any business, even if the other business operates, franchises, and/or licenses Competitive Businesses within the Development Area;

5. sell the services and products authorized for Franchised Business using the Marks or other trademarks, service marks, and commercial symbols through alternate channels of distribution or Model Concepts, including but not limited to a storefront, brick, and mortar, co-branded, pop-up, virtual, or mobile outlets, joint marketing with partner companies, direct mail, catalog sales, internet sites, and co-branding strategies, pursuant to such terms and conditions as Franchisor deems appropriate;

6. advertise, promote, market, or sell goods or services using the Marks over the internet, the world wide web, or any other electronic network;

7. own, acquire, establish and operate, and license others to establish and operate businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the

Marks or other proprietary marks in any temporary or permanent venue where there is a captive audience and where the primary purpose is other than patronizing a FITOPIA business (referred herein as a "Special Venue"), in the way of examples, but not an exhaustive list: malls, colleges, universities, entertainment, and sports centers, military bases, transportation facilities, medical and rehabilitation facilities within the Development Area or outside of the Territory; and

8. contract with a customer whose offices, stores, plants, buildings, or other physical facilities are not confined to the territory of a single FITOPIA territory or the trading area of a single Franchise, Franchisor-owned, or Affiliate-owned business (referred to herein "Special Accounts"). If Franchisor establishes a contract for facilities of a Special Account located in the Development Area, Franchisor, its affiliates, or a Developer or licensee may fulfill the contract requirements to the Special Account in the Development Area.

9. engage in any activities not expressly forbidden by this Agreement.

5. Competitive Business

For purposes of this Agreement, "Competitive Business" means any business that operates, manages, offers, or provides (or grants franchises or licenses to others to operate a business that operates, manages, offers, or provides), directly or indirectly, fitness classes and personal training or similar services as are customarily offered by a Franchised Business, or in which trade secrets or other confidential information could be used to the disadvantage of Franchisor or its other Developers.

6. Term

This Agreement expires at midnight on the last Opening Deadline date listed on the Development Schedule unless this Agreement is terminated sooner as provided in this Agreement.

7. Termination

A. Events of Default

Any one or more of the following constitutes an "Event of Default" hereunder:

1. Developer fails to pay any initial franchise fee or execute any Franchise Agreement by any Fee Deadline specified in the Development Schedule;

2. Developer fails to have opened and maintained in continuous operation the minimum number of FITOPIA Franchised Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule;

3. A default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or

4. Developer breaches or otherwise fails to comply fully with any other provision contained in this Agreement herein or any other agreement between the Franchisor and/or its Affiliates.

B. Remedies

If any Event of Default occurs, Franchisor may declare this Agreement and any and all other rights granted to Developer under this Agreement to be immediately terminated and of no further force or effect, as follows:

1. Upon termination of an Event of Default listed herein, Franchisor's sole remedies under this Agreement will be retention of the Development Fee and termination of this Agreement. A

failure to open and thereafter operate FITOPIA Franchised Businesses in accordance with the Development Schedule will not, in itself, constitute cause for Franchisor to terminate any previously executed Franchise Agreement.

2. Upon termination of this Agreement for any other reason whatsoever, Franchisor shall be entitled to retain the Development Fee, and Developer will not be relieved of any of its obligations, debts, or liabilities hereunder, including without limitation any debts, obligations, or liabilities which have accrued prior to such termination. The right of termination granted by this Agreement is in addition to, and not in lieu of, any and all other rights and remedies available to Franchisor at law, in equity or otherwise, including without limitation the right to injunctive relief, all of which are cumulative.

8. Assignment

A. By Franchisor

This Agreement is fully assignable by Franchisor and will inure to the benefit of any assignee or another legal successor to Franchisor's interest.

B. By Developer

This Agreement and the rights granted to Developer under this Agreement are personal to Developer, and neither this Agreement, nor any of the rights granted to Developer hereunder nor any controlling equity interest in Developer, may be voluntarily or involuntarily, directly, or indirectly, by operation of law or otherwise, assigned or otherwise transferred, given away, or encumbered by Developer without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor, shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may terminate this Agreement without the opportunity to cure. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Developer or in this Franchise; provided, however, that prior to the transfer, Franchisor may, in its sole discretion, require that:

1. All of Developer's accrued monetary obligations to Franchisor and all other outstanding obligations related to the Franchised Businesses under this Agreement shall have been satisfied.

2. The transferee Developer shall enter into a written assumption, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of the Developer's obligations under this Agreement prior to and after the date of the assumption.

3. The transferee developer shall demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital as required by this Agreement.

4. Any right of Developer to any payments from the transferee developer resulting from the transfer shall be subordinate to any claim or right of Franchisor against the transferee developer subsequent to the effective date of the transfer, and Developer and the transferee developer shall execute any and all instruments reasonably required by Franchisor to evidence such liability.

5. Either Developer or the transferee Developer shall pay Franchisor a transfer fee of $10,000.

C. Franchisor's First Right of Refusal

If (i) Developer would like to accept a bona fide offer from a third party to purchase its interest in this Agreement, (ii) any of its legal or equitable owners (each, an "Owner"; who are all listed on Attachment 1

hereto) desires to accept an offer from a third party to purchase all or a portion of their equity interests in Developer that would result in the transfer of control of Developer (as Franchisor determines), or (iii) if Developer or such Owners desire to sell such interests and have found a willing buyer of such interests; Developer or such Owners will (a) notify Franchisor in writing of such offer, (b) offer to sell the same interests to Franchisor upon the same terms and conditions, and (c) provide such information and documentation relating to such offer as Franchisor requires. Franchisor has the right, exercisable within 30 days after receipt of such offer, information, and documentation, to send written notice to Developer (or the applicable owner(s)) that Franchisor intends to purchase the offered interests on the same economic terms and conditions offered by or to the third party or, at Franchisor's option, the cash equivalent thereof. If Franchisor elects to purchase such interests, the closing will occur within 90 days after the date of Franchisor's notice to the seller electing to purchase the interest. If Franchisor does not elect to purchase such interest within the 30-day period, Developer or such Owners may sell or transfer their offered interests to a third party; provided that such sale or transfer: (i) is made within 90 days after Franchisor gives notice of its election, (ii) is made at a price and on the same material terms as those offered to Franchisor, and (iii) is made in full compliance with all applicable requirements of this Agreement.

The right of first refusal set forth herein will not be applicable to assignments, transfers, or sales of Developer's interest in this Agreement or any equity interest in Developer, made to Developer or if Developer is an Entity, any of its Owner's spouse or child or any other existing Owners, provided that the applicable requirements of each Franchise Agreement and this Agreement are complied with fully.

