FRANCHISE DISCLOSURE DOCUMENT

iFlex FRANCHISING LLC
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iFlex Franchising LLC ("we" "us" "our" or "Franchisor") offers iFlex Stretch Studios franchises to establish and operate a stretch studio ("Studio(s)") to provide assisted stretch programs, techniques, and systems to people of all ages in a clean, friendly, customer friendly environment.

The total investment necessary to begin operation of an iFlex Stretch Studios franchise will range from $169,350 to $293,450. This includes $41,700 that must be paid to us or our affiliates.

The total investment necessary to begin operation of a Development Agreement that includes between two (2) and four (4) iFlex Stretch Studios will range from $58,000 to $116,000. This includes $58,000 to $116,000 that must be paid to us or our affiliates. If you sign a Development Agreement with us, you are also obligated to enter into a franchise agreement and will incur the initial investment expenses associated with opening an iFlex Stretch Studio detailed in the preceding paragraph.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Lyle Myers at 7150 East Camelback Road, Suite 444, Scottsdale, Arizona 85251 and lwmyers@iflexfranchise.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

The issuance date is February 16, 2023

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 G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the Franchisor or at the Franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the Franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only iFlex Stretch Studio in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the Franchisor and other franchisees can compete with you.
Does the Franchisor have a troubled legal history?	Items 3 and 4 tell you whether the Franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an iFlex franchisee?	Item 20 or Exhibit G lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" pages for your state. 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 or litigation only in Arizona. Out-of- state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate or litigate with franchisor in Arizona than in your state.

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

3. **Short Operating History**. This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

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

Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" pages for your state.

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

Franchisor, Parent, and Affiliates

The Franchisor is iFlex Franchising LLC, an Arizona limited liability company formed on June 2, 2022. We have offered iFlex Stretch Studio franchises since September 2022. We offer franchises to establish and operate studios that offer stretching therapy services under the names "iFlex" and "iFlex Stretch Studio" and/or our then-current proprietary marks (collectively, the "Marks") (each an "iFlex Stretch Studio" or "Studio"). We do not currently do business under any other names. Our principal business address is 7150 East Camelback Road, Suite 4444, Scottsdale, Arizona 85251.

Our agent for service of process is Gallagher & Kennedy Service Corporation. Its address is 2575 E. Camelback Road, Suite 1100, Phoenix, Arizona 85016. Our agents for service of process in several states are identified on Exhibit A.

We do not have any affiliates or predecessors.

Except as provided in this Item, we have not offered and do not offer franchises in any other line of business and we are not otherwise involved in any substantive business activity, including operating any businesses of the type to be operated by the franchisee.

The Franchisor's parent is iFlex Inc. Its principal business address is 1108 Lavaca St # 110-247, Austin, TX, 78701. iFlex, Inc. has owned and operated an iFlex Stretch Studio in Chandler, Arizona since March 2022. iFlex, Inc. does not offer franchises in any line of business.

Franchise Offered

We offer for sale a franchise to operate studios that offer stretching therapy services under the names "iFlex" and "iFlex Stretch Studio" and/or our then-current proprietary marks (each, a "Studio" or "Franchised Business") according to the terms of our franchise agreement attached to this Disclosure Document (the "Franchise Agreement"). We expect that a Studio will typically be located in a retail shopping center and will generally be 900 to 1500 square feet in size. We may consider alternative sites, on a case-by-case basis. Under the Franchise Agreement, we will grant you the right to operate your Franchised Business within a designated geographical area where you will also be able to actively promote the Franchised Business and solicit new clientele prior to opening and on an ongoing basis once you commence operations (the "Protected Area"). If you own an existing stretching business and meet our other qualifications, you may convert your existing business to a Studio that utilizes our Marks and System.

Each Studio will offer individual stretching sessions, optional memberships, and other services that we authorize (collectively, the "Approved Services"). All Approved Services at your iFlex Stretch Studio will typically be paid for and scheduled in person, via telephone, via a dedicated mobile application, or online via the Internet. The Approved Services must be provided by individual(s) that complete a proprietary training program that we refer to in this Disclosure Document as our "Stretcher Training Program" (each, a "Stretch Therapist"). You must have at least one (1) Stretch Therapist on-site at your Studio during all times of operation.

The Franchise Agreement is signed by us, by you, and by those of your principals whom we designate as the principal franchisee-operator(s) (the "Operating Principal(s)") of your Franchised Business. The Operating Principal(s) named shall have the authority to act for you in all matters relating to your Studio, including cooperative voting responsibilities. By signing the Franchise Agreement, you and the Operating

Principal(s) agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement. Depending on the type of business activities, which must be fully disclosed prior to signing this document, in which you or your Operating Principal(s) may be involved, we may require you or your Operating Principal(s) to sign additional confidentiality and non-competition agreements.

Separate Franchise Disclosure Document (Regional Developer Franchises)

In a separate franchise disclosure document, we offer area representative ("Regional Developer") franchises to recruit prospective iFlex Stretch Studio franchisees ("Franchisee(s)") in a defined geographic area (the "Development Area") and support Franchisees in the Development Area during the term of the Development Agreement.

Development Agreement

We also offer qualified individuals and entities the right to open and operate multiple Franchised Businesses within a designated geographical area (the "Development Area") under our current form of development agreement that is attached to this Disclosure Document as Exhibit J (the "Development Agreement"), which will also outline a schedule or defined period of time in which you must open and commence operating each Franchised Business (a "Development Schedule").

You will be required to sign a Franchise Agreement for the initial Franchised Business we grant you the right to open within the Development Area at the same time you sign your Development Agreement, and You will need to sign our then-current form of franchise agreement for each of the Studios you open under the Development Agreement, which may differ from the current Franchise Agreement included with this Disclosure Document.

You will be required to pay us a one-time development fee that will be calculated based on the number of Franchised Businesses we grant you the right to open under the Development Agreement (the "Development Fee").

Market and Competition

The market for fitness services and studios is crowded. You will face competition for members from other stretching studios, gyms, personal trainers, yoga and Pilates studios, fitness/exercise centers and studios, health clubs, barre-based studios, and even other System franchisees (subject to the territorial protections and restrictions stated in Item 12).

Applicable Regulations

Some states require that health/fitness facilities have a staff person available during all hours of operation that is certified in basic cardiopulmonary resuscitation or other specialized medical training. Some state or local laws may also require that health/fitness facilities have an automated external defibrillator and/or other first aid equipment on the premises. At a minimum, your Studio will be subject to various federal, state, and local laws, and regulations affecting the business, including laws relating to zoning, access for the disabled, and safety and fire standards. You may need the local fire marshals or other local, state or federal agency's permission before you begin operations.

Importantly, you must comply with all employment laws, regulations, and statutes that are applicable where your franchised Studio is located. You will be solely responsible for all employment-related decisions relevant to the Studio. There may be local licensing and insurance requirements related to the Studio operations, including workers' compensation insurance, that you will need to ensure compliance with (in addition to your insurance-related requirements in our franchise agreement).

You will also need to comply with all music licensing laws and requirements related to any music that you play at the Studio.

You should consult with your attorney, and local and state agencies/authorities, before buying a franchise to determine if there are any specific regulations you must comply with as it relates to offering the Studio products and services to consumers in your state and consider the effects on you and the cost of compliance. These requirements can affect a broad scope of your operations, including location selection, and hiring of personnel, among other things. If you enter into a franchise agreement with us, you will be required to ensure that our directives, whether reflected in the Manuals or otherwise, are carried out in a manner that is consistent with all applicable laws where your franchised Studio(s) is/are located.

ITEM 2: BUSINESS EXPERIENCE

Steve Colmar (CEO). Mr. Colmar has been our CEO since our formation in June 2022 and the CEO of our parent since April 2022. Since January 1999, Mr. Colmar has served as president of Business Ventures Corp., in Austin, Texas. Mr. Colmar was a co-founder of The Joint Corp., a franchisor and operator of chiropractic clinics.

Craig Colmar (General Counsel). Mr. Colmar has been our General Counsel since our formation in June 2022. Mr. Colmar has been a partner at Johnson and Colmar, a law firm since January 1992 in Chicago, Illinois. Mr. Colmar was a co-founder of The Joint Corp., a franchisor and operator of chiropractic clinics.

James Adelman (President and Co-Founder). Mr. Adelman has been our President and Co-Founder since our formation in June 2022 and the President and Co-Founder of our parent since April 2022. From February 2011 through February 2021, Mr. Adelman was a multi-franchise owner of The Joint Corp. in Salt Lake City, Utah and Ventura, California.

Julian Colmar (CFO). Mr. Colmar has been our CFO since our formation in June 2022. Mr. Colmar has been the Director of Research for Business Ventures Corp. in Austin, Texas since January 2016. Since June 2011, Mr. Colmar has been a franchisee of The Joint Chiropractic in Austin, Texas.

Lyle Myers (Chief Development Officer). Mr. Myers has been out Chief Development Officer since July 2022. Between January 2017 and March 2021, Mr. Myers was the President of Clovr Life Spa Franchising LLC formally known as Sirius Day Spa Franchising, LLC in Scottsdale, AZ. From January 2015 through July 2020, he was the President of Redline Athletics Franchising, LLC in Scottsdale, Arizona. From April 2013 through July 2022, Mr. Myers was an independent franchise management consultant.

Sean Riehl (Vice President - Training). Mr. Riehl has been our Vice President-Training since our formation in June 2022. From December 1991 to present, Mr. Riehl has been a Licensed Neuromuscular Therapist focused on massage, bodywork, and stretching. Mr. Riehl is also the President of Real Bodywork in Santa Barbara, California from June 2002 to present.

ITEM 3: LITIGATION

There is no litigation required to be disclosed in this Item.

ITEM 4: BANKRUPTCY.

There are no bankruptcies that are required to be disclosed in this Item.

ITEM 5: INITIAL FEES.

Initial Franchise Fee.

You must pay to us a lump sum initial franchise fee of $39,000 (the "Initial Franchise Fee") to establish a single Studio under a Franchise Agreement (whether a start-up or conversion). The Initial Franchise Fee is due upon the signing of the Franchise Agreement. The Initial Franchise Fee is fully earned by Franchisor upon payment. Except as disclosed in this Item, we uniformly impose the Initial Franchise Fee on all parties that are purchasing a single Franchised Business. This fee is not refundable, in whole or in part, under any circumstances.

Initial Training Fee.

The cost of the online training program and the portions of the Initial Training Program that take place at our headquarters in Scottsdale, AZ for Franchisee (or its Operating Principal), Franchisee's Studio Manager, and Franchisee's Lead Stretch Therapist are included in the Initial Franchise Fee.

We will, upon your written request, send a trainer to your Studio to conduct training for your Stretch Therapists. If we send a trainer to your Studio, you will pay us an Initial Training Fee of $1,000 plus our travel and living expenses. The Initial Training Fee is not refundable.

Studio Design Fee.

We will provide design services for your iFlex Stretch Studio. We charge you a fee in exchange for these required services (the "Studio Design Fee"). You must pay us our then current Studio Design Fee to prepare an initial clinic floor plan. Payment is due when you sign your Franchise Agreement. The current Design Fee is $750 in connection with your opening of a new Studio. This fee is not refundable.

Technology Fee.

You will pay us a monthly Technology Fee beginning when you sign a lease. Initially, we will collect $1,950 and this reflects the technology fees for your first three (3) months of operation. Thereafter, the Technology Fee is $650 per month. We may increase the Technology Fee upon written notice to you. There is no maximum amount that we may charge you for a Technology Fee although any increase will only be based upon an increase in our costs and expenses in providing technology services to you. Technology Fees are not refundable once paid.

Extension Fee.

You are required to open your iFlex Stretch Studio within 12 months of signing the Franchise Agreement. You may extend the deadline to open your iFlex Stretch Studio, on a month to month basis, by paying us the Extension Fee. The Extension Fee is $2,500 per month. This fee is not refundable once paid.

Development Fee.

If you sign a Development Agreement, you will pay us a Development Fee. The Development Fee is the Initial Franchise Fee multiplied by the number of Studios that you and we agree that you may open in the Development Area.

You will not pay any additional fees in connection with your execution of a Development Agreement. If and when you sign a Franchise Agreement, you will be obligated to pay those initial fees associated with the Franchise Agreement including the Technology Fee, Studio Design Fee, and Initial Training Fee, and may be obligated to pay the Extension Fee, each of which are detailed in this Item 5.

The fees we charge you are uniformly imposed regardless of whether you are opening a new studio or converting an existing third party studio into an iFlex Stretch Studio.

ITEM 6: OTHER FEES [ITEM 1](1)

Column 1 Name of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fee	7% of Net Sales	1st and 16th of each calendar month	Based on Net Sales[3]
Advertising Fund Fee	1% of Net Sales	1st and 16th of each calendar month	Based on Net Sales[3]
Initial Training Fee	No fee for up to three (3) people including your Lead Stretch Therapist. $1,000 for each additional person.	Prior to Initial Training Program	The cost of the online training program and the portions of the Initial Training Program that take place at our headquarters in Scottsdale, AZ for Franchisee (or its Operating Principal), Franchisee's Studio Manager, and Franchisee's Lead Stretch Therapist are included in the Initial Franchise Fee. We will, upon your written request, send a trainer to your Studio to conduct training for your Stretch Therapists. If we send a trainer to your Studio, you will pay us an Initial Training Fee of $1,000 plus our travel and living expenses.
Ongoing Training Fee[4]	Up to $1,000/day plus reimbursement of any travel expenses	As Invoiced	We may require that you attend periodic ongoing training programs. You may also request that we provide additional training (we are not required to provide this training). We may charge the ongoing training fee for any ongoing training we provide. If we agree to provide onsite training, you must also reimburse us for all expenses we incur, such as for travel, meals and lodging. You are responsible for all costs you incur (including travel, meals, lodging, wages, etc.) for any of your personnel that attend training.
Franchise Meeting Fee[4]	$1,000 per person	Annually	We may require you and your personnel to attend and complete satisfactorily various training courses that we periodically choose to provide at

Column 1 Name of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
			the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify including franchise meetings. Even if you fail to attend, we can charge reasonable registration or similar fees for these courses and meetings ("Franchise Meeting Fee"). The Franchise Meeting Fee is currently $1,000 per person. We may increase the Franchise Meeting Fee upon written notice to you if our costs and expenses in connection with organizing and putting on the franchise meeting increase. There is no maximum Franchise Meeting Fee that we may charge you although any increase will only be based upon an increase in our costs and expenses in organizing and presenting franchise meetings.
Technology Fee[5]	$650 per month	Payable monthly beginning the month you sign a lease for your Studio.	The Technology Fee provides you access to the Studio Systems, e-mail service, intranet, and other technology services that we determine, in our sole discretion, to provide to you. We may increase the Technology Fee upon written notice to you. There is no maximum amount that we may charge you for a Technology Fee although any increase will only be based upon an increase in our costs and expenses in providing technology services to you.
Audit Fee[6]	Our costs of the examination, reasonable attorney and independent accountants fees incurred, including, without limitation, travel expenses, room and board, and compensation of our employees	Upon invoice	Payable on if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of your Royalty Fees or Advertising Fund contribution (when a percentage of Net Sales is required), that exceeds 2% of the amount that you actually reported to us for the period examined; then you must reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees.
Transfer Fee	$10,000 ($2,500 for permitted transfer)	Before transfer completed.	Applies to any transfer of the franchise agreement or any change of ownership of the franchisee. A permitted transfer is any transfer of an ownership of less than 5%or any transfer of an interest by an owner to an immediate family member or related

Column 1 Name of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
			trust unless the transfer results in a new person owning a controlling interest
Renewal Fee	25% of then current initial franchise fee	Upon renewal	Payable upon renewal of franchise
Advertising Cooperative Fee	To be determined by the Cooperative	As required by the cooperative but no more than two percent (2%) of Net Sales	The amounts contributed to Regional Co-ops may be applied towards the Local Market Advertising requirement. Each clinic in the cooperative has 1 vote. If we own the majority of clinics in a cooperative and we intend to change the fee imposed by the cooperative, we will need at least 2 other franchisees in the cooperative (or 1 other franchisee if less than 2 franchisees in operation in the cooperative) to vote in favor of the fee change.
Insurance[7]	Amounts of unpaid premiums and related costs, administrative fees and late charges	On demand	Payable if you fail to maintain required insurance coverage and we obtain coverage for you
Relocation Fee	An amount set by us, currently $2500	Before relocation is completed	Applies to any relocation of the franchise in the same market and as approved by us
Local Store Marketing Expenditure	No less than $3000 per month	Monthly	Payable to third parties who perform marketing services on your behalf
Supplier Review Fee	Our costs of inspection and actual cost of test	As invoiced	If you propose a new supplier or product for our approval, we may charge you the supplier review fee
Unauthorized Products or Services Fee	$250 per day that you offer unauthorized products or services from your iFlex Stretch Studio	Upon invoice	Payable if you offer, use, sell or distribute unauthorized products or services in your Studio
Management Fee	The greater of (i) two times the salary paid to the individual(s) assigned by us to operate the Studio, or (ii) 10% of the Studio's monthly Net Sales; plus expenses for travel, lodging, meals, and all other expenses.	As incurred	The Management Fee is payable during any period that our appointed manager manages your Studio. The Management Fee will be in addition to the Royalty Fees and Advertising Fund Contributions due to us.

Column 1 Name of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Resale Fee[8]	Generally, ten percent (10%) of the sales price of your iFlex Stretch Studio but may be higher depending upon our agreement or your agreement with such third party.		You will pay us or a third party broker a resale fee ("Resale Fee") to the extent that a commission is payable to a broker in connection with the transfer and sale of your iFlex Stretch Studio.
Legal Costs and Attorneys Fees[9]	All legal costs and attorneys fees incurred by us	As incurred	Payable if we must enforce the franchise agreement or defend our actions related to, or against your breach of the franchise agreement
Insufficient Funds Fee	$50 per instance	Upon invoice	We will charge this fee if any check, EFT, ACH or other payment mechanism is returned to us for insufficient funds
Interest	15% per year (or the maximum permitted by state law)	Upon default	We will charge you interest for any late payment, non-payment, or underpayment.
Indemnification	All amounts (including attorneys fees) incurred by us or otherwise required to be paid by us arising or related to the operation of your Studio	As incurred	Payable to indemnify us, our affiliates, and our and their respective owners, officers, directors, employees, agents, successors and assigns against all claims, liabilities, costs and expenses related to your ownership and operation of your franchise
Late Report Fee	$250 per week	Upon invoice	We may charge a late report fee of $250 for each week following the due date that you do not submit any report to us.
De-identification	All amounts incurred by us	As incurred	Payable if we de-identify the franchise upon its termination, relocation, or expiration
Termination Fee	50% of then-current initial franchise fee, plus our attorneys fees and costs	On demand	If you or we terminate your franchise before your franchise term expires

(1) General. Fees paid to us are not refundable. Whether any costs paid to third parties are refundable will vary based on the vendor as well as customer practice in the area where your iFlex Stretch Studio is located. Fees are generally uniformly imposed although we reserve the right to modify, waive, or change fees in our discretion on a case by case basis. The fees described in this Item 6 will only be increased if there is an increase in the costs and expenses that we incur in delivering the related services or products to you.

(2) Gross Sales. "Gross Sales" means all revenue transacted from or during the operation of your iFlex Stretch Studio including, but not limited to, membership fees, service fees, product sales, business interruption insurance, and all amounts that you receive at or away from the Premises, whether from cash, check, EFT, ACH, wire transfer, credit and debit card, barter, exchange, trade credit, loyalty program points, gift card redemptions, or other credit transactions.

(3) Net Sales. “Net Sales” means Gross Sales (as defined above) minus: (i) the amount of any documented refunds, charge-backs provided to customers in good faith; (ii) any tips received by your employees; and (iii) Franchisor designated or approved discounts, promotions, or credits

(4) Training Expenses. You must pay all travel and living expenses incurred by you and your employees while attending all training courses and programs. The amount of these expenses will depend on the distance you must travel, mode of transportation, type of accommodations, number of your employees attending training and their wages.

(5) Technology Fee. You must pay us a monthly Technology Fee. The Technology Fee provides you access to the Studio Systems, e-mail service, intranet, and other technology services that we determine, in our sole discretion, to provide to you. Currently, the Technology Fee is $650 per month. We may increase the Technology Fee upon thirty (30) days written notice to you. There is no maximum amount that we may charge you for a Technology Fee although any increase will only be based upon an increase in our costs and expenses in providing technology services to you.

(6) Audit Fee. If an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of your Royalty Fees or Advertising Fund contribution (when a percentage of Net Sales is required), that exceeds 2% of the amount that you actually reported to us for the period examined; then you must reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees.

(7) Insurance. This is an estimated down payment against your annual premiums to acquire the insurance required under the Franchise Agreement. The estimate is only for commercial general liability, property, professional liability, business interruption, and workers’ compensation insurance. We may, periodically, specify and change the types and amounts of coverage required, including an additional liability insurance umbrella policy. You must provide us with a copy of each insurance policy upon issuance and after each and every renewal. Each insurance policy must name us, our affiliates and our and their respective directors, officers and owners as additional named insured and must require 30 days prior written notice to us before being modified, cancelled or terminated and 30 days prior written notice to us before the policy expires.

(8) If you request that we approve certain vendors, suppliers or items, we may require you to submit samples, production information, or specifications for examination or testing, at your expense, to determine if the requested vendor, supplier or item meets our standards and specifications.

(9) Resale Fee. You will pay us or a third party broker a resale fee (“Resale Fee”) to the extent that a commission is payable to a broker in connection with the transfer and sale of your iFlex Stretch Studio. The Resale Fee will generally be ten percent (10%) of the sales price of your iFlex Stretch Studio but may be higher depending upon our agreement or your agreement with such third party. The Resale Fee is due and payable regardless of whether you or we are obligated to pay a commission in connection with the sale of your iFlex Stretch Studio. If a Resale Fee is payable in connection with the transfer of your iFlex Stretch

Studio, we will not approve the transfer until we receive the Resale Fee or receive confirmation from applicable parties that the Resale Fee has been paid in full.

(10) Legal/Professional Fees. These figures represent the estimated costs of engaging attorneys or other business professionals to review this disclosure document and the accompanying agreements, to assist you in forming an entity, to assist you in obtaining a loan, and to help you obtain required business licenses and permits.

(11) Unless otherwise specified, all fees in Item 6 are not refundable.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

Column 1 Expenditures	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Made
	Low	High			
Initial Franchise Fee[2]	$39,000	$39,000	Lump sum	Upon signing the franchise agreement	us
Travel Expenses to Participate in Initial Training Program	$1,000	$3,000	As agreed	Before opening	Third Parties
Architect's Fees	$3,000	$6,000	As agreed	Before opening	architect
Base Rent (3 months)	$10,000	$32,000	As agreed	As agreed	Property Owner
Leasehold Improvements[3]	$27,400	$81,500	As agreed	Before opening	Property Owner or construction contractors
Studio Design Fee[4]	$750	$750	Lump sum	Upon signing the franchise agreement	us
Technology Purchases (including Technology Startup Fee)[5]	$5,500	$7,500	As agreed	Before opening	vendors
Technology Fees[6]	$1,950	$1,950	Monthly	Beginning when you sign your lease and monthly thereafter	us
Professional Fees and Services[7]	$1,250	$1,500	As agreed	Before opening	Attorneys, accountants, and other professionals
Equipment, Furnishings, and Fixtures[8]	$20,500	$34,750	As agreed	Before opening	vendors
Business Licenses and Permits[9]	$1,000	$2,500	As required	Before opening	Governmental agencies

Column 1 Expenditures	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Made
	Low	High			
Signage[10]	$8,500	$13,000	As agreed	Before opening	Vendors
Insurance[11]	$1,000	$2,000	As Agreed	Before Opening	Insurer
Marketing Materials and Supplies[12]	$2,500	$3,500	As agreed	As Incurred	Vendors
Security and Utility Deposits[13]	$4,000	$5,500	As Agreed	Before Opening	Property Owner and/or utility companies
Additional Funds (3 months)[14]	$25,000	$40,000	As Agreed	As Incurred	Property Owners, Vendors, Employees
Grand Opening Marketing Plan	$15,000	$15,000	As Incurred	As Incurred	Vendors
Recruiting Expenses[15]	$2,000	$4,000	As incurred	As Incurred	Vendors
TOTAL ESTIMATED INITIAL INVESTMENT	$169,350	$293,450			

NOTES:

(1) General. Fees paid to us are not refundable. Whether any costs paid to third parties are refundable will vary based on the vendor as well as customer practice in the area where your iFlex Stretch Studio is located.

(2) Initial Franchise Fee. The Initial Franchise Fee is not refundable under any circumstances.

(3) Leasehold Improvements. The Leasehold Improvements estimate includes estimated expenditures for interior construction, HVAC, electrical, plumbing, walls, millwork, and floor coverings. This estimate is based upon a 900-1500 square foot space that includes between 4-8 stretching tables. If your iFlex Stretch Studio is larger than this or includes more treatment areas, your leasehold improvements may be higher. This estimate also includes an allowance of $30 per square foot paid by the Property Owner ("Tenant Allowance"), which is the average amount that we estimate will be paid by Property Owners of iFlex Stretch Studios to assist in the build-out of iFlex Stretch Studios. Your Property Owner may offer you a Tenant Allowance that is less than or greater than our estimate of the Tenant Allowance. There is no guarantee that your Property Owner will contribute any Tenant Allowance to your site and building improvements. The cost of these improvements varies significantly depending upon the size and existing condition of the Premises as well as the geographic area in which your iFlex Stretch Studio is located. Costs will likely be significantly higher in California as well as certain metropolitan areas including New York City (including boroughs), Washington D.C. (including surrounding areas in Virginia and Maryland), and Chicago, as well as Hawaii and Alaska.

(4) Studio Design Fee. You will pay us a Studio Design Fee to assist you in designing your Studio based upon the configuration of your leased property.

(5) Technology Purchases. This amount estimates your cost for the purchase and installation of required tablets, software licenses, computers, and peripheral equipment ("Studio Systems"). See Item 11 for detailed information about the items that are included in this estimate.

(6) This reflects the technology fees that you will pay us during your first three (3) months of operation and is different than the costs associated with acquiring the Studio Systems, which you will incur prior to opening your Studio.

(7) Legal/Professional Fees. These figures represent the estimated costs of engaging attorneys or other business professionals to review this disclosure document and the accompanying agreements, to assist you in forming an entity, to assist you in obtaining a loan, and to help you obtain required business licenses and permits.

(8) Equipment, Furnishings, and Fixtures. You will need to purchase office furniture for the operation of your franchise including chairs, benches, cabinets, stretching tables, and decorative artwork. Depending on the size of your location you may be required to purchase more equipment.

(9) Business Licenses and Permits. You may be required to obtain business licenses from the local government agency to operate your franchised business.

(10) Signage. These estimates assume that you will purchase your interior and exterior signage. The type and size of the interior and exterior signage you will actually install will be based on the size of your location, zoning requirements, and zoning and shopping center restrictions. There could be an instance that signage is not permitted because of zoning or use restrictions. You may have the opportunity to purchase additional signs for your location which may increase your initial investment for exterior signage.

(11) Insurance. We estimate that your annual cost of insurance will range from $1000-$2000. You must purchase all insurance necessary to operate your franchise, including but not limited to, general liability, umbrella, and workers' compensation. Our insurance requirements are set for in item 8, and may be updated from time to time by way of updates to our manual or other written communications.

(12) Initial Marketing Materials and Supplies. These estimates are based on costs incurred with flyers, brochures, small signage/banner flags, tables, water bottles, hats, and other handout accessories that may be used in promoting your business.

(13) Security and Utility Deposits. This estimate is based on expected security deposits commonly required by the Property Owner and utility companies, but not your telecommunications service.

(14) Additional Funds The estimate of additional funds is based on an affiliate-operated business in Chandler, Arizona and does not include any allowance for an owner’s draw or account for charges for the owners' applied labor. The estimate of $25,000 -$40,000 is for a period of at least 3 months.

(15) Recruiting. This is an estimate of costs incurred with recruiting personnel to operate your business, including any personnel that may be required to conduct any pre-opening support/sales. This dollar amount can vary based on the length of time you try to hire personnel before operations and conditions in the labor market which can make it more difficult to find the required skilled personnel.

(16) A converted Studio may encounter lower investment requirements than the investment required in connection with establishing a Studio from the ground up because some or all of the expenses identified in this Item 7 may have already been incurred. The fees we charge you are uniformly imposed regardless of

whether you are opening a new studio or converting an existing third party studio into an iFlex Stretch Studio.

(17) Neither Franchisor nor any of its Affiliates will finance any part of the initial investment (See Item 10).

DEVELOPMENT AGREEMENT

Column 1 Expenditures	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Made
	Low	High			
Development Fee	$58,000	$116,000	Lump sum	Upon signing the franchise agreement	Us
TOTAL ESTIMATED INITIAL INVESTMENT	$58,000	$116,000	Lump Sum	Upon Signing the Development Agreement	Us

1. The Development Fee is non-refundable. The Development Fee is described in greater detail in Item 5 of this Disclosure Document.

2. The range of estimated Development Fee reflects your purchase of between two (2) and four (4) additional franchise agreements in the Development Area. The range of estimated Development Fees reflect the Initial Franchise Fee multiplied by the number of Studios that you and we agree that you may open in the Development Area.

3. If and when you sign a franchise agreement for those iFlex Stretch Studios included in your Development Agreement, you will incur the expenses identified in the chart above in connection with the opening of each iFlex Stretch Studio.

4. You are not obligated to execute a Development Agreement or pay us a Development Fee. The Development Fee is only paid if you agree to open additional iFlex Stretch Studios.

5. You are required to enter into a Franchise Agreement for one (1) Studio before you may enter into a Development Agreement with us and will incur those costs in connection with the opening of that Stretch Studio. The estimated costs to enter into a Development Agreement with us do not include the estimated costs to open and operate an iFlex Stretch Studio. You will incur all of the expenses in the first Item 7 table with respect to each location that you actually open. This range does not include any of the costs you will incur in opening any additional Studios that you are granted the right to open and operate under your Development Agreement.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.

System Standards

To ensure that the highest degree of quality and service is maintained at all iFlex Stretch Studios, you must operate your iFlex Stretch Studio in accordance with the System including the System Standards. We have developed the System Standards based upon our experience and the experience of our affiliates. We disclose the System Standards to you in the Manual, on our Intranet site and/or otherwise in writing. We may amend, modify, increase, or decrease the System Standards upon our updating of the Manual.

Approved Products, Approved Services, Distributors and Suppliers

We may develop certain proprietary or branded services, including technology applications, payment systems, proprietary stretch and fitness related services, and related services ("Approved Services") and/or branded and/or designated, required, or approved products that you will be required to offer in your iFlex Stretch Studio (collectively "Approved Products"). We reserve the right to require you to purchase Approved Products from us or our affiliates at any time. We also reserve the right to amend, add, modify, delete, or change the list of Approved Products or Approved Services that you must offer at your iFlex Stretch Studio. We also have developed standards and specifications for other products, materials and supplies incorporated or used in providing services or the packaging and delivery of products and services authorized for sale at iFlex Stretch Studios.

For your iFlex Stretch Studio, you must purchase Approved Products only from us or a third party designated and licensed by us to prepare and sell such products ("Designated Suppliers") and purchase from manufacturers, distributors, vendors and suppliers approved by us ("Approved Suppliers") all other goods, products, materials and supplies (collectively, "Goods"), as well as advertising materials, furniture, fixtures, equipment, menus, forms, paper and plastic products, packaging or other materials (collectively, "Materials") that meet the standards and specifications promulgated by us from time to time. We may require you use only certain brands (collectively, "Approved Brands") and prohibit you from using other brands. From time to time, we may modify the list of Approved Brands and you may not, after receipt of such modification in writing, reorder any brand that is no longer an approved brand.

Our Vice President-Training, Sean Riehl, is the only approved supplier of certain artwork that you are required to purchase and use at your iFlex Stretch Studio. Except for the artwork described above, neither Franchisor nor its affiliate are currently the only approved supplier for any Goods or Materials although we reserve the right to appoint Franchisor or an affiliate as the only approved supplier of one or more Goods of Materials.

We may approve one or more suppliers for any Goods or Materials and may approve a supplier only as to certain Goods or Materials. Approval of a supplier or vendor may be conditioned on requirements relating to the product quality, prices, consistency, reliability, financial capability, labor relations, frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, concentration of purchases, or other criteria, and may be temporary pending a further evaluation of such supplier by us. These criteria and standards are included in the Manual.