9. Developer's Covenant Not to Compete

A. Covenants during the Term of Franchise Agreement

Developer specifically acknowledges that pursuant to this Agreement, Developer will receive valuable specialized training and confidential information, including, without limitation, information regarding the design, development, and operation of the Franchised Business, procedures and techniques of the FITOPIA Method, and sales, promotional, and marketing methods and techniques of Franchisor and the System. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with, any person, persons, partnership, or corporation:

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

2. own, maintain, engage in, or have any interest in any business offering fitness classes and personal training, or any other products or services that are offered in the Franchised Business unless otherwise consented to in writing by Franchisor.

B. Covenants after Termination of Franchise Agreement

Developer further covenants that, except as otherwise approved in writing by Franchisor, Developer shall not, directly or indirectly, for itself or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

1. for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, own, maintain, operate, engage in, or have any interest in any business offering fitness

classes and personal training, or any other services that had been offered by the Franchised Business, within twenty-five (25) miles of any FITOPIA Franchised Business; or

2. for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, directly or indirectly solicit or perform services for any person who was a client of the Franchised Business at any time during the term of this Agreement.

3. Developer and Franchisor agree that the covenants contained in this Section B shall survive the expiration, termination, or cancellation of this Agreement.

C. Exclusion for Publicly Traded Company

Developer's Covenant not to Compete in this Section shall not apply to the beneficial ownership by Developer of less than five percent (5%) of the outstanding equity securities of any corporation that is registered under the Securities and Exchange Act of 1934.

D. Severability

The parties agree that each of the covenants in this Section shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer expressly agrees to be bound by any lesser covenants subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Section.

E. Execution of Covenants by Key Personnel

At the request of Franchisor, Developer shall provide Franchisor with executed Restrictive Covenant Agreements, containing covenants similar in substance to those set forth in this Section (including covenants applicable upon the termination of a person's relationship with Developer), from each manager, officer, director, and Principal of Developer. With respect to each person who becomes associated with Developer in one of the capacities enumerated above subsequent to the execution of this Agreement, Developer shall require and obtain such covenants from them and promptly provide Franchisor with executed copies thereof. In no event shall any person enumerated above be granted access to any confidential aspect of the System or the Franchised Business prior to their execution of such a covenant. All covenants required by this Section shall be in a form satisfactory to Franchisor, including, without limitation, the specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. The failure by Developer to obtain the execution of the covenants required by this Section and provide the same to Franchisor shall constitute a material breach of this Agreement.

10. Miscellaneous

A. Independent Contractor and Indemnification

It is understood and agreed that nothing in this Agreement shall create a partnership, employment, or agency relationship between Franchisor and Developer, or authorize Developer to make any contract, agreement, warranty, or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name. Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action by Developer. Franchisor shall not be liable to any third party for any act or omission of Developer in any of its operations hereunder (including, without limitation, any claim or action against Developer for negligent hiring, sexual harassment, or employment discrimination) or any claim or judgment arising therefore against Developer. Developer shall indemnify and hold Franchisor harmless from and against any and all claims, debts, liabilities, or obligations arising directly or indirectly from, as a result of,

or in connection with Developer's operation of the Franchised Business (excluding, however, liabilities caused by (i) Developer's improper reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor's negligence), and shall pay all costs (including, without limitation, attorney and accountant fees) incurred by Franchisor in defending against and/or responding to them. DEVELOPER SHALL DISPLAY PROMINENTLY AT ITS PLACE OF BUSINESS, ON ALL CORRESPONDENCE WITH THIRD PARTIES, AND IN ANY PRINTED MATERIALS BEARING ITS NAME OR BUSINESS LOCATION, A STATEMENT THAT THE FRANCHISED BUSINESS IS INDEPENDENTLY OWNED AND OPERATED BY DEVELOPER.

B. Nature of Agreement

This Agreement, together with the exhibits attached hereto, constitutes the entire Agreement between the parties hereto and supersedes any prior agreements between such parties. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. This Agreement may not be modified or amended except by a written instrument signed by each of the parties hereto, expressing such amendment or modification. No failure on the part of any party hereto to exercise, and no delay in exercising, any right, power, or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

C. Benefit

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns. This Agreement shall not be assigned by Developer without the prior written consent of Franchisor.

D. Construction

This Agreement was accepted by Franchisor in Ohio. Except to the extent governed by the U.S. Trademark Act of 1946, this Agreement shall be governed by and construed in accordance with the laws of the State of Ohio; provided, however, that if any of the covenants contained in this Agreement would not be enforceable under the laws of Ohio and the Franchised Business is located outside of Ohio, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Business is located. The laws of Ohio shall prevail in the event of any conflict of law, except as specifically provided otherwise by any applicable state franchise investment laws, rules, or regulations. If any provision of this Agreement relating to termination, nonrenewal, or assignment of the franchise, or choice of law, jurisdiction, or venue is inconsistent with any applicable state franchise investment law, rules or regulations, such applicable state law shall apply. Any addendum to this Agreement required by the regulatory authorities of any state for the purpose of disclosing the salient provision of such a state's law is hereby made a part hereof.

E. Jurisdiction and Venue

Developer hereby irrevocably agrees that subject to Franchisor's sole and absolute election, any and all suits, actions, or other proceedings with respect to, arising out of, or in connection with this Agreement shall be litigated in courts having a situs within Butler County, Ohio. Developer hereby consents and agrees that the following courts shall have personal jurisdiction over Developer in all lawsuits relating to or arising out of this Agreement, and hereby submits to the jurisdiction of the following courts and irrevocably waives any defense Developer may have or lack of personal jurisdiction in any such lawsuits filed in these courts: (a) all courts included within the state court system of the State of Ohio; and (b) all courts of the United States of America sitting within the State of Ohio, including, without limitation, all United States District Courts within the State of Ohio. Developer hereby consents and agrees that venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Agreement and hereby irrevocably waives any right Developer may have to transfer or change the venue in any such lawsuits filed in these courts: (a) the state court of the county where Franchisor has its principal place of business. In the event

any of these courts are abolished, Developer agrees that venue shall be proper in the state or federal court in Ohio that most closely approximates the subject matter jurisdiction of the abolished court as well any of these courts that are not so abolished. Any and all lawsuits filed by Developer against Franchisor (whether in breach of the arbitration provisions of this Agreement or not) relating to or arising out of this Agreement shall be required to be filed in one of these courts. Any and all lawsuits filed by Franchisor against Developer may be filed in any of these courts or in any court in which jurisdiction and venue are proper. In all lawsuits relating to or arising out of this Agreement, Developer consents and agrees that Developer may be served with process outside the State of Ohio in the same manner of service that may be made within the State of Ohio by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction. Developer hereby waives any defense it may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

F. Headings

The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provision of this Agreement.

G. Notices

All payments shall be made to, and all notices, requests, demands, and other communications hereunder shall be deemed to have been duly received by, the person to whom addressed when personally delivered or forty-eight (48) hours after deposit in the United States mail, postage prepaid, addressed:

In the case of Franchisor: Fitopia Franchising LLC, 4794 Redbank Expressway, Cincinnati, Ohio, 45227 or to such other persons or address as Franchisor may from time to time designated.

In the case of Developer, at the address listed in Attachment 1.

H. Severability.

In the event that any provision of this Agreement, in whole or in part (or the application of any provision to a specific situation), shall be held by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, to be invalid, unenforceable or in violation of any federal, state or local law, regulation or ordinance applicable to this Agreement, such invalidity shall be limited to such specific provision or portion thereof (or to such situation), and this Agreement shall be construed and applied in such manner as to minimize such invalidity. All other provisions of this Agreement shall otherwise remain in full force and effect.

If any applicable and binding law or regulation of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement that is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or regulation of any jurisdiction any provision of this Agreement or any specification, standard, or operating procedure prescribed by Franchisor is invalid or unenforceable, then the prior notice and/or other action required by such law or regulation shall be substituted for the comparable provisions hereof, and Franchisor shall have the unlimited right to modify such invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable. Developer agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision hereof, as though it was separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or from any specification, standard, or operating procedure prescribed by Franchisor, any portion or portions that a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Any such modifications to this Agreement shall be effective

only in such jurisdiction, unless Franchisor elects to give them greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions.

I. Survival of Covenants

All provisions of this Agreement which, by their terms, are intended to survive the termination or expiration of this Agreement (such as, by way of illustration and not limitation, the provisions relating to confidential information, indemnification, post-termination competition, and the Marks), and all provisions hereof necessary to enforce and interpret such provisions (such as, by way of illustration and not limitation, the provisions relating to arbitration and injunctive relief), shall survive the termination, expiration or cancellation of this Agreement or the franchise granted hereunder.

J. No Third-Party Beneficiaries

Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or entity not a party hereto.

K. Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11. ENFORCEMENT

A. Injunctive Relief

Franchisor shall be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to (a) Developer's use of the Marks; (b) the obligations of Developer upon the termination or expiration of this Agreement; (c) Covenants of Developer; (d) any assignment or transfer of this Agreement or any ownership interest contrary to this Agreement; or (e) as necessary to prohibit any act or omission by Developer or its employees or agents: (i) that would constitute a violation of any applicable law, ordinance, or regulation: (ii) that is dishonest or misleading to Franchisor and/or Franchisor's other Developers; or (iii) that, in Franchisor's reasonable judgment, may harm, tarnish, impair or reflect unfavorably upon the reputation, name, services or operation of the Franchised Business, Franchisor, the System or the Marks.

B. No Right to Offset.

Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor, or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

C. Jury and Special Damages

DEVELOPER AND FRANCHISOR EACH WAIVE, TO THE FULLEST EXTENT, PERMITTED BY LAW, ANY RIGHT OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IF THERE IS A DISPUTE WITH THE OTHER, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED. DEVELOPER WAIVES AND DISCLAIMS ANY RIGHT TO CONSEQUENTIAL DAMAGES IN ANY ACTION OR CLAIM AGAINST FRANCHISOR CONCERNING THIS AGREEMENT OR ANY RELATED AGREEMENT. IN ANY CLAIM OR ACTION BROUGHT BY DEVELOPER AGAINST FRANCHISOR CONCERNING THIS AGREEMENT, DEVELOPER'S CONTRACT DAMAGES SHALL NOT EXCEED AND SHALL BE LIMITED TO A REFUND OF DEVELOPER'S FRANCHISE FEE PAYMENTS.

DEVELOPER AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the Effective Date.

FRANCHISOR:
FITOPIA FRANCHISING, LLC

By:

Name:

Title:

Date:

FRANCHISEE:
[FRANCHISEE ENTITY]

By:

Name:

Title:

Date:

ATTACHMENT 1

DEVELOPER-SPECIFIC TERMS

- **Effective Date:**

- **Developer's Name:**

- **Developer's State of Organization and Entity Type** (if applicable):

- **Ownership of Developer:** If the developer is an Entity (as defined in the Agreement), the following persons constitute all owners of a legal and/or beneficial interest in the franchisee**:**

Name	Percentage Ownership
	%
	%
	%

- **Total Development Fee: $**

- **Development Area:**

[insert zip code, map, or other description of the Development Area]

- **Development Schedule:** You agree to establish and operate a total of _____ Businesses within the Development Area during the term of this Agreement. The Businesses must be open and operating in accordance with the following Schedule:

MINIMUM NUMBER OF BUSINESSES The Minimum Number of Businesses Open and Operating by Each Opening Deadline	**OPENING DEADLINE** Deadline for Having the Minimum Number of Businesses Open and Operating

Negotiated Terms (this section is limited to negotiated changes between the parties):

Signature Page to Attachment 1 (Developer-Specific Terms)

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR:
FITOPIA FRANCHISING, LLC

By:

Name:

Title:

Date:

DEVELOPER:
[DEVELOPER]

By:

Name:

Title:

Date:

ATTACHMENT 2

PERSONAL GUARANTY

IN CONSIDERATION for, and as an inducement for Fitopia Franchising LLC ("Franchisor") to enter into a FITOPIA franchise agreement and any powers of attorney and other instruments dated concurrently herewith (collectively the "Franchise Documents") between Franchisor and the business entity identified below ("Developer"), the undersigned ("Guarantors") hereby jointly and severally guarantee to Franchisor, and to Franchisor's successors and assigns: (a) the timely payment of all Royalty Fees, late fees, interest charges, and all other fees and charges provided for under the Franchise Agreement; and (b) the timely performance of all of the provisions of the Franchise Documents for and during the term thereof (including all renewals thereof, if any). Guarantors further specifically agree to be individually bound by all covenants, obligations, and commitments of Developer contained in each of the Franchise Documents to the same extent as if each of the Guarantors had individually executed the same as Developer.

Guarantors understand and agree that any modification of the Franchise Documents, including any addendum thereto, or waiver by Franchisor of the performance by Developer of its obligations thereunder, or the giving by Franchisor of any extension of time for the performance of any of the obligations of Developer thereunder, or any other forbearance on the part of Franchisor or any failure by Franchisor to enforce any of its rights under the Franchise Documents, including any addendum thereto, shall not in any way release Guarantors from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of Developer is so released, terminated, affected or diminished. Notice to Guarantors of any such modification, waiver, extension, or forbearance under the terms thereof is hereby waived.

Guarantors hereby waive any and all notice of default on the part of Developer; waive exhausting of recourse against Developer; and consent to any assignment of the Franchise Documents, in whole or in part, that Franchisor or its assignees may make. Guarantors agree to pay all costs, including reasonable attorneys' fees, incurred by Franchisor to collect or otherwise enforce the terms of this Guaranty. This Guaranty has been delivered in the State of Ohio and shall be construed and enforced in accordance with the laws thereof. Jurisdiction and venue in any action to enforce this Guaranty shall be in any state or federal court within the State of Ohio in the judicial district where Franchisor has its principal place of business. Guarantors consent to the exercise of personal jurisdiction by any such court and waive any defense of lack of personal jurisdiction or improper venue.