We and our affiliates, from time to time, may receive payments from suppliers or vendors (including Designated Suppliers and/or Approved Suppliers) on account of such suppliers' dealings with you and other iFlex Stretch Studio franchisees, and we may use any amounts received without restriction and for any purpose we and our affiliates deem appropriate. We may concentrate purchases with one or more suppliers to obtain lower prices and/or the best advertising support and/or services for any group of iFlex Stretch Studios or any other group of businesses franchised or operated by us or our affiliates. We have not collected any revenue from Designated Suppliers or Approved Suppliers as of the Effective Date of this FDD. If we do collect such revenue from these parties, the amount paid to us by Designated Suppliers and/or Approved Suppliers will be, on a case by case basis, a percentage of sales to you and other franchisees or a flat fee

If you propose to purchase any Goods or Materials (that you are not required to purchase from a Designated Supplier or an Approved Supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval or request the supplier to do so itself. We have the right to require, as a condition of our approval, that our representatives be permitted to inspect the supplier's facilities, and that such information, specifications, and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting approval. A charge not to

exceed $5,000 reflecting the actual costs that we incur, including travel related expenses, video conferencing, product purchases, retention of third-party examination companies, and professional time, inspecting the proposed alternative Goods or Materials and the actual cost of testing the proposed Goods and Materials, must be paid to us by you. We will notify you within 60 days of your request as to whether you are authorized to purchase such products from that supplier. We reserve the right, at our option, to re-inspect the facilities and products of any such Approved Supplier and to revoke our approval upon the suppliers' failure to continue to meet any of the foregoing criteria.

We negotiate purchasing arrangements with Approved Suppliers so that, whenever possible, you can take advantage of the economies of scale offered by being a part of the System. Currently, there are no purchasing or distribution cooperatives. We may receive discounts that are not available to franchisees on the purchase of certain products. We may also receive rebates on products, supplies, and equipment that you purchase from some of our Approved Suppliers.

Based on our most recent audited financial statements, in 2022, we received revenue and rebates totaling $0. In the calendar year ended December 31, 2022, rebates received totaled 0% of our total revenue of $1,869 for the same time period.

We estimate that your purchases or leases from Designated Suppliers and/or Approved Suppliers will represent approximately 50% of your total purchases in the establishment of your iFlex Stretch Studio and 50% of your total purchases in your continuing operation of your iFlex Stretch Studio.

We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional iFlex Stretch Studios) based upon whether you purchase Approved Products from Designated Suppliers or Goods and Materials from Approved Suppliers; however, if you purchase Approved Products, Goods or Materials from unapproved suppliers or if you purchase unapproved Goods or Materials, we will have the right to terminate the Franchise Agreement.

Insurance

Before you commence activities under the Franchise Agreement, and before the iFlex Stretch Studio opens, you must obtain, and continue to maintain at all times, in full force and effect at your sole expense that insurance which you (or your risk management advisors) determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the iFlex Stretch Studio, which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by the Manual.

The current minimum requirements for insurance policies and coverage are listed below although more specific details regarding the required insurance are provided in our Manual:

- Comprehensive general liability insurance written on an occurrence form, including coverage for professional liability, broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, and products liability, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, $2,000,000 products/completed operations aggregate, $1,000,000 personal and advertising injury, $100,000 damage to any premises rented to you. The general liability coverage shall be written on a primary and non-contributory basis and include a waiver of subrogation endorsement in favor of us and shall not limit or exclude contractual liability. There should be no limitation or exclusion for sexual abuse or molestation coverage as coverage must be maintained for such actions;

- Employment related practices liability insurance, including third party coverage, in an amount not less than $1,000,000 per occurrence and $1,000,000 aggregate. Such insurance must include a

deductible of no more than $10,000 unless we approve a higher deductible in writing. Prior acts retroactive date must be no later than the effective date of your Franchise Agreement;

- Commercial automobile insurance written on a combined single limit basis for bodily injury and property damage with a limit not less than $1,000,000 per accident. Such insurance shall include coverage for owned, hired, and non-owned automobiles and shall include additional insured and waiver of subrogation endorsements in favor of us;

- Commercial umbrella or excess liability following form insurance in an amount not less than $2,000,000 per occurrence and $2,000,000 aggregate;

- Property insurance coverage to include coverage for replacement costs of all Franchisee-owned contents and tenant improvements at each location, and business interruption insurance for a period adequate to re-establish normal business operations, not to be less than twelve months. All property related coverage shall be written on special causes of loss forms with deductibles not to be greater than $5,000 per occurrence;

- Workers' compensation (Coverage A) with statutory limits complying with the laws of the applicable state, and employer's liability (Coverage B) with limits not less than $1,000,000 per accident, $1,000,000 disease policy limit, and $1,000,000 disease per employee. Such insurance shall include a waiver of subrogation endorsement in favor of us.

- Such other insurance as may be required by us from time to time or by the Property Owner of the iFlex Stretch Studio premises at, and by the state or locality in, which the iFlex Stretch Studio is located. All required insurance coverages may be obtained by separate primary policies, or in combination with umbrella or excess liability policies.

The insurance policies described above must: (i) have a deductible equal to or less than stated above; (ii) include a waiver of subrogation endorsement in favor of Franchisor; and (iii) not exclude contractual liability. The Commercial General Liability coverage shall include a Waiver of Subrogation endorsement in favor of Franchisor and shall not limit or exclude Contractual Liability. There should be no limitation or exclusion for sexual abuse or molestation coverage.

The types and amount of insurance listed above represent the minimum coverage you are required to secure prior to opening your iFlex Stretch Studio. You may secure additional insurance. Additionally, local law and/or your Lease may require additional types of insurance and/or greater amounts of coverage. To the extent that your Lease requires additional policies and/or amounts of coverage, your Lease shall control although you are obligated to have each type of insurance identified above. We may require you, upon written notice to you, to increase the policy limits of the insurance policies described above and/or to acquire additional policies of insurance.

All insurance policies must be purchased through an agent or broker on our Approved Supplier list and be written by an insurance company that meets our approval. We may from time to time increase the minimum required coverage and/or require different or additional insurance coverage (including an additional umbrella liability insurance policy) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. We will provide you written notice of such modifications and you must take prompt action to secure the additional coverage or higher policy limits. All insurance policies must name us and any affiliates we designate as additional named insureds and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration.

These insurance policies must name us and any affiliates that we designate and our and their respective officers and owners as additional named insureds and provide for 30 days' prior written notice to us of a policy's material modification, cancellation, or expiration. Each insurance policy shall be specifically endorsed to provide that the coverage shall be primary and that any insurance carried by any additional insured shall be excess and non-contributory

Music

You must utilize our Approved Supplier of music at your iFlex Stretch Studio. Your payment of the Technology Fee includes the fees associated with your use of our approved music provider. We may operate and change the System in any manner that is not expressly or specifically prohibited by the Franchise Agreement.

ITEM 9: FRANCHISEE'S OBLIGATIONS.

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

Obligation	Section in Franchise Agreement	Development Agreement	Disclosure Document Item
a. Premises selection and acquisition/lease	5(A), 5(B)	5(A), 5(B)	Items 11 and 12
b. Pre-opening purchases/leases	12(B)	5	Items 6, 7, 8 and 11
c. Premises development and other pre-opening requirements	6	4	Items 6 and 7
d. Initial and ongoing training	11	10(B)(6)	Items 5, 6, 7 and 11
e. Opening	6(D)	Not Applicable	Item 11
f. Fees	7	2, 3	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	12	4(C)	Items 8, 9, 13, and 16
h. Trademarks and proprietary information	13	4, 5(C)	Items 8, 13 and 14
i. Restrictions on products/services offered	12(B)	10(B)	Items 8 and 16
j. Warranty and customer service requirements	12(F), 30(E)	8(A)	Item 8
k. Territorial development and sales quotas	Not Applicable	Not Applicable	Item 12
l. Ongoing product/service purchases	12(B)	Not Applicable	Item 8
m. Maintenance, appearance, and remodeling requirements	12(A)	Not Applicable	Item 8
n. Insurance	12(I)	8	Items 6, 7, and 8
o. Advertising	9	10(C)	Items 6 and 11
p. Indemnification	23	8	None
q. Owner's participation/management/staffing	12(H)	4(E)	Items 11 and 15
r. Records and reports	8	11(K)(7)	Item 6
s. Inspections and audits	8(D), 12(K)	Not Applicable	Item 6
t. Transfer	16	11(D)	Items 6 and 17

Obligation	Section in Franchise Agreement	Development Agreement	Disclosure Document Item
u. Renewal	4(B)	4	Items 6 and 17
v. Post-termination obligations	20	6	Item 17
w. Non-competition covenants	18(B)	18(B)	Item 17
x. Dispute resolution	27	11(K)	Item 17

ITEM 10: FINANCING.

We do not offer 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.

Before you open your iFlex Stretch Studio, we will:

(1) Provide you with our criteria for site selection include population density, demographics, psychographics, average household income (Franchise Agreement, Section 5(A)).

(2) Approve or disapprove proposed sites within 30 days after our receipt of your completed site evaluation package (if we do not conduct an on-site evaluation of the proposed site) or within 30 days after our on-site evaluation of a proposed site, if applicable. If we do not approve a proposed site in writing during this time period, we will be deemed to have rejected the site. (Franchise Agreement, Section 5(A)(6)). If you and we are unable to agree on a site for your iFlex Stretch Studio within the time frame identified in the Franchise Agreement, we may terminate your Franchise Agreement and we will not refund your Initial Franchise Fee.

(3) Provide studio design services to you, in exchange for the Studio Design Fee, that include mandatory and suggested specifications and layouts for your iFlex Stretch Studio, including dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. (Franchise Agreement, Section 5(B)(2)).

(4) Review your construction plans and specifications or other plans before you begin constructing the iFlex Stretch Studio solely to confirm that your plans and specifications meet our System Standards. (Franchise Agreement, Section 10(A)). We do not provide assistance in confirming the premises to local ordinances and building codes or in obtaining requirement permits.

(5) Supply (or have an Approved Supplier provide) a list of products, supplies and materials that you must purchase prior to opening your iFlex Stretch Studio (Franchise Agreement, Section 10(C)(6) and 10(C)(7)).

(6) Authorize you to open the iFlex Stretch Studio. (Franchise Agreement, Section 10(F)(1)).

(7) Provide marketing and promotional (brand) guidelines for the Grand Opening Plan and approve marketing materials you will use. (Franchise Agreement, Section 13(D)).

(8) Provide you with online access to our confidential and proprietary Manual. Upon request, you may view the Manual before you sign your Franchise Agreement if you sign our then-current Confidentiality Agreement (Exhibit C).

(9) Conduct our Initial Training Program for you (or your Operating Principal) and your Studio Manager (the person who is managing the day to day operations) of the iFlex Stretch Studio. Our Initial Training Program is comprised of: (i) "Classroom Training" that you and your management must complete online via webinar or other learning management system we designate to (a) monitor/track participation and progress, and/or (b) test competency levels, if and as we determine appropriate; (ii) additional "Classroom Training" and "On the Job" training that we will provide to you and your initial management at our headquarters or another location that we designate; and (iii) onsite training, assistance and support that you, your management, and other personnel that will be involved in the initial operations of the iFlex Stretch Studio must participate and complete to our satisfaction before you open your Franchised Business (Franchise Agreement, Section 15(C)).

Franchisor does not generally own and lease the Premises for your iFlex Stretch Studio to you.

We will not delivery or install the required equipment, signs, fixtures, opening inventory or supplies.

Our Obligations after Opening:

After you open your iFlex Stretch Studio, we will:

(1) Collect, administer and spend for advertising and promotional purposes monies paid by franchised and company-owned iFlex Stretch Studios into the Advertising Fund, while the Advertising Fund is in existence. (Franchise Agreement, Section 9(C)).

(2) Provide marketing and promotional (brand) guidelines for local store marketing, and provide samples of advertising, marketing, and promotional formats and materials. (Franchise Agreement, Section 13(D)).

(3) We may change or modify the System, including modifications to the Manual, the System and the System Standards. Changes to the System and/or System Standards may be communicated to you in conjunction with amendments to the Manual or through regular, routine or specific communications delivered by us. (Franchise Agreement, Sections 10(A), 12(A)(1), 12(A)(2)).

(4) Provide additional training for you (or your Operating Principal), your managerial personnel, training personnel or other previously trained and experienced staff members. (Franchise Agreement, Section 11(D)).

(5) Provide ongoing advice and consultation to you regarding the operation of the iFlex Stretch Studio through the Manual, bulletins or other written materials, electronic media, meetings, seminars, conferences, and telephone or in person conversations at our office or the iFlex Stretch Studio. (Franchise Agreement, Sections 11(D) and 11(E)).

(6) Provide you with a list of Approved Brands, Approved Suppliers and/or Designated Suppliers. (Franchise Agreement, Section 12(B)).

(7) Conduct inspections of the iFlex Studio as we deem appropriate and necessary. (Franchise Agreement, Section 12(K)).

(8) To the extent permitted by applicable law, we may periodically establish minimum and maximum prices for services and products that your Studio offers, including, without limitation, prices for promotions in which all or certain iFlex Stretch Studios participate.

We do not assist you with any activities related to hiring your employees (other than our assistance in training your staff as described in this Item 11) or with your administrative or accounting functions (except to the extent that the Studio Systems provides such services or functions.) We will train you on iFlex Stretch Studio protocols and procedures, however processes related to specific employment practices at your iFlex Stretch Studio must be done by you.

Advertising

Grand Opening Plan

You must advertise and promote the iFlex Stretch Studio during the 3-month period prior to opening and 1-month period after opening ("Grand Opening Plan"). Your Grand Opening Plan expenditures must equal or exceed $15,000 although we recommend that you spend more than the minimum amount (See Items 6 and 11 for more detailed information). You agree to comply with our guidelines for the Grand Opening Plan, based upon an agreed upon marketing plan, which you must follow as part of the marketing, advertising, and promotion of the iFlex Stretch Studio ("Marketing Plan"). You must spend at least the amount that we specify for your Grand Opening Plan; however, you may spend more than the required amount. This expenditure is in addition to your Advertising Fund contribution and the amount you must spend on local store marketing.

The Advertising Fund

iFlex Stretch Studios have a distinct culture and the image of the System and iFlex Stretch Studios is an important element of the System. We have established an advertising and marketing fund ("Advertising Fund") for the enhancement and protection of the System and the Marks, and for the development of advertising, marketing, and public relations programs and materials as we deem appropriate.

You must make a contribution to the Advertising Fund equal to one percent (1%) of the Net Sales of your iFlex Stretch Studio. iFlex Stretch Studios operated by us and our affiliates also will contribute to the Advertising Fund on the same basis as comparable franchisees.

We did not collect or expend any Advertising Fund income during 2022.

We have sole discretion to use the Advertising Fund, and the monies in the Advertising Fund, for any purpose that we believe will enhance and protect the System and Marks and will improve and increase public recognition and perception of the System and Marks. We will direct (or hire a third party to direct) all programs that the Advertising Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement, allocation and coverage (which may be national, regional or local).

Third party local, regional, and national agencies and/or in-house marketing department may prepare or work with advertising agencies to prepare the advertising materials for the Advertising Fund.

You must participate in all advertising, marketing, social media, promotions, research and public relations programs and national marketing programs (charitable or otherwise) events instituted by the Franchisor or the Advertising Fund. Among the programs, concepts, and expenditures for which we may utilize the Advertising Fund monies are: **(a)** creative development and production of print ads, commercials, radio

spots, point of purchase materials, direct mail pieces, door hangers, and other advertising and promotional materials; **(b)** creative development, preparation, production and placement of video, audio, and written materials and electronic media; **(c)** media placement and buying, including all associated expenses and fees; **(d)** administering regional and multi-regional marketing and advertising programs; **(e)** market research and customer satisfaction surveys, including the use of secret shoppers; **(f)** the development and production of premium items, giveaways, promotions, contests, public relation events, and charitable or nonprofit events; **(g)** creative development of new program offerings for iFlex Stretch Studios; **(h)** creative development of signage, posters, and individual iFlex Stretch Studio décor items including wall graphics; **(i)** recognition and awards events and programs; **(j)** system recognition events, including periodic national and regional conventions and meetings; **(k)** website, extranet and/or intranet development and maintenance; **(l)** development, implementation, and maintenance of an electronic commerce Website and reservation system and/or related strategies; **(m)** retention and payment of advertising and promotional agencies and other outside advisors including retainer and management fees; and **(n)** social media platform development and management; and **(o)** public relations and community involvement activities and programs. All advertising and promotional materials developed by the Advertising Fund will be made available to you through us or an Approved Supplier. We will not use the Advertising Fund for the direct solicitation of franchisees; however, advertising and promotional materials may state that information regarding owning a iFlex Stretch Studio is available through our website or telephone number.

We will account for the Advertising Fund separately from our other funds; however, we will not be required to segregate any Advertising Fund monies from our other monies. We will not use the Advertising Fund monies for any of our general operating expenses. We and our affiliates may be reimbursed by the Advertising Fund for administrative expenses directly related to the Advertising Fund's marketing programs, including without limitation, conducting market research, preparing advertising and marketing materials, and collecting and accounting for contributions to the Advertising Fund. We may use the Advertising Fund to pay the administrative costs of the Advertising Fund including managing the advertising, marketing, and promotional programs and payment of outside suppliers utilized by the Advertising Fund, and we may use the Advertising Fund to pay the reasonable salaries and benefits of personnel (including our personnel and our affiliates' personnel) who manage and administer the Advertising Fund. We may use the Advertising Fund to pay for other administrative costs, travel expenses of personnel while they are on Advertising Fund business, meeting costs, overhead relating to Advertising Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Advertising Fund and its programs.

The Advertising Fund will not be our asset. Although the Advertising Fund is not a trust, we will hold all Advertising Fund contributions for the benefit of the System and use contributions only for the purposes described in the Franchise Agreement. We will not have any fiduciary obligation to you for administering the Advertising Fund or for any other reason. The Advertising Fund may spend in any fiscal year more or less than the total Advertising Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Advertising Fund contributions to pay for the administrative costs of the Advertising Fund before using the Advertising Fund's other assets.

The advertising fund is not audited. We will, upon your written request, prepare an annual, unaudited statement of Advertising Fund's collections and expenses within 120 days after our fiscal year end, which is available for your review. We may incorporate the Advertising Fund or operate it through a separate entity whenever we deem appropriate.

We intend to use the Advertising Fund to maximize and enhance public, franchisee, and employee recognition of the System and the Marks. Although we may use the Advertising Fund, or portions of the monies in the Advertising Fund, to create, develop, use and/or place advertising and promotional marketing

materials and programs, and we may try to engage in brand enhancement activities that will benefit all iFlex Stretch Studios, we cannot and do not ensure that Advertising Fund expenditures will be made in or affecting any geographic area, or will be proportionate or equivalent to Advertising Fund contributions by iFlex Stretch Studios operating in that geographic area.

We are not required to spend any amount of Advertising Fund money in your Territory. We do not guarantee or assure that you, your iFlex Stretch Studio, or any iFlex Stretch Studio will benefit directly or in proportion to your Advertising Fund contribution from the brand enhancement activities of the Advertising Fund or the development of advertising and marketing materials or the placement of advertising and marketing.

We may at any time defer or reduce contributions of a iFlex Stretch Studio franchisee to the Advertising Fund and, upon 30 days' prior written notice to you, reduce or suspend Advertising Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, subsequently reinstate) the Advertising Fund. If we terminate the Advertising Fund, we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to our franchisees, and to us and our affiliates, in proportion to their, and our, respective Advertising Fund contributions during the preceding 12-month period.

We do not currently have a franchisee council. We may, in the future, establish a council of franchisees. Once established, any franchisee council will serve only in an advisory capacity and will have no operational or management authority. We may dissolve or change the makeup of a later formed council at any time.

Local Advertising and Promotion

You will develop, on a quarterly basis, a local store marketing plan ("Local Store Marketing Plan") for the iFlex Stretch Studio. The local store marketing Plan will include materials that we will provide to you that outline the key activations, promotional materials, outreach templates, and marketing initiatives to assist you in maximizing local awareness and traffic to your Studio. You must comply with all requirements of the Local Store Marketing Plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, participation in and use of approved online and social media networks and tools, and compliance with all promotional recommendations and guidelines. After opening your iFlex Stretch Studio, in addition to your Advertising Fund contribution, you must spend no less than $3,000 per month throughout the initial term of your Franchise Agreement (which amount may be modified by us from time to time in accordance with Section 9(D) of the Franchise Agreement). You may expend additional amounts on local store marketing provided that such expenditures otherwise comply with the Local Store Marketing Plan. If there are other iFlex Stretch Studios in your market area, we may require that you spend additional local store marketing expenditures cooperatively with us and/or other franchisees in your market area. The maximum amount that an advertising cooperative may require you to contribute to cooperative advertising is two percent (2%) of Net Sales. We may audit your iFlex Stretch Studio if we believe, in our sole discretion, that you have not executed on your Local Store Marketing Plan. If our audit reveals that you are not executing your quarterly Local Store Marketing Plan, you must repay us the costs and expenses incurred in auditing your iFlex Stretch Studio and must increase your Local Store Marketing Plan expenditures in the subsequent quarter(s) to account for the under expenditure.

If established, each cooperative will be organized, if at all, for the exclusive purpose of administering regional marketing programs and developing, subject to Franchisor's approval, standardized promotional materials for use by its members. Prospective franchisees will be able to review any organizational documents only upon consent of the cooperative. Franchisor will be a member of the cooperative and be entitled to attend and fully participate in cooperative meetings; however, we shall not have a vote unless

we or our affiliates operate an iFlex Stretch Studio in the area covered by the cooperative. If the members of the cooperative are unable or fail to determine the manner in which cooperative monies should be spent, we may assume this decision-making authority following 10 days' advance written notice to the members of the cooperative. We, or our designee, may grant to any franchisee an exemption for any length of time from the requirement of membership in any cooperative, upon written request of such a franchisee stating reasons supporting an exemption. Decisions regarding a request for exemption shall be final. We or our designee shall have the right to terminate (and subsequently restart) any cooperative. Upon termination, all monies in the cooperative shall be spent for advertising and/or promotional purposes.

Your local advertising and promotion materials must follow our guidelines, which may include, among other things, requirements for the use of the Marks and notices of our website's domain name in the manner we designate. We may specify third parties that you must use for the design and development of your local advertising and promotional materials and you will be required to pay those third parties for their services without any offset to your required local store marketing expenditures. We may require you to participate in company marketing initiatives including utilization of certain social media platforms (See Social Media below). Your use (as well as the use of your employees in conjunction with their employment or involving the marks or facilities) of any social media platforms must be consistent with our guidelines for use of social media that we will provide you and amend from time to time. You may not develop, maintain, or authorize any website or other online presence that mentions or describes us, you or the iFlex Stretch Studio or displays any of the Marks without our prior written consent. Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

All media requests, whether local, regional, or national in scope, made to you or your employees, must be directed to the Franchisor. Detailed information regarding the referral of media process is included in the Manual.

You may purchase local advertising and promotion materials from us or any source approved by us. Periodically, we will provide you samples of advertising, marketing, and promotional formats and materials at no additional cost. If you purchase these materials from us, in addition to paying the invoice cost of the materials, you must pay any related shipping, handling, and storage charges. If purchased from a source other than us or our affiliates, these materials must comply with federal and local laws and regulations and with the guidelines for advertising and promotion promulgated from time to time by us and must be submitted to us or our designee at least 30 days prior to first use for approval which we may grant or withhold in our sole discretion. If we do not approve your submission within 30 days after the day we received the materials, we will be deemed to have not approved the materials.

Promotional, Loyalty and Discount Programs

You must participate in and honor the terms of any discount, loyalty, or promotional program (including gift card, loyalty, and discount programs that are applicable to the iFlex Stretch Studio System as a whole or to portions of the iFlex Stretch Studio System) that we offer to the public on your behalf and shall be responsible for the fees payable in conjunction with the operation of these programs. You agree that you will take all action necessary (including the supply to us of all information and the purchase of any supplies, equipment, or services) to participate in any discount or promotional programs.

You must participate in all giveaways, promotions, contests, public relation events, and charitable or nonprofit events that we require of franchisees. These promotions may require, among other things, you to make donations of money, time, and people to required promotional or charitable events and partners. These donations will be made at the time and in the manner we require, which will be provided in the Manual.

Social Media

Franchisor will control all brand specific social media accounts and Franchisee will not have the right to access or modify such accounts.

You must set up (and grant us primary administration rights) for social media accounts 60 days prior to the opening of your iFlex Stretch Studio. Required social media accounts include a Facebook location specific account, Instagram, and Google Places location specific accounts to assist in the promotion of your iFlex Stretch Studio. You must use only approved content and materials in connection with these accounts. We reserve the right to add additional social media platforms in the future. You must identify us as a primary administrator and provide us with primary administration rights for any social media or digital marketing accounts that you use in conjunction with your iFlex Stretch Studio. You must get our written consent to use any social media platform other than the preapproved social medial platforms set up for you prior to the opening of your iFlex Stretch Studio. You must also insure that your employees are aware of our social media policies and comply with such policies.

We may, at any time, upon written notice to you, require you to retain a Designated Supplier of social media, public relations, and digital marketing services ("Social Media Services"). There may be a fee payable to such Designated Supplier in connection with Social Media Services. You will be required to retain and utilize such Designated Supplier(s) upon written notice from us.

We may organize and schedule national promotions that we identify on our iFlex Stretch Studio National Marketing Calendar ("National Promotions"). National Promotions may include, but are not limited to, charity events, price promotion (limited time deals and offers) and business segment drivers (events, open houses, charity promotion). You must participate in all National Promotions. Participation will require you, at a minimum, to display/utilize related marketing materials at your iFlex Stretch Studio, advertising the National Promotions promoting all National Promotions on local website(s) and through approved social media platforms.

Regional Co-ops

We may, in our sole discretion, establish Regional Co-ops in any Designated Market Area ("DMA"). We may also change, dissolve, or merge Regional Co-ops. The Regional Co-op shall be organized and governed in a form and manner and shall commence operations on a date, approved in advance by us in writing. We may, if we so elect, prepare bylaws to be used by the Regional Co-op and may require the Regional Co-op to incorporate. As of the date of this disclosure document, we do not have any Regional Co-ops. Once a Regional Co-op is established in a DMA in which the iFlex Stretch Studio is located, you shall become a member of such Regional Co-op upon commencement of operation of the iFlex Stretch Studio if the Regional Co-op is in existence at that time, or no later than 30 days after the date on which the Regional Co-op commences operation. In no event shall you be required to be a member of more than one Regional Co-op with respect to the iFlex Stretch Studio. If a Regional Co-op has been established in your DMA, you shall contribute the amount established, from time to time, by the Regional Co-op for its members ("Co-op Contribution"). You shall submit your Co-op Contribution to the Regional Co-op monthly, together with such statements or reports as may be required by us (or by the Regional Co-op with our prior written consent). The Regional Co-Op shall be required to deliver monthly annual statements to each of its members and the Franchisor highlighting the collection and use of Regional Co-ops. Monies in the Regional Co-op may be spent for the purposes determined by a majority vote of the Regional Co-op. We shall be a member of any Regional Co-op and be entitled to attend and fully participate in Regional Co-op meetings; however, we shall not have a vote unless we or our affiliates operate a iFlex Stretch Studio in the area covered by the Regional Co-op. Any company owned iFlex Stretch Studios in a DMA will contribute to the Regional Co-op in the same manner as franchised iFlex Stretch Studios.

We have the right to periodically re-allocate and/or increase the amount you contribute to the Advertising Fund, any Regional Co-op and the amount you spend for local store marketing.

Computers, Point of Sale, and Telephone Systems

You must purchase, install, and use our required hardware, software, networks, cloud systems, routers, accessories, and components ("Studio Systems"). We will provide you with detailed specifications and policies for the required Studio Systems that you must install at your iFlex Stretch Studio.

We estimate that you will expend between $5,500 and $7,500 on purchasing the Studio Systems.

The Studio Systems will generate Studio, member, accounting, and point of sale information, all of which will be retained on our systems and owned by the Franchisor. As long as you remain a Franchisee, you will have the right to access this data. You must obtain the Studio Systems, software licenses, maintenance and support services, and other services related to the Studio System from the suppliers we specify (which may be limited to us or our affiliates). We may periodically modify and/or develop technical specifications and/or components of the Studio Systems. These modifications and/or developments may require you to purchase, lease, license, and/or support new or modified hardware and/or software. The Franchise Agreement does not limit the frequency and/or cost of these changes, upgrades, or updates. We have no obligation to reimburse you for any failure, upgrade, or shipping costs, related to your purchase and maintenance of the Studio Systems. Within 60 days after you receive notice from us, you must obtain the upgraded hardware or software that we designate and ensure that the Studio Systems, as modified, is functioning properly. Any upgrades, updates, maintenance or support during the initial years after you purchase your Studio Systems should be covered by the standard manufacturers' warranty. Except as otherwise disclosed in this Section, including the support contract described below, we are unaware of any required or optional maintenance, updating, upgrading or support contracts.

We have no contractual obligation to provide ongoing maintenance, repairs, upgrades, or updates to your Computer System. You will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and various updates for the Studio Systems; (2) the manner in which your Studio Systems interface with our computer system and those of other third parties; (3) the installation, maintenance and support of the Studio Systems, although we may from time to time require or recommend third parties to provide these functions; and (4) any and all consequences that may arise if the Studio Systems are not properly operated, maintained, and upgraded including but not limited to virus and spyware issues. We do not contract with any providers of these maintenance and upgrade services and do know the costs of the maintenance contracts described above.

You must pay us a monthly Technology Fee. The Technology Fee provides you access to the Studio Systems, e-mail service, intranet, and other technology services that we determine, in our sole discretion, to provide to you. Currently, the Technology Fee is $650 per month. We may increase the Technology Fee upon thirty (30) days written notice to you.

We will have independent access to the information that will be generated and stored on your Studio System. There are no limitations on when or how we may access such information.

Local Network, Internet Communication, and Wireless Internet

You must maintain high speed internet access and Wi-Fi service at your iFlex Stretch Studio that meets our System Standards. You must purchase and maintain equipment capable of providing adequate bandwidth and firewall; install and maintain network wiring and faceplates to all necessary areas of your building; regularly test equipment to ensure compliance with our System Standards and applicable law. All wireless

internet systems must comply with our System Standards and PCI standards to provide safe, clean internet browsing.

Site Selection

We do not select the site for your iFlex Stretch Studio. You, with the assistance of Approved Suppliers and Designated Suppliers of real estate site selection and development services, will select the site for your iFlex Stretch Studio (subject to our approval). If no site has been designated at the time you sign the Franchise Agreement, we will identify your Site Selection Area in the Franchise Agreement. During the Site Approval Period (which is the 90-day period following the date that we sign the Franchise Agreement), you must obtain our approval of the site for the iFlex Stretch Studio and execute a Lease or purchase agreement for the approved site or, we, at our option, may terminate the Franchise Agreement. The Site Approval Period may be extended for an additional 90 days if you, in our sole discretion, make commercially reasonable efforts to identify and secure a Premises for your iFlex Stretch Studio during the Site Approval Period but are unsuccessful in securing a suitable location. We have the right to move or modify the Site Selection Area during the Site Approval Period. You should not acquire any interest in a site for your iFlex Stretch Studio until you have been approved as a franchisee and we have approved the site in writing.

You must submit to us, in the form that we specify, a completed site evaluation package containing a scalable "As-Built" floor plan copy of the existing site plan, photographs, demographic information, financial information, and such other information and materials as we may reasonably require, together with an option contract, letter of intent, or other evidence satisfactory to us which confirms your favorable prospects for obtaining an ownership or leasehold interest in the site.

Within 30 days after we receive the detailed site evaluation package, we may, in our sole discretion, conduct an on-site evaluation of the proposed site. We will consider demographic information, financial information, site plans, our on-site evaluation (if applicable), and such other information and materials that we reasonably request from you in approving or disapproving of the proposed site.

You must reimburse us for all travel, living and other expenses we incur in conducting any on-site evaluations of your proposed site. We will not charge a fee for the first on-site evaluation that we conduct for a particular iFlex Stretch Studio; however, if we require, or if you request, any additional on-site evaluations with respect to the same iFlex Stretch Studio, you will pay to us, in addition to our travel expenses, our then-current site evaluation fee.

We will use reasonable efforts to approve or disapprove the proposed site within 30 days after our on-site evaluation. If we do not approve the proposed site in writing in this time period, we will be deemed to have rejected the site. Our approval or rejection of a site may be subject to reasonable conditions as we determine in our sole discretion. Our rejection of a site is final and the rejected site may not be used for your iFlex Stretch Studio. The criteria we will utilize in evaluating a presented site include population density, demographics, psychographics, and average household income.

The Lease for your iFlex Stretch Studio must be for a term of no less than ten (10) years- which may include a five (5) year term and no less than one five (5) year renewal option. If you present a lease to us and the term of that Lease is less than ten (10) years, we may reject the site and/or the Lease. If we reject a Lease because the term is less than ten (10) years, you agree that our refusal is reasonable. Your Lease must also include a collateral right of assignment that grants us or our affiliates the right, if you default under the terms of your Franchise Agreement or the Lease Agreement, to take over the Lease Agreement and assume operations of your iFlex Stretch Studio.

Time between Agreement Signing and Opening

The typical time from signing the Franchise Agreement to opening the iFlex Stretch Studio is approximately 6-7 months. Factors affecting the length of time needed to open the iFlex Stretch Studio usually include weather conditions, the ability to obtain a Lease, financing or building permits, and zoning and local ordinances. We estimate that it will take approximately 3-4 months to complete construction and build-out of the site after you obtain possession of the Premises for the iFlex Stretch Studio and obtain all required construction permits, approvals, and liens.

Training

Initial Training Program

Before you open the iFlex Stretch Studio, you (or an owner of Franchisee if Franchisee is an entity), your Studio Manager (the person who is managing the day to day operations), and the Lead Stretch Therapist of the iFlex Stretch Studio must attend and complete, to our satisfaction, our Initial Training Program, at our corporate office in Scottsdale, AZ. The Initial Training Program consists of two separate training programs: (1) Franchisee Training Program; and (2) Stretcher Training Program that will run contemporaneously. Charts detailing the subjects of each required training program are identified below.

The Initial Franchise Fee includes the fees associated with the Initial Training Program for three (3) people. If we have space available in a regularly scheduled program, you also may bring additional employees to the Initial Training Program at a cost of $1,000 per person. We offer the Initial Training Program when needed. The Initial Training Program must be completed prior to the opening of your iFlex Stretch Studio by, at minimum, the principal business owner(s), a Studio Manager, and the Lead Stretch Therapist that you designate (if different than the principal owner). You must pay all travel, living and other expenses incurred by you and your employees while attending the training.

If you obtain an operating iFlex Stretch Studio by transfer from another iFlex franchisee, you must complete this Initial Training Program before you begin operating that business as a iFlex Stretch Studio.

If any individual who is required to receive our certification fails to successfully complete the Initial Training Program and receive our certification, then that individual may repeat the program or you may send a substitute to complete the next available Initial Training Program. We may charge you a tuition fee for substitute, de-certified or additional employees who attend the Initial Training Program. We also may require that any replacement managerial and training personnel satisfactorily complete our training programs within 90 days of being designated as managerial or training personnel. Replacement managerial and training personnel may: **(1)** attend the next training program offered by us; or **(2)** be trained by your training personnel, however, they must be reviewed by our field personnel and receive our certification prior to managing the iFlex Stretch Studio or training your staff. In addition, subsequent to the opening of the iFlex Stretch Studio, if you hire additional managerial or training personnel, that individual must receive our certification prior to managing the iFlex Stretch Studio or training your staff. We may decertify any previously certified individual if we learn or determine that a person is regarded as no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete a training or re-training program to receive our certification. The Initial Training Program is offered to each franchisee as needed to complete the Initial Training Program before opening of your iFlex Stretch Studio.

Our training will be directed by Lyle Myers, James Adelman, and Sean Riehl.

Mr. Riehl has 30 years of related fitness and healthcare experience. Mr. Riehl is our Vice President-Training. Mr. Riehl may receive assistance from other members of our training and operations teams or third-party trainers designated by us.

Mr. Myers has nine years of experience in franchising and seven years of experience with fitness related franchises.

Mr. Adelman has eleven years of experience in the development and operation of health care related businesses.

The Initial Training Program is mandatory for all franchisees. We will not authorize your iFlex Stretch Studio to open (or, for transfers, begin operating) until you, your Studio Manager, and your Lead Stretch Therapist, have attended and successfully completed our Initial Training Program. If you already operate an iFlex Stretch Studio and you have attended our Initial Training Program during the past 12 months, we may, in our discretion, waive your obligation to complete some or all of the Initial Training Program.

The following chart summarizes the subjects taught during the Initial Training Program in the operation of an iFlex Stretch Studio.

INITIAL TRAINING PROGRAM

FRANCHISEE TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The-Job Training	Column 4 Location
Our History & Culture	1	0	Corporate HQ Scottsdale, AZ
Expectations and Obligations	1	0	Corporate HQ Scottsdale, AZ
Intro to Studio Management Software	1.5	0	Corporate HQ Scottsdale, AZ
Studio and Equipment Set- Up and Support	1.5	0	Corporate HQ Scottsdale, AZ
Stretching Services	1.5	0	Corporate HQ Scottsdale, AZ
Products	1.5	0	Corporate HQ Scottsdale, AZ
Sales and Operations	3.5	0	Corporate HQ Scottsdale, AZ
Finance	3	0	Corporate HQ Scottsdale, AZ
Staffing and HR Support	1.5	0	Corporate HQ Scottsdale, AZ
Marketing	3	0	Corporate HQ Scottsdale, AZ
Training Re-Cap and Summation	1.5	0	Corporate HQ Scottsdale, AZ
iFlexNet Portal Review	2.5	0	Corporate HQ Scottsdale, AZ
Exam	1.5	0	Corporate HQ Scottsdale, AZ
TOTAL	25	0	

STRETCH THERAPIST TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The-Job Training	Column 4 Location
Stretching	5	0	Online
Anatomy/Taping/Evaluation	1	0	Online
Stretching	10	0	Studio
Anatomy/Taping/Evaluation	2	0	Studio
Stretch Testing	2	0	Studio
Total Hours	20	0	

(1) A six (6) hour online course is included in the Initial Franchise Fee, as well as the initial Lead Stretch Therapist training program held at the corporate headquarters. See #5 for additional training options.

(2) The Training Manual is 51 pages long.

(3) The Lead Stretch Therapist is required to attend the Stretcher Training Studio at the corporate headquarters.

(4) The lead instructor (Sean Riehl), has been teaching and training bodywork and stretching since 1994, has made over 30 DVDs on massage, bodywork, and types of stretching. The instructor is a founding member of iFlex.

(5) All Stretch Therapists are required to complete the online training and in-person training provided by the Lead Stretch Therapist and pass an online test before they can work. They are required to pass the online class 1 day before beginning work at a Studio.

(6) The online portion of the Initial Training Program and training at our headquarters in Scottsdale, Arizona for Franchisee (or its Operating Principal) and Franchisee's Lead Stretch Therapist is included with the Initial Franchise Fee.

(7) All persons who participate in the Initial Training Program must complete it to our satisfaction at least one (1) day before the opening of a iFlex Stretch Studio.

Ongoing Training

We may require you (or your Operating Principal), your Studio Manager, training personnel, and/or other previously trained and experienced staff members to attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate. We may also require you to complete additional training if we believe, in our reasonable discretion, that you require additional training to operate your iFlex Stretch Studio to our standards. Training courses include periodic conventions, regional meetings, and conferences that we specify. Even if you fail to attend the training, we can charge reasonable registration or similar fees for these courses. You must pay all travel and living expenses incurred by you and your employees during all training courses and programs. We may also require you and your staff members to utilize on-line training programs that we make available to you and your staff members including various on-line manuals and portals.

We require that your replacement training personnel satisfactorily complete our training programs within 90 days of being designated as training personnel. Replacement training personnel must complete our training program (which may be web based for replacement personnel) or may: **(1)** attend the next training program offered by us; or **(2)** be trained by your training personnel, however, they must be reviewed by our field personnel and receive our certification prior to managing the iFlex Stretch Studio or training your staff.

We will send a trainer to your Studio to train your stretch staff in a two day 12-hour workshop for $2000 plus reasonable travel and living expenses for our staff during that period.

ITEM 12: TERRITORY.

We will authorize you to operate an iFlex Stretch Studio at a mutually agreed upon location ("Premises") within the Protected Area (defined below) assigned to you.

If a Premises has not been designated at the time you sign the Franchise Agreement, you will select the Premises from within the Site Selection Area that is identified in Exhibit 1 to your Franchise Agreement during the Site Approval Period. During the Site Approval Period you must obtain our approval of the site for the iFlex Stretch Studio and execute a Lease or purchase agreement for the approved site or, we, at our option, may terminate the Franchise Agreement. We have the right to move or modify the Site Selection Area during the Site Approval Period. The Site Selection Area will be determined on a case-by-case basis considering economic, demographic, and geographic information (such as population density) as well as existing site selection areas and/or Protected Area given to other franchisees. Provided that you are in full compliance with the Franchise Agreement, we and our affiliates will not operate, or license others to operate, iFlex Stretch Studios in the Site Selection Area during the Site Approval Period.

Once we have approved the Premises, you will have the right to operate a iFlex Stretch Studio at the Premises. If you comply with the Franchise Agreement, we will not, during the term of the Franchise Agreement, operate, or license others to operate, a iFlex Stretch Studio within the Protected Area, The Protected Area will be stated on Exhibit 1 to your Franchise Agreement.

The term "Protected Area" means a two (2) mile radius from the front door of your iFlex Stretch Studio. We may use additional criteria to describe your Protected area, including total population, physical or psychological boundaries and any other criteria appropriate to define the Protected Area. The Protected Area defined above, in certain high-density population areas (“High-Density Areas”), the Protected Area may be materially less. Once established, the Protected Area will not be changed.

The Protected Area will be identified by a map in Exhibit 1 to the Franchise Agreement. In certain areas of the country, the Protected Area may be stated as metes and bounds, zip codes, or other applicable methods of identifying the Protected Territory.

You will have no right of first refusal or other rights to acquire additional franchises except in conjunction with your execution of a separate franchise agreement. Once established, as long as you are in compliance with the terms of your Franchise Agreement, we will not open or allow others to open a iFlex Stretch Studio in your Protected Area. You may not use the Marks on any Internet domain name, e-mail address or in the operation of any Internet website without our prior written consent. You may not distribute products or services using other channels of distribution except as approved by the Franchisor in writing. You may solicit and accept orders from customer located outside your Protected Area provided that the services are provided at your iFlex Stretch Studio in your Protected Area.

The grant of a Protected Area, we reserve the right to: **(1)** operate (and license others to operate) any type of business other than a iFlex Stretch Studio at any location inside or outside the Protected Area; **(2)** operate (and license others to operate) iFlex Stretch Studios located anywhere outside the Protected Area regardless of proximity to the iFlex Stretch Studio; **(3)** provide, offer and sell (and license others to provide, offer and sell) products that are identical or similar to and/or competitive with those provided at or from iFlex Stretch Studios, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, department stores, Internet, or similar electronic media) both inside and outside the Protected Area; **(4)** acquire the assets and/or ownership interests of one or more businesses offering one or more of the Authorized Services (“Competing Businesses”) and franchising, licensing or creating similar arrangements with respect to these businesses once acquired wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Area); **(5)** be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competitor that operates Competing Businesses, or by another business, even if such business operates, franchises, and/or licenses Competing Businesses in the Protected Area; and **(6)** create, place, and/or distribute or authorize others to create, place and/or distribute any

advertising and promotional materials, which may appear in media, or be received by prospective customers located, within the Protected Area. Your rights in the Protected Area does not limit the operation of iFlex Stretch Studios that are under construction or in operation in the Protected Area. We reserve all rights in the Site Selection Area that we reserve with respect to the Protected Area. We do not impose any restrictions on you or other franchisees to provide goods or services to customers that reside outside of your Protected Area.

We and our affiliates may merchandise and distribute goods and services identified by the Marks through methods or channels of distribution other than outlets similar to your iFlex Stretch Studio. We have no obligation to compensate you for any such sales in the Protected Area. We do not currently intend to operate or franchised businesses to sell goods or services that are the same or similar to those that you will sell although we reserve the right to do so in the future. We reserve all rights to use and license the System other than those we expressly grant you under the Franchise Agreement.

You may not operate your iFlex Stretch Studio at any location other than the Premises and you may not relocate your iFlex Stretch Studio without our prior written consent. Our consent t may be conditioned upon, among other things: (i) other iFlex Studio locations in the general vicinity of the location to which you want to relocate your iFlex Stretch Studio; (ii) whether the proposed location for relocation meets our then current standards for a new iFlex Stretch Studio; and/or (iii) your payment of our reasonable charges actually incurred in connection with consideration of the relocation request; your payment of agreed minimum Royalty Fees during the period when the iFlex Stretch Studio is not in operation; and your relocation of the iFlex Stretch Studio within 6 months after we approve your relocation request.

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

We may not modify or terminate your rights in the Protected Area unless you are in default under the Franchise Agreement.

ITEM 13: TRADEMARKS.

In the Franchise Agreement, we grant you the right to operate the iFlex Studio under the name "iFlex" and to use our other current or future Marks that we designate in the operation of your iFlex Studio. Under a License Agreement with iFlex, Inc., we have the exclusive right to use and permit our franchisees to use the name and mark "iFlex" in addition to certain related trademarks, service marks and other commercial symbols in the development and support of franchises throughout the United States. The term of the License Agreement is perpetual in duration; however, iFlex, Inc. has the right to terminate the License Agreement if we commit a breach of the License Agreement by not policing the standards under which the Marks are used by our franchisees. A termination of the license agreement by iFlex, Inc. may impact your rights to use the Marks.

iFlex, Inc. has registered the following principal Marks with the United States Patent and Trademark Office ("PTO") on the Principal Register, and all required affidavits of continued use have been filed and accepted:

Mark	Serial No.	Registration No.	Registration Date
IFLEX	**90691798**	**6835304**	**August 30, 2022**

There are no effective determinations of the PTO, of the Trademark Trial and Appeal Board, or of the trademark administrator of any state or court. Neither are there any pending infringement, opposition, or

cancellation proceedings or material litigation involving the Marks that are relevant to their use. There are no agreements currently in effect that significantly limit our rights within the United States, to use, or license the use, of the above-mentioned Marks in any manner material to the Franchise.

Except for the License Agreement, there are no agreements currently in effect that significantly limit our right to use or allow others to use the copyrighted materials, Trade Dress, Manual or Confidential Information.

You will follow our rules when you use the Marks. You may not use any Mark as part of your corporate or legal business name or with modifying words, terms, designs, or symbols (except for those we license to you). You may not use any Mark in selling any unauthorized services or products or in any other way we have not expressly authorized in writing.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or any claim by any person of any rights in any Mark. In the event of an infringement, challenge, or claim, you may not communicate with any person other than our attorneys, your attorneys, and us. We may take the action we deem appropriate and control exclusively any litigation, PTO proceeding, or any other administrative proceeding from the infringement, challenge, or claim or otherwise concerning any Mark. You will sign any documents and take any action that, in the opinion of our attorneys, protects and maintains our interests in any litigation or PTO or other proceeding.

Provided that you have timely notified us of the claim or proceeding and complied with the Franchise Agreement, we will reimburse you for all damages you suffer in any trademark infringement proceeding from your authorized use of any Mark, and for all costs you reasonably incur in defending any claim brought against you or any proceeding in which you are named a party. We may, at our option, defend and control the defense of any proceeding from your use of any Mark.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you will comply with our directions within a reasonable time after receiving notice. We will reimburse you for your reasonable direct expenses of changing trademarked items. However, we need not reimburse you for any loss of revenue due to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

You may not use the Marks on any Internet domain name, e-mail address or in the operation of any Internet website without our prior written consent. We may grant or withhold our consent in our sole discretion and may condition our consent on such requirements as we deem appropriate, including, among other things, that you obtain our prior written consent of: (1) any and all Internet domain names and home page addresses related to the iFlex Studio; (2) the proposed form and content (including any visible and non-visible content such as meta-tags) of any website related to the iFlex Studio; (3) your use of any hyperlinks or other links; (4) your use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has an ownership interest; and (5) any proposed modification of your website. We may designate the form and content of your website and/or require that any such website be hosted by us or a third party designated by us, using one or more websites that we own and/or control. In addition, we may require you to establish hyperlinks to our website or another website designated by us. We may charge you a fee for developing, reviewing and approving your website and/or for hosting the website.

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.

We do not own any patents that are material to your iFlex Studio or the System. We claim trade secret and copyright protection for our Manual, trade dress, and certain business forms, architectural, engineering and construction plans, advertising materials, product specifications, computer programs, newsletters, training materials and operations and accounting materials. We have not registered those materials with the United States Registrar of Copyrights. You may use these items only in the way we specify and only while operating your iFlex Studio.

The Manual and these other materials contain the System Standards, which include mandatory and suggested specifications, standards, operating procedures, and rules that we periodically prescribe for operating a iFlex Studio and information on your other obligations under the Franchise Agreement. Our Manual and other materials also contain Confidential Information (as defined below) including the instructions, methods, and techniques used in the key management areas of iFlex Studios including marketing and promotion, daily operations, personnel, and financial management. We may modify the Manual periodically to reflect changes in System Standards. The contents of the Manual are confidential and you may not disclose the Manual to any person other than employees of the iFlex Studio who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual.

We possess certain confidential information, some of which constitutes trade secrets under applicable law ("Confidential Information"), relating to the development and operation of iFlex Studios. Confidential Information includes, among other things: site selection criteria; service techniques, beauty product formulas, marketing techniques, management and operation systems and other products, systems, services; training and operations materials and manuals; and marketing and advertising programs. You do not acquire any interest in the Confidential Information, other than the right to use the Confidential Information as we specify in operating the iFlex Studio during the term of the Franchise Agreement. The Confidential Information is proprietary to us. You cannot use the Confidential Information in any unauthorized manner or disclose it to any third person, except as we permit. If we permit you to disclose any Confidential Information to a third party we can require that the third party sign a confidentiality and nondisclosure agreement, in the form we specify.

You will not be entitled to compensation under the franchise agreement if we require you to modify or discontinue using the subject matter covered by any patent or copyright utilized in the operation of your iFlex Studio.

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

If you are an entity, you will appoint one of your owners (the "Operating Principal") to be our principal point of contact. The Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operational matters, and the only person that we will recognize as having authority to communicate for and on your behalf. We expect the Operating Principal to supervise the Studio Manager and to oversee the Studio. You may not change the Operating Principal without our prior written consent. While we recommend that you (or the Operating Principal if you are an entity) personally participate and manage the day-to-day operations of your Studio, you may hire a Studio Manager to manage daily operations with our approval. You (or the Operating Principal if you are an entity) and your Studio Manager will be required to complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities).

We will not unreasonably withhold our approval of any Studio Manager you propose, provided the Studio Manager has completed our Initial Training Program and otherwise demonstrates an understanding of our System standards and specifications for daily operations of a Studio.

If the franchisee is a business entity, we do not require the Studio Manager to own an interest in the entity, but the Studio Manager must sign our prescribed form of Confidentiality Agreement. Your Studio must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our Initial Training Program. In the event that you operate more than one Studio, you must have a properly trained Studio Manager at each Studio you own and operate. You must keep us informed at all times of the identity of any personnel acting as Studio Manager and obtain our approval before substituting a new Studio Manager at any of your locations.

Regardless of whether you have a Studio Manager, you must appoint and engage a stretcher that has completed an in person training program at our headquarters in Scottsdale, Arizona or at such other location as we specify. Your "Lead Stretch Therapist" that will be responsible for, among other things, ensuring that all other Stretch Therapists are properly trained with the System materials and information provided.

It is important to note that we are not your employer and that you will have the right to control all decisions related to recruiting, hiring or firing any personnel.

If you are an individual, then your spouse will also be required to sign the Franchise Agreement or, in the alternative, the form of Personal Guaranty attached to the Franchise Agreement as Exhibit 3 (the "Guaranty"). If you are a business entity (limited liability company, corporation, partnership, etc.), then (a) each of your shareholders/members/partners (the "Owners"), as applicable, must sign the Guaranty, and (b) at our option, the spouses of each such Owner must sign the Guaranty.

Under a Development Agreement, you must designate and retain an individual throughout the term of the Development Agreement to act on behalf of you in all transactions concerning your obligations under the Development Agreement (the "Representative"). If you are an individual, you must perform all obligations of the Representative. The Representative must use reasonable efforts to do the following, during the entire period he serves in that capacity: (1) maintain a direct or indirect ownership interest in the Franchised Business; (2) devote substantial time and reasonable efforts to the supervision and conduct of the Franchised Business and execute the Development Agreement as one of the Principals; and (3) meet our standards and criteria for a Representative as reflected in the Manuals or otherwise in writing by us. If the Representative or any designee is not able to continue to serve in the capacity of Representative or no longer qualifies, you must promptly notify us and designate a replacement.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.

You must offer for sale and sell only and all those Approved Products and Services, and deal only with those suppliers, that we authorize or require, and have authorized (See Item 8). Principally, this means you must purchase the amount and type of equipment, including stretch benches and other apparatuses and exercise equipment, and offer only those types of stretch services and products that we authorize. Failure to comply with our purchasing restrictions may result in the termination of your Franchise Agreement. We may supplement, revise and/or modify our Approved Products and Services as we deem appropriate from time to time, as well as our System standards and specifications associated with the provision of these products/services. These changes will be outlined in our Manuals or otherwise in writing, and there are no contractual limitations on our right to make these types of changes.

If we discontinue any Approved Product or Service offered by the Franchised Business, then you must cease offering or selling such product/service within a reasonable time, unless such product/service

represents a health or safety hazard (in which case you must immediately comply upon receipt of notice from us). You may not use the location of your Franchised Business for any other business purpose other than the operation of your Franchised Business.

You may not advertise, offer for sale or sell, any products and/or services that we have not authorized. We may impose an Unauthorized Products or Services Fees if we determine that you have offered for sale any unauthorized products or services at your Studio.

We reserve the right to change the types of authorized products and services at any time in our discretion. You agree to promptly undertake all changes as we require from time to time, without limit, except we will not require you to thoroughly modernize or remodel the Studio any more often than once every 5 years. You will not make any material alterations to your Studio or its appearance as originally approved by us without our prior written approval.

You must refrain from any merchandising, advertising, or promotional practice that is unethical or may be injurious to our business and/or other franchised businesses or to the goodwill associated with the Marks. Subject to the conditions stated above, we do not impose any restrictions with regards to the customers to whom you may

ITEM 17RENEWAL, 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	Section in Development Agreement	Summary
a. Length of the Term of the Franchise	4(A)	6	The initial term of the Franchise Agreement ("Initial Term") will begin on the Effective Date and expire at midnight on the day preceding the 10th anniversary of the date your iFlex Stretch Studio first opens for business unless the Franchise Agreement is terminated at an earlier date.
b. Renewal or extension of the Term	4(B)	7	When the Franchise Agreement (and the first Successor Term) expires, you will have the option to request the right to remain a franchisee at the Premises for successor terms of five (5) years each
c. Requirements for you to renew or extend your franchise system	4(B)	7	• You must give us written notice of your election to remain a franchisee at the iFlex Stretch Studio not less than 9 months, nor more than 12 months, before the end of the Initial Term or first Successor Term; • You must pay us a Successor Franchise Fee;

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			• Neither you nor any of your affiliates are in default under the Franchise Agreement or any other agreements with us or our affiliates; • You must have the right to remain in possession of the Premises (or, another location acceptable to us) for the Successor Term; • You must renovate and update your iFlex Stretch Studio to reflect the then-current image of iFlex Stretch Studios; • You must correct any existing deficiencies of your iFlex Stretch Studio or in your operation of your iFlex Stretch Studio and satisfy our then-current System Standards including adding any new products or services that are then being offered in the System, meet our qualifications for new franchisees, and complete any additional certification and training requirements that apply to you, your Operating Principal, your managerial and training personnel and/or your staff (which may involve the payment of training fees); • You must sign, and your owners and all guarantors of your obligations under the Franchise Agreement must personally guarantee, our standard form of Franchise Agreement that we are then offering to new franchisees (or the standard form that we most recently offered, if we are not then offering to new franchisees), which may be materially different than the terms of the Franchise Agreement your originally signed; and • You, and your owners and guarantors of your obligations under the Franchise Agreement must sign a general release (substantially similar to the form attached as Exhibit D to the FDD) releasing any and all claims against us, and our affiliates, owners, officers, directors, agents and employees.

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
d. Termination by you	19(A)	Not Applicable	Franchisee may terminate this Franchise Agreement upon the material default by Franchisor of one or more provisions of this Franchise Agreement provided that the Franchisee provides written notice of the default to Franchisor along with no less than sixty (60) days to cure the default. If the default outlined in Franchisee's notice of default cannot be cured within sixty (60) days and Franchisor is making commercially reasonable efforts to cure the default, the cure period shall be extended for an additional sixty (60) days.
e. Termination by us without cause	Not Applicable	Not Applicable	
f. Termination by us with cause	19(B), 19(C)	6	• You: (i) do not locate, and sign a Lease or acquisition document for, a site approved by us for the Premises; or (ii) comply with the terms of Section 5 within 12 months of the Effective Date of the Franchise Agreement; • You do not open your iFlex Stretch Studio within the time period prescribed in Section 6(D); • You abandon or fail actively to operate your iFlex Stretch Studio for a period of three (3) or more consecutive days, unless you close your iFlex Stretch Studio for a purpose we approve in writing or because of Force Majeure, as defined in Section 25(C); • You become insolvent; you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your iFlex Stretch Studio is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			order appointing a receiver, trustee, or liquidator of you or your iFlex Stretch Studio is not vacated within 30 days following the order's entry; • There is a material breach by you of any covenant or obligation reflected in Section 18; • Any Transfer that requires our prior written consent occurs without your having obtained that prior written consent; • We discover that you made a material misrepresentation or omitted a material fact in the information that you provided to us in connection with our decision to grant a Franchise to you; • You knowingly falsify any report required to be furnished to us; make any material misrepresentation in your dealings with us; or fail to disclose any material facts to us; • If an incident occurs at your iFlex Stretch Studio that involves one of your employees and we discover that you did not conduct adequate due diligence and criminal background checks on that employee; • We make a reasonable determination that continued operation of your iFlex Stretch Studio by you will result in an imminent danger to public health or safety; • You lose the right to occupy the Premises; • You, the Operating Principal, your Studio Manager or any of your owners are convicted of, or plead no contest to, a felony charge, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in our sole opinion, to adversely affect us, our affiliates, the goodwill associated with the Marks, or the System;

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			• You, or your Operating Principal, your Studio Manager and/or any management personnel of your iFlex Stretch Studio do not satisfactorily complete the initial training program (after we provide a second opportunity as provided in Section 11(A)(2)); • Your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; you or your owners: (a) remain in default beyond the applicable cure period under, or we terminate, any other agreement with us or our affiliates (provided that, if the default is not by you, we will provide to you written notice of the default and a 30-day period to cure the default); (b) remain in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to your iFlex Stretch Studio; **(c)** remain in default beyond the applicable cure period under any contract with any vendor or supplier to your iFlex Stretch Studio; or **(d)** fail to pay when due any taxes or assessments relating to your iFlex Stretch Studio or its employees, unless you are actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure or by arbitration or mediation conducted by a recognized alternative dispute resolution organization; • You interfere with our relations with other franchisees, third parties and/or negatively impact our ability to operate and/or grant franchises under our System; • You materially breach any representation or warranty described in Section 30; • You fail to maintain all insurance policies required by Section 12(I) of the Franchise

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			Agreement and/or you allow or communicate your intent to allow any policy of insurance required by the Franchise Agreement to expire, lapse, cancel or terminate; • If you have received two (2) or more notices of default within the previous 12-month period, we may send you a notice of termination upon your next default within that 12-month period without providing you an opportunity to remedy the default. • We (or our designee) may periodically conduct inspections of your iFlex Stretch Studio to evaluate your compliance with the System and the Franchise Agreement. Following each Inspection, we will provide to you an Inspection report and Inspection score on the Inspection and those conditions at your iFlex Stretch Studio that must be rectified. If you fail to achieve a passing score on an Inspection, the Inspection report will constitute a notice of default. If you fail to achieve a passing score on the next Inspection (which we will conduct at least 30 days after your receipt of the Inspection report for the prior Inspection), we may terminate the Franchise Agreement, without opportunity to cure, by providing you written notice of termination along with the Inspection report. • If you default in the payment of any monies owed to us or our affiliates when such monies become due and payable and you fail to pay such monies within 5 days after receiving written notice of default or immediately if payment has not been made within 30 days of its due date, then the Franchise Agreement will terminate effective immediately upon expiration of that time, unless we notify you otherwise in writing.

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
g. "Cause" defined—defaults that can be cured	19(C)(1)	6.C	Except for those items listed in Section 19(B) or 19(C)(2), you will have 30 days after written receipt of notice of default from us within which to remedy any default and provide evidence of that remedy to us. If any default is not cured within that time, the Franchise Agreement will terminate without further notice to you effective immediately upon expiration of that time, unless we notify you otherwise in writing. If the default cannot be corrected within 30 days, you will have such additional time to correct the default as reasonably required (not to exceed 90 days) provided that you promptly begin taking the actions necessary to correct the default during the 30-day cure period and diligently and in good faith pursue those actions to completion. You will be in default under this Section 19(C)(1) for any failure to materially comply with any of the requirements imposed by the Franchise Agreement, the Manual or otherwise in writing, or to carry out the terms of the Franchise Agreement in good faith.
h. "Cause" defined—defaults that cannot be cured	19(B)	Not Applicable	See f. above
i. Your obligations on termination/non-renewal	20	10	Upon termination or expiration of the Franchise Agreement: • The rights granted to you in the Protected Area immediately will terminate, and we will have the right to operate, or license others to operate, iFlex Stretch Studios anywhere in the Protected Area; • You and your owners must continue to abide by the covenants in Section 18; • Within 15 days, or on any later date that we determine the amounts due to us, you must pay to us and our affiliates all sums due and owing to us and our affiliates; • You must immediately discontinue all use of the Marks in connection with your iFlex

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			Stretch Studio and of any and all items bearing the Marks; remove the Marks from your iFlex Stretch Studio and from clothing, signs, materials, motor vehicles and other items owned or used by you in the operation of your iFlex Stretch Studio; cancel all advertising for your iFlex Stretch Studio that contains the Marks; and take such action as may be necessary to cancel any filings or registrations for your iFlex Stretch Studio that contain any Marks. You must comply with this Section 20(A). before any items bearing the Marks are offered for sale or auction by you or your Franchisors or lienholders; • You must immediately cease using any of our Confidential Information (including the Studio Systems or similar technology and digital passwords and identifications that we have licensed or loaned to you or that otherwise are proprietary to us or the System) in any business or otherwise and return to us the Studio Systems, your client list, your telephone numbers, your email addresses, your social media pages, all copies of the Manual, and any other confidential materials that we have loaned you; • Within 30 days, you must deliver to us all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark, or otherwise identifying or relating to a iFlex Stretch Studio that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from iFlex Stretch Studio; • You agree to promptly notify social media platforms, and internet service providers of the termination or expiration of your right to use any URLs and domain names, or other numbers, names associated with any Mark; to authorize the transfer of these listings to us

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			or to a third party, at our direction; and/or to instruct the domain name registries and internet service providers to forward all calls, e-mails and electronic communications made to names, numbers or addresses we specify; and • If we do not have or do not exercise an option to purchase the Assets of iFlex Stretch Studio under Section 21 below, you agree promptly and at your own expense to make the alterations we specify in our Manual (or otherwise) to distinguish your iFlex Stretch Studio clearly from its former appearance and from other iFlex Stretch Studios in order to prevent public confusion. If you fail to promptly make these alterations and modifications, we will have the right (at your expense, to be paid upon your receipt of an invoice from us) to do so without being guilty of trespass or other tort. • You must furnish to us, within 30 days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by you or by your chief executive officer if you are a corporation; by your manager, if you are a limited liability company; or by your general partner, if you are a partnership) satisfactory to us of your compliance with Sections 20(A) • You will not, except with respect to a business franchised by us or our affiliates which is then open and operating under to an effective franchise agreement: (1) operate or do business under any name or in any manner that might tend to give the public the impression that you are connected in any way with us or our affiliates or have any right to use the System or the Marks; (2) make, use or avail yourself of any of the materials or Confidential Information furnished or disclosed by us or our affiliates under the Franchise Agreement or disclose or reveal any such materials or Confidential Information or any portion of those materials

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			or Confidential Information to anyone else; or (3) assist anyone not licensed by us or our affiliates to construct or equip a business substantially similar to a iFlex Stretch Studio. All of our and your (and your owners') obligations which expressly or by their nature survive the Franchise Agreement's expiration or termination will continue in full force and effect subsequent to the expiration or termination and until the obligations are satisfied in full or by their nature expire.
j. Assignment of contract by us	15	11.E	We have the absolute, unrestricted right, exercisable at any time, to change our ownership or form and/or transfer and assign all or any part of our rights and obligations under the Franchise Agreement to any person or legal entity without your consent. After our transfer or assignment of the Franchise Agreement to a third party who expressly assumes the obligations under the Franchise Agreement, we no longer will have any performance or other obligations under the Franchise Agreement.
k. "Transfer" by you—definition	16(A)	11.D	The sale, assignment, transfer, conveyance, gift, pledge, mortgage, or encumbrance of any interest in you, the Franchise Agreement, your iFlex Stretch Studio, the Assets of your iFlex Stretch Studio, the Premises, the Lease, or any other assets pertaining to your operations under the Franchise Agreement.
l. Our approval of transfer by franchise owner	16(A)	11.D	Neither you nor any immediate or remote successor may transfer or assignment any part of your interest in the Franchise Agreement, nor any individual or entity which directly or indirectly controls you may sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in you, the Franchise Agreement, your iFlex Stretch Studio, the Assets of your iFlex Stretch Studio, the Premises, the Lease or any other assets pertaining to your operations under the Franchise Agreement without our prior written consent.