GUARANTOR(S):
(add more signature boxes as necessary)

By:

Name:

Title:

EXHIBIT C

RESTRICTIVE COVENANT AGREEMENT

RESTRICTIVE COVENANT AGREEMENT

THIS AGREEMENT, by and between, _____ (**Franchisee**), a [corporation] [partnership] [limited liability company] organized under the laws of the State of _____, and _____ (**Covenantor**), an individual resident of the State of _____,

WITNESSETH:

WHEREAS, pursuant to that certain Franchise Agreement dated _____ (the **Franchise Agreement**), Fitopia Franchising LLC (**Franchisor**) granted Franchisee a franchise to operate a FITOPIA Franchised Business (the **Franchise**), using Franchisor's unique franchise system and Franchisor's trade name and service mark FITOPIA and other proprietary marks; and

WHEREAS, Covenantor is the owner (or spouse of the owner) of the Franchisee.

WHEREAS, Franchisor has expended substantial amounts of time and money in developing the Marks (as hereinafter defined) and Franchisor's distinctive franchise system, including, without limitation, unique sales and marketing methods, pricing techniques, promotional materials, new product development, financial information, and procedures for the efficient operation of a FITOPIA Franchised Business, all of which Covenantor acknowledges to be confidential and proprietary information; and

WHEREAS, in connection with the operation of the Franchise, Covenantor will have access to such confidential and proprietary information; and

WHEREAS, as a condition precedent to granting the Franchise to Franchisee, all shareholders, officers, partners, or members of Franchisee must execute the covenants contained herein;

NOW, THEREFORE, as additional consideration and inducement for granting the Franchise to Franchisee, Covenantor hereby agrees and covenants to Franchisee as follows:

1. Confidentiality. Covenantor acknowledges the proprietary and confidential nature of Franchisor's Operating Manual, which Franchisee has received on loan from Franchisor, unique sales and marketing methods, pricing techniques, promotional materials, new product development, financial information, client or referral lists, procedures for the efficient operation of a FITOPIA Franchised Business, and any other methods, procedures, processes, techniques, information, knowledge, or know-how concerning Franchisor's franchise system or Franchisee's Franchise, in particular, that may not be commonly known to the public or to Franchisor's or Franchisee's competitors and that Franchisor or Franchisee has identified or may identify as proprietary and confidential information (**Trade Secrets**). Covenantor shall use such Trade Secrets solely for Franchisee's benefit and shall not, during the term of the Franchise Agreement or at any time thereafter, communicate, divulge, or use any Trade Secrets to or for the benefit of any other person, entity, or organization.

2. Proprietary Marks. Covenantor acknowledges Franchisor's right, title, and interest in and to the service mark FITOPIA, FITOPIA Systems, Franchisor's stylized design, and certain other proprietary service marks, logos, symbols, and trade names presently used by Franchisor or that Franchisor may hereafter use or provide for use by Franchisee, and the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in Franchisor's franchise system (the Marks). Covenantor further acknowledges that any use of the Marks outside the scope of the Franchise Agreement without Franchisor's prior written consent would be an infringement of Franchisor's rights in the Marks. Covenantor expressly covenants that he/she shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or take any other action in derogation

thereof during the term of the Franchise Agreement or after the expiration or termination thereof pledges that his/her violation of any of the covenants contained in this Agreement would result in irreparable injury to Franchisor and Franchisee, for which no adequate remedy at law may be available, and accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorney fees incurred by Franchisor or Franchisee in obtaining, an injunction enjoining any conduct by Covenantor prohibited by the terms of this Agreement. This remedy shall be in addition to any and all other remedies that may be available to Franchisor or Franchisee.

3. Non-competition. Covenantor covenants that, during the term of the Franchise Agreement and for a continuous and uninterrupted period commencing upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, directly or indirectly, for him/herself or through, on behalf of, or in conjunction with any person, entity or organization, own, maintain, operate, engage in, or have any interest in, any business offering fitness classes and personal training or any other products or services that have been offered by the Franchised Business, within twenty-five (25) miles of any FITOPIA Franchised Business. This restriction shall not apply to the beneficial ownership by Covenantor of less than five percent (5%) of the outstanding equity securities of any corporation whose securities are registered under the Securities and Exchange Act of 1934. In the event of the violation of this provision following expiration, termination, or assignment of the Franchise Agreement, the period of time Covenantor shall be required to abide by the breached obligation shall be extended to a period of two (2) years after Covenantor is no longer in breach of such obligation.

4. Non-solicitation. Covenantor covenants that he/she shall not, during the term of the Franchise Agreement and for a continuous and uninterrupted period commencing upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing, either directly or indirectly, for him/herself or through, on behalf of, or in conjunction with, any person, entity or organization for a period of two (2) years, divert or attempt to divert any business or client of Franchisee's business, or of any other Franchisee of Franchisor, to any competitor or to Covenantor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that may be injurious or prejudicial to the goodwill associated with the Marks and Franchisor's franchise system. In the event of the violation of this provision following expiration, termination, or assignment of the Franchise Agreement, the period of time Covenantor shall be required to abide by the breached obligation shall be extended to a period of two (2) years after Covenantor is no longer in breach of such obligation.

5. Severability. The parties agree that each of the covenants contained in this Agreement shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant contained herein is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision, Covenantor expressly agrees to be bound by any lesser covenants subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Agreement.

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

7. Construction. The parties agree that this Agreement shall be deemed to have been entered into and shall be governed by and construed in accordance with the laws of the State where the Franchise is located.

8. Jurisdiction. The parties agree that any action based upon this Agreement brought by any party hereto against any other party hereto may be brought within the State and judicial district where the Franchised Business is located, and the parties hereby consent to the exercise of personal jurisdiction by any such court and waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

9. Legal Expenses. In the event a dispute arises under this Agreement, the prevailing party shall be entitled to recover its expenses, including reasonable attorney and accountant fees, in addition to any other relief to which it may be found entitled.

10. Franchisor Third-Party Beneficiary. Covenantor and Franchisee acknowledge and intend that the covenants contained in this Agreement shall directly benefit Franchisor and its affiliates, who shall be a third-party beneficiary thereof, entitled to enforce the provisions thereof in Franchisor's own name without Franchisee as a party in any action filed for such purpose, and shall further be entitled to all remedies provided in Section 2 hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement or caused it to be executed by their duly authorized representative, as of the dates set forth below.