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
m. Conditions for our approval of transfer	16(B)	11.D	• You must advise us in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, a copy of all contracts and all other agreements or proposals, and all other information requested by us, relating to the proposed Transfer. Along with that required information, you must pay to us a transfer fee equal to twenty-five percent of our then current initial franchisee fee provided that the transfer fee shall not exceed $12,500 ("**Transfer Fee**"). The Transfer Fee is non-refundable, however, if the proposed Transfer transaction does not close, then we shall apply the Transfer Fee against the transfer fee for any subsequent Transfer that you close within the 12-month period following your initial Transfer application. If we do not exercise our right of first refusal (as stated in Section 16(G)), the decision as to whether or not to approve a proposed Transfer will be made by us in our sole discretion and will include numerous factors deemed relevant by us. These factors may include, but will not be limited to, the following: • the proposed transferee meets our then-current standards for new franchisees and has sufficient business experience, aptitude, and financial resources to operate your iFlex Stretch Studio; • you have paid all amounts owed to us, our affiliates, and third-party vendors and suppliers, have submitted all required reports and statements, and are not in violation of the Franchise Agreement; • neither the proposed transferee nor its owners or affiliates have an ownership interest (direct or indirect) in or perform services for a Competing Business (as defined in Section 18(B)(1));

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			• the proposed transferee (or its Operating Principal) satisfactorily completes our initial training program (and any other required training programs we require) and pays any then-current training fees; • the proposed transferee has demonstrated an ability to obtain possessory rights in the Premises; • you have corrected any existing deficiencies of your iFlex Stretch Studio of which we have notified you, and/or the proposed transferee agrees to upgrade, remodel, and refurbish your iFlex Stretch Studio in accordance with our then current requirements and specifications for iFlex Stretch Studios within the time period we specify following the effective date of the Transfer (we will advise the proposed transferee before the effective date of the Transfer of the specific actions that are required and the time period within which such actions must be taken); • if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your iFlex Stretch Studio are subordinate to the transferee's obligation to pay Royalty Fees, Advertising Fund contributions, and other amounts due to us, our affiliates, and third-party suppliers and vendors and otherwise to comply with the Franchise Agreement; and • you (and your transferring owners) must sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees, and agents. • you modify and/or upgrade certain fixtures, equipment, features, and computer hardware or software to our then current

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			standards prior to the closing of the proposed Transfer. The Development Agreement may not be transferred or assigned
o. Our option to purchase your business	16(G), 21	Not Applicable	We have the right, exercisable within 10 days after receipt of the notice specified in Section 16(B)(1) to send written notice to you that we intend to purchase the interest proposed to be transferred. We may assign our right of first refusal to someone else either before or after we exercise it. Our right of first refusal will not apply with regard to Transfers for Convenience of Ownership under Section 16(C). Upon the expiration or termination of the Franchise Agreement for any reason, we will provide written notice to you, within 30 days after the effective date of termination or expiration, if we intend to exercise our option to purchase from you some or all of the Assets.
p. Your death or disability	16(D)	Not Applicable	If the Transfer is a transfer of ownership interests in you following the death or permanent incapacity (as reasonably determined by us) of one of your owners, that person's executor, administrator, or other personal representative must apply to us in writing within 90 days after death or declaration of disability for consent to Transfer this person's interest to a third party that we have approved. We do not charge a Transfer Fee under Section 16(D). That Transfer must be completed within a reasonable time, not to exceed 6 months from the date of death or disability and is subject to all of the terms and conditions in Section 16.
q. Non-competition covenants during the term of the franchise	18(B)	10	You and your owners will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person,

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			firm, partnership, corporation, limited liability company, or other entity: own, maintain, operate, engage in, franchise or license, advise, help, make loans to, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, officer, manager, employee, consultant, representative, or agent in any Competing Business; knowingly employ or seek to employ any person then employed by us or employed by any iFlex Stretch Studio franchisee as a manager or higher, or otherwise directly or indirectly induce such person to leave his or her employment without our prior written consent; or divert or attempt to divert, by direct or indirect inducement or otherwise, any actual or potential business or customer of any iFlex Stretch Studio to a Competing Business. During the term of the Franchise Agreement, there is no geographical limitation on the restrictions contained in Section 18(B).
r. Non-competition covenants after the Franchise Agreement is terminated or expires	18(B)	10	For purposes of the Franchise Agreement, the term "Restricted Period" shall be two (2) years from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end six (6) months from the date the Franchise Agreement expires or is terminated. During the Restricted Period, these restrictions will apply at the Premises; within the Protected Area; within a 5-mile radius of the outer boundaries of the Protected Area; and within 5 miles of any other iFlex Stretch

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			Studio in operation or under construction on the later of: (i) the date of the termination or expiration of the Franchise Agreement (the "Restricted Area"); or (ii) the date on which all persons restricted by Section 18(B) begin to comply with Section 18(B).
s. Modification of the Agreement	26	11.H	No amendment, change or variance from the Franchise Agreement will be binding on either party unless mutually agreed to by you and us and executed in writing.
t. Integration/ merger clause	26	11.H	The Franchise Agreement and its attachments, the Manual, and the documents referred to in the Franchise Agreement constitute the entire, full and complete agreement between the parties concerning your rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by the Franchise Agreement other than those listed in the Franchise Agreement and its attachments, the Manual, and the documents referred to in the Franchise Agreement (including our Franchise Disclosure Document). Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you.
u. Dispute resolution by arbitration or mediation	27(A)	11.K	Before you or we may bring an action in court, against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation will be non-binding and will be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. These provisions are subject to state law.

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
v. Choice of forum	27(C)	11.K	Subject to applicable state law, you and we agree that, to the extent any disputes cannot be resolved directly between us, you will file any suit against us only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed. These provisions are subject to state law.
w. Choice of law	27(B)	11.K	Subject to applicable state law and except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, the Franchise Agreement, Studio, and all claims arising from the relationship between you and us will be governed by the laws of the State of Arizona. These provisions are subject to state law.

ITEM 18 PUBLIC FIGURES.

We do not use any public figures to promote iFlex Stretch Studios, although we reserve the right to do so in the future.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS.

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Lyle Myers at 7150 East Camelback Road, Suite 444, Scottsdale, Arizona 85251, 888-994-3539 (888-99-iFlex) and lwmyers@iflexfranchise.com , the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
Systemwide Outlet Summary
For years 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	1	+1
Total Outlets	2020	0	0	0
	2021	0	0	0
	2022	0	1	+1

TABLE NO. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2020 to 2022

State	Year	Number of Transfers
All states	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

TABLE NO. 3
Status of Franchised Outlets
For years 2020 to 2022

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
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
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

TABLE NO. 4
Status of Affiliate owned Outlets
For years 2020 to 2022

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired from Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of the Year**
Arizona	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Totals	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1

- An affiliate owned Studio opened in Chandler, Arizona in February 2022.

TABLE NO. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
Virginia	0	1	0
Total	0	2	0

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

If you are purchasing a company-owned outlet from one of our affiliates that was previously owned by a franchisee but is now owned and operated by our affiliate, or us we will provide you with an addendum to this Disclosure Document disclosing additional information for that outlet.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the franchise system being offered under this Disclosure Document that have been created, sponsored, or endorsed by us.

There are no franchisees as of 12/31/2022

There are no Franchisees who had an outlet 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 that have not communicated with the Franchisor within 10 weeks of the disclosure document issuance date.

ITEM 21: FINANCIAL STATEMENTS.

The Franchisor has not been in business long enough to provide the financial statements generally required by this Item. Attached as Exhibit E are audited financial statements for iFlex Franchising LLC dated February 10, 2023 for the period beginning on August 1, 2022 and ending on December 31, 2022 and an Independent Auditors' Acknowledgement dated February 10, 2023. The Franchisor's fiscal year end is December 31.

ITEM 22: CONTRACTS.

The following contracts are attached as exhibits to this Disclosure Document.

Exhibit B.	Franchise Agreement
Exhibit C.	Confidentiality Agreement
Exhibit D.	General Release
Exhibit F.	Addenda Required by Certain States and Small Business Administration
Exhibit I.	Development Agreement

ITEM 23: RECEIPTS

Exhibit K to this Franchise Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the receipt. You should retain one signed copy for your records and return the other signed copy to us.

Exhibit A
State Administrators/Agents for Service of Process

Following is information about our agents for service of process, as well as state agencies and administrators whom you may wish to contact with questions about iFlex Franchising LLC.

Our agent for service of process in the State of Arizona is:

Gallagher & Kennedy Service Corporation
2575 E. Camelback Road, Suite 100
Phoenix, Arizona 85016

List of Agents for Service of Process

CALIFORNIA
Commissioner of Financial Protection and Innovation, Department of Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, CA 95834

CONNECTICUT
The Banking Commissioner,
The Department of Banking,
Securities and Business Investment Division
260 Constitution Plaza
Hartford, CT 06103-1800

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

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, IL 62706

INDIANA
Securities Commissioner
Indiana Secretary of State
201 State House, Indianapolis, IN 46204

MARYLAND
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2021
410.576.6360

MICHIGAN
Michigan Department of Commerce
Corporations and Securities Bureau
6546 Mercantile Way
Lansing, MI 48910

MINNESOTA
Minnesota Commissioner of Commerce
85 7th Place East, Suite #280
St. Paul, MN 55101
651-539-1600

NEW YORK
Secretary of State
99 Washington Avenue
Albany, NY 12231-0001

NORTH DAKOTA
Securities Commissioner of North Dakota, State Capitol, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505

RHODE ISLAND
Director of Department of Business Regulation, Securities Division
John O. Pastore Center, Bldg. 69, 1st Floor, 1511 Pontiac Avenue
Cranston, RI 02920
(401) 462-9585

SOUTH DAKOTA
Director, Division of Insurance
Securities Regulation
124 S. Euclid Suite 104
Pierre, SD 57501
(605) 773-3563

VIRGINIA
Clerk, Virginia State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219
(804) 371.9733

WASHINGTON
Director, Securities Division
Department of Financial Institutions
150 Israel Road, SW
Tumwater, WA 98501

WISCONSIN
Wisconsin Commissioner of Securities, Department of Financial Institutions, 4th Floor
345 W. Washington Avenue
Madison, WI 53703

Exhibit A
Directory of Franchise Regulators, State Administrators, and Agents for Service of Process

Federal Franchise Regulators:
Federal Trade Commission
Division of Marketing Practices
Seventh and Pennsylvania Avenues, N.W., Room 238
Washington, DC 20580
202-326-2970

List of State Administrators

CALIFORNIA:
Department of Financial Protection and Innovation
1-866-275-2677
Los Angeles
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500
Sacramento
2101 Arena Blvd.
Sacramento, CA 95834
(916) 445-7205
San Diego
1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233
San Francisco
One Sansome Street, Suite 600
Sam Francisco, CA 94104
(415) 972-8559

CONNECTICUT
The Banking Commissioner,
The Department of Banking, Securities and Business Investment Division
260 Constitution Plaza
Hartford, CT 06103-1800

HAWAII:
Commissioner of Securities,, 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
500 South Second Street, Springfield, IL 62706, (217) 782-4465

INDIANA:
Securities Commissioner, Securities Division, Room E-111, 302 West Washington Street, Indianapolis, IN 46204
(317) 232-6681

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

MICHIGAN:
Kathryn Barron
Franchise Administrator Antitrust and Franchise Unit, Consumer Protection Division, Department of Attorney General
670 Law Building, 525 W. Ottawa Street, Lansing, MI 48913
(517) 373-7117

MINNESOTA:
Commissioner, Department of Commerce, 85 7th Place East, Suite #280, St. Paul, MN 55101
(651) 539-1600

NEW YORK:
NYS Department of Law, Investor Protection Bureau, 28 Liberty Street, 21st Fl, New York, NY 10005
212-416-8222

NORTH DAKOTA:
North Dakota Securities Department
State Capitol, 5th Floor, 600 East Boulevard Avenue, Bismarck, ND 58505-0510, (701) 328-2910

OREGON:
Div. of Finance & Corp. Securities
(608) 266-8557
Department of Consumer & Business Services, Room 410, 350 Winter Street, NE, Salem, OR 97301-3881
(503) 378-4140

RHODE ISLAND:
Department of Business Regulation
Securities Division, Bldg. 69, First Floor, John O. Pasture Center, 1511 Pontiac Avenue, Cranston, Rhode Island 02920
(401) 462-9585

SOUTH DAKOTA:
Franchise Administrator
Division of Insurance, Securities Regulation, 124 South Euclid, Suite 104, Pierre, SD 57501
(605) 773-3563

VIRGINIA:
State Corporation Commission
Division of Securities & Retail Franchising, 1300 East Main Street, 9th Floor, Richmond, VA 23219
(804) 371-9051

WASHINGTON:
Securities Division, Department of Financial Institutions, 150 Israel Road, SW, Tumwater, WA 98501
(360) 902-8760

WISCONSIN:
Division of Securities, Bureau of Regulation & Enforcement
Department of Financial Institutions, 4th Floor, 345 W. Washington Avenue, Madison, WI 53703

Exhibit B
Franchise Agreement

iFLEX FRANCHISE AGREEMENT
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iFlex Stretch Studio Franchise Agreement

THIS **FRANCHISE AGREEMENT** ("Agreement") is made and entered into as of _____ ("Effective Date") by and between **iFlex Franchising LLC**, an Arizona limited liability company ("iFlex Franchising," "Franchisor" "we," "us," or "our"), and **FRANCHISEE** ("you" or "your" or "Franchisee").

1. PREAMBLES.

(A) We and our parent and affiliates have invested considerable time, effort, and money to develop a unique system ("System") for the operation of a business under the name "iFlex" that offers a stretch studio ("Studio(s)") to provide assisted stretch programs, techniques, and systems to people of all ages, design and branding in a safe, clean and friendly environment (each a "iFlex Stretch Studio" or a "Studio").

(B) The distinguishing characteristics of the System include, without limitation, our interior and exterior design, special décor elements, layout, furnishings, fixtures, color schemes, display units, graphics and designs, signs, quality of equipment and inventory; procedures for operations; proprietary computer software; proprietary stretching modules and systems, quality and uniformity of services and products offered, staff and customer recruitment and retention programs, local, regional and national events, procedures for training and assistance, advertising and promotional programs, and business formats, methods, procedures, designs, layouts, standards, and specifications, which we may change, improve and further develop from time to time.

(C) We identify the System by the "iFlex", "iFlex Stretch Studio" and "iFlex Studio" name and mark and certain other names, marks, logos, insignias, slogans, emblems, symbols and designs (collectively, "Marks"), which we have designated, or may in the future designate, for use with the System. The Marks are owned by our affiliate, iFlex, Inc. ("iFlex Inc.") and licensed to us for use by the System.

(D) You would like to obtain a license to use the System and the Marks and to operate a franchised iFlex Stretch Studio at the location specified in Exhibit 1 ("Premises"), subject to the terms and conditions of this Agreement and in strict compliance with the high and uniform standards of quality, operations and service established by us for the System ("System Standards").

(E) You acknowledge the importance of the System Standards and the necessity of developing and operating your iFlex Stretch Studio in strict conformity with this Agreement, the System Standards and the iFlex Stretch Studio operations manual ("Manual").

(F) We are willing to grant to you the opportunity to develop and operate an iFlex Stretch Studio at the Premises, subject to the terms and conditions of this Agreement.

2. GRANT OF FRANCHISE.

(A) Grant. Subject to the terms of this Agreement, we grant to you a license ("Franchise") to operate your iFlex Stretch Studio at the Premises and to use the System and Marks in the operation of a iFlex Stretch Studio. If you have not identified and received our approval of the Premises before you sign this Agreement, the Premises will be identified and included on Exhibit 1 as described in Section 5(A).

(B) Relocation. You may not operate your iFlex Stretch Studio at any site other than the Premises and you may not relocate your iFlex Stretch Studio without our prior written consent, which may be withheld by us in our sole discretion. We have the right to charge you for all reasonable expenses that we incur in considering your request.

(C) Forms of Agreement. Over time, we have entered and will continue to enter into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that we and other franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

(D) Best Efforts. You agree at all times to perform your obligations under this Agreement faithfully, honestly, and diligently, to use your best efforts to promote your iFlex Stretch Studio and the System, and to operate your iFlex Stretch Studio in accordance with our System Standards.

3. FRANCHISE RIGHTS.

(A) Your Protected Area. Except as limited by Section 3(C) below, and provided that you are in full compliance with this Agreement, we and our affiliates will not operate, or license others to operate iFlex Stretch Studios in the geographic area identified and describe in Exhibit 1 as your Protected Area during the term of this Agreement. The Protected Area granted to you will be a geographic area including a two (2) mile radius measured from the front door of your iFlex Stretch Studio (the "Protected Area"). The Protected Area defined above, in certain high density population areas ("High-Density Areas"), the Protected Area will be a one-half of one mile (1/2 mile) radius measured from the front door of your iFlex Stretch Studio. Currently, we consider New York City (including boroughs), Los Angeles (including suburbs), San Francisco, Chicago, Boston, Miami, Denver, and Honolulu to be High-Density Areas. We reserve the right to add additional High-Density Areas in the future.

(B) The restrictions contained in this Section 3 do not apply to iFlex Stretch Studios under construction or in operation in the Site Selection Area (as defined by Section 5(A)) or Protected Area as of the date of this Agreement. If the Premises have not been approved in writing by us as of the Effective Date, your Protected Area will be determined by us after you execute a Lease for your iFlex Stretch Studio (the "Lease"), or otherwise secure the Premises in a manner approved by us, and at such time, the Protected Area will be attached to and incorporated into Exhibit 1.

(C) Rights We Reserve. Except as expressly granted to you in Section 3(A), we and our affiliates retain all rights with respect to iFlex Stretch Studios, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to the right to: (1) operate (and license others to operate) any type of business other than a iFlex Stretch Studio branded business at any location inside or outside the Protected Area; (2) provide, offer and sell (and license others to provide, offer and sell) products that are identical or similar to and/or competitive with those provided at or from iFlex Stretch Studios, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, the Internet or similar electronic media) both inside and outside the Protected Area; (3) operate (and license others to operate) iFlex Stretch Studios located anywhere outside the Protected Area regardless of proximity to your iFlex Stretch Studio; (4) acquire the assets and/or ownership interests of one or more competing businesses ("Competing Businesses") and franchising, licensing or creating similar arrangements with respect to these businesses once acquired wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Area); (5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competitor that operates Competing Businesses, or by another business, even if such business operates, franchises and/or licenses Competing Businesses in the Protected Area; and (6) create, place, and/or distribute or authorize others to create, place and/or distribute any advertising and promotional materials, which may appear in media, or be received by prospective customers located, within the Protected Area. The rights granted to you in the Protected Area does not limit the operation of iFlex Stretch

Studios that are under construction or in operation in the Protected Area. We reserve all rights in the Site Selection Area that we reserve with respect to the Protected Area.

4. TERM.

(A) Initial Term. The initial term of this Agreement ("Initial Term") and the Franchise granted by this Agreement will begin on the Effective Date and expire at midnight on the day preceding the 10th anniversary of the date your iFlex Stretch Studio first opens for business, unless this Agreement is terminated at an earlier date according to Section 19. We will complete and forward to you a notice to memorialize the date your iFlex Stretch Studio first opened for business.

(B) Successor Terms. When this Agreement (and the first Successor Term) expires, you will have the option to request the right to remain a franchisee at the Premises for two (2) successor terms of five (5) years each (each a "Successor Term"). The qualifications and conditions for the Successor Term are described below:

(1) You must give us written notice of your election to remain a franchisee at the iFlex Stretch Studio not less than 9 months, nor more than 12 months, before the end of the Initial Term or first Successor Term;

(2) You must pay us a Successor Franchise Fee equal to $10,000 (the "Successor Franchise Fee");

(3) Neither you nor any of your affiliates are in default under this Agreement or any other agreements with us or our affiliates;

(4) You must have the right to remain in possession of the Premises (or, another location acceptable to us) for the Successor Term;

(5) You must renovate and update your iFlex Stretch Studio to reflect the then-current image of iFlex Stretch Studios;

(6) You must correct any existing deficiencies of your iFlex Stretch Studio or in your operation of your iFlex Stretch Studio and satisfy our then-current System Standards including adding any new products or services that are then being offered in the System, meet our qualifications for new franchisees, and complete any additional certification and training requirements that apply to you, your Operating Principal, your managerial and training personnel and/or your staff (which may involve the payment of training fees);

(7) You must sign, and your owners and all guarantors of your obligations under this Agreement must personally guarantee, our standard form of Franchise Agreement that we are then offering to new franchisees (or the standard form that we most recently offered, if we are not then offering to new franchisees); and

(8) You, and your owners and guarantors of your obligations under this Agreement must sign a general release (substantially similar to the form attached as Exhibit D to the FDD) releasing any and all claims against us, and our affiliates, owners, officers, directors, agents and employees.

5. DEVELOPMENT PROCEDURES.

(A) Site Selection.

(1) This Section 5(A) will not be applicable if the Premises have been approved in writing by us as of the Effective Date.

(2) If the Premises have not been designated as of the Effective Date, you will select a site from within an area that we identify in Exhibit 1 ("Site Selection Area"). Within 90 days after the Effective Date ("Site Approval Period"), you must obtain our written consent of a site that is located in the Site Selection Area and execute a Lease (or otherwise secure) that approved site for your iFlex Stretch Studio. We, in our sole discretion, reserve the right to move or modify the Site Selection Area. Provided that you are in full compliance with this Agreement, we and our affiliates will not operate, or license others to operate, iFlex Stretch Studios in the Site Selection Area during the Site Approval Period. We reserve all rights in the Site Selection Area that we reserve with respect to the Protected Area as described in Section 3(C). The restrictions contained in this Section 5(A) shall not apply to iFlex Stretch Studios under construction or in operation in the Site Selection Area as of the Effective Date of this Agreement.

(3) You assume all cost, liability and expense for locating, obtaining and developing a site for your iFlex Stretch Studio and constructing and equipping your iFlex Stretch Studio in accordance with our System Standards at an approved site. We will assist you in your site selection by providing you with our site selection guidelines and criteria, and sources to obtain demographic information on proposed sites. You must obtain our written consent of the site before you make any binding commitments related to the site. If you have not presented to us an approvable site during the Site Approval Period, we may, in our sole discretion, terminate this Agreement according to Section 19.

(4) Once you have identified a potential site, you must submit to us, in the form that we specify, a completed site evaluation package which must include an "As-Built" AutoCAD floor plan copy of the existing site plan, photographs, demographic information, financial information, and such other information and materials as we may reasonably require, together with an option contract, letter of intent, or other evidence satisfactory to us which confirms your favorable prospects for obtaining an ownership or leasehold interest in the site.

(5) Within 30 days after we receive the detailed site evaluation package, we, in our sole discretion, may conduct an on-site evaluation of the proposed site. You must reimburse us for all travel, living and other expenses we incur in conducting any on-site evaluations of your proposed site. We do not charge a site evaluation fee for the first on-site evaluation that we conduct with respect to your iFlex Stretch Studio, however, if we require, or if you request, any additional on-site evaluations, you will pay to us, in addition to our travel expenses, our then-current site evaluation fee.

(6) We will use reasonable efforts to approve or disapprove the proposed site within 30 days after our receipt of your detailed site evaluation package if we do not conduct an on-site evaluation or, if we conduct an on-site evaluation, within 30 days after the on-site evaluation. If we do not approve the proposed site in writing in this time period, we will be deemed to have rejected the site. Our approval or rejection of a site may be subject to reasonable conditions as we determine in our sole discretion. Upon our approval of a site, and after you secure the site, we will insert its address into Exhibit 1, and it will be the Premises.

(7) You are responsible for selecting the site for your iFlex Stretch Studio. You acknowledge and agree that, our approval of a site does not constitute a representation or warranty of any kind, express or implied, of the site's suitability for a iFlex Stretch Studio or any other purpose. Our approval indicates only that we believe that the site meets our then-current site selection criteria. Applying criteria that have appeared effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond our control, and we are not

responsible if a site we approve fails to meet your expectations. You acknowledge and agree that: (a) your submission of a proposed site for our acceptance is based on your own independent investigation of the site's suitability for your iFlex Stretch Studio; and (b) our site-selection assistance is primarily for our benefit to assure us that we will have a minimally acceptable site upon the expiration or termination of this Agreement.

(8) Once you select a Premises for your iFlex Stretch Studio, your rights with respect to the Site Selection Area shall terminate and your rights shall be limited to the Protected Area.

(B) Lease of Premises.

(1) If you propose to lease or sublease the Premises for your iFlex Stretch Studio, you must provide us with a copy of the fully-executed Lease for the Premises (for a term, including renewal terms, for at least the Initial Term) no less than 10 days before you intend to execute the Lease for the site of your iFlex Stretch Studio. The Lease must not contain any covenants or other obligations that would prevent you from performing your obligations under this Agreement. Unless waived in writing by us, any Lease must contain provisions that satisfy the following requirements during the entire term of the Lease, including any renewal terms:

(a) The initial term of the Lease must be no less than ten (10) years.

(b) The property owner ("Property Owner") consents to your use of the proprietary signs and the Marks prescribed by us, and upon the expiration or earlier termination of the Lease, consents to permit you, at your expense, to remove all such items, so long as you make repairs to the Premises caused by such removal.

(c) The Property Owner agrees to provide us (at the same time sent to you) a copy of all amendments, assignments, and notices of default pertaining to the Lease and the Premises.

(d) We will have the right to enter the Premises to make any modifications or alterations necessary to protect the System and the Marks, to cure, within the time periods provided by the Lease, any default under the Lease, all without being guilty of trespass or other tort, and to charge you for any related costs.

(e) The Property Owner agrees that you will be solely responsible for all obligations, debts, and payments under the Lease.

(f) The Property Owner agrees that, following the expiration or earlier termination of this Agreement, you will have the right to make those alterations and modifications to the Premises as may be necessary to clearly distinguish to the public the Premises from a iFlex Stretch Studio and also make those specific additional changes as we reasonably may request for that purpose. The Property Owner also agrees that, if you fail to make these alterations and modifications within 10 days after the expiration or earlier termination of this Agreement, we will have the right to do so without being guilty of trespass or other tort so long as we make repairs to the Premises caused by such removal.

(g) The Property Owner agrees not to amend or otherwise modify the Lease in any manner that would affect any of the foregoing requirements without our prior written consent, which consent will not be unreasonably withheld.

(h) You may assign the Lease to us or our designee with the Property Owner's consent (which consent will not be unreasonably withheld) and without payment of any assignment fee or

similar charge or increase in any rentals payable to the Property Owner.

(i) The Property Owner agrees to consent to your collaterally assigning the Lease to us or our designee, granting us the option, but not the obligation, to assume the Lease from the date we take possession of the Premises, without payment of any assignment fee or similar charge or increase in any rentals payable to the Property Owner. Our current form of Collateral Assignment of Lease is attached to this Agreement as Exhibit 2.

(2) You acknowledge that our review of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a iFlex Stretch Studio operated at the Premises. Our review will indicate only whether we believe that the terms of the Lease meet our then-acceptable criteria.

6. CONSTRUCTION OF YOUR IFLEX STRETCH STUDIO.

(A) Construction Plans.

(1) Studio Floor Plan Design. Subject to your payment of the Studio Design Fee (See Section 7(D)), upon receipt from you of completed pre-construction forms and as-built drawings of the site, we shall provide to Franchisee a Studio floor plan design for the Studio containing floor plan, demising and interior wall locations, flooring specification, ceiling specification, furnishing, fixture, and equipment location and specification (hereby known as "Studio Design"). Franchisee will receive Franchisor's design requirements, including building specifications (locations of walls, counters, retail displays, fixtures, and equipment) (the "Studio Design"). We do not represent or warrant that the Studio Design will comply design compliance with applicable laws, including the Americans with Disabilities Act ("ADA"). Franchisee shall, at its sole cost and expense, ensure that the Studio Design complies with all applicable laws (including the ADA), and shall obtain any required architectural seals, engineering seals and other required approvals. The cost of any leasehold improvements, equipment, fixtures and displays, and of any architectural and engineering drawings, are Franchisee's sole responsibility.

(2) You are responsible for developing and constructing your iFlex Stretch Studio. We will provide to you mandatory and suggested specifications and layouts for a iFlex Stretch Studio, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. We may also provide you with suggested architectural drawings. You acknowledge that the layouts and drawings are proprietary to us. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (“ADA”) or similar rules governing public accommodations for persons with disabilities. It is your responsibility to prepare a site survey and all required construction plans and specifications to suit the Premises and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.

(3) You must retain our designated architect to develop construction drawings of your iFlex Stretch Studio (you may opt to retain our approved design architect to continue with the full set of construction drawings). Required stamped drawings include architectural, mechanical, plumbing, and electrical plans. In addition, you must obtain structural and fire protection and any other plans as may be required by your state and local agencies.

(4) You agree to send to us, upon our request, construction plans and specifications or other plans for our review before you begin constructing your iFlex Stretch Studio and all revised or “as built” plans and specifications during construction. We may require you to use an approved or designated architect and/or general contractor to design and construct your iFlex Stretch Studio. We may inspect the Premises while you are developing your iFlex Stretch Studio.

(B) Development of your iFlex Stretch Studio. You agree to do the following, at your own expense, to develop your iFlex Stretch Studio at the Premises:

(1) secure all financing required to develop and operate your iFlex Stretch Studio;

(2) procure insurance coverage for your activities under this Agreement as required by Section 12(I) and the Manual;

(3) obtain all required building, utility, sign, health, sanitation, occupancy, business, and other permits and licenses;

(4) construct all required improvements to the Premises and furnish and decorate your iFlex Stretch Studio according to our approved plans and specifications;

(5) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services;

(6) purchase or lease from Designated Suppliers and Approved Suppliers, and install, all required fixtures, furniture, equipment and interior and exterior signs; and

(7) purchase from Designated Suppliers and Approved Suppliers an opening inventory of authorized and approved products, materials, and supplies necessary to commence operations at your iFlex Stretch Studio.

(8) If you build any portion of your iFlex Stretch Studio outside of our specifications without receiving our prior written consent, we will have the right to delay the opening of your iFlex Stretch Studio until you, at your sole expense, bring the development of your iFlex Stretch Studio within full compliance with of our specifications.

(C) Studio Systems. Prior to opening your iFlex Stretch Studio, you must purchase and install our required computer, router, network, hardware, and associated software including required appointment and accounting software (the "Studio Systems"). You must also purchase a service and maintenance contract from us or our approved third-party vendor for ongoing maintenance and support services for the Studio Systems.

(D) Opening your iFlex Stretch Studio. Subject to your compliance with the conditions described in this Section 6(D) or as we may otherwise approve, you agree to open your iFlex Stretch Studio no later than 12 months after the Effective Date of this Agreement.

(1) We will not authorize the opening of your iFlex Stretch Studio unless all of the following conditions have been met:

(2) We are satisfied that your iFlex Stretch Studio was constructed and/or renovated and equipped substantially in accordance with our standards and specifications;

(a) You have hired and trained a staff as required by Section 11(B);

(b) You have received a Certificate of Occupancy and all required state and local government certifications, permits, and licenses necessary for the operation of a iFlex Stretch Studio, including licenses and certifications for your staff and other personnel;

(c) You (or your Operating Principal as defined in Section 14(D)), your management personnel, and your training personnel (if any) have satisfactorily completed and become certified in our initial training program;

(d) You have paid the Initial Franchise Fee (as defined in Section 7(A)) and any other amounts then due to us;

(e) You have signed all agreements required prior to opening, including, but not limited to, the Lease, the electronic funds transfer documents described in Section 7(P), and any software license agreement(s);

(f) You have complied with our requirements for the Grand Opening Plan as described in Section 9(A);

(g) Neither you nor any of your affiliates are in default under or in violation of any agreements with us, any of our affiliates or any suppliers; and

(h) You have provided to us copies of certificates for all insurance policies required by Section 12(I) or such other evidence of insurance coverage and payment of premiums as we reasonably may request.

7. FEES. All fees payable according to this Section 7 shall be paid in United States Dollars on or before the due date for such payments. Unless otherwise specified, all fees are not refundable.

(A) Initial Franchise Fee. At the same time that you sign this Agreement, you must pay to us an initial franchise fee of $39,000 (“Initial Franchise Fee”). This fee is due, and fully earned by us, when you sign this Agreement. The Initial Franchise Fee is not refundable.

(B) Ongoing Royalty Fees. You agree to pay to us, in the manner provided below (or as the Manual otherwise prescribes), a nonrefundable and continuing Royalty Fees (“Royalty Fees”) in the amount of seven percent (7%) of the Net Sales of your iFlex Stretch Studio for the right to use the System and the Marks.

(C) Technology Fee. You agree to pay to us, in the manner provided below (or as the Manual otherwise prescribes), a nonrefundable and continuing Technology Fee ("Technology Fee"). The Technology Fee provides you access, maintenance, and support for required software, applications, e-mail service, music, integrations, collaboration, internet, and other technology services that we determine, in our sole discretion, to provide to you. A list of all services you will receive in connection with your Technology Fee is included with the Manual. Currently, the Technology Fee is $650 per month. You will begin paying the Technology Fee in the month that you sign a lease for your Studio. We may increase the Technology Fee upon thirty (30) days written notice to you.

(D) Studio Design Fee. You must pay our then current Studio Design Fee to prepare an initial clinic floor plan. Payment is due when you sign your Franchise Agreement. The current Design Fee is $750 in connection with your purchase of a new Studio. This fee is not refundable.

(E) Insufficient Funds Fee. You will pay us an insufficient funds fee of any check, EFT, ACH, or other payment mechanism is returned to use for insufficient funds. The Insufficient Funds Fee is currently $50 per instance. We may increase this fee upon written notice to you. We will charge this fee if our attempt to debit your account for any amount payable to us is unsuccessful.

(F) Alternative Suppliers. If you propose to purchase any goods or materials (that you are not required to purchase from us, an affiliate of ours, or an Approved Supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval, or request the supplier do so. We may require, as a condition of our approval, that our representative be permitted to inspect the supplier's facilities, and that such information, specifications, and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting approval.

(G) Resale Fee. You will pay us or a third party broker a resale fee ("Resale Fee") to the extent that a commission is payable to a broker or employee in connection with the transfer and sale of your iFlex Stretch Studio. The Resale Fee will generally be ten percent (10%) of the sales price of your iFlex Stretch Studio but may be higher depending upon our agreement or your agreement with such third party. If a Resale Fee is payable in connection with the transfer of your iFlex Stretch Studio, we will not approve the transfer until we receive the Resale Fee or receive confirmation from applicable parties that the Resale Fee has been paid in full.

(H) Extension Fee. You are required to open your iFlex Stretch Studio within 12 months of signing the Franchise Agreement. You may extend the deadline to open your iFlex Stretch Studio, on a month to month basis, by paying us the Extension Fee. The Extension Fee currently being charged is $2,500 per month and shall be paid on or before the 5th day of each month for which an extension is sought. We reserve the right to modify, increase, decrease or waive the Extension Fee in our sole and absolute discretion.

(I) Management Fee. You will pay us a management fee ("Management Fee") if we are obligated, directly or indirectly, to manage your Studio. The Management Fee is in addition to and not in replacement of any other fees that you are obligated to pay us. The current Management Fee we charge you is the greater of (i) two times the salary paid to the individual(s) assigned by us to operate the Studio, or (ii) 10% of the Studio's monthly Net Sales; plus expenses for travel, lodging, meals, and all other expenses. The Management Fee is payable during any period that our appointed manager manages your Studio. The Management Fee will be in addition to the Royalty Fees and Advertising Fund Contributions due to us. We will deduct the Management Fee from Net Sales prior to our payment of your Franchise Commission. We may increase the Management Fee upon thirty (30) days written notice to you.

(J) Unauthorized Products or Services Fees. If you distribute unauthorized products or services or fail to report the sale of any unauthorized products or services, we may, in addition to any other rights we may have, you will be responsible to pay us an administrative fee of $250 per day, any Royalty Fees due to us from the sale of such products or services, and any amounts we incur due to or as a result of your sale of unapproved services or products if you do not cure such default within ten (10) days of receipt of notice from us of your violation. You understand and agree that we may debit such amounts directly from your bank account via EFT, ACH, or other payment mechanism. However, we reserve the right to terminate your Franchise Agreement if you use, sell, distribute or give away unauthorized services or products on three or more occasions within any consecutive (12) month period, after being provided written notice to cease such activities.

(K) Gross Sales. "Gross Sales" means all revenue transacted from or during the operation of your iFlex Stretch Studio including, but not limited to, membership fees, service fees, product sales, business interruption insurance, and all amounts that you receive at or away from the Premises, whether from cash, check, EFT, ACH, wire transfer, credit and debit card, barter, exchange, trade credit, loyalty program points, gift card redemptions, or other credit transactions.

(L) Net Sales. “Net Sales” means Gross Sales (as defined above) minus: (i) the amount of any documented refunds, charge-backs provided to customers in good faith; (ii) any tips received by your employees; and (iii) Franchisor designated or approved discounts, promotions, or credits.

(M) Advertising Contributions and Expenses. You also will spend and/or contribute for advertising the amount we specify. The exact amount of the Advertising Fund contribution and local store marketing expenditures you are required to make and/or are described in Section 9.

(N) Late Report Fee. We may charge a late report fee of $250 for each week following the due date that you do not submit any report to us that is required by Section 8.

(O) Interest. All amounts which you owe us for any reason, will bear interest accruing as of their original due date at 15% per annum or the highest commercial contract interest rate the law allows, whichever is less. We may electronically debit your business checking account automatically for any past-due amounts and interest. You acknowledge that this Section 7(O) is not an agreement to accept any payments after they are due or a commitment to extend credit to, or otherwise finance your operation of, your iFlex Stretch Studio.

(P) Partial Payments. No payment by you or acceptance by us of any monies under this Agreement for a lesser amount than due will be treated as anything other than a partial payment on account. We will have sole discretion to apply any payments by you to any of your past-due indebtedness to us.

(Q) Authorization to Draw Drafts against Franchisee’s Bank Account.

(1) Franchisee authorizes Franchisor to draw drafts against Franchisee’s bank accounts for the full amount of the Royalty Fees, Advertising Fund Fees, and for any other amounts that Franchisee owes to Franchisor or its Affiliates or Franchisee’s cooperative advertising association (for example, for promotional materials). Simultaneously with signing this Agreement, Franchisee must sign a pre-authorization form, in the form attached as Exhibit 4 to the Franchise Agreement, to enable Franchisor to do so. In addition, from time to time at Franchisor’s reasonable request, Franchisee must sign those other and further documents as Franchisor may require enabling Franchisor to draw drafts against Franchisee’s bank accounts for such purposes.

(2) If Franchisee fails to provide Franchisor any necessary information or documentation with respect to Franchisor’s practice of drawing drafts against Franchisee’s bank accounts, Franchisee must pay Franchisor a fee of $250 per week that that failure continues.

(R) Reports. If Franchisee fails to submit to Franchisor by 5:00 p.m. (Phoenix, Arizona time) on Monday of each week, an operating statement, in the form specified by Franchisor, which includes Net Sales figures for the prior week, as required by Section the amount drawn against Franchisee’s bank account, according to Section 8(e), for the Royalty Fees and Ad Fund Fees with respect to the prior week will be the amount drawn the previous week plus 20%, as an estimate of the prior week’s Royalty Fees and Ad Fund Fees, and Franchisee may be assessed a $250 late charge per delinquent operating statement per week, or part thereof (until each delinquent operating statement has been delivered), which amount may be increased by Franchisor from time to time.

(S) Taxes**.** Franchisee must pay to Franchisor an amount equal to any sales, gross receipts or similar taxes assessed against, or payable, by Franchisor and calculated on the Initial Franchise Fee, Royalty Fees, Ad Fund Fees, equipment and signage purchases or other payments required to be paid according to this Agreement, unless the tax is an income tax or an optional alternative to an income tax otherwise payable by Franchisor. Such amount will be due and payable within 10 days after receipt of Franchisor’s invoice.

(T) If Franchisee fails to deliver or provide to Franchisor any statement, report or other document or information required to be delivered (for example, certificates of insurance and financial statements), by the applicable deadline, Franchisee will be assessed a $250 late charge per delinquent statement, document or other information per week, or part thereof (until each delinquent statement, document or other information has been delivered or provided), which amount may be increased by Franchisor from time to time.

(U) Right of Offset. Franchisor shall have the right to offset any amount owed by Franchisee to Franchisor and/or its affiliates under or in connection with this Agreement against any payments owed by Franchisor to Franchisee under this Agreement or any related agreement. Such offsets shall be in addition to any other rights or remedies available under this Agreement and applicable law.

8. RECORDKEEPING AND REPORTS.

(A) Recordkeeping. You must keep and maintain, in accordance with any procedures that we prescribe in the Manual or otherwise, complete accurate books and records pertaining to your iFlex Stretch Studio sufficient to fully report to us. We reserve the right to require that you maintain a fiscal year different than the calendar year and one that is consistent with our fiscal year. You agree that we are authorized to use computerized data capture and retrieval systems that meet our specifications and that all data collected by our data capture and retrieval systems shall belong to us.

(B) Reports and Financial Statements. You must, at your expense, submit to us, in the form prescribed by us, financial and operational reports and records at the times and in the manner specified in the Manual. You also must submit to us, in the form prescribed by us, a profit and loss statement and balance sheet for your iFlex Stretch Studio within 60 days after the end of each fiscal year (as defined by us from time to time). You must sign each report attesting that it is true, correct, and complete and, with respect to the profit and loss statement, uses accounting principles applied on a consistent basis that accurately and completely reflect your financial condition. We may disclose data derived from your reports, however, upon receipt of a written request from you or if required by law, we will not disclose your identity in any materials that we circulate publicly. If, in our reasonable judgment, your reports are deficient in substance or presentation, we may require that you submit to us year-end financial statements prepared by an independent accountant and/or copies of your federal, state and local income tax returns.

(C) Public Filings. If you are or become a publicly-held entity in accordance with other provisions of this Agreement, you must, at your expense, submit to us copies of all reports (including responses to comment letters) or schedules that you may file with the U.S. Securities and Exchange Commission (certified by your chief executive officer to be true, correct, complete and accurate) and copies of any press releases you may issue, within 3 days of the filing of those reports or schedules or the issuance of those releases.

(D) Our Right to Audit.

(1) We have the right at all reasonable times, both during and after the term of this Agreement, to inspect, copy and audit your books, records, sales and income tax records and returns, and such other forms, reports, information and data as we reasonably may designate, applicable to the operation of your iFlex Stretch Studio (an "Audit"). If any Audit discloses an understatement of Net Sales of your iFlex Stretch Studio, you agree to pay to us, within 10 days after receiving the Audit report, the Royalty Fees and Advertising Fund contributions due on the amount of the understatement, plus any interest on the understated amounts from the date originally due until the date of payment. If any Audit discloses that you have not expended the greater the requires amount of your Net Sales on local store marketing (which amount may be modified by us from time to time in accordance with Section 9(B)), you shall contribute to

the Advertising Fund any amounts that you should have expended to reach the local advertising requirement within 30 days after completion of our audit of your iFlex Stretch Studio. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of your Royalty Fees or Advertising Fund contribution (when a percentage of Net Sales is required), that exceeds 2% of the amount that you actually reported to us for the period examined; then: (a) you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees; and (b) we may require you to provide us with periodic audited statements. If our examination reveals an understatement of the Net Sales of your iFlex Stretch Studio for any period by 2% or more 3 or more times during any 3-year period, or by more than 5% on any one occasion, then in addition to your obligations in subsection 9(D)(1)(a) above, we may immediately terminate this Agreement without an opportunity to cure. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

(2) If you fail to give us, on a timely basis, the records, reports, and other information required by this Agreement or, upon our request, copies of the same, we or our designee will have access at all reasonable times (and as often as necessary) to your books and records (including those contained on the Studio Systems) for the purpose, among other things, of preparing the required records, reports and other information. You promptly will reimburse us or our designee for all costs and expenses associated with our obtaining and/or preparing such records, reports, or other information.

9. MARKETING.

(A) Grand Opening Plan. You must advertise and promote your iFlex Stretch Studio during the 4-month period that begins 1 month prior to opening and continues through 3 months following the opening of your iFlex Stretch Studio ("Grand Opening Plan"). Your Grand Opening Plan expenditures must equal or exceed $15,000. You agree to comply with our guidelines for the Grand Opening Plan, based upon an agreed upon marketing plan, which you must follow as part of the marketing, advertising, and promotion of your iFlex Stretch Studio ("Marketing Plan"). You must spend at least the amount that we specify for your Grand Opening Plan; however, you may spend more than the required amount. The Grand Opening Plan expenditure is in addition to the advertising contributions and expenditures that you must make according to Sections 9(B), 9(C), and 9(D) below.

(B) Marketing Contributions and Expenditures. During the Term, you must (1) contribute to the Advertising Fund as described in Section 9(C), (2) make local store marketing expenditures stated in Section 9(D); and (3) contribute to the Regional Co-op according to Section 9(E) if a Regional Co-op has been established in the Designated Market Area ("DMA") in which your iFlex Stretch Studio is located. We have the right to periodically re-allocate and/or increase the amount you contribute to the Advertising Fund and the amount you spend for local store marketing.

(C) Advertising Fund.

(1) We have established an advertising and marketing fund ("Advertising Fund") for the enhancement and protection of the System and the Marks, and for the development of advertising, marketing, and public relations programs and materials, as we deem appropriate. We currently charge you an Advertising Fund contribution of one percent (1%) of Net Sales. The Advertising Fund contribution will be payable in the same manner as the Royalty Fees. iFlex Stretch Studios operated by us and our affiliates also will contribute to the Advertising Fund on the same basis as comparable franchisees. From time to time, we or our suppliers may deposit into the Advertising Fund rebates or similar allowances paid to us by our suppliers although we have no obligation to do so.

(2) We will have sole discretion to use the Advertising Fund, and the monies in the Advertising Fund, for any purpose that we designate that we believe will enhance and protect the System and Marks and will improve and increase public recognition and perception of the System and Marks. We will direct all programs that the Advertising Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation.

(3) Participation in Promotional and Charitable Programs. You agree to participate in all advertising, marketing, promotions, research, and public relations programs instituted by the Advertising Fund. Among the programs, concepts, and expenditures for which we may utilize the Advertising Fund monies are: (a) creative development and production of print ads, commercials, radio spots, point of purchase materials, direct mail pieces, door hangers, and other advertising and promotional materials; (b) creative development, preparation, production and placement of video, audio, and written materials and electronic media; (c) media placement and buying, including all associated expenses and fees; (d) administering regional and multi-regional marketing and advertising programs; (e) market research and customer satisfaction surveys, including the use of secret shoppers; (f) the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or nonprofit events; (g) creative development of new program offerings for iFlex Stretch Studios; (h) creative development of signage, posters, and individual iFlex Stretch Studio décor items including wall graphics; (i) recognition and awards events and programs; (j) System recognition events, including periodic national and regional conventions and meetings; (k) Website, extranet and/or intranet development and maintenance (in this Agreement, "website" means one or a group of World Wide Web pages usually containing hyperlinks to each other and made available online by an individual, company, educational institution, government, or organization); (l) development, implementation, and maintenance of an electronic commerce Website and reservation system and/or related strategies; (m) retention and payment of advertising and promotional agencies and other outside advisors including retainer and management fees; and (n) public relations and community involvement activities and programs.

(4) We will account for the Advertising Fund separately from our other funds, however will not be required to segregate Advertising Fund monies from our other monies. We will not use the Advertising Fund for any of our general operating expenses. We and our affiliates may be reimbursed by the Advertising Fund for administrative expenses directly related to the Advertising Fund's marketing programs, including without limitation, conducting market research, preparing advertising and marketing materials, and collecting and accounting for contributions to the Advertising Fund. We may use the Advertising Fund to pay the administrative costs of the Advertising Fund including managing the advertising, marketing, and promotional programs and payment of outside suppliers utilized by the Advertising Fund, and we may use the Advertising Fund to pay the reasonable salaries and benefits of personnel (including our personnel and our affiliates' personnel) who manage and administer the Advertising Fund. We may use the Advertising Fund to pay for other administrative costs, travel expenses of personnel while they are on Advertising Fund business, meeting costs, overhead relating to Advertising Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Advertising Fund and its programs.

(5) The Advertising Fund will not be our asset. Although the Advertising Fund is not a trust, we will hold all Advertising Fund contributions for the benefit of the System and use contributions only for the purposes described in this Section 9(C).We do not owe any fiduciary obligation to you for administering the Advertising Fund or for any other reason. The Advertising Fund may spend in any fiscal year more or less than the total Advertising Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Advertising Fund contributions to pay for the administrative costs of the Advertising Fund before using the Advertising Fund's other assets.

(6) Upon your written request, we will prepare an annual, unaudited statement of Advertising Fund collections and expenses within 90 days after our fiscal year end. We may also, in our sole discretion, prepare such financial statements. We may have the Advertising Fund audited annually, at the Advertising Fund's expense, by an independent certified public accountant. We may incorporate the Advertising Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 9(C).

(7) We intend the Advertising Fund to maximize and enhance public, franchisee, and employee recognition of the System and the Marks. Although we may use the Advertising Fund, or portions of the monies in the Advertising Fund, to create, develop, use and/or place advertising and promotional marketing materials and programs, and we may try to engage in brand enhancement activities that will benefit all iFlex Stretch Studios, we cannot and do not ensure that Advertising Fund expenditures will be made in or affecting any geographic area, or will be proportionate or equivalent to Advertising Fund contributions by iFlex Stretch Studios operating in that geographic area. We do not guarantee or assure that you, your iFlex Stretch Studio or any iFlex Stretch Studio will benefit directly or in proportion to your Advertising Fund contribution from the brand enhancement activities of the Advertising Fund or the development of advertising and marketing materials or the placement of advertising and marketing.

(8) We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Advertising Fund contributions at the Advertising Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Advertising Fund. We assume no direct or indirect liability or obligation to you for collecting amounts due to the Advertising Fund. We have the sole right to enforce the obligations of franchisees who contribute to the Advertising Fund, and neither you nor any other franchisees who contribute to the Advertising Fund will be deemed a third-party beneficiary with respect to the Advertising Fund obligations of other franchisees or have any right to enforce the obligation of any franchisee to contribute to the Advertising Fund.

(9) We may at any time defer or reduce contributions of a iFlex Stretch Studio franchisee to the Advertising Fund and, upon 30 days prior written notice to you, reduce or suspend Advertising Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, subsequently reinstate) the Advertising Fund. If we terminate the Advertising Fund, we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to our franchisees, and to us and our affiliates, in proportion to their, and our, respective Advertising Fund contributions during the preceding 12-month period.

(D) Local Store Marketing.

(1) You must develop, on an annual basis, a Marketing Plan that we have approved for you, your iFlex Stretch Studio, and your Protected Area (the "Local Store Marketing Plan"). You must comply with all requirements regarding the Local Store Marketing Plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, participation in and use of approved on-line social media networks and tools, and compliance with all promotional recommendations and guidelines. In addition to your Grand Opening Plan expenditures and your Advertising Fund contribution, in accordance with your Local Store Marketing Plan, you must spend $3,000 per month throughout the Initial Term of your Franchise Agreement on local store marketing (which amount may be modified by us from time to time in accordance with Section 9(B)). You must begin conducting local store marketing when you open your iFlex Stretch Studio. We may audit your iFlex Stretch Studio according to Section 8(D) above if we believe, in our sole discretion, that you have not expended the required amount of money on local store marketing. If our audit reveals that you are not contributing the requisite amount, you must repay us the costs and expenses incurred in auditing your iFlex Stretch Studio. In addition, if you fail to expend on an annual basis, the required amount, then you must contribute

to the Advertising Fund any amounts that you should have expended to reach the local advertising requirement within 30 days after completion of our audit of your iFlex Stretch Studio.

(2) Your local marketing and promotion must follow our guidelines, which may include, among other things, requirements for, or restrictions regarding, the use of the Marks and notices of our Website's domain name in the manner we designate. We may specify third parties that you must use for the design and development of your local marketing and promotional materials and you will be required to pay those third parties for their services without any offset to your required local store marketing expenditures. You may not develop, maintain, or authorize any Website that mentions or describes you or your iFlex Stretch Studio or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

(3) You may purchase local advertising and promotional materials from us or any source approved by us. Periodically, we will provide you samples of advertising, marketing, and promotional formats and materials at no cost. If you purchase these materials from us, in addition to paying the invoice cost of the materials, you must pay any related shipping, handling, and storage charges. If purchased from a source other than us or our affiliates, these materials must comply with federal and local laws and regulations and with the guidelines for advertising and promotion promulgated from time to time by us and must be submitted to us or our designee at least 10 days prior to first use for approval (except with respect to prices to be charged by you), which we may grant or withhold in our sole discretion. If we do not approve your submission within 10 days after the day we received the materials, we will be deemed to have not approved the materials.

(4) In no event will your advertising and promotional materials contain any statement or material which, in our sole discretion, may be considered: (a) in bad taste or offensive to the public or to any group of persons; (b) defamatory of any person or an attack on any competitor; (c) to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification; or (d) inconsistent with our public image of that of the System. You acknowledge and agree that any and all copyright in and to advertising and promotional materials developed by you or on your behalf will be our sole property, and you must execute such documents (and, if necessary, require your independent contractors to execute such documents) as may be deemed reasonably necessary by us to give effect to this provision.

(5) You must actively participate in all marketing and advertising programs designated by Us or the Advertising Fund including social media programs (e.g. Facebook, Twitter, and Instagram) and comply with all guidelines defined by us regarding the use of these programs as reflected in the Manual.

(E) Regional Co-op.

(1) We may, in our sole discretion, establish a regional advertising cooperative ("Regional Co-op") in any DMA. The Regional Co-op shall be organized and governed in a form and manner and shall commence operations on a date, approved in advance by us in writing. We may, if we so elect, prepare bylaws to be used by the Regional Co-op and may require the Regional Co-op to incorporate. Once a Regional Co-op is established in a DMA in which your iFlex Stretch Studio is located, you shall become a member of such Regional Co-op and be required to contribute to the Regional Co-op as determined by its members no later than 30 days after the date on which the Regional Co-op commences operation. In no event shall you be required to be a member of more than one Regional Co-op with respect to your iFlex Stretch Studio. You shall submit your Co-op Contribution to the Regional Co-op monthly, together with such statements or reports as may be required by us (or by the Regional Co-op with our prior

written consent). Monies in the Regional Co-op may be spent for the purposes determined by a majority vote of the Regional Co-op.

(2) Each Regional Co-op shall be organized, if at all, for the exclusive purpose of administering regional marketing programs and developing, subject to our approval, standardized promotional materials for use by its members in local advertising. All advertising, marketing and promotions shall be submitted to us prior to first use as provided in Section 9(D)(3), and shall adhere to the standards listed in Section 9(D)(4).

(3) We shall be a member of the Regional Co-op and be entitled to attend and fully participate in Regional Co-op meetings; however, we shall not have a vote unless we or our affiliates operate a iFlex Stretch Studio in the area covered by the Regional Co-op. If the members of the Regional Co-op are unable or fail to determine the manner in which Regional Co-op monies should be spent, we may assume this decision-making authority following 10 days' advance written notice to the members of the Regional Co-op. We, or our designee, may grant to any franchisee an exemption for any length of time from the requirement of membership in any Regional Co-op, upon written request of such a franchisee stating reasons supporting an exemption. Decisions regarding a request for exemption shall be final. We or our designee shall have the right to terminate (and subsequently restart) any Regional Co-op. Upon termination, all monies in that Regional Co-op shall be spent for advertising and/or promotional purposes.

(F) Loyalty Program. We may operate a customer loyalty program that awards customers loyalty points upon the occurrence of certain events. These points may be used by customers in exchange for discounted or free services and retail products at your iFlex Stretch Studio. You must participate and pay the fees associated with any Loyalty Program that we implement.

(G) Telephone Communication. For each iFlex Stretch Studio you open or acquire, we will provide you a telephone number that is local to your Protected Area (the "Local iFlex Number"). You acknowledge and agree that you are not the owner of the Local iFlex Number, or any other telephone number allocated or assigned to you by Franchisor. Local iFlex Numbers are not transferable to other carriers without our express written consent. We reserve the right to cancel, substitute, or change Local iFlex Numbers allocated to you in our sole discretion.

(H) Promotional and Charitable Events. You must participate in all giveaways, promotions, contests, public relation events, and charitable or nonprofit events that we require of franchisees. These promotions may require, among other things, you to make donations of money, time, and people to required promotional or charitable events and partners. These donations will be made at the time and in the manner we require, which will be provided in the Manual.

10. MANUAL

(A) We will loan you during the term of this Agreement, or make available to you via other means (internet, intranet, etc.) one copy of our Manual, which may include compact disks, computer software, other electronic media, and information distributed electronically and/or written materials or allow you access to the Manual. The Manual contains the System Standards, which include mandatory and suggested specifications, standards, operating procedures, and rules that we periodically prescribe for operating a iFlex Stretch Studio and information on your other obligations under this Agreement. We may modify the Manual periodically to reflect changes in System Standards.

(B) You agree to keep your copy of the Manual and/or any passwords and/or log-in information with respect to web-based or electronic copies thereof current and in a secure location at your iFlex Stretch Studio. If there is a dispute over the contents of the Manual, our master copy of the Manual controls. You

agree that the contents of the Manual are confidential and that you will not disclose the Manual to any person other than employees of your iFlex Stretch Studio who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual. If your copy of the Manual is lost, destroyed, or significantly damaged, you agree to obtain a replacement copy from us, for which we may charge you our then applicable printing or copying charge. This charge is for our direct costs and is not related to any value that we place on the Confidential Information (defined in Section 18(A). below).

(C) At our option, we may post some or all of the Manual on a restricted Website (intranet or extranet) to which you will have access. If we do so, you agree to monitor and access the Website for any updates to the Manual or System Standards. Prior to accessing any online training instructional system, you must agree to abide by our terms of use, which we may revise from time to time. Any passwords or other digital identifications necessary to access the Manual on a website, intranet, extranet, or other online training instructional system will be deemed to be part of the Confidential Information.

11. TRAINING AND ASSISTANCE

(A) Initial Training Program

(1) Three or four months before you open your iFlex Stretch Studio, you (or the Operating Principal of Franchisee if Franchisee is an entity) and your Studio Manager must complete, to our satisfaction and certification, our initial training program, which will address the material aspects of operating a iFlex Stretch Studio (the "Initial Training Program"). If you obtain an operating iFlex Stretch Studio by transfer from another iFlex Stretch Studio franchisee, you must complete this initial training program before you begin operating that business as a iFlex Stretch Studio. We will provide the initial training program at our corporate headquarters in Chandler, Arizona, a designated training facility of our choice and/or at an operating iFlex Stretch Studio. You agree to pay for all travel, living and other expenses which you (or your Operating Principal) and your employees incur and for your employees' wages and workers' compensation insurance while they attend the initial training program.

(2) We do not charge a fee for providing the initial training program to you (or your Operating Principal if you are an entity), one management level employee, and your Lead Stretch Therapist. Additional people may attend the Initial Training Program, subject to availability, if you pay $1,000 per additional person attending the Initial Training Program (the "Initial Training Fee"). If any individual who is required to receive our certification fails to successfully complete the initial training program and receive our certification, then that individual may repeat the program, or you may send a substitute to complete the next available program. We reserve the right to charge you a fee for providing any subsequent training program to these individuals or for training any of your substitute personnel.

(3) All of your managerial and training personnel must receive our certification, prior to managing your iFlex Stretch Studio or training your staff. We may, at any time during the term of this Agreement, decertify any previously certified individual if we learn or determine that a person is no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete training or a re-training program to receive our certification.

(B) Training by You.

(1) You must conduct such initial and continuing training programs for the staff of your iFlex Stretch Studio as we may require from time to time, including those training programs required in order for your staff members to be certified for the position(s) for which each staff member was hired. We will authorize you to open your iFlex Stretch Studio only after an adequate number of your staff

members, as determined by us in our sole discretion, have attended and received certification in your initial training program.

(2) We may periodically visit your iFlex Stretch Studio to ensure that your training personnel continue to meet our standards. If we determine, in our sole discretion, that your training personnel are not adequately training your staff, then your training personnel and staff members designated by us must attend and successfully complete our initial training program. We may, in our sole discretion, determine that you are no longer qualified to train your own staff members. In that event your staff members will be required to attend our initial training program prior to beginning to work at your iFlex Stretch Studio. You will be required to pay a tuition fee for your training personnel and staff who we require to attend our training program in addition to paying all travel, living and other expenses incurred by your employees while attending the training program.

(C) Opening Training. We will send a representative to your iFlex Stretch Studio to assist with the grand opening of your iFlex Stretch Studio ("Opening Training"). The Opening Training will include no less than 3 days of on-site training for your staff members. You will not be required to pay any additional costs for any of the travel or living expenses incurred by our representative while providing the Opening Training to you. However, if you reschedule the opening of your iFlex Stretch Studio, you must reimburse us for any travel costs we incur in changing the travel schedules of our personnel. We will determine the hours of training for your staff members. If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you agree to pay our then applicable charges, including fees for our personnel and their travel and living expenses.

(D) Ongoing Training.

(1) We may require that you attend periodic ongoing training programs. You may also request that we provide additional training (we are not required to provide this training). We may charge the ongoing training fee for any ongoing training we provide. If we agree to provide onsite training, you must also reimburse us for all reasonable expenses we incur, such as for travel, meals and lodging. You are responsible for all costs you incur (including travel, meals, lodging, wages, etc.) for any of your personnel that attend training. We may impose an ongoing training fee up to $1,000 per day plus reimbursement of any travel expenses ("Ongoing Training Fee").

(2) We may require you and your personnel to attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify including franchise meetings. Even if you fail to attend, we can charge reasonable registration or similar fees for these courses and meetings ("Franchise Meeting Fee"). The Franchise Meeting Fee is currently $1,000 per person. We may increase the Franchise Meeting Fee upon written notice to you if our costs and expenses in connection with organizing and putting on the franchise meeting increase. There is no maximum Franchise Meeting Fee that we may charge you although any increase will only be based upon an increase in our costs and expenses in organizing and presenting franchise meetings.

(3) We require that your replacement training personnel satisfactorily complete our training programs within 90 days of being designated as training personnel. Replacement training personnel may: (a) attend the next training program offered by us; or (b) be trained by your training personnel, however, they must be reviewed by our field personnel and receive our certification prior to managing your iFlex Stretch Studio or training your staff. Currently, the fees associated with the training of replacement personnel is $300 per day per person participating in the training program. You agree to pay all travel and living expenses incurred by you and your employees and/or our employees during all training courses and programs.

(4) We may also require you and/or your managers and employees to complete additional training if we believe, in our reasonable discretion, that you require additional training to operate your iFlex Stretch Studio to our standards. ("Remediation Training"). Remediation Training will occur, in our discretion, either at your iFlex Stretch Studio, at a iFlex Stretch Studio selected by us, or at our flagship Studio in Chandler, Arizona. The current cost of Remediation Training is $300 per day plus reasonable travel expenses incurred by our employees if we are required to travel in connection with providing the Remediation Training.

(E) General Guidance. We will provide ongoing advice and consultation to you regarding the operation of your iFlex Stretch Studio through the Manual, bulletins or other written materials, electronic media, telephone, and in person.

12. SYSTEM STANDARDS

(A) Compliance with System Standards.

(1) You acknowledge that each and every detail of the appearance, layout, décor, cleanliness, safety standards, services and operation of your iFlex Stretch Studio is essential to us and to other iFlex Stretch Studio franchisees to preserve the goodwill of the Marks and all iFlex Stretch Studios. You agree to cooperate with us by operating and maintaining your iFlex Stretch Studio safely and securely and according to all of our System Standards (whether contained in the Manual or another written communication to you), as we periodically modify and supplement them. You agree that System Standards we prescribe in the Manual, or otherwise communicate to you in writing or another tangible form (for example, via a website, intranet or extranet), are part of this Agreement as if fully described within its text.

(2) We periodically may modify the System (including System Standards) and these modifications may obligate you to invest additional capital in your iFlex Stretch Studio and/or incur higher operating costs. We may require you to integrate new, updated services and products into your iFlex Stretch Studio. You agree to accept, integrate and use or display in your iFlex Stretch Studio any such changes or modifications to the System as if they were a part of the System at the time this Agreement was executed, and you agree to make such expenditures as the changes or modifications in the System may reasonably require. This includes but is not limited to refurbishing or remodeling the Premises or any other aspect of your iFlex Stretch Studio, hiring additional personnel, buying new equipment, adding new services and products, or otherwise modifying the nature of your operations, as if those changes or modifications were part of the System as of the Effective Date.

(3) If you or your owners, employees, designees, or independent contractors develop any new concepts, treatments, services, products, processes or improvements relating to the System, you promptly shall notify us and provide us with all information regarding the new concept, treatments, services, products, processes or improvements, all of which shall become our property and which may be incorporated into the System as a “work made for hire” without any payment to you or your owners, employees, designees or independent contractors. If any designee or independent contractor develops any new concepts, processes or improvements relating to the System on your behalf, you shall obtain covenants that you own (as a “work made for hire”) such concepts, processes or improvements (and all components) and have the right to transfer to us such concepts, processes or improvements. You, at your own expense, promptly shall take all actions deemed necessary or desirable by us to vest in us ownership of such concepts, processes or improvements. To the extent that any item does not qualify as a “work made-for-hire” for us, by this Section you assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item. We will make no payment to you for any such item, or for our subsequent use (or our franchisees’ subsequent use) of such item.

(B) Approved Products, Services, Distributors and Suppliers.