FRANCHISEE:

Date: _____

Signature: _____

Name: _____

Title: _____

Date: _____

_____

COVENANTOR

EXHIBIT D

POWER OF ATTORNEY TO ASSIGN TELEPHONE NUMBER

POWER OF ATTORNEY TO ASSIGN TELEPHONE NUMBER

The undersigned FITOPIA franchisee (**Assignor**) does hereby irrevocably constitute and appoint Fitopia Franchising LLC, an Ohio limited liability company (**Assignee**), the true and lawful attorney-in-fact and agent for Assignor and in Assignor's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Assignee, may be necessary or advisable for the sole purpose of assigning to Assignee or Assignee's designee all of Assignor's right, title and interest in and to any and all telephone numbers of Assignor's FITOPIA Franchised Business and all related Yellow Pages, White Pages and other business listings, including but not limited to, the execution and delivery of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service company providing telephone services for Assignor, hereby granting unto Assignee full power and authority to do and perform any and all acts and things which, in the sole discretion of Assignee, are necessary or advisable to be done as fully to all intents and purposes as Assignor might or could itself do, hereby ratifying and confirming all that Assignee may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether Assignor has designated any other person to act as its attorney-in-fact and agent, no person, firm, or corporation dealing with Assignee will be required to ascertain the authority of Assignee, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Assignee. Any person, firm, or corporation dealing with Assignee shall be fully protected in acting and rely on a certificate of Assignee that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Assignor will not take any action against any person, firm or corporation acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Assignor by Assignee will be deemed to include such a certificate on the part of Assignee, whether or not expressed. This paragraph will survive any termination of this Power of Attorney.

This power of Attorney will terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated evenly herewith by and between the Assignee and Assignor. Such termination, however, will not affect the validity of any act or deed that the Assignee may have affected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest. It is executed and delivered in the State of Ohio and the laws of the State of Ohio and will govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

ASSIGNOR (Franchisee):

_____

[Name of Franchisee]

Signature: _____

Name: _____

Title: _____

STATE OF _____, COUNTY OF _____, Ss.

Acknowledged and subscribed before me, a Notary Public in and for said County and State, this _____ day of _____. NOTARY PUBLIC

EXHIBIT E

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

List of State Regulatory Administrators

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

LIST OF STATE ADMINISTRATORS	
CALIFORNIA Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	**CONNECTICUT** State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**ILLINOIS** Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA Indiana Secretary of State Franchise Section 302 Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**MARYLAND** Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	**MINNESOTA** Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
NEW YORK New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
OREGON Department of Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street, NE Room 410 Salem, Oregon 97310 (503) 378-4387	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
WASHINGTON Department of Financial Institutions Securities Division, P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

List of Agents for Service of Process

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

LIST OF STATE AGENT FOR SERVICE OF PROCESS	
CALIFORNIA Commissioner Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	**CONNECTICUT** Banking Commissioner Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**ILLINOIS** Illinois Attorney General Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA Indiana Secretary of State Franchise Section 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**MARYLAND** Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	**MINNESOTA** Minnesota Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
NEW YORK New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231 (518) 472-2492	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712
OREGON Secretary of State Corporation Division - Process Service 255 Capitol Street NE, Suite 151 Salem, OR 97310-1327 (503) 986-2200	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON Director, Department of Financial Institutions Securities Division, 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760	**WISCONSIN** Administrator, Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT F

LIST OF FRANCHISEES

Current FITOPIA Franchisees as of December 31, 2024

State	City	Address	Name	Telephone
OH	West Chester	7604 Cox Lane West Chester, Ohio 45069	West Chester EMS Fitness LLC	(513) 847-1900

Former FITOPIA Franchisees as of December 31, 2024

None.

EXHIBIT G

FINANCIAL STATEMENTS

Fitopia Franchising, LLC

(An Ohio Limited Liability Company)

Financial Statements with Report of Independent Auditors
December 31, 2024, and 2023 (Balance sheet only for 2023)

Table of Contents

Report of Independent Auditors..... Page 1
Balance Sheets..... Page 3
Statement of Operations..... Page 4
Statement of Changes in Members' Equity..... Page 5
Statements of Cash Flows..... Page 6
Notes to the Financial Statements..... Page 7

DA ADVISORY GROUP
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

To the Members of
Fitopia Franchising, LLC

Opinion
We have audited the accompanying financial statements of Fitopia Franchising LLC, an Ohio Limited Company, which comprise the balance sheet as of December 31, 2024 and December 31, 2023, and the related statements of operations, changes in members' equity and cash flow for the year ended December 31,2024 and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and December 31, 2023, and the results of its operations and its cashflows for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after February 22, 2024.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore 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 aggregate, they would influence the judgment made by a reasonable user based on financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstance, 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

DA Advisory Group PLLC

Troy, MI
February 22, 2025

Fitopia Franchising, LLC
BALANCE SHEETS
As of December 31, 2024 and 2023

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 122,327	$ 7,762
Total current assets	122,327	7,762
Total assets	$ 122,327	$ 7,762
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Credit cards	$ 1,463	$ 1,382
Total current liabilities	1,463	1,382
Total liabilities	1,463	1,382
Members' equity :		
Total members' equity	120,864	6,380
Total liabilities and members' equity	$ 122,327	$ 7,762

see accompanying notes

Fitopia Franchising, LLC
STATEMENT OF OPERATIONS
For the year ended December 31, 2024

Operating revenues:		
Royalties	$	24,394
Technology fee		12,420
Wholesale income		7,596
Equipment insurance		2,800
Total operating revenues		47,210
Operating expenses:		
Wholesale product costs		29,320
Software lease expense		16,309
Marketing expense		5,375
Professional fees - other		3,250
Professional fees - accounting		2,681
Professional Fees - legal		2,278
Other expenses		2,200
Total operating expenses		61,413
Operating loss:		(14,203)
Other income (expense):		
Other income		-
Interest income (expense)		-
Total other income (expense)		-
Net loss	$	(14,203)

see accompanying notes

Fitopia Franchising, LLC
STATEMENT OF MEMBERS' EQUITY
For the year ended December 31, 2024

	Total Equity
BALANCE, DECEMBER 31, 2023	6,380
Capital contributions	148,687
Capital distributions	(20,000)
Net loss	(14,203)
BALANCE, DECEMBER 31, 2024	$ 120,864

see accompanying notes

Fitopia Franchising, LLC
STATEMENT OF CASH FLOWS
For the year ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$	(14,203)
Change in:		
Credit cards		81
Net cash used by operating activities		(14,122)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contributions		148,687
Capital distributions		(20,000)
Net cash provided by financing activities		128,687
Net change in cash and cash equivalents	$	114,565
Cash and cash equivalents at beginning of year		7,762
Cash and cash equivalents at end of year	$	122,327

see accompanying notes

1. Organization

Fitopia Franchising, LLC (the "Company") is an Ohio limited liability company. The Company was formed in October 2022 for the purpose of franchising its unique Electrical Muscle Stimulation ("EMS") based fitness in a studio setting. The company delivers personal training and classes using FDA-approved EMS equipment and methods.

For the period ended December 31, 2024 and 2023 total capital contributions were $148,687 and $6,000, respectively and total distributions were $20,000 and $0, respectively.

2. Summary of significant accounting policies and nature of operations

Basis of accounting
The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition. The Company maintains its cash in bank deposit accounts which could exceed federally insured limits. The Company has not experienced an instance where cash held in the account exceeded insured limits since their inception and have not had losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Concentration of credit risk
The Company is subject to credit risk related to amounts due from franchisees. The financial condition of the franchisees is largely dependent upon the underlying business trends of the brands and market conditions within the industries represented. The concentration of risk is mitigated by the number of franchisees and the short-term nature of the receivables from the franchisees.

Revenue and expenses
The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606") which outlines a single, comprehensive model for accounting for revenue from contracts with customers.

Under ASC 606, revenue is recognized in accordance with a five-step model, as follows: identifying the contract with the customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations and recognizing revenue when (or as) the Company satisfies a performance obligation.

2. Summary of significant accounting policies and nature of operations (continued)

The Company derives its revenues primarily from franchisees in accordance with contractual agreements.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee.

The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract with each franchisee.

Fair value of financial instruments

The Fair Value Measurements and Disclosure Topic of the FASB Accounting Codification establishes a framework for measuring fair value that is based on the inputs market participants use to determine fair value of an asset or liability and establishes a fair value hierarchy to prioritize those inputs.

The accounting guidance describes a hierarchy of three levels of input that may be used to measure fair value:

Level 1	Inputs based on quote prices in active markets for identical assets and liabilities.
Level 2	Inputs other than Level 1 quoted prices, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
Level 3	Unobservable inputs based on little market or no market activity and which are significant to the fair value of the assets and liabilities.

The Company's material financial instruments consist of primarily cash and cash equivalents, accounts and notes receivable, and accounts payable and accrued expenses. The fair values of cash, accounts and notes receivable, accounts payable and accrued expenses are equal to their carrying values based on their liquidity. The fair value measurement of these assets is categorized as Level 1.

Disaggregation of revenues

The Company disaggregates revenue from contracts with customers by the timing of revenue recognition by type of revenue, as it believes this best depicts how nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Income taxes

The Company filed an election with the Internal Revenue Service to be treated as a flow-through entity for all taxable years. Therefore, the Company is not subject to corporate income tax and all taxable income or loss will pass through to the Member of the Company.

3. Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company. The Company has evaluated contingencies as of December 31, 2024 and 2023 and noted none to disclose.

4. Subsequent events

Subsequent events have been evaluated through February 22, 2025, which is the date the financial statements were available to be issued. No significant events or transactions were identified that would require adjustment to the financial statements or disclosure.

Fitopia Franchising, LLC

(An Ohio Limited Liability Company)

Balance Sheet with Report of Independent Auditors
December 31, 2023

Table of Contents

Report of Independent Auditors..... Page 1
Balance Sheet..... Page 3
Notes to the Financial Statement..... Page 4

DA ADVISORY GROUP
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

To the Member(s) of
Fitopia Franchising, LLC:

Opinion
We have audited the accompanying financial statement of Fitopia Franchising, LLC, an Ohio limited liability company, which comprise the balance sheet as of December 31, 2023 and the related notes to the financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

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

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

In preparing the financial statement, 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 April 23, 2024.

Auditors' Responsibilities for the Audit of the Financial Statement
Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue and auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 statement.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstance, 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

DA Advisory Group PLLC

Troy, MI
April 23, 2024

Fitopia Franchising, LLC
BALANCE SHEET
December 31, 2023

	2023
ASSETS	
Current assets:	
Cash and cash equivalents	$ 7,762
Total current assets	7,762
Total assets	$ 7,762
LIABILITIES AND MEMBERS' EQUITY	
Current liabilities:	
Credit cards	$ 1,382
Total current liabilities	1,382
Total liabilities	1,382
Members' equity	
Total members' equity	6,380
Total liabilities and members' equity	$ 7,762

see accompanying notes

Fitopia Franchising, LLC
NOTES TO FINANCIAL STATEMENT
December 31, 2023

1. Organization

Fitopia Franchising, LLC (the "Company") is an Ohio limited liability company. The Company was formed in October, 2022 for the purpose of franchising it's unique Electrical Muscle Stimulation ("EMS") based fitness in a studio setting. The company delivers personal training and classes using FDA-approved EMS equipment and methods.

For the year ended December 31, 2023, total capital contributions were $6,000. There were no capital distributions.

2. Summary of significant accounting policies and nature of operations

Basis of accounting
The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statement and accompanying notes. Actual results could differ from those estimates.

Revenue and expenses
Operating income consists of contractual franchise royalties based on a percentage of monthly sales which are recognized as revenue in the month earned as well as revenue from other contractual agreements.

Initial franchise fees are recognized as revenue once substantially all of the initial services of the Company required by franchise agreement have been performed and no other material conditions or obligations related to the determination of substantial performance exist. For the year ended December 31, 2023, initial franchise fees were $0.

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which, could exceed federally insured limits. The Company has not experienced an instance where cash held in the account exceeded insured limits since their inception and have not had losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

2. Summary of significant accounting policies and nature of operations (continued)

Royalties receivable

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. No write-offs were made in the reporting period.

Income taxes

Income taxes on Company income are levied on the Member(s) at the member level. Accordingly, all profits and losses of the Company are recognized by each member on their respective tax return.

Subsequent events

Subsequent events have been evaluated through April 23, 2024, which is the date the financial statement were available to be issued. No significant events or transactions were identified that would require adjustment to the balance sheet or disclosure.

The franchisor has not been in business for three years or more; and, therefore, cannot include all financial statements required.

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES AND SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION REGARDING THE CONTENT OR FORM OF THESE FINANCIALS.

Fitopia Franchising LLC	
Unaudited Balance Sheet	
As of December 31, 2022	
	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Checking	$2,000.00
Total Bank Accounts	$2,000.00
Accounts Receivable	
Accounts Receivable (A/R)	$0.00
Total Accounts Receivable	
Total Current Assets	$2,000.00
Fixed Assets	
Total Fixed Assets	$0.00
TOTAL ASSETS	**$2,000.00**
LIABILITIES AND EQUITIES	
Liabilities	
Current Liabilities	$0.00
Total Current Liabilities	
Total Liabilities	$0.00
Equity	
Owner's Investment	$2,000.00
Total Equity	$2,000.00
TOTAL LIABILITIES AND EQUITY	$2,000.00