(1) You acknowledge that the reputation and goodwill of iFlex Stretch Studios are based upon, and can only be maintained by, the delivery of high-quality services and products under the Marks. You agree that you will at your iFlex Stretch Studio: (a) provide all services and products that we specify from time to time and only in the manner we prescribe; (b) not provide any services or products we have not approved; (c) offer for sale and sell all products only at retail and from the Premises and you will not offer or sell any products at wholesale or transfer products to any other business or other business not operating under the System; and (d) you will discontinue selling and offering for sale any services or products that we at any time decide (in our sole discretion) to disapprove in writing, provided, however, that you may continue to sell discontinued products for up to 3 months after their discontinuance unless we determine that they are a public hazard or are detrimental to the public image of our System. You will also immediately stop providing any service if we determine that it is a public hazard or detrimental to the public image of our System.

(2) We have developed and may continue to develop certain proprietary or branded products that will be prepared by or for us or our affiliates according to our proprietary designs (collectively "Proprietary Products"). We also have developed standards and specifications for other products, materials and supplies incorporated or used in providing services and the packaging and delivery of products authorized for sale at iFlex Stretch Studios. You agree that you will: (a) purchase those Proprietary Products only from us or a third party designated and licensed by us to prepare and sell such products (collectively "Designated Suppliers"); and (b) purchase from manufacturers, distributors, vendors and suppliers approved by us (collectively "Approved Suppliers") all other goods, products, materials and supplies (collectively "Goods"), as well as advertising materials furniture, fixtures, equipment, forms, or retail products, professional skin and body care, and supplies associated with providing the Authorized Services at your iFlex Stretch Studio(collectively "Materials") that meet the standards and specifications promulgated by us from time to time. We have the right to require that you use only certain brands (collectively "Approved Brands") and to prohibit you from using other brands. We may from time to time modify the list of Approved Brands, and you will not, after receipt of such modification in writing, reorder any brand that is no longer an approved brand.

(3) We may from time to time modify the list of Designated Suppliers and/or Approved Suppliers, and you must not, after receipt of such modification in writing, order any Proprietary Products from a supplier who is no longer a Designated Supplier or order any Goods or Materials from a supplier who is no longer an Approved Supplier. We may approve one or more suppliers for any Goods or Materials and may approve a supplier only as to certain Goods or Materials. We reserve the right to charge Designated Suppliers a license fee for the right to manufacture Proprietary Products for use in a iFlex Stretch Studios.

(4) From time to time, we and our affiliates may receive payments from suppliers (including Designated Suppliers and Approved Suppliers) on account of such suppliers' dealings with you and other franchisees and may use any amounts received without restriction and for any purpose we and our affiliates deem appropriate. We may concentrate purchases with one or more suppliers to obtain lower prices and/or the best advertising support and/or services for any group of iFlex Stretch Studios or any other group of businesses franchised or operated by us or our affiliates. Approval of a supplier may be conditioned on requirements relating to the product quality, prices, consistency, reliability, financial capability, labor relations, frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, as described above, and may be temporary pending a further evaluation of such supplier by us.

(5) If you propose to purchase any Goods or Materials (that you are not required to purchase from us, an affiliate of ours or an Approved Supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval or request the supplier to do so itself. We have the right to require, as a condition of our approval, that our representatives be permitted to inspect the supplier's facilities, and that such information, specifications, and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting approval. A charge not to exceed the lesser of $5,000 and the reasonable cost of the inspection and the actual cost of the test must be paid by you. We will notify you within 60 days of your request as to whether you are authorized to purchase such products from that supplier. We reserve the right, at our option, to re-inspect the facilities and products of any such Approved Supplier and to revoke our approval upon the suppliers' failure to continue to meet any of the foregoing criteria.

(6) You must at all times maintain an inventory of approved Goods and Materials sufficient in quality and variety to realize the full potential of your iFlex Stretch Studio. We may, from time to time, conduct market research and testing to determine consumer trends and the salability of new products and services. You agree to cooperate in these efforts by participating in our customer surveys and market research programs if requested by us. All customer surveys and market research programs will be at our sole cost and expense or charged to the Advertising Fund, unless such survey or program has been approved by you and you have approved its proportionate cost. You must not test any new product or service without first being requested to by us and signing a test letter agreement in a form satisfactory to us.

(7) You must utilize our Approved Supplier of music at your iFlex Stretch Studio at your expense. Currently, the costs associated with our Approved Supplier of music are included with your Technology Fee.

(8) We and our affiliates disclaim all express or implied warranties concerning any approved goods, materials, or services, including, without limitation, any warranties as to merchantability, fitness for a particular purpose, availability, quality, pricing or profitability. You acknowledge that we and our affiliates may, under appropriate circumstances, receive fees, commissions, rebates, royalties, or other consideration from suppliers based on sales to you and we may use any amounts received without restriction and for any purpose we and our affiliates deem appropriate. We may charge non-approved suppliers reasonable testing or inspection fees.

(C) Studio Systems.

(1) You agree to purchase from us, or a vendor of our choice, and use the Studio Systems we specify, which includes such equipment, computer hardware, routers, high speed Internet and/or communications connections, printers and related accessories or peripheral equipment as we specify in the Manual or otherwise. The Studio Systems include web-based scheduling, reservation, and payment systems. You must provide all assistance, maintenance, and support required to utilize the Studio Systems at your Studio. You agree that we any data and information generated, collected, retrieved, maintained, or polled from your Studio Systems belongs to us. You must maintain and use a iFlex Stretch Studio email address that we assign to you.

(2) You acknowledge that the Studio Systems are designed to accommodate a finite amount of data and operate with certain performance parameters, and that, as these limits are reached, or as technology or software is developed in the future, we may, in our sole discretion, mandate that you (at your expense): (a) add memory, accessories or peripheral equipment or additional, new or substitute software to the your computers and related hardware and software; and (b) replace or upgrade the Studio Systems with a larger system capable of assuming and discharging the computer-related tasks and functions

specified by us. You acknowledge that that we may desire to make substantial modifications to the Studio Systems or to require installation, subscription, or adoption of entirely different systems during the term of this Agreement. Within 60 days after you receive notice from us, you agree to obtain, subscribe, download, and/or install the new or updated systems that we designate. If we install these components for you, you must pay our then-current installation fees and any travel, living and other expenses incurred by our personnel.

(3) You agree that we or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates may charge you a monthly or other fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during the term of this Agreement.

(4) You must obtain a maintenance service agreement with an Approved Supplier of technology support services and use and maintain the Studio Systems according to our System Standards, you will have sole and complete responsibility for: (a) the acquisition, operation, maintenance, and upgrading of the Studio Systems; (b) the manner in which your Studio Systems interface with our and any third party's computer system; and (c) any and all consequences if the Studio Systems is not properly operated, maintained, and upgraded. You may not install any software (including, but not limited to, virus and spam filters and firewalls) other than authorized upgrades or make any hardware modifications to the Studio Systems without our prior written consent.

(5) To ensure full operational efficiency and communication capability between our computers and your Studio Systems, you agree, at your expense, to keep your Studio Systems in good maintenance and repair and to make additions, changes, modifications, substitutions and replacements to your computer hardware, software, internet, cloud systems, servers, backup systems and power lines and other computer-related facilities as directed by us, and on the dates and within the times specified by us in our sole discretion. Upon termination or expiration of this Agreement, all computer software, and storage media must be returned to us in good operating condition, excepting normal wear and tear.

(D) Non-Cash Payment Systems.

(1) You must accept all forms of payment that we specify including but not limited to membership credits or points, debit cards, credit cards, stored value, loyalty cards, gift cards or other non-cash payment systems specified by us or as reflected in our Manual to enable customers to purchase products and services.

(2) You must participate in and honor the terms of any membership, discount, loyalty or promotional program (including gift card, loyalty, and discount programs that are applicable to the iFlex Stretch Studio System as a whole, specific markets or certain iFlex Stretch Studios only) that we offer to the public on your behalf and shall be responsible for the fees payable in conjunction with the operation of these programs. You agree that you will take all action necessary (including the supply to us of all information and the purchase of any supplies, equipment, or services) to participate in any discount or promotional programs.

(E) Condition and Appearance of your iFlex Stretch Studio.

(1) You must routinely maintain and continuously operate your iFlex Stretch Studio and all furniture, fixtures, equipment, furnishings, floor coverings, interior and exterior signage, building

interior and exterior, interior and exterior lighting, landscaping and parking lot surfaces in first-class condition and repair in accordance with the requirements of the System, including all ongoing necessary remodeling, redecorating, refurbishing and repairs. In that regard, you agree to undertake, without limitation, the following actions during the term of this Agreement: (a) frequent safety inspection of the Premises including, but not limited to, all equipment, tables, products and other items used in the operation of your iFlex Stretch Studio; (b) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals we prescribe including resurfacing of the parking lot, roof repairs, and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and décor; (c) interior and exterior repair of the Premises; and (d) repair or replacement of damaged, worn out, obsolete or unsafe equipment.

(2) You will place or display at the Premises (interior and exterior) only those signs (including neon), emblems, photographs, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve. You must not make any material alterations to your iFlex Stretch Studio that may, in our reasonable discretion, negatively impact operations or the image of the System without our prior written consent. It is your responsibility to keep the Premises, equipment used at the Premises, your staff, and your customers safe and secure. We may from time to time provide information to you regarding safety and security, but we have no obligation to do so.

(3) If, at any time in our reasonable judgment, the general state of repair, condition, appearance, or cleanliness of the Premises of your iFlex Stretch Studio or its fixtures, furnishings, equipment or signs does not meet our System Standards, we have the right to notify you, specifying the action you must take to correct the deficiency. You will have 30 days to make these corrections. If you do not initiate action to correct such deficiencies within this 30-day period, we have the right, in addition to all other remedies, to enter the Premises and do any required maintenance or refurbishing on your behalf, and you agree to reimburse us on demand for any expenses we incur in that connection. If we make a reasonable determination that the continued operation of your iFlex Stretch Studio by you will result in imminent danger to public health or safety, we may terminate this Agreement as stated in Section 19(B)(10) or, in our sole discretion, we may require you to close your iFlex Stretch Studio temporarily to make the necessary repairs or alterations.

(4) Upon receipt of notice from us, you agree to remodel, expand, redecorate, reequip and/or refurnish the Premises and your iFlex Stretch Studio to conform your iFlex Stretch Studio to the image of the System for new iFlex Stretch Studios. If any single modification exceeds $10,000, then you will have 6 months to comply with such modifications. Except as described below, we will not require a major redesign of your iFlex Stretch Studio that will cost more than $10,000 more than twice during the Initial Term of this Agreement. In the event we determine, in our sole discretion, that you cannot amortize the cost of the major redesign over the remaining years of the Initial Term, we may agree to extend the Initial Term of this Agreement. If a major redesign of the Premises is required by the Americans with Disabilities Act or any new safety standards that are enacted by iFlex Franchising or any governmental or regulatory agency, you will be required to complete that redesign, regardless of the cost of compliance.

(F) Maximum Operation of your iFlex Stretch Studio.

(1) During the term of this Agreement, you must use the Premises solely for the operation of your iFlex Stretch Studio and you must maintain sufficient inventories, adequately staff each shift with qualified employees and continuously operate your iFlex Stretch Studio at its maximum capacity and efficiency for the minimum number of days and hours reflected in the Manual or as we otherwise prescribe in writing. As of the Effective Date, your iFlex Stretch Studio must be open and available for services and products six (6) days and 60 hours per week.

(2) You must immediately resolve any customer complaints regarding the quality of service, products and/or cleanliness of your iFlex Stretch Studio or any similar complaints. When any customer complaints cannot be immediately resolved, you must use best efforts to resolve the customer complaints as soon as practical and you must, whenever feasible, give the customer the benefit of the doubt. If we, in our sole discretion, determine that our intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if we, in our sole discretion, believe that you have failed adequately to address or resolve any customer complaints, we may, without your consent, resolve any complaints and charge you an amount sufficient to cover our reasonable costs and expenses in resolving the customer complaints, which amount you must pay to us immediately on demand.

(G) Compliance with Laws and Good Business Practices. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of your iFlex Stretch Studio and any other licenses applicable to your management and personnel. You must operate your iFlex Stretch Studio in full compliance with all applicable laws, ordinances, and regulations, including, without limitation, government regulations relating to occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You must notify us in writing within 5 days of the commencement of any proceeding or the issuance of any decree of any court or government agency that may adversely affect the operation of your iFlex Stretch Studio or your financial condition or give rise to liability or a claim against you or us. You must follow and abide by the crisis management information contained in the Manual.

(H) Management and Staffing of your iFlex Stretch Studio.

(1) Your iFlex Stretch Studio must at all times be under the on-premises supervision of you or your Operating Principal, Studio Manager, or a manager of your iFlex Stretch Studio that we have approved and who has completed and been certified by our initial training program. You must keep us informed at all times of the identity of any supervisory employee(s) acting as managers of your iFlex Stretch Studio. Your managerial personnel must devote their full time and best efforts to the management and supervision of your iFlex Stretch Studio.

(2) You, your Operating Principal, and/or Studio Manager must manage and provide general oversight of your iFlex Stretch Studio. You or your Operating Principal must remain active in overseeing the operations of your iFlex Stretch Studio, including, without limitation, regular, periodic visits to your iFlex Stretch Studio and sufficient communications with us to ensure that the operations of your iFlex Stretch Studio comply with the System Standards promulgated by us from time to time in the Manual or otherwise in written or oral communications to you.

(3) If your Operating Principal does not meet our experience requirements, and other reasonable qualifications, you will be required, prior to opening your iFlex Stretch Studio for business, to retain a Studio Manager that meets our qualifications and requirements. Our qualifications and requirements are identified in our Manual.

(4) Your iFlex Stretch Studio must at all times be operated by the number of staff members and managerial personnel that we designate or as required by any applicable government regulations. You must hire all employees of your iFlex Stretch Studio and be exclusively responsible for the terms of their employment and compensation, and for the proper training of such employees in the operation of your iFlex Stretch Studio, in human resources and customer relations. You must establish at your iFlex Stretch Studio a training program for all employees that meets our standards.

(5) You must conduct appropriate criminal background checks and due diligence on all Stretch Therapists of your iFlex Stretch Studio to determine that your employees meet the high ethical

standards necessary for working in a professional fitness and therapeutic studio that will include close contact with guests and customers. You must comply with all state and local laws and regulations regarding the staffing and on-premises management of personnel including, but not limited to, any required licenses and any regulations dealing with providing professional fitness, stretching, and related therapeutic and body services. You must employ only suitable persons of good character and reputation who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of iFlex Stretch Studios and the System and, while on duty, comply with the dress attire, personal appearance and hygiene standards reflected in the Manual.

(I) Insurance.

(1) You will be responsible for all loss or damage arising from or related to your development and operation of your iFlex Stretch Studio, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the Premises, or in connection with the development and/or operation of your iFlex Stretch Studio. You must obtain from a iFlex Franchising approved broker or carrier, and maintain in full force and effect throughout the term of this Agreement that insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of your iFlex Stretch Studio, which shall include, at a minimum, the following:

(a) Comprehensive general liability insurance written on an occurrence form, including coverage for professional liability, broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, and products liability, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, $2,000,000 products/completed operations aggregate, $1,000,000 personal and advertising injury, $100,000 damage to premises rented to you. The general liability coverage shall be written on a primary and non-contributory basis and include a waiver of subrogation endorsement in favor of us and shall not limit or exclude contractual liability. There should be no limitation or exclusion for sexual abuse or molestation coverage as coverage must be maintained for such actions;

(b) Employment related practices liability insurance, including third party coverage, in an amount not less than $1,000,000 per occurrence and $1,000,000 aggregate. Such insurance must include a deductible of more than $10,000 unless we approve a higher deductible in writing. Prior acts retroactive date must be no later than the effective date of your Franchise Agreement;

(c) Commercial automobile insurance written on a combined single limit basis for bodily injury and property damage with a limit not less than $1,000,000 per accident. Such insurance shall include coverage for owned, hired, and non-owned automobiles and shall include additional insured and waiver of subrogation endorsements in favor of us;

(d) Commercial umbrella or excess liability following form insurance in an amount not less than $2,000,000 per occurrence and $2,000,000 aggregate;

(e) Property insurance coverage to include coverage for replacement costs of all Franchisee-owned contents and tenant improvements at each location, and business interruption insurance for a period adequate to re-establish normal business operations, not to be less than twelve months. All property related coverage shall be written on special causes of loss forms with deductibles not to be greater than $5,000 per occurrence;

(f) Workers' compensation (Coverage A) with statutory limits complying with the laws of the applicable state, and employer's liability (Coverage B) with limits not less than

$1,000,000 per accident, $1,000,000 disease policy limit, and $1,000,000 disease per employee. Such insurance shall include a waiver of subrogation endorsement in favor of us.

(g) Such other insurance as may be required by us from time to time or by the Property Owner of the iFlex Stretch Studio premises at, and by the state or locality in, which the iFlex Stretch Studio is located. All required insurance coverages may be obtained by separate primary policies, or in combination with umbrella or excess liability policies.

(2) The insurance policies described above must: (i) have a deductible equal to or less than stated above; and (ii) include a waiver of subrogation endorsement in favor of Franchisor; (iii) shall not exclude contractual liability. The Commercial General Liability coverage shall include a Waiver of Subrogation endorsement in favor of Franchisor and shall not limit or exclude Contractual Liability. There should be no limitation or exclusion for sexual abuse or molestation coverage.

(3) The types and amount of insurance listed above represent the minimum coverage you are required to secure prior to opening your iFlex Stretch Studio. You may secure additional insurance. Additionally, local law and/or your Lease may require additional types of insurance and/or greater amounts of coverage. To the extent that your Lease requires additional policies and/or amounts of coverage, your Lease shall control although you are obligated to have each type of insurance identified above.

(4) All insurance policies must be purchased through an agent or broker on our Approved Supplier list and be written by an insurance company that meets our approval. We may from time to time increase the minimum required coverage and/or require different or additional insurance coverage (including an additional umbrella liability insurance policy) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. We will provide you written notice of such modifications and you must take prompt action to secure the additional coverage or higher policy limits. All insurance policies must name us and any affiliates we designate as additional named insureds and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration.

(5) Each insurance policy shall be specifically endorsed to provide that the coverage shall be primary, and that any insurance carried by any additional insured shall be excess and non-contributory. At least 10 days prior to commencing construction of the iFlex Stretch Studio or 3 days before taking ownership of an existing open iFlex Stretch Studio and annually thereafter, you must submit to us a copy of your Certificates of Insurance or other evidence that you are maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may obtain such insurance for you and the iFlex Stretch Studio, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance. The insurance policies described above must: (i) have a deductible no greater than $10,000; and (ii) include a waiver of subrogation endorsement in favor of Franchisor; (iii) shall not exclude contractual liability.

(6) These insurance policies must name us and any affiliates that we designate and our and their respective officers and owners as additional named insureds and provide for 30 days' prior written notice to us of a policy's material modification, cancellation, or expiration. Each insurance policy shall be specifically endorsed to provide that the coverage shall be primary, and that any insurance carried by any additional insured shall be excess and non-contributory.

(7) At least 10 days prior to commencing construction of your iFlex Stretch Studio (or, if you are acquiring an existing iFlex Stretch Studio, 10 days prior to the transfer of ownership interests) and annually thereafter, you promise to submit to us a copy of your Certificates of Insurance or other

evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and your iFlex Stretch Studio on your behalf, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

(J) Notification of Claims. You must notify us in writing within 5 days of receipt of notice of any health or safety violation, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, or occurrence of any accident or injury which may adversely affect the operation of your iFlex Stretch Studio or your financial condition or give rise to liability or a claim against you or us.

(K) Right to Inspect your iFlex Stretch Studio. You acknowledge and agree that we have the right upon reasonable notice to you, to inspect your iFlex Stretch Studio (the "Inspection"). Our right to inspect your iFlex Stretch Studio shall include the right to conduct reasonable inspections of your operations, marketing, safety systems and programs, financial systems, maintenance, and necessary repairs of your iFlex Stretch Studio. A report and score may be generated as part of the Inspection. A copy of the report and score will be provided to you as well as to the iFlex Franchising corporate office. A failing score on an Inspection shall be a default of the Franchise Agreement and, subject to the terms of Section 19(C), be grounds for termination of the Franchised Agreement.

(L) Pricing. We may periodically impose a maximum price that you may charge for services or products. If we impose such a maximum price for any service or product, you may charge any price for the product or service up to and including the maximum price we impose.

13. MARKS

(A) Ownership and Goodwill. Your right to use the Marks is derived only from this Agreement and is limited to your operating your iFlex Stretch Studio at the Premises according to this Agreement and all System Standards we prescribe during the term of this Agreement. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate your iFlex Stretch Studio under this Agreement). You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity, or our ownership, of the Marks.

(B) Limitations on Your Use of Marks.

(1) You agree to use the Marks as the sole identification of your iFlex Stretch Studio, except that you agree to identify yourself as its independent operator in the manner we prescribe. Unless you obtain our prior written consent, you may not use any Mark, any derivatives of the Marks or similar mark: **(a)** as part of any corporate or legal business name; **(b)** with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); **(c)** in selling any unauthorized services or products; or **(d)** in any other manner that we have not expressly authorized in writing.

(2) You may not use any Mark in advertising the transfer, sale, or other disposition of your iFlex Stretch Studio or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at your iFlex Stretch Studio and on forms, advertising, supplies, and other materials we designate. You must ensure that the Marks bear the "®", "™", or "SM" symbol, as we prescribe from time to time. You agree to give the notices

of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

(C) Use of Marks on Internet. You may not use the Marks on any Internet domain name, e-mail address, Internet Website, or social media platform without our prior written consent. We may grant or withhold our consent in our sole discretion We may, upon written notice to you, require you to retain a Designated Supplier of social media, public relations, and digital marketing services ("Social Media Services"). There may be a fee payable to such Designated Supplier in connection with Social Media Services. You will be required to retain and utilize such Designated Supplier(s) upon written notice from us.

(D) Notification of Infringements and Claims. You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

(E) Discontinuance of Use of Marks. If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute Marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing your iFlex Stretch Studio' signs or any printed collateral, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark.

(F) Indemnification for Use of Marks. We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding, and you have used the Mark(s) in compliance with this Agreement, the Manual, and any other directives from us. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

14. YOUR ORGANIZATIONAL STRUCTURE

(A) Representations.

(1) If you are a corporation, a limited liability company or a partnership ("Entity"), you make the following representations and warranties: (a) you are duly organized and validly existing under the laws of the state of formation; (b) you are qualified to do business in the state, county, and city in which your iFlex Stretch Studio is located; (c) execution of this Agreement and the development and operation of your iFlex Stretch Studio is permitted by your governing documents; (d) unless waived in writing by us, your Articles of Incorporation, Articles of Organization or written partnership agreement must at all times provide that your activities are limited to the development and operation of iFlex Stretch Studios and other businesses operated by you that are franchised by us or our affiliates; and (e) all interests in you are owned as described in attached Exhibit 2; (f) each person owning a 20% or more interest in Franchisee has executed a guaranty agreement (Exhibit 3) undertaking to be bound by the provisions of the Franchise Agreement.

(2) If you are an individual, a group of individuals, or a partnership comprised solely of individuals, you make the following additional representations and warranties: (a) each individual has signed this Agreement; (b) each individual will be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement; and (c) in any transfer for convenience of ownership, each individual will continue to be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

(B) Governing Documents. If you are an Entity, then you must provide to us copies of your organizational and governing documents ("governing documents"). When any of these governing documents are modified or changed, you must promptly provide copies to us. You must maintain a current list of all of your owners, members, or partners (and the percentage ownership of each owner, member or partner). You must comply with Section 16(B). prior to any change in ownership interests and sign and deliver to us a revised Exhibit 2 to reflect any permitted changes in the information that Exhibit 2 now contains. If you are an Entity, you must maintain stop-transfer instructions against the transfer on your records of any voting securities, membership interests or ownership interests. If you are a publicly-held corporation these requirements will apply only to the stock owned by your shareholders who have an ownership interest in you in excess of 10%.

(C) Personal Guaranty. Each of your owners who hold an ownership interest in you of 20% or more at any point during the term of this Agreement must sign a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of guaranty is attached as Exhibit 3.

(D) Operating Principal.

(1) If you are owned by more than one individual or you are an Entity, you must designate and retain an individual (which may be one of your owners) to serve as your Operating Principal. The Operating Principal as of the date of this Agreement is identified in Exhibit 2. The Operating Principal, at all times, must have at least a 10% equity ownership interest in you and must be responsible for overseeing and supervising the operation of your iFlex Stretch Studio. The Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operational matters, and the only person that we will recognize as having authority to communicate for and on your behalf. You may not change the Operating Principal without our prior written consent.

(2) The Operating Principal must successfully complete and receive our certification in our Initial Training Program and any additional training that we require. The Operating Principal must devote full-time and best efforts to supervising the operation of your iFlex Stretch Studio and those other businesses (that are franchised by us or our affiliates) operated by you in the same geographic area as your iFlex Stretch Studio and must not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility. The Operating Principal must maintain her primary residence within a reasonable driving distance of your iFlex Stretch Studio.

(3) If the Operating Principal no longer qualifies as such, you must designate another qualified person to act as Operating Principal within 30 days after the date the prior Operating Principal ceases to be qualified. Your designee to become the Operating Principal must successfully complete our initial training program and any additional training we require within 30 days after being designated as your Operating Principal.

(4) If your Operating Principal does not meet our qualifications and requirements regarding experience in the spa industry, you will be required, prior to opening your iFlex Stretch Studio

for business, to retain a Studio Manager that meets our qualifications and requirements. Our qualifications and requirements are identified in our Manual.

(E) Studio Manager. Your Studio Manager must devote full time and best efforts to the management and supervision of your iFlex Stretch Studio. The Studio Manager must successfully complete and be certified in our training programs. If the Studio Manager no longer qualifies as such, you must designate another qualified person to act as Studio Manager within 30 days after the date the prior Studio Manager ceases to be qualified. Your designee to become the Studio Manager must successfully complete and be certified by us in the initial training program and any additional training that we require within 30 days after being designated as your Studio Manager.

15. TRANSFER BY US. We have the absolute, unrestricted right, exercisable at any time, to change our ownership or form and/or transfer and assign all or any part of our rights and obligations under this Agreement to any person or legal entity without your consent. After our transfer or assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

16. TRANSFER BY YOU

(A) Transfer Generally. You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any individual or Entity which directly or indirectly controls you may sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in you, this Agreement, the Franchise, your iFlex Stretch Studio, the Assets of your iFlex Stretch Studio, the Premises, the Lease or any other assets pertaining to your operations under this Agreement (collectively "Transfer") without our prior written consent. Except as otherwise provided in this Agreement, any purported Transfer, by operation of law or otherwise, not having our prior written consent will have no effect with regard to us and will constitute a material breach of this Agreement, for which we may terminate this Agreement without providing you an opportunity to cure the breach.

(B) Conditions for Approval of Transfer.

(1) You must advise us in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, a copy of all contracts and all other agreements or proposals, and all other information requested by us, relating to the proposed Transfer. Along with that required information, you must pay to us a transfer fee equal to twenty-five percent of our then current initial franchisee fee provided that the transfer fee shall not exceed $12,500 ("**Transfer Fee**"). The Transfer Fee is non-refundable, however, if the proposed Transfer transaction does not close, then we shall apply the Transfer Fee against the transfer fee for any subsequent Transfer that you close within the 12-month period following your initial Transfer application. If we do not exercise our right of first refusal (as stated in Section 16(G)), the decision as to whether or not to approve a proposed Transfer will be made by us in our sole discretion and will include numerous factors deemed relevant by us. These factors may include, but will not be limited to, the following:

(2) the proposed transferee meets our then-current standards for new franchisees and has sufficient business experience, aptitude, and financial resources to operate your iFlex Stretch Studio;

(3) you have paid all amounts owed to us, our affiliates, and third-party vendors and suppliers, have submitted all required reports and statements, and are not in violation of this Agreement;

(4) neither the proposed transferee nor its owners or affiliates have an ownership interest (direct or indirect) in or perform services for a Competing Business (as defined in Section 18(B)(1));

(5) the proposed transferee (or its Operating Principal) satisfactorily completes our initial training program (and any other required training programs we require) and pays any then-current training fees;

(6) the proposed transferee has demonstrated an ability to obtain possessory rights in the Premises;

(7) you have corrected any existing deficiencies of your iFlex Stretch Studio of which we have notified you, and/or the proposed transferee agrees to upgrade, remodel, and refurbish your iFlex Stretch Studio in accordance with our then current requirements and specifications for iFlex Stretch Studios within the time period we specify following the effective date of the Transfer (we will advise the proposed transferee before the effective date of the Transfer of the specific actions that are required and the time period within which such actions must be taken);

(8) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your iFlex Stretch Studio are subordinate to the transferee's obligation to pay Royalty Fees, Advertising Fund contributions, and other amounts due to us, our affiliates, and third-party suppliers and vendors and otherwise to comply with this Agreement; and

(9) you (and your transferring owners) must sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees, and agents.

(10) you modify and/or upgrade certain fixtures, equipment, features, and computer hardware or software to our then current standards prior to the closing of the proposed Transfer.

(11) If we approve a proposed Transfer, prior to the Transfer becoming effective:

(a) you or the proposed transferee must pay to us the balance of the nonrefundable Transfer Fee, to reimburse us for reasonable expenses associated with reviewing the Transfer. The Transfer Fee will be waived if the proposed transferee: (1) is an Entity formed by you for the convenience of ownership as stated in Section 16(C).; or (2) has obtained your iFlex Stretch Studio as a result of your death or permanent incapacity as provided in Section 16(D);

(b) if the franchise candidate for the Transfer comes through the investigation process with a franchise sales broker that we have retained, then the transferee must pay our then-current Initial Franchise Fee. This enables us to pay the additional costs we incur, including the payment of the broker's commission.

(c) you and the proposed transferee must sign, at our election, either an assignment agreement and any amendments to this Agreement deemed necessary or desirable by us to reflect the Transfer or our then-current standard form of franchise agreement for a term ending on the expiration date of the Initial Term of this Agreement. In either event, if the proposed transferee is an Entity, the transferee must complete **Exhibit 2** as required by Section 14(B). and all individuals who hold or will hold an ownership interest in Franchisee of 20% or more must sign the guaranty attached as Exhibit 3;

(d) the proposed transferee must sign our then-current license agreements or service agreements related to the Studio Systems; and

(e) you (and all of your owners) must, at our request, sign a written guaranty to which you will remain liable for all obligations to us incurred before the date of the Transfer.

(12) Following the effective date of the Transfer:

(a) you and your transferring owners agree not to engage in any of the activities proscribed Section 18(B). below, for the Restricted Period in the Restricted Area; and

(b) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other iFlex Stretch Studios you own and operate) identify yourself or themselves or any business as a current or former iFlex Stretch Studio or as one of our franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of a iFlex Stretch Studio in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

(C) Transfer for Convenience of Ownership. If you are an individual or a partnership and you would like to Transfer this Agreement to a corporation or limited liability company formed exclusively for the convenience of ownership, the requirements of Section 16(B). will apply to such a Transfer; however, you will not be required to pay a Transfer Fee. Our approval also will be conditioned on the following: (1) the corporation or limited liability company must be newly organized; (2) prior to the Transfer, we must receive a copy of the documents specified in Section 14(B). and the transferee must comply with the remaining provisions of Section 14; (3) you must own all voting securities of the corporation or membership interests of the limited liability company or, if you are owned by more than one individual, each person must have the same proportionate ownership interest in the corporation or the limited liability company as prior to the Transfer; and (4) you and your owners must agree to remain personally liable under this Agreement as if the Transfer to the corporation or limited liability company did not occur.

(D) Transfer upon Your Death or Permanent Incapacity. If the Transfer is a transfer of ownership interests in you following the death or permanent incapacity (as reasonably determined by us) of one of your owners, that person's executor, administrator, or other personal representative must apply to us in writing within 90 days after death or declaration of disability for consent to Transfer this person's interest to a third party that we have approved. We do not charge a Transfer Fee under this Section 16(D). That Transfer must be completed within a reasonable time, not to exceed 6 months from the date of death or disability, and is subject to all of the terms and conditions in this Section 16. A failure to Transfer your interest in this Agreement or the Operating Principal's ownership interest in you within this time period will constitute a breach of this Agreement.

(E) No Rights to Grant a Security Interest. You may not grant any security interest in your business entity, your iFlex Stretch Studio, the Premises or the Assets without our prior written consent. Our approval may be conditioned, in our sole discretion, on the written agreement by the secured party that, in the event of a default by you under any agreement related to the security interest, we will have the right and option (but not the obligation) to purchase the rights of the secured party upon payment of the fair market value of the secured assets.

(F) Effect of Consent to Transfer. Our consent to any Transfer is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your iFlex Stretch Studio' or the transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand your and your transferee's full compliance with this Agreement.

(G) Our Right of First Refusal.

(1) We have the right, exercisable within 10 days after receipt of the notice specified in Section 16(B)(1) to send written notice to you that we intend to purchase the interest proposed to be transferred. We may assign our right of first refusal to someone else either before or after we exercise it. Our right of first refusal will not apply with regard to Transfers for Convenience of Ownership under Section 16(C). If the Transfer is proposed, we or our designee may purchase the interest proposed to be transferred on the same economic terms and conditions offered by the third-party. Closing on our purchase must occur within 60 days after the date of our notice to the seller electing to purchase the interest. If we cannot reasonably be expected to furnish the same consideration as the third-party, then we may substitute the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash, we will designate, at our expense, an independent appraiser, and the appraiser's determination will be final. Any material change in the terms of the offer from a third party after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as the third party's initial offer.