EXHIBIT H

TABLES OF CONTENTS OF OPERATING MANUAL

Franchise Operations Manual

Table of Contents

1 Welcome and Overview

Welcome 1-1

About Fitopia Franchising LLC....1-1

Our Team 1-1

Company History and Mission 1-3

What Makes Us Different 1-4

Suggested Startup Schedule and Checklist....1-4

Exhibits to Chapter 1 1-4

2 Leasing Your Location

Finding a Location 2-1

Estimating Costs 2-3

The Leasing Process 2-4

Lease Execution....2-8

Renewing Your Lease 2-9

Other Landlord Interactions....2-10

Relocation Policy....2-10

Exhibits to Chapter 2 2-11

3 Administration

Registration of Your Trade Name or Fictitious Name 3-1

Communicating with Fitopia Franchising LLC.. 3-2

Online Library 3-3

Operating Hours....3-3

Required Hardware, Software, and Other Technology 3-4

Record Keeping 3-4

Accounting 3-9

Banking Requirements....3-14

Reporting Requirements 3-16

Payments to Fitopia Franchising LLC 3-18
Insurance Requirements 3-19
Taxes 3-20
Income Handling 3-20
Exhibits to Chapter 3 3-21

4 Design and Buildout

Your Responsibilities 4-1
Determine What Licenses or Certifications Are Required 4-1
Required Layout 4-2
Initial Design Phase 4-2
Order Standard Utilities 4-6
Obtain Final Approvals from City Departments 4-7
Buildout 4-7
Order Equipment and Supplies 4-10
When Construction is Complete 4-10
Exhibits to Chapter 4 4-10

5 Ordering and Receiving

About Your Orders 5-1
Relationships with Your Vendors 5-1
Ordering Computer Hardware, Software, and Other Technology 5-2
Ordering Signage, Furniture, Fixtures, and Décor Items 5-3
Ordering Company Shirts 5-3
Ordering Promotional Materials 5-4
Ordering Office Supplies 5-4
Exhibits to Chapter 5 5-4

6 Signage and Decor

Fitopia Franchising LLC-Required Signage 6-1
Possible Main Signage Alternatives 6-3
Other Required Signage 6-5
Optional Signage 6-6
Furniture and Fixtures 6-6

Required Decor 6-7
Fitopia Franchising LLC Approval Required 6-8
Exhibits to Chapter 6 6-9

7 Personnel and Training

Prepare for Hiring 7-1
Staffing Requirements.....7-2
Hiring FITOPIA Franchise Employees.....7-7
Hiring Procedures 7-7
Prior to Orientation 7-18
Orientation 7-18
Fitopia Franchising LLC-Led Training and Assistance 7-20
Fitopia Franchising LLC Assistance with Opening 7-22
Company Uniform 7-22
Additional Employee Policies.....7-22
Day-to-Day Employee Management 7-31
Exhibits to Chapter 7 7-35

8 Services and Pricing

About Our Services.....8-1
Pricing 8-1
Exhibits to Chapter 8 8-1

9 Service Policies and Operational Procedures

Customer Policies…….9-1
Submitting Change Request for Fitopia Franchising LLC Approval……9-3
Daily Operations……..…….9-3
Administrative Duties and Responsibilities……..9-5
Exhibits to Chapter 9…….9-5

10 Marketing

Marketing Requirements.....10-1
Fitopia Franchising LLC Marketing Assistance 10-4
Basic Promoting and Marketing Concepts 10-4
Identifying Audience, Competitors, and Prospects.....10-6

Developing a Marketing Plan 10-7
Promotional Materials.....10-8
Your Internet Presence 10-10
Marketing.....10-13
Advertising.....10-13
Public Relations 10-16
Grass Roots Techniques 10-17
Marketing Pitfalls to Avoid 10-18
Recording Results of Your Campaign.....10-19
Exhibits to Chapter 10 10-20

11 Security and Safety

Data Security 11-1
Physical Security 11-3
Crime-Deterring Operational Procedures 11-6
If a Crime Occurs 11-9
Natural Disasters 11-11
Fires 11-14
Power Failures 11-15
Personal Harm and Injury 11-15
Completing an Incident Report.....11-17
Speaking to the Media After an Incident 11-18
Exhibits to Chapter 11 11-19

12 Evaluations and Compliance

The Importance of Compliance 12-1
Evaluation Access 12-2
General Evaluation Standards.....12-2
Fitopia Franchising LLC Standards 12-3
Evaluate Your Own Location.....12-4
Exhibits to Chapter 12 12-5

13 Preparing for Opening Day

Grand Opening Expenditures.....13-1

Fitopia Franchising LLC Grand-Opening Assistance.....13-1
When Construction is Complete 13-1
Opening Day Inventory.....13-2
Fitopia Franchising LLC Training 13-3
Your Grand Opening Event.....13-3
A Suggested Grand Opening Advertising Plan 13-3
Track Your Marketing Efforts 13-5
A Final Word 13-5
Exhibits to Chapter 13 13-6

Total Number of Pages.....150

EXHIBIT I

STATE SPECIFIC ADDENDA

The following modifications are made to this Disclosure Document given to you and may supersede, to the extent then-required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated as of the Effective Date set forth in your Franchise Agreement. When the term "Franchisor's Choice of Law State" is used, it means the laws of the state of Ohio, subject to any modifications as set forth in the addenda below. When the term "Supplemental Agreements" is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. These State Specific Addenda ("Addenda") modify the agreements to comply with the state's laws. The terms of these Addenda will only apply if you meet the requirements of the applicable state, independent of your signing the appropriate Addenda. The terms of the Addenda will override any inconsistent provision in the FDD, Franchise Agreement, or any Supplemental Documents. These Addenda are only applicable to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign the signature page to the Addenda along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT dfpi.ca.gov.

ITEM 3 – LITIGATION

Neither the Franchisor, nor any person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange

ITEM 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. The Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

2. The Franchise Agreement provides for termination upon bankruptcy, this provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq).

3. The Franchise Agreement and the Development Agreement contain provisions requiring application of the laws of Ohio. This provision may not be enforceable under California law.

4. The Franchise Agreement and the Development Agreement require venue to be limited to Ohio. This provision may not be enforceable under California law.

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination or non-renewal of the franchise. This provision may not be enforceable under California law.

6. THE FRANCHISE AGREEMENT MAY REQUIRE THE FRANCHISEE TO EXECUTE A GENERAL RELEASE OF CLAIMS UPON EXECUTION OF THE FRANCHISE AGREEMENT. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material modification of your Franchise Agreement or the Development Agreement.

8. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

9. The Franchise Agreement and any Area Development Agreement require binding arbitration. The arbitration will occur in Ohio. If we are the substantially prevailing party, we will be entitled to recover reasonable attorneys' fees and litigations costs and expenses in connection with the arbitration. Prospective

franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

HAWAII

The following paragraphs are added in the state cover pages:

THESE FRANCHISES WILL HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS ADDENDUM AND THE DISCLOSURE DOCUMENT CONTAIN A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

The name and address of the Franchisor's agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the Franchise Disclosure Document for Fitopia Franchising, LLC in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

> This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., are met independently without reference to this Addendum to the disclosure document.

ILLINOIS

Illinois law governs the Disclosure Document and Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

INDIANA

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The Franchise Agreement and Area Development Agreement will be governed by Indiana law. Venue for litigation will not be limited to a venue outside of the State of Indiana, as specified in the Franchise Agreement and Area Development Agreement.