(2) If a Transfer to which our right of first refusal applies is proposed to be made by gift, we will designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser. Closing on the purchase will occur within 30 days after our notice to the transferor of the appraisers' determination of fair market value.

(3) If we elect not to exercise our rights under this Section 16(G), the transferor may complete the Transfer after complying with this Section 16. Closing on the Transfer must occur within 60 days of our election (or such longer period as applicable law may require); otherwise, the third-party's offer will be treated as a new offer subject to our right of first refusal. The Transfer is conditional upon our determination that the Transfer was completed on terms substantially the same as those offered to us. You must provide to us copies of all fully-executed agreements and any other information we request relating to the Transfer.

(H) Public Offering. Securities or partnership interests in you may be sold, by private or public offering, only with our prior written consent (whether or not our consent is required under any other provision of this Section), which consent will not be unreasonably withheld. In addition to the requirements of Section 16(B), prior to the time that any public offering or private placement of securities or partnership interests in you is made available to potential investors, you at your expense, must deliver to us a copy of the offering documents. You, at your expense, also must deliver to us an opinion of your legal counsel and an opinion of one other legal counsel selected by us (both of which shall be addressed to us and in a form acceptable to us) that the offering documents properly use the Marks and accurately describe your relationship with us and/or our affiliates. The indemnification provisions of Section 23 shall also include any losses or expenses incurred by us and/or our affiliates in connection with any statements made by or on behalf of you in any public offering or private placement of your securities.

17. GENERAL RELEASE. You (on behalf of yourself and your subsidiaries and affiliates), all individuals who execute this Agreement and all guarantors of your obligations under this Agreement (collectively "Franchisee Releasors") freely and without any influence forever release and covenant not to sue us, our parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "iFlex Franchising Releasees"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "Released Claims"), which you or any Franchisee Releasor now own or hold or may at any time have owned or held, including, without limitation, Released Claims arising under federal, state and

local laws, rules and ordinances, and Released Claims arising out of, or relating to this Agreement and all other agreements between you or any Franchisee Releasor and any iFlex Franchising Releasee, the sale of a franchise to you or any Franchisee Releasor, the development and operation of your iFlex Stretch Studio and the development and operation of all other iFlex Stretch Studios operated by you or any Franchisee Releasor that are franchised by any iFlex Franchising Releasee. This General Release does not release any claims arising from representations made in our Franchise Disclosure Document or its exhibits or otherwise impair or affect any Released Claims arising after the date of this Agreement. You (on behalf of the Franchisee Releasors) expressly agree that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived, to the extent applicable. That Section reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

18. COVENANTS

(A) Confidential Information. During and after the Term, you may not communicate, divulge or use for any purpose other than the operation of your iFlex Stretch Studio any Confidential Information, knowledge, trade secrets or know-how which may be communicated to you or which you may learn by virtue of your relationship with us ("Confidential Information"). You may divulge Confidential Information only to your professional advisers and to your employees who must have access to the information to operate your iFlex Stretch Studio. All Confidential Information, relating to us, our business plans, or the System are deemed confidential for purposes of this Agreement, except information that you can demonstrate came to your attention by lawful means prior to our disclosure; or which, at the time of our disclosure to you, had become a part of the public domain. You must require your Operating Principal and key employees and any other person or entity you wish to disclose any Confidential Information to sign agreements, in a form acceptable to us, that they will maintain the confidentiality of the disclosed information. The agreements must identify us as a third-party beneficiary with the independent right to enforce the agreements.

(B) Restrictions.

(1) You acknowledge and agree that: (a) under to this Agreement, you will have access to the Confidential Information; (b) the System and the opportunities, associations and experience established by us and acquired by you under this Agreement are of substantial and material value; (c) in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (d) we would be unable to adequately protect the System and the Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among iFlex Stretch Studios if our franchisees were permitted to hold interests in "Competing Businesses" (which are defined as businesses that provide assisted stretch programs, techniques, and systems and related retail products). You acknowledge that restrictions on your right to hold interests in, or perform services for Competing Businesses will not hinder your activities. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently,

our enforcing the restrictions contained in this Section will not deprive you of your personal goodwill or ability to earn a living.

(2) You therefore agree that, during the term of this Agreement and for the "Restricted Period" following the expiration or earlier termination of this Agreement, you and your owners will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, limited liability company, or other entity:

(a) own, maintain, operate, engage in, franchise or license, advise, help, make loans to, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, officer, manager, employee, consultant, representative, or agent in any Competing Business;

(b) knowingly employ or seek to employ any person then employed by us or employed by any iFlex Stretch Studio franchisee as a manager or higher, or otherwise directly or indirectly induce such person to leave his or her employment without our prior written consent; or

(c) divert or attempt to divert, by direct or indirect inducement or otherwise, any actual or potential business or customer of any iFlex Stretch Studio to a Competing Business.

(3) For purposes of this Agreement, the term "Restricted Period" shall be two (2) years from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end six (6) months from the date the Franchise Agreement expires or is terminated.

(4) During the term of this Agreement, there is no geographical limitation on the restrictions contained in this Section 18(B). During the Restricted Period, these restrictions will apply at the Premises; within the Protected Area; within a 5-mile radius of the outer boundaries of the Protected Area; and within 5 miles of any other iFlex Stretch Studio in operation or under construction on the later of: (i) the date of the termination or expiration of this Agreement (the "Restricted Area"); or (ii) the date on which all persons restricted by Section 18(B) begin to comply with Section 18(B).

(5) If, at any time during the Restricted Period, you or your owners fail to comply with your obligations contained in this Section 18(B), that period of noncompliance will not be credited toward the satisfaction of your obligations under this Section 18(B). These restrictions also apply after Transfers, as provided in Section 16(B)(12) above. Equity ownership of less than 2% of a Competing Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 18(B).

(6) If any restriction in this Section 18(B). is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. Specifically, if any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable.

(7) You agree to obtain similar covenants from the personnel and persons we specify, including your officers, directors, managers, and other employees who attend our training programs or have

access to Confidential Information and your immediate family members (which include spouses and domestic partners and such other persons as we may specify following our review of your franchise application and proposed operations and ownership structure). We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

19. TERMINATION

(A) Termination by You. Franchisee may terminate this Franchise Agreement upon the material default by Franchisor of one or more provisions of this Franchise Agreement provided that the Franchisee provides written notice of the default to Franchisor along with no less than sixty (60) days to cure the default. If the default outlined in Franchisee's notice of default cannot be cured within sixty (60) days and Franchisor is making commercially reasonable efforts to cure the default, the cure period shall be extended for an additional sixty (60) days. If you terminate this Agreement, you must still comply with your post-termination obligations described in Section 20 and all other obligations that survive the expiration or termination of this Agreement.

(B) Termination by Franchisor Without Cure Period. In addition to the grounds for termination that may be stated elsewhere in this Agreement, we may terminate this Agreement and the rights granted by this Agreement, upon written notice to you without an opportunity to cure upon the occurrence of any of the following events:

(1) You: (i) do not locate, and sign a Lease or acquisition document for, a site approved by us for the Premises; or (ii) comply with the terms of Section 5 within 12 months of the Effective Date of this Agreement;

(2) you do not open your iFlex Stretch Studio within the time period prescribed in Section 6(D);

(3) you abandon or fail actively to operate your iFlex Stretch Studio for a period of three (3) or more consecutive days, unless you close your iFlex Stretch Studio for a purpose we approve in writing or because of Force Majeure, as defined in Section 25(C);

(4) you become insolvent; you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your iFlex Stretch Studio is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or your iFlex Stretch Studio is not vacated within 30 days following the order's entry;

(5) there is a material breach by you of any covenant or obligation described in Section 18;

(6) any Transfer that requires our prior written consent occurs without your having obtained that prior written consent;

(7) we discover that you made a material misrepresentation or omitted a material fact in the information that you provided to us in connection with our decision to grant a Franchise to you;

(8) you knowingly falsify any report required to be furnished to us; make any material misrepresentation in your dealings with us; or fail to disclose any material facts to us;

(9) if an incident occurs at your iFlex Stretch Studio that involves one of your employees and we discover that you did not conduct adequate due diligence and criminal background checks on that employee;

(10) we make a reasonable determination that continued operation of your iFlex Stretch Studio by you will result in an imminent danger to public health or safety;

(11) you lose the right to occupy the Premises;

(12) you, the Operating Principal, your Studio Manager, or any of your owners are convicted of, or plead no contest to, a felony charge, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in our sole opinion, to adversely affect us, our affiliates, the goodwill associated with the Marks, or the System;

(13) you, or your Operating Principal, your Studio Manager and/or any management personnel of your iFlex Stretch Studio do not satisfactorily complete the initial training program (after we provide a second opportunity as provided in Section 11(A)(2));

(14) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; you or your owners: (a) remain in default beyond the applicable cure period under, or we terminate, any other agreement with us or our affiliates (provided that, if the default is not by you, we will provide to you written notice of the default and a 30-day period to cure the default); (b) remain in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to your iFlex Stretch Studio; **(c)** remain in default beyond the applicable cure period under any contract with any vendor or supplier to your iFlex Stretch Studio; or **(d)** fail to pay when due any taxes or assessments relating to your iFlex Stretch Studio or its employees, unless you are actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure or by arbitration or mediation conducted by a recognized alternative dispute resolution organization;

(15) you interfere with our relations with other franchisees, third parties and/or negatively impact our ability to operate and/or grant franchises under our System;

(16) you materially breach any representation or warranty described in Section 30;

(17) You fail to maintain all insurance policies required by Section 12(I) of this Agreement and/or you allow or communicate your intent to allow any policy of insurance required by this Agreement to expire, lapse, cancel or terminate; or

(18) If you have received two (2) or more notices of default within the previous 12-month period, we may send you a notice of termination upon your next default within that 12-month period without providing you an opportunity to remedy the default.

(C) Termination Following Expiration of Cure Period

(1) Except for those items listed in preceding Section 19(B) or 19(C)(2), you will have 30 days after written receipt of notice of default from us within which to remedy any default and provide

evidence of that remedy to us. If any default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time, unless we notify you otherwise in writing. If the default cannot be corrected within 30 days, you will have such additional time to correct the default as reasonably required (not to exceed 90 days) provided that you promptly begin taking the actions necessary to correct the default during the 30-day cure period and diligently and in good faith pursue those actions to completion. You will be in default under this Section 19(C)(1) for any failure to materially comply with any of the requirements imposed by this Agreement, the Manual or otherwise in writing, or to carry out the terms of this Agreement in good faith.

(2) Except the provisions of preceding Section 19(C)(1), if you default in the payment of any monies owed to us or our affiliates when such monies become due and payable and you fail to pay such monies within 5 days after receiving written notice of default or immediately if payment has not been made within 30 days of its due date, then this Agreement will terminate effective immediately upon expiration of that time, unless we notify you otherwise in writing.

(3) Termination Following Inspection. We (or our designee) may periodically conduct inspections of your iFlex Stretch Studio to evaluate your compliance with the System and this Agreement. Following each Inspection, we will provide to you an Inspection report and Inspection score on the Inspection and those conditions at your iFlex Stretch Studio that must be rectified. If you fail to achieve a passing score on an Inspection, the Inspection report will constitute a notice of default. If you fail to achieve a passing score on the next Inspection (which we will conduct at least 30 days after your receipt of the Inspection report for the prior Inspection), we may terminate this Agreement, without opportunity to cure, by providing you written notice of termination along with the Inspection report.

(D) Termination Fee. In the event that we terminate this Agreement under this Section or other applicable provisions of this Agreement, we shall be entitled, in those states in which such termination fees are enforceable, to receive from you a termination fee in the amount equal to one-half (1/2) of our then-current initial franchise fee for new Redline Businesses (the "Termination Fee"). The Termination Fee shall be payable by you in addition to any damages payable to us, including loss of future revenues, resulting from your improper or wrongful breach or other termination of this Agreement. We shall be entitled to recover all costs, including attorneys' fees, incurred in connection with the termination and collection of the Termination Fee.

20. OBLIGATIONS UPON TERMINATION OR EXPIRATION

(A) Your Obligations. Upon termination or expiration of this Agreement:

(1) The rights granted to you in the Protected Area immediately will terminate, and we will have the right to operate, or license others to operate, iFlex Stretch Studios anywhere in the Protected Area;

(2) You and your owners must continue to abide by the covenants in Section 18;

(3) Within 15 days, or on any later date that we determine the amounts due to us, you must pay to us and our affiliates all sums due and owing to us and our affiliates;

(4) You must immediately discontinue all use of the Marks in connection with your iFlex Stretch Studio and of any and all items bearing the Marks; remove the Marks from your iFlex Stretch Studio and from clothing, signs, materials, motor vehicles and other items owned or used by you in the operation of your iFlex Stretch Studio; cancel all advertising for your iFlex Stretch Studio that contains the Marks; and take such action as may be necessary to cancel any filings or registrations for your iFlex Stretch

Studio that contain any Marks. You must comply with this Section 20(A). before any items bearing the Marks are offered for sale or auction by you or your Franchisors or lienholders;

(5) You must immediately cease using any of our Confidential Information (including the Studio Systems or similar technology and digital passwords and identifications that we have licensed or loaned to you or that otherwise are proprietary to us or the System) in any business or otherwise and return to us the Studio Systems, your client list, your telephone numbers, your email addresses, your social media pages, all copies of the Manual, and any other confidential materials that we have loaned you;

(6) Within 30 days, you must deliver to us all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark, or otherwise identifying or relating to a iFlex Stretch Studio that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from iFlex Stretch Studio;

(7) You agree to promptly notify social media platforms, and internet service providers of the termination or expiration of your right to use any URLs and domain names, or other numbers, names associated with any Mark; to authorize the transfer of these listings to us or to a third party, at our direction; and/or to instruct the domain name registries and internet service providers to forward all calls, e-mails and electronic communications made to names, numbers or addresses we specify; and

(8) If we do not have or do not exercise an option to purchase the Assets of iFlex Stretch Studio under Section 21 below, you agree promptly and at your own expense to make the alterations we specify in our Manual (or otherwise) to distinguish your iFlex Stretch Studio clearly from its former appearance and from other iFlex Stretch Studios in order to prevent public confusion. If you fail to promptly make these alterations and modifications, we will have the right (at your expense, to be paid upon your receipt of an invoice from us) to do so without being guilty of trespass or other tort.

(B) Evidence of Compliance. You must furnish to us, within 30 days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by you or by your chief executive officer if you are a corporation; by your manager, if you are a limited liability company; or by your general partner, if you are a partnership) satisfactory to us of your compliance with Sections 20(A).

(C) Prohibition from Engaging in Future Conduct. Upon termination or expiration of this Agreement and your satisfaction of the covenants described in Section 18, you agree that you will not, except with respect to a business franchised by us or our affiliates which is then open and operating in accordance with an effective franchise agreement: (1) operate or do business under any name or in any manner that might tend to give the public the impression that you are connected in any way with us or our affiliates or have any right to use the System or the Marks; (2) make, use or avail yourself of any of the materials or Confidential Information furnished or disclosed by us or our affiliates under this Agreement or disclose or reveal any such materials or Confidential Information or any portion of those materials or Confidential Information to anyone else; or (3) assist anyone not licensed by us or our affiliates to construct or equip a business substantially similar to a iFlex Stretch Studio.

(D) Continuing Obligations. All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to the expiration or termination and until the obligations are satisfied in full or by their nature expire.

(E) No Exclusive Remedy. No right or remedy conferred upon or reserved to us in this Section 20 is exclusive of any other right or remedy provided or permitted by law or equity.

21. OUR OPTION TO PURCHASE CERTAIN ASSETS OF YOUR IFLEX STRETCH STUDIO

(A) Scope. Upon the expiration or termination of this Agreement for any reason, we will provide written notice to you, within 30 days after the effective date of termination or expiration, if we intend to exercise our option to purchase from you some or all of the Assets. As used in this Agreement, the term "Assets" means and includes, without limitation, leasehold improvements, equipment, vehicles, furnishings, fixtures, signs and inventory (non-perishable products, materials and supplies) used in your iFlex Stretch Studio, real estate interests (including the fee simple rights or the Lease), and any licenses necessary to operate your iFlex Stretch Studio. We will have the unrestricted right to assign this option to purchase the Assets. We or our assignee will be entitled to all customary representations and warranties that the Assets are free and clear (or, if not, accurate and complete disclosure) as to: (1) ownership, condition and title; (2) liens and encumbrances; (3) environmental and hazardous substances; and (4) validity of contracts and liabilities inuring to us or affecting the Assets, whether contingent or otherwise.

(B) Purchase Price. The purchase price for the Assets ("Purchase Price") will be their fair market value (or, for leased assets, the fair market value of your Lease), determined as of the effective date of purchase in a manner that accounts for customary depreciation and condition of the Assets; provided, however, that the Purchase Price will take into account the termination of this Agreement. Further, the Purchase Price for the Assets will not contain any factor or increment for any of the Marks, or other trademarks, service marks or commercial symbols used in connection with the operation of your iFlex Stretch Studio nor any goodwill or "going concern" value for your iFlex Stretch Studio. We may exclude from the Assets purchased in accordance with this Section any equipment, vehicles, furnishings, fixtures, signs, and inventory that are not approved as meeting then-current standards for a iFlex Stretch Studio or for which you cannot deliver a Bill of Sale in a form satisfactory to us.

(C) Certified Appraisers. If we and you are unable to agree on the fair market value of the Assets within 30 days after your receipt of our notice of our intent to exercise our option to purchase the Assets, the fair market value will be determined by two professionally certified appraisers, one selected by you and one selected by us. If the valuations set by the two appraisers differ by more than 10%, the two appraisers will select a third professionally certified appraiser who also will appraise the fair market value of the Assets. The average value set by the appraisers (whether two or three appraisers as the case may be) will be conclusive and will be the Purchase Price. The appraisers will be given full access to your iFlex Stretch Studio, the Premises, and your books and records during customary business hours to conduct the appraisal and will value the Assets to be purchased in accordance with the standards of this Section 21. The appraisers' fees and costs will be borne equally by you and us.

(D) Exercise of Option. Within 10 days after the Purchase Price has been determined, we may exercise our option to purchase the Assets by so notifying you in writing ("Purchase Notice"). The Purchase Price will be paid in cash or cash equivalents at the closing of the purchase ("Closing"), which will take place no later than 60 days after the date of the Purchase Notice. For a period of 30 days after the date of the Purchase Notice ("Due Diligence Period"), we will have the right to conduct such investigations as we deem necessary and appropriate to determine: (1) the ownership, condition and title of the Assets; (2) liens and encumbrances on the Assets; (3) environmental and hazardous substances at or upon the Premises; and (4) the validity of contracts and liabilities inuring to us or affecting the Assets, whether contingent or otherwise. You will give us and our representatives access to your iFlex Stretch Studio and the Premises at all reasonable times for the purpose of conducting inspections of the Assets; provided that such access does not unreasonably interfere with your operations of your iFlex Stretch Studio. Prior to the end of the Due Diligence Period, we will notify you in writing of any objections that we have to any finding disclosed in any title search, lien search, survey, environmental assessment or inspection. If you cannot or elect not to correct any such title defect, environmental objection, defect in the working condition of the Assets or any

other objection, we will have the option to either accept the condition of the Assets as it exists or rescind our Purchase Notice, on or before the Closing.

(E) Premises Leased. If the Premises are leased, you agree to use reasonable efforts to effect a termination of the existing Lease for the Premises. If the Lease for the Premises is assigned to us or we sublease the Premises from you, we will indemnify and hold you harmless from any ongoing liability under the Lease from the date we assume possession of the Premises, and you will indemnify and hold us harmless from any liability under the Lease prior to and including that date.

(F) Premises Owned by You. If you own the Premises, we, at our option, may purchase the fee simple interest or, upon purchase of the other Assets, enter into a standard lease with you on terms comparable to those for which similar commercial properties in the area are then being leased; or remove the Assets from the Premises in a manner consistent with the Lease Agreement. The initial term of the Lease between you and us under such circumstances must be at least 10 years with two (2) options to renew of 5 years each, and the rent must be the fair market rental value of the Premises. If you and we cannot agree on the fair market rental value of the Premises, then local real estate appraisers (selected in the manner described in Section 21(C)) will determine the rental value.

22. RELATIONSHIP OF THE PARTIES

(A) Independent Contractors. You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, iFlex Stretch Studio personnel, and others as the owner of your iFlex Stretch Studio under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

(B) No Liability for Acts of Other Party. We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of your operation of your iFlex Stretch Studio or the business you conduct under this Agreement.

(C) Taxes. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or your iFlex Stretch Studio, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

23. INDEMNIFICATION

(A) You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors, and assignees ("Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of your iFlex Stretch Studio, the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those claims alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross

negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction.

(B) For purposes of this Section 23, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. We have the right to designate attorneys that you must retain to defend any claims subject to this Section 23

(C) This indemnity will continue in full force and effect subsequent to the expiration or termination of this Agreement. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this Section 23 You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 23

24. SEVERABILITY AND CONSTRUCTION

(A) Severability. Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

(B) Alteration to Agreement by Rule of Law. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

(C) No Third-Party Beneficiaries. Except as otherwise provided in Section 23, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than us and you as the parties to this Agreement and our affiliates and such of our heirs, successors and assigns, any rights or remedies under or by reason of this Agreement.

(D) Interpretation. No provision of this Agreement should be interpreted in favor of, or against any party because of the party that drafted this Agreement.

(E) Our Discretion. Whenever we have expressly reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests. This also applies if we are deemed to have a right and/or discretion. Our judgment of what is in the best

interests of the System, at the time our decision is made or its right or discretion is exercised, can be made without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by us; (2) our decision or the action taken promotes our financial or other individual interest; (3) our decision or the action taken applies differently to you and one or more other franchisees or our company-owned or affiliate-owned operations; or (4) our decision or the action taken is adverse to your interests. We will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations under this Agreement.

25. CONSENTS, APPROVALS AND WAIVERS

(A) Consents. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us for that approval or consent, and any approval or consent received, in order to be effective and binding upon us, must be obtained in writing and be signed by one of our authorized officers.

(B) Waivers. We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice. We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before the expiration of its term) because of: any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other iFlex Stretch Studios; the existence of agreements for other iFlex Stretch Studios which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction.

(C) Variance by Reason of Force Majeure. If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by reasonable commercial measures, the parties will be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure must give prompt written notice of such Force Majeure event to the other party by setting forth the nature of the Force Majeure and an estimate as to its duration. As used in this Agreement, the term "Force Majeure" means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby. Your inability to obtain financing (regardless of the reason) may not constitute Force Majeure.

26. ENTIRE AGREEMENT. We and you acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, you and we will deal with each other in good faith. This Agreement and its attachments, the Manual, and the documents referred to in

this Agreement constitute the entire, full and complete agreement between the parties concerning your rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those reflected in this Agreement and its attachments, the Manual, and the documents referred to in this Agreement (including our Franchise Disclosure Document). Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly reflected in this Agreement, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by you and us and executed in writing.

27. ENFORCEMENT

(A) Mediation. Before you or we may bring an action in court, against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation will be non-binding and will be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. This Section 27(A) will not bar you or us from obtaining judicial or injunctive relief for claims that are based solely on demands for monies owed, or from obtaining injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation; including, without limitation, claims involving the Marks. The mediation proceeding will be conducted within 30 miles of our then-existing principal business location.

(B) Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between you and us will be governed by the laws of the State of Arizona, without regard to its conflict of laws rules.

(C) Consent to Jurisdiction and Venue. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where you reside or do business, where your iFlex Stretch Studio is or was located, or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

(D) Waiver of Certain Damages and Rights. You and we waive, to the fullest extent permitted by law, any right or claim of any punitive or exemplary damages against each other and agree that, in the event of a dispute between us, we each will be limited to the recovery of actual damages sustained. You and we waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits and the right to trial by jury.

(E) Reimbursement of Costs and Expenses. If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, in contemplation of or subsequent to the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, you agree to reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

(F) Rights and Remedies Cumulative. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 27 shall survive the expiration or earlier termination of this Agreement.

(G) Limitations of Claims. Any and all claims and actions arising out of or relating to this Agreement, the relationship between you and us, or your operation of your iFlex Stretch Studio, must be brought or asserted before the expiration of the earlier of: (1) the time period for bringing an action under any applicable state or federal statute of limitations; (2) 1 year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (3) 2 years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions will be irrevocably barred. Our claims attributable to underreporting of sales and claims of the parties for failure to pay monies owed and/or indemnification will be subject only to the applicable state or federal statute of limitations.

(H) Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including, but not limited to, your failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates, and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by us will be in addition to, and not in lieu of, all remedies and rights that you otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

28. MISCELLANEOUS

(A) Gender and Number. All references to gender and number will be construed to include such other gender and number as the context may require.

(B) Captions. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement.

(C) Counterparts. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original.

(D) Time. Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted will be the day or month of the designated action, event or notice. Days will be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically will be extended to the next day that is not a Saturday, Sunday or national holiday.

(E) Delegation of Performance. You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

(F) Terrorist and Money Laundering Activities**.** Franchisee hereby represents and warrants to Franchisor that neither Franchisee, nor any of his Affiliates or their respective equity owners, directors, officers, employees, representatives and agents (collectively, the "Included People"), (a) is identified, by

name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.treas.gov/offices/enforcement/ofac/) or (b) has violated any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text currently available at www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13224 (text currently available at www.treas.gov/offices/enforcement/ofac/sanctions/terrorism. html) or any similar law. Franchisee agrees that he will comply with, and will cause the Included People to comply with, all laws prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government. Franchisee further agrees that he will immediately notify Franchisor of the occurrence of any event, or the development of any circumstances, that might render any of the foregoing representations or warranties to be false, inaccurate, or misleading. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, will constitute good cause for immediate termination of this Agreement, as provided in Section 19(B)(14) above.

29. NOTICES AND PAYMENTS. No notice, demand, request or other communication to the parties will be binding upon the parties unless the notice is in writing, refers specifically to this Agreement and: (A) if to us, is sent to 7150 East Camelback Road, Suite 444, Scottsdale, Arizona 85251 (Attn: Legal Department); or (B) if to you, is sent to the address and to the individual specified on Exhibit 2 or is sent to the Premises of your iFlex Stretch Studio. Any party may designate a new address for notices by giving written notice of the new address as described in this Section. Notices will be effective upon receipt (or first refusal of delivery) and may be: (1) delivered personally; (2) transmitted by facsimile or electronic mail to the e-mail address(es) or number(s) described above (or in Exhibit 2) with electronic confirmation of receipt; (3) mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or (4) mailed via overnight courier.

30. ACKNOWLEDGMENTS. You represent, acknowledge and warrant to us (and you agree that these representations, acknowledgements and warranties will survive termination of this Agreement) that:

(A) you have independently investigated the iFlex Stretch Studio franchise opportunity and recognize that, like any other business, the nature of the business of iFlex Stretch Studios may, and probably will, evolve and change over time;

(B) an investment in a iFlex Stretch Studio involves business risks that could result in the loss of a significant portion or all of your investment;

(C) your business abilities and efforts are vital to your success;

(D) attracting customers for your iFlex Stretch Studio will require you to make consistent marketing efforts in your community through various methods, including median Advertising, direct mail advertising, and display and use of in-store promotional materials;

(E) you must maintain a high level of customer service, and adhere strictly to the System and our System Standards, and that you are committed to maintaining System Standards;

(F) you have not received from us or any person or entity representing or claiming to represent us, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a iFlex Stretch Studio, and that any financial information that may appear in our Franchise Disclosure Document is not a representation or guarantee as to potential volume, sales, income, or profits that you may achieve at a iFlex Stretch Studio;

(G) you have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the rights under this Agreement;

(H) you have read this Agreement and understand and accept that this Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each iFlex Stretch Studio, and to protect and preserve the goodwill of the Marks;

(I) you understand we may license others to operate businesses that offer assisted stretch programs, techniques, and systems as well as related retail products at iFlex Stretch Studios and other businesses with similar and different names and marks, and these businesses may operate in the Restricted Area (as such term is defined in Section 18(B)) to your iFlex Stretch Studio;

(J) we have not made any representation, warranty, or other claim regarding this franchise opportunity, other than those made in this Agreement and our Franchise Disclosure Document, and that you have independently evaluated this opportunity, including by using your business professionals and advisors;

(K) you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the iFlex Stretch Studio franchise opportunity, and that we have not refused to answer any questions, inquiries, or requests;

(L) you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or chosen not to do so; and

(M) we may modify the offer of our franchise opportunity to other franchisees in any manner and at any time, and these offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

iFlex FRANCHISING LLC	**FRANCHISEE**
_____	_____
By:_____	By:_____
Title:_____	Title:_____
Date**:** _____	Date**:** _____

EXHIBIT 1
TO THE iFlex STRETCH STUDIO FRANCHISE AGREEMENT

FRANCHISE INFORMATION

1. **Location of the iFlex Stretch Studio (the "Premises") (Sections 2(A)):** The iFlex Stretch Studio will be located at: at:_____

_____

_____

If the Premises have not been approved in writing by us as of the Effective Date, we will insert the address of the Premises after you execute a Lease, or otherwise secure the approved site for your iFlex Stretch Studio.

2. **The Site Selection Area (Section 5(A)):** If the Premises have not been determined as of the Effective Date, we will identify the Site Selection Area on a map attached to this Exhibit 1. Your rights in the Site Selection Area are subject to the limitations described in Section 5 of the Franchise Agreement. Any boundaries contained in the description of the Site Selection Area will be considered fixed as of the Effective Date and shall not change notwithstanding a change in those boundaries and will terminate immediately, without any further action, upon your identification of a Premises for your iFlex Stretch Studio.

3. **The Protected Area is reflected on a map titled PROTECTED AREA attached to this Exhibit 1.**

4. **The Initial Franchise Fee (Section 7(A)):**

FRANCHISEE

_____

By:_____

Title:_____

Date**:** _____

SITE SELECTION AREA

Your rights in the Site Selection Area are subject to the limitations described in Section 5(A) of the Franchise Agreement. Any boundaries contained in the description of the Site Selection Area will be considered fixed as of the Effective Date and shall not change notwithstanding a change in those boundaries.

FRANCHISEE	**iFlex FRANCHISING LLC**
Initials: _____	**Initials:** _____

PROTECTED AREA

Your rights in the Protected Area are subject to the limitations described in Section 3(A) and 3(C) Any boundaries contained in the description of the Protected Area will be considered fixed as of the date that you execute a Lease.

Franchisee's Protected Area is depicted in the map above.

FRANCHISEE	**iFlex FRANCHISING LLC**
Initials: _____	**Initials:** _____

EXHIBIT 2
TO THE IFLEX STRETCH STUDIO
FRANCHISE AGREEMENT
LISTING OF OWNERSHIP INTERESTS

Effective Date: This Exhibit 2 is current and complete as of _____

1. Form of Ownership.

(a) Individual Proprietorship. Your owner(s) (is) (are) as follows:

_____

_____

(b) Corporation, Limited Liability Company, or Partnership. You were incorporated or formed on _____ under the laws of the State of _____. The following is a list of your directors, if applicable, and officers as of the Effective Date shown above:

Name of Each Director/Officer	**Position(s) Held**
_____	_____
_____	_____

2. Owners. The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

Owner's Name	**Percentage/Description of Interest**
_____	_____
_____	_____

3. Contact Information of Person to Receive Notice for You

Email Address: _____
Phone Number: _____
Cell Phone Number: _____

4. Operating Principal. Your Operating Principal is: _____

5. Studio Manager. If applicable, your Studio Manager is _____

FRANCHISEE

_____

By: _____

Title: _____

Date**:** _____

EXHIBIT 3
TO THE IFLEX STRETCH STUDIO FRANCHISE AGREEMENT
AGREEMENT TO BE BOUND AND TO GUARANTEE

This Agreement to Be Bound and to Guarantee (**Agreement**), dated as of the date stated at the end of this Agreement, executed by the guarantors identified in Section 19 of this Agreement (each a "**Guarantor"**) in favor of **iFlex Franchising LLC**, doing business as **iFlex** ("**Franchisor"**).

WHEREAS, as an inducement for Franchisor to execute and deliver, and to perform its obligations under, that certain Franchise Agreement ("**Franchise Agreement"**), dated as of the date stated in Section 19 of this Agreement, by and between Franchisor and the Franchisee identified in Section 19 of this Agreement ("**Franchisee"**), Guarantor has agreed to jointly and severally guarantee the obligations of Franchisee to Franchisor and its affiliates (including, without limitation, obligations under the Franchisee Agreement (and the assignment of concession agreement, if applicable) executed in connection therewith) and to be bound by certain of the provisions contained in the Franchisee Agreement.

WHEREAS, Guarantor owns, directly or indirectly, a 20% or greater equity interest in Franchisee.