2. The prohibition by Indiana Code 23-2-2.7-1 (7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede any conflicting provisions of the Franchise Agreement and the Area Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

3. No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. The post-termination non-competition covenants set forth in the Franchise Agreement and Area Development Agreement shall be limited in time to a maximum of three (3) years and in geographic scope to the designated territory granted by the Agreement.

5. Nothing in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede any conflicting choice of law provisions set forth herein if such provision is in conflict with Indiana law.

6. You will not be required to indemnify us and the other Indemnities for any liability caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence.

7. If we receive any payments related to purchases from you that we do not pass on in full to the supplier, we will promptly account for the amount of the payment that we retained and we will transmit the retained amount to you.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Fitopia Franchising, LLC - 4794 Redbank Expressway, Cincinnati, OH 45227, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

FRANCHISEE

Signed:

Name:

Date:

MARYLAND

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document, Franchise Agreement or Area Development Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

Item 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. No release language in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland. Any general release required as a condition of renewal, sale and/or assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the franchise.

3. The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

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

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

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.[1]

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

(i) the failure of the proposed franchisee to meet the franchisor's then-current reasonable qualifications or standards;

(ii) the fact that the proposed transferee is a competitor of the franchisor or subfranchisor;

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

[1]NOTE: Notwithstanding paragraph (f) above, we intend to fully enforce the provisions of the arbitration section of our agreements. We believe that paragraph (f) is preempted by the Federal Arbitration Act and that paragraph (f) is therefore unconstitutional.

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

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

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

*****

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

*****

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

*****

The name and address of the franchisor's agent in this state authorized to receive service of process is: Michigan Department of Commerce, Corporation and Securities Bureau, 6546 Mercantile Way, P.O. Box 30222, Lansing, MI 48910.

Any questions regarding this notice should be directed to:

Department of the Attorney General's Office
Corporate Oversight Division
Attn: Franchise
670 G. Mennen Williams Building
Lansing, MI 48913

MINNESOTA

Notwithstanding anything to the contrary set forth in the Disclosure Document, the Franchise Agreement, or the Area Development Agreement, the following provisions will supersede and apply:

1. We will protect your right to use the trademarks, service marks, trade names, logotypes, or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the same.

2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

3. No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Area Development Agreement.

5. Under the terms of the Franchise Agreement and Area Development Agreement, as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System Marks, or Proprietary Materials during or after the period of the Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

NEW YORK

NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NY 10005, 212-416-8236. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the Franchise System or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the ten-year period immediately preceding the application for registration, has beenconvicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civilaction alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulentconversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business activity as a resultof an action

brought by a public agency or department, including without limitation, actions affectinga license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for Franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for Franchisor approval of transfer**:"

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Section 33 of the General Business law of the State ofNew York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by Franchisee**:"

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of Forum**," andItem 17(w), titled "**Choice of Law**:"

The foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or upon the Franchisee by Section 33 of the General Business Lawof the State of New York.

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

7. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

In North Dakota, the Disclosure Document is amended as follows to conform to North Dakota law:

Item 5 "Initial Fees," is supplemented by the addition of the following:

> Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

Item 6 "Other Fees," is supplemented by the addition of the following:

> No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

Item 17 "Renewal, Termination, Transfer and Dispute Resolution," is supplemented by the addition of the following:

> Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
>
> Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
>
> Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
>
> Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.
>
> Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.
>
> Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.
>
> Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust, or

inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials: _____ Date: _____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Fitopia Franchising, LLC - 4794 Redbank Expressway, Cincinnati, OH 45227, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

FRANCHISEE

Signed:

Name:

Date:

RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Rhode Island.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

§19-28.1.-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Fitopia Franchising, LLC, for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

SIGNATURE PAGE FOR APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, and any Supplemental Agreements entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, or Supplemental Agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐ California	☐ Michigan	☐ Rhode Island
☐ Hawaii	☐ Minnesota	☐ South Dakota
☐ Illinois	☐ New York	☐ Virginia
☐ Iowa	☐ North Dakota	☐ Washington
☐ Indiana	☐ Ohio	☐ Wisconsin
☐ Maryland		

Date:_____

FRANCHISOR:

FITOPIA FRANCHISING, LLC

Name:

Title:

FRANCHISEE:

FRANCHISEE

Name:

Title:

EXHIBIT J

STATE EFFECTIVE DATES

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	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Application Pending
Maryland	Not Registered
Michigan	Application Pending
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Application 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 Fitopia Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law.

[New York, Oklahoma, and Rhode Island require that Fitopia Franchising LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Iowa requires that Fitopia Franchising LLC gives you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan and Oregon require that Fitopia Franchising LLC gives you this disclosure document at least 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If Fitopia Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal 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 Exhibit E.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Bharat Kakar, Chief Executive Officer at 4794 Redbank Expressway, Cincinnati, Ohio, 45227, 614.425.2580, and: _____.

Issuance Date: March 9, 2025

I have received the disclosure document including the following exhibits:

EXHIBIT A – Franchise Agreement
EXHIBIT B – Area Development Agreement
EXHIBIT C – Restrictive Covenant Agreement
EXHIBIT D – Power of Attorney to Assign Telephone Number
EXHIBIT E – State Franchise Regulators and Agents for Service of Process
EXHIBIT F – List of Franchisees
EXHIBIT G – Financial Statements
EXHIBIT H – Table of Contents of Operating Manual
EXHIBIT I – State Specific Addenda
EXHIBIT J – State Effective Dates
RECEIPTS

Date	Signature	Print Name
Date	Signature	Print Name

KEEP THIS COPY FOR YOUR RECORDS

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 Fitopia Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law.

[New York, Oklahoma, and Rhode Island require that Fitopia Franchising LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Iowa requires that Fitopia Franchising LLC gives you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan and Oregon require that Fitopia Franchising LLC gives you this disclosure document at least 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If Fitopia Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal 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 Exhibit E.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Bharat Kakar, Chief Executive Officer at 4794 Redbank Expressway, Cincinnati, Ohio, 45227, 614.425.2580, and: _____.

Issuance Date: March 9, 2025

I have received the disclosure document including the following exhibits:

EXHIBIT A – Franchise Agreement
EXHIBIT B – Area Development Agreement
EXHIBIT C – Restrictive Covenant Agreement
EXHIBIT D – Power of Attorney to Assign Telephone Number
EXHIBIT E – State Franchise Regulators and Agents for Service of Process
EXHIBIT F – List of Franchisees
EXHIBIT G – Financial Statements
EXHIBIT H – Table of Contents of Operating Manual
EXHIBIT I – State Specific Addenda
EXHIBIT J – State Effective Dates
RECEIPTS

Date	Signature	Print Name
Date	Signature	Print Name

RETURN TO: Fitopia Franchising LLC at 4794 Redbank Expressway, Cincinnati, Ohio, 45227