WHEREAS, Guarantor acknowledges and agrees that Franchisor will materially rely upon Guarantor's obligations under this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the execution and delivery of the Franchisee Agreement by Franchisor, and the performance of Franchisor's obligations thereunder, Guarantor agrees, for the benefit of Franchisor and its affiliates, as follows:

1. Guaranty. Guarantor unconditionally guarantees and promises to pay to Franchisor and/or its affiliates and to perform, for the benefit of Franchisor and/or its affiliates, on demand, any and all obligations and liabilities of Franchisee in connection with, with respect to or arising out of the Franchisee Agreement as well as any other agreements executed by Franchisee in conjunction with the Franchisee Agreement, if applicable, executed in connection therewith and/or any other agreement with Franchisor or its affiliates.

2. Confidentiality.

(A) Guarantor acknowledges that Franchisor is engaged in a highly competitive business, the success of which is dependent upon, among other things, trade secrets and other confidential and proprietary information, processes, materials and rights relating to the development, promotion and operation of the iFlex Stretch Studio (as defined in the Franchisee Agreement), including, without limitation, Franchisor's Manual, method of operation, processes, techniques, formulae and procedures (collectively, the "Proprietary Information"). Guarantor further acknowledges that the Proprietary Information constitutes valuable trade secrets.

(B) Guarantor agrees not to use for any purpose or disclose or reveal (and must cause all of Franchisee's directors, officers and employees not to use for any purpose, or disclose or reveal), during the term of this Agreement or forever thereafter, to any person any contents of Franchisor's Manual, any Proprietary Information or any other information relating to the operation of the iFlex Stretch Studio. Guarantor must fully and strictly comply with all security measures prescribed by Franchisor for maintaining the confidentiality of all Proprietary Information.

(C) Guarantor acknowledges that to breach her or her obligations under this Section 2 would cause damage to Franchisor and to Franchisor's other franchisees and that Guarantor would be liable for this damage.

(D) Guarantor may disclose Proprietary Information to a person who is bound by the confidentiality obligations to Franchisor and the covenants contemplated by Section 18 of the Franchisee Agreement, to the extent that that disclosure is necessary in connection with that person's capacity with Franchisee.

(E) The following will not be subject to the provisions of this Section 2

(1) Information which is in the public domain as of the date of receipt by Franchisee;

(2) Information which is known to Franchisee prior to the date of receipt by Franchisee;

(3) Information which becomes known to the public without a breach of the provisions of this Section 2 of the Agreement or any other agreement executed in connection with the Franchisee Agreement; and

(4) Information which is required by law to be disclosed or revealed, but only strictly to the extent required by law.

3. Covenant Not to Compete. Guarantor acknowledges and agree that: (1) under to this Agreement, you will have access to the Confidential Information; (2) the System and the opportunities, associations and experience established by us and acquired by you under this Agreement are of substantial and material value; (3) in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (4) we would be unable to adequately protect the System and the Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among iFlex Stretch Studios if our franchisees were permitted to hold interests in "Competing Businesses" (which are defined as businesses that provide assisted stretch programs, techniques, and systems to people of all ages, and related retail products). Guarantor acknowledges that restrictions on his/her right to hold interests in, or perform services for Competing Businesses will not hinder his/her activities. Guarantor expressly acknowledges that he/she possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the restrictions contained in this Section will not deprive Guarantor of the ability to earn a living. Guarantor therefore agrees that, during the term of the Franchise Agreement and for the "Restricted Period" following the expiration or earlier termination of this Agreement, Guarantor will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, limited liability company, or other entity:

(A) own, maintain, operate, engage in, franchise or license, advise, help, make loans to, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, officer, manager, employee, consultant, representative, or agent in any Competing Business;

(B) divert or attempt to divert, by direct or indirect inducement or otherwise, any actual or potential business or customer of any iFlex Stretch Studio to a Competing Business;

(C) For purposes of this Agreement, the term "Restricted Period" shall be two (2) years from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that

such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end six (6) months from the date the Franchise Agreement expires or is terminated.;

(D) During the term of the Franchise Agreement, there is no geographical limitation on the restrictions contained in this Section 3. During the Restricted Period, these restrictions will apply at the Premises; within the Protected Area; within a 5-mile radius of the outer boundaries of the Protected Area; and within 5 miles of any other iFlex Stretch Studio in operation or under construction on the later of: (i) the date of the termination or expiration of this Agreement; or (ii) the date on which you begin to comply with Section 3 (the "Restricted Area");

(E) If, at any time during the Restricted Period, you fail to comply with your obligations contained in this Section 3, that period of noncompliance will not be credited toward the satisfaction of your obligations under this Section 3. These restrictions also apply after Transfers, as provided in the Franchise Agreement. Equity ownership of less than 2% of a Competing Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 3; or

(F) If any restriction in this Section 3 is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. Specifically, if any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable.

4. Restriction on Hiring. Guarantor may not, during the term of this Agreement and for the one-year period after the expiration or termination of this Agreement for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, Franchisor or otherwise), employ, hire or engage as an independent contractor or otherwise any person who is or was (at any time during the term of this Agreement) employed or engaged as an independent contractor or otherwise by Franchisor or any of its affiliates.

5. Use of Name and Likeness. Franchisor will be entitled to use the name, likeness and voice of Guarantor for purposes of promoting the franchise, Franchisor and its products, including, without limitation, all photos and audio and video recordings, and Guarantor hereby irrevocably consents. Guarantor acknowledges that Franchisor will own all right, title and interest, to the extent allowed by law, in all rights of integrity, disclosure and publication and any other rights that may be known as or referred to as moral rights, artist's rights, publicity rights or the like associated with such photos and audio and video recordings, and assigns and transfers unto Franchisor the full and exclusive right, title, and interest to such publicity rights.

6. Innovations. Guarantor may conceive, invent, create, design and/or develop various ideas, techniques, methods, processes and procedures, recipes, formulae, products, packaging or other concepts and features relating to the manufacturing, production, marketing, and sale of e assisted stretch programs, techniques, and systems in connection with the iFlex Stretch Studio (the "Innovations"). Guarantor assigns any and all of its rights, title and interest in the Innovations, including, without limitation, any intellectual property rights, to Franchisor, and also agrees to cooperate with Franchisor and its counsel in the protection of the Innovations, including, without limitation, the perfecting of title.

7. Copyrights; Works-for-Hire; Solicitation. All advertising and promotional materials generated by or for Franchisee or its officers, managers or employees for the iFlex Stretch Studio will be deemed a work-made-for-hire, and all ownership rights, including, without limitation, any copyrights, in such advertising and promotional materials are hereby assigned to Franchisor. In addition, Guarantor will cooperate in the protecting any items or materials suitable for copyright protection by Franchisor. Guarantor must not solicit other franchisees or Franchisees, or use the lists of franchisees and Franchisees, for any commercial or other purpose other than purposes directly related to the operation of the iFlex Stretch Studio.

8. Guaranty of Payment. This is a guaranty of payment and not of collection. This Agreement will remain in full force and effect until all amounts payable by Guarantor shall have been validly, finally and irrevocably paid in full and all obligations to be performed by Guarantor shall have been validly, finally and irrevocably performed in full.

9. Waiver. Guarantor waives: (a) Any right to require Franchisor to (i) proceed against any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Franchisor may exercise or not exercise any right or remedy it has against Franchisee or any security it holds (including the right to foreclose by judicial or non-judicial sale) without affecting Guarantor's liability hereunder; (b) any defenses from disability or other defense of Franchisee or from the cessation Franchisee's liabilities; (c) any setoff, defense or counterclaim against Franchisor; (d) any defense from the absence, impairment or loss of any right of reimbursement or subrogation or any other rights against Franchisee. Until Franchisee's obligations (except inchoate indemnification obligations) to Franchisor have been paid in full, Guarantor has no right of subrogation or reimbursement or other rights against Franchisee; (e) Any right to enforce any remedy that Franchisor has against Franchisee; (f) any rights to participate in any security held by Franchisor' (g) any demands for performance, notices of nonperformance or of new or additional indebtedness incurred by Franchisee to Franchisor. Guarantor is responsible for being and keeping itself informed of Franchisee's financial condition; (h) the benefit of any act or omission by Franchisor which directly or indirectly results in or aids the discharge of Franchisee from any of the obligations by operation of law or otherwise; (i) the benefit of California Civil Code Section 2815 permitting the revocation of this Guaranty as to future transactions and the benefit of California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899 and 1432 with respect to certain suretyship defenses.

10. Subrogation. Guarantor hereby agrees that he will not exercise any rights of subrogation which he may acquire due to any payment or performance of the obligations of Franchisee as stated in this Agreement unless and until all amounts payable to Franchisor or its affiliates, and all obligations for the benefit of Franchisor or its affiliates, shall have been validly, finally and irrevocably paid and performed in full.

11. Reasonable Restraints; Remedies. Guarantor acknowledges that the covenants contained in this Agreement (including, without limitation, the territorial and time restraints) are reasonable and necessary and agrees that her failure to adhere strictly to the restrictions contained will cause substantial and irreparable damage to Franchisor, Franchisee and to Franchisor's other franchisees. In the event of any breach by Guarantor of any of the terms of this Agreement, Franchisor and/or Franchisee will be entitled to institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain an injunction to enforce the provisions of this Agreement and to pursue any other remedy to which Franchisor and/or Franchisee may be entitled. Guarantor agrees that the rights conveyed by this Agreement are of a unique and special nature and that Franchisor's and Franchisee's remedy at law for any breach would be inadequate and agrees and consents that temporary or permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision hereof, without the necessity of posting bond therefor or proof of actual damages.

12. Enforceability. If the scope of any restriction contained in this Agreement is too broad to permit the enforcement of such restriction to its fullest extent, then such restriction will be enforced to the

maximum extent permitted by law, and Guarantor hereby consents and agrees that such scope may be judicially limited or modified accordingly in any proceeding brought to enforce such restriction. Each covenant contained in this Agreement is independent and severable and, to the extent that any such covenant shall be declared by a court of competent jurisdiction to be illegal, invalid or unenforceable, such declaration will not affect the legality, validity or enforceability of any other provision stated or the legality, validity or enforceability of such covenant in any other jurisdiction.

13. No Waiver. No failure or delay on the part of Franchisor or its affiliates in exercising its rights hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in writing, specifying with particularity the nature of the waiver. No waiver of any such right will be deemed a waiver of any other right hereunder. The rights provided for are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law.

14. Attorneys' Fees. Guarantor will pay reasonable attorneys' fees and expenses and all other costs and expenses that may be incurred by Franchisor or its affiliates in connection with enforcing this Agreement.

15. Arizona Law to Govern; Jurisdiction; Right to Jury Trial and Class Action Waived; Certain Damages Waived; Statute of Limitations.

(A) This Agreement will be governed by, and construed and enforced in accordance with, the law of Arizona, regardless of any conflict-of-law provisions to the contrary. Each party agrees that any litigation between the parties will be commenced and maintained only in the courts located in Maricopa County, Arizona, and each party consents to the jurisdiction of those courts; provided, however, that Franchisor may seek to obtain injunctive relief in any court that Franchisor may select.

(B) GUARANTOR HEREBY WAIVES THE RIGHT TO A JURY TRIAL, WAIVES THE RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, ARBITRATION, AND WAIVES THE RIGHT TO SEEK OR COLLECT PUNITIVE, CONSEQUENTIAL AND SPECIAL DAMAGES IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, ARBITRATION. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, GUARANTOR AGREES THAT ANY CLAIMS UNDER, ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE BROUGHT WITHIN TWO YEARS OF THE DATE ON WHICH THE UNDERLYING CAUSE OF ACTION ACCRUED, AND GUARANTOR HEREBY WAIVES ANY RIGHT TO BRING ANY SUCH ACTION AFTER SUCH TWO-YEAR PERIOD.

16. Binding Nature of Agreement. This Agreement will be binding upon Guarantor and her respective successors, heirs and assigns and will inure to the benefit of Franchisor, its affiliates and their respective successors and assigns.

17. Joint and Several. If more than one person signs this Agreement as a Guarantor, her, her or its obligation will be joint and several.

18. Entire Agreement; Amendment. This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements, and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing signed by each of the parties. The

provisions of Section 17 are not intended to, nor will they, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE

Date of Franchisee Agreement: _____

Printed Name(s) of Guarantor(s):_____

_____

_____

Name of Franchisee:_____

GUARANTORS

_____	_____
By:_____	By:_____
Date**:** _____	Date**:** _____

EXHIBIT 4
TO THE IFLEX STRETCH STUDIO FRANCHISE AGREEMENT
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS AND CREDITS

_____ (Name of Person or Legal Entity)
_____ (ID Number)

The undersigned depositor ("Depositor" or "Business") hereby authorizes IFLEX FRANCHISING, LLC ("Franchisor") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("Depository" or "Bank") to debit or credit such account(s) according to Franchisor's instructions. A voided check to the Depositor's account must be included with this EDTA form.

Depository	Branch
City	State / Zip Code
Bank Transit/ABA Number	Account Number

This authority is to remain in full and force and effect until 60 days after Franchisor has received written notification from Business of its termination or expiration.

Depositor

Date:_____

Attach a voided check to Depositor's account here

Exhibit C
Confidentiality Agreement

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT is made as of _____, ("Effective Date"), by and between iFlex Franchising LLC, an Arizona limited liability company ("iFlex Franchising") and _____, _____ ("Franchise Applicant" or "Stretch Therapist") and certain of Franchise Applicant's employees identified below ("Employees") in favor of and for the benefit of iFlex Franchising.

RECITALS

As a result of the expenditure of considerable time, skill, effort and money, iFlex Franchising and its affiliates have developed and own a unique system ("System") for the development and operation of a business under the name "iFlex Stretch Studios" that offers a stretch studio ("Studio(s)") to provide assisted stretch programs, techniques, and systems, and related retail products ("iFlex Stretch Studios").

Franchise Applicant has expressed interest in purchasing an iFlex Stretch Studios franchise from iFlex Franchising to operate one or more iFlex Stretch Studios.

In order to evaluate the possibility of entering into a franchise agreement with iFlex Franchising, to establish and operate one or more iFlex Stretch Studios, and/or to complete the Initial Training Program, Franchise Applicant, Stretch Therapist, and/or Employees desire to receive from iFlex Franchising certain confidential business information including, but not limited to the information contained in the iFlex Stretch Studios operations manual ("Manual"). Franchise Applicant, Stretch Therapist, and Employees recognize the importance of maintaining the confidentiality of this information.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Franchise Applicant, Stretch Therapist, and/or Employees agree as follows:

AGREEMENT

1. Confidential Information

(A) Definition of Confidential Information. As used in this Agreement, the term "Confidential Information" means all information that has been created, discovered or developed by iFlex Franchising and/or its parent and affiliates including but not limited to iFlex, Inc. that is in any way proprietary to iFlex Franchising and/or its affiliates. Confidential Information includes, but is not limited to, trade-secrets, know-how, methodologies, System information, technical information, statistics, software, hardware, materials, plans, designs, schematics, reports, studies, notes, analyses, summaries, business, market and development plans, customer lists, the Manual, as amended from time to time, and other information regarding customer relationships, financial information and projections, artwork, information regarding the manner and methods of locating a site for, developing, operating and promoting iFlex Stretch Studios, information contained in the Manual, information regarding the retail and commercial operations of iFlex Franchising and its affiliates, and all information that: (1) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Confidential Information may be in written form or obtained orally.

(B) Exclusion from Definition of Confidential Information. The term "Confidential Information" does not include: (1) information that is now or hereafter becomes publicly known through

no fault of Franchise Applicant or any Employee, or by any other person, firm or corporation affiliated with Franchise Applicant or any Employee; (2) information that was in Franchise Applicant's or any Employee's possession before the Effective Date; and (3) information that comes into Franchise Applicant's or any Employee's possession after the Effective Date from a source not under an obligation of secrecy to iFlex Franchising. As used in this Agreement, the phrase "publicly known" means readily accessible to the public in a written publication, and shall not include information which is available only by a substantial searching of the published literature and information the substance of which must be pieced together from a number of different publications and sources. The burden of proving that information or skills and experience are not Confidential Information shall be on the party asserting such exclusion.

(C) Treatment of Confidential Information. Franchise Applicant, Stretch Therapist, and Employees hereby acknowledge, understand and agree that the Confidential Information: (1) is the exclusive and confidential property of iFlex Franchising or its affiliates and incorporates trade secrets and copyrights owned by them; (2) gives iFlex Franchising and its affiliates some competitive business advantage or the opportunity of obtaining such an advantage, the disclosure of which could be detrimental to the interests of iFlex Franchising and its affiliates; and (3) is not generally known by non-iFlex Franchising personnel. Franchise Applicant, Stretch Therapist, and/or Employees shall at all times treat the Confidential Information in accordance with this Agreement.

(D) No License. This Agreement entitles Franchise Applicant, Stretch Therapist, and/or Employees to use the Confidential Information solely in connection with Franchise Applicant's exploration of the iFlex Stretch Studios franchise opportunity. No license, express or implied, in the Confidential Information is granted to Franchise Applicant or Employees other than to use the Confidential Information in the manner and to the extent authorized by this Agreement.

2. Covenants of Franchise Applicant, Stretch Therapist, and/or Employees. As a consequence of Franchise Applicant's and Employees' acquisition or anticipated acquisition of Confidential Information, Franchise Applicant, Stretch Therapist, and/or Employees will occupy a position of trust and confidence with respect to iFlex Franchising's affairs and business. In view of the foregoing, Franchise Applicant, Stretch Therapist, and/or Employees agree that it is reasonable and necessary that Franchise Applicant, Stretch Therapist, and/or Employees agree, while this Agreement is in effect, to the following:

(A) Limited Use. Franchise Applicant, Stretch Therapist, and/or Employees shall use the Confidential Information solely for purposes of evaluating whether or not Franchise Applicant will invest in a iFlex Stretch Studios franchise. Neither Franchise Applicant nor Employees shall make any other uses of the Confidential Information. If Franchise Applicant does not invest in a franchise, the obligations described in this Section 2 will remain in effect for three (3) years from the date the Franchise Applicant decides not to invest in a iFlex Stretch Studios franchise; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end two (2) years from the date the Franchise Applicant decides not to invest in a iFlex Stretch Studios franchise; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Applicant decides not to invest in a iFlex Stretch Studios franchise; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end six (6) months from the date the Franchise Applicant decides not to invest in a iFlex Stretch Studios franchise.

(B) No Disclosure. Franchise Applicant, Stretch Therapist, and/or Employees shall not disclose the Confidential Information to any person or entity other than Franchise Applicant's attorney or accountant as necessary to evaluate the opportunity provided by iFlex Franchising and agree to protect the Confidential Information against unauthorized disclosure using the same degree of care, but no less than a reasonable degree of care, as Franchise Applicant, Stretch Therapist, and/or Employees use to protect Franchise Applicant's Confidential Information.

(C) No Use, Copying or Transfer. Franchise Applicant, Stretch Therapist, and/or Employees shall not use, copy or transfer Confidential Information in any way and shall protect the Confidential Information against unauthorized use, copying or transfer using the same degree of care, but no less than a reasonable degree of care, as Franchise Applicant, Stretch Therapist, and/or Employees use to protect Franchise Applicant's Confidential Information. This prohibition against use, copying, or transfer of Confidential Information includes, but is not limited to, selling, licensing or otherwise exploiting, directly or indirectly, any products or services which embody or are derived from Confidential Information. Franchise Applicant, Stretch Therapist, and/or Employees further agree not to remove, overprint, or deface any notice of copyright, trademark, logo, or other notices of ownership from any Confidential Information.

(D) Applicability. These covenants shall apply to all Confidential Information disclosed to Franchise Applicant or Employees by iFlex Franchising prior to the date of this Agreement.

(E) Solicitation. Franchise Applicant, Stretch Therapist, and/or Employees agree that neither they nor any of their agents, employees or representatives shall knowingly employ or seek to employ any person then employed by iFlex Franchising or any affiliate, subsidiary, or franchisee of iFlex Franchising, or otherwise directly or indirectly induce such person to leave his or her employment without iFlex Franchising's prior written consent.

3. Return of Confidential Information. Nothing in this Agreement obligates either iFlex Franchising or Franchise Applicant to enter into a franchise agreement for the operation of a iFlex Stretch Studios. Franchise Applicant acknowledges that iFlex Franchising's decision to consider Franchise Applicant for any franchise opportunity, as well as the location and type of franchise opportunity to be offered, if any, and the terms of any contracts, will be made by iFlex Franchising in its sole discretion. If, at any time, iFlex Franchising determines that it does not wish for Franchise Applicant to become a franchisee, or Franchise Applicant determines that it does not wish to invest in a iFlex Stretch Studios franchise, or if iFlex Franchising requests, at any time and for any reason, that Franchise Applicant, Stretch Therapist, and/or Employees do so, Franchise Applicant, Stretch Therapist, and/or Employees agree to: (A) immediately cease to use the Confidential Information; (B) immediately return to iFlex Franchising the Confidential Information and all copies thereof (whether or not such copies were authorized) and cause any third party to whom disclosure was made to do the same; and (C) at the request of iFlex Franchising, certify in writing that Franchise Applicant, Employees and all others to whom Franchise Applicant has provided such Confidential Information, have complied with subsections (A) and (B) above.

4. Notice to iFlex Franchising. Franchise Applicant, Stretch Therapist, and/or Employees shall immediately notify iFlex Franchising of any information that comes to their attention that indicates that there has been or may be a loss of confidentiality of any of the Confidential Information or a breach of this Agreement.

5. Waiver. Franchise Applicant, Stretch Therapist, and/or Employees acknowledge that no waiver by iFlex Franchising of any breach by Franchise Applicant or Employees of any provision of this Agreement shall be deemed a waiver of any preceding or succeeding breach of the same or any other provision of this Agreement. No such waiver shall be effective unless in writing and then only to the extent expressly stated in writing.

6. Enforcement.

(A) Governing Law. This Agreement and any claim or controversy arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of Arizona without regard to conflicts of laws principles.

(B) Forum. To the extent any disputes cannot be resolved directly between Franchise Applicant, Employees and iFlex Franchising, Franchise Applicant, Stretch Therapist, and/or Employees agree to file suit against iFlex Franchising only in the federal or state court having jurisdiction where iFlex Franchising's principal offices are located at the time suit is filed. Franchise Applicant, Stretch Therapist, and/or Employees acknowledge that iFlex Franchising may file suit in the federal or state court located in the jurisdiction where Franchise Applicant's principal offices are located at the time suit is filed or in the jurisdiction where Franchise Applicant resides or does business or where the claim arose. Franchise Applicant, Stretch Therapist, and/or Employees consent to the personal jurisdiction of those courts and to venue in those courts.

(C) Injunctive Relief. It is hereby understood and agreed that: (1) a breach of this Agreement by Franchise Applicant or Employees would result in irreparable harm to iFlex Franchising, the extent of which would be difficult to ascertain; (2) monetary damages would be an inadequate remedy for such a breach; and (3) iFlex Franchising shall be entitled to specific performance and injunctive or other equitable relief as a court may deem appropriate in the event of such a breach without posting a bond or other security and without waiving any additional rights or remedies otherwise available to iFlex Franchising at law or in equity or by statute.

7. Reimbursement of Costs and Expenses. If iFlex Franchising brings an action to enforce this Agreement in a judicial proceeding and prevails in that proceeding, then iFlex Franchising will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, in contemplation of or subsequent to the filing of, the proceeding. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

8. Third Party Beneficiary. Franchise Applicant, Stretch Therapist, and/or Employees hereby acknowledge and agree that iFlex Franchising is an intended third-party beneficiary of this Agreement with the right to enforce it.

9. Miscellaneous.

(A) Severability. If a court of competent jurisdiction deems any provision of this Agreement invalid, unreasonable or unenforceable, then the remaining provisions will not be affected, and the invalid provision may be enforced to the extent deemed reasonable by the court.

(B) Headings. Section headings in this Agreement are for reference only and shall not be construed as modifying any provisions of this Agreement.

(C) Counterparts. This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original.

[THE REMAINDER OF THE PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Agreement as of the day and year above written.

FRANCHISE APPLICANT

_____

By:_____

Title: _____

Date**:**_____

STRETCH THERAPIST:

_____

By:_____

Title: _____

Date**:**_____

FRANCHISEE

_____

By:_____

Title: _____

Date**:** _____

EMPLOYEE

_____
Signature

_____
Print Name

Date**:** _____

EMPLOYEE

_____
Signature

_____
Print Name

Date**:** _____

Exhibit D
Form of General Release

GENERAL RELEASE

THIS GENERAL RELEASE ("Release") is executed on _____ by _____ ("Franchisee") and _____ ("Guarantors") as a condition of PICK ONE: the transfer of a iFlex Stretch Studio by Franchisee [or] the renewal of a iFlex Stretch Studio franchise agreement dated _____ ("Franchise Agreement") between Franchisee and iFlex Franchising [or] the termination of a iFlex Franchise Agreement dated _____ ("Franchise Agreement") between Franchisee and iFlex Franchising.

1. Release by Franchisee and Guarantors. Franchisee (if Franchisee is an entity, on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities and, if Franchisee is an individual, on behalf of himself/herself and his/her heirs, representatives, successors and assigns) and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, "Franchisee Releasors") freely and without any influence forever release and covenant not to sue iFlex Franchising and its parent, subsidiaries and affiliates and their respective past and present officers, directors, members, shareholders, agents and employees, in their corporate and individual capacities, (collectively "iFlex Franchising Releasees") with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "Claims"), which any Franchisee Releasor ever owned or held, now owns or holds or may in the future own or hold, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to the Franchise Agreement and all other agreements between any Franchisee Releasor and any iFlex Franchising Releasee, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

IF FRANCHISEE OR GUARANTORS ARE BASED IN CALIFORNIA: Franchisee and Guarantors (on behalf of the Franchisee Releasors) expressly agree that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived, to the extent applicable. That Section reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

2. **Risk of Changed Facts**. Franchisee and Guarantors understand that the facts in respect of which the Release in Section 1 above is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the Release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. **No Prior Assignment**. Franchisee and Guarantors represent and warrant that the Franchisee Releasors are the sole owners of all Claims and rights released hereunder and that the Franchisee Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above.

4. **Covenant Not to Sue**. Franchisee and Guarantors (on behalf of the Franchisee Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 above with respect to any Claim released under Section 1 above.

5. **Complete Defense**. Franchisee and Guarantors: (A) acknowledge that this Release shall be a complete defense to any Claim released under Section 1 above; and (B) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. **Successors and Assigns**. This Release will inure to the benefit of and bind the successors, assigns, heirs and personal representatives of iFlex Franchising and each Franchisee Releasor.

7. **Governing Law**. This Release and all claims relating to this Release shall be governed by and construed under the law of the State of Arizona. iFlex Franchising, Franchisee and Guarantor shall file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where iFlex Franchising's principal offices are located. iFlex Franchising may file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where its principal offices are located, where Franchisee or Guarantors reside or do business, or where the claim arose.

8. **Miscellaneous**

(A) This Release constitutes the entire, full and complete agreement between the parties concerning the release of Claims by the parties and supersedes any and all prior or contemporaneous negotiations, discussions, understandings or agreements. Except as expressly reflected in this Agreement, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing.

(B) The masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular to refer to and include the plural, and vice versa.

(C) The terms of this Release shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws, court orders or regulations.

(D) All terms not defined in this Release shall have the meaning given to them in the Franchise Agreement.

(E) All captions in this Release are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

(F) This Release may be executed in counterparts, and each copy so executed and delivered shall be deemed to be an original.

This General Release does not apply to claims arising under the Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder in accordance with RCW19.100.220(2).

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Franchisee and Guarantors have executed this Release as of the date shown below.

REGIONAL DEVELOPER

_____

By: _____

Title: _____

Date: _____

GUARANTOR

_____

By:_____

Title: _____

Date**:**_____

GUARANTOR

_____

By:_____

Title: _____

Date**:**_____

[Attach additional signature pages as needed]

Exhibit E
Financial Statements

CliftonLarsonAllen LLP
20 East Thomas Road, Suite 2300
Phoenix, AZ 85012-3111

phone 602-266-2248 **fax** 602-266-2907
CLAconnect.com

INDEPENDENT AUDITORS' ACKNOWLEDGMENT

iFlex Franchising, LLC
Scottsdale, Arizona

We agree to the inclusion in the Franchise Disclosure Document dated February 16, 2023, issued by iFlex Franchising, LLC (Franchisor) of our report dated February 10, 2023, relating to the financial statements of Franchisor as of and for the period ended December 31, 2022, and to the inclusion of our report dated August 17, 2022, relating to the balance sheet of Franchisor as of July 31, 2022.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
February 16, 2023

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

IFLEX FRANCHISING, LLC

FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31, 2022
AND JULY 31, 2022

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

IFLEX FRANCHISING, LLC
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CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Member
iFlex Franchising, LLC
Scottsdale, Arizona

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of iFlex Franchising, LLC, which comprise the balance sheets as of December 31, 2022 and July 31, 2022, and the related statements of operations and changes in member's equity, and cash flows for the period from August 1, 2022 through December 31, 2022, 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 iFlex Franchising, LLC, as of December 31, 2022 and July 31, 2022, and the results of its operations and its cash flows for the period from August 1, 2022 through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Member
iFlex Franchising, LLC

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

- Identify and assess the risks of material misstatement of the financial statement, 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of iFlex Franchising, LLC's internal control. Accordingly, no such opinion is expressed.

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
February 10, 2023

IFLEX FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2022 AND JULY 31, 2022

	December 31, 2022	July 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 432,320	$ 249,839
Accounts Receivable	1,167	-
Prepaid Expenses	32,981	-
Current Portion of Deferred Regional Development Costs	2,243	-
Total Current Assets	468,711	249,839
DEFERRED REGIONAL DEVELOPMENT COSTS, Net of Current Portion	19,995	-
Total Assets	$ 488,706	$ 249,839
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 225,558	$ -
Current Portion of Deferred Regional Development Fees	22,425	-
Total Current Liabilities	247,983	-
DEFERRED REGIONAL DEVELOPMENT FEES, Net of Current Portion	199,956	-
Total Liabilities	447,939	-
MEMBER'S EQUITY	40,767	249,839
Total Liabilities and Member's Equity	$ 488,706	$ 249,839

See accompanying Notes to Financial Statement.

IFLEX FRANCHISING, LLC
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY
PERIOD ENDED DECEMBER 31, 2022

	August 1, 2022 through December 31, 2022
REVENUES	
Regional Development Fees	$ 1,869
Advertising Fund Revenue	1,467
Total Revenues	3,336
OPERATING EXPENSES	212,408
LOSS FROM OPERATIONS	(209,072)
Member's Equity - Beginning of Year	249,839
MEMBER'S EQUITY - END OF YEAR	$ 40,767

See accompanying Notes to Financial Statement.

IFLEX FRANCHISING, LLC
STATEMENT OF CASH FLOWS
PERIOD ENDED DECEMBER 31, 2022

	August 1, 2022 through December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Loss	$ (209,072)
Reconciliation of Net Loss to Net Cash Provided by Operating Activities	
Changes in Assets and Liabilities:	
Accounts Receivable	(1,167)
Prepaid Expenses	(32,981)
Deferred Regional Development Costs	(22,238)
Accounts Payable	225,558
Deferred Regional Development Fees	222,381
Net Cash Provided by Operating Activities	182,481
NET INCREASE IN CASH AND CASH EQUIVALENTS	182,481
Cash and Cash Equivalents - Beginning of Year	249,839
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 432,320

See accompanying Notes to Financial Statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principal Business Activity

iFlex Franchising, LLC (the Company) was formed on June 2, 2022, in the state of Arizona. The Company is wholly owned by its parent company, iFlex, Inc (the Parent). The Company was established for the purpose of selling franchises under the iFlex Stretch Studio brand.

Basis of Presentation

The Company's balance sheet has been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limits.

Deferred Regional Development Costs

Deferred regional development fees represent commissions that are direct and incremental to the Company and are paid in conjunction with the sale of a regional development agreement. These costs are recognized as an expense when the respective revenue is recognized, which is generally over the term of the related regional development agreement.

Deferred Regional Development Fees

Deferred regional development fees represent regional development fees received that have not been fully earned and will be recognized in future periods.

Advertising Costs

Advertising costs include franchise and regional development sales marketing, and advertising costs. These costs are expensed as incurred. Advertising cost for the period ended December 31, 2022 was $23,497.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company is a single member LLC and is treated as a disregarded entity for federal and state income tax purposes. As such, income and losses of the Company pass through to the Parent. Accordingly, no provision for income taxes is included in the accompanying financial statement. The Company evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts. As of December 31, 2022, management of the Company does not believe it has any uncertain tax positions.

Revenue Recognition

The Company generates revenue primarily through royalties, franchise fees, regional development fees, and advertising fund fees. The Company recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine revenue recognition for the arrangements that the Company determines are within the scope of Topic 606, the Company performs the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Company satisfies a performance obligation.

Royalties and Advertising Fund Revenue

The Company collects royalties, as stipulated in the franchise agreement, currently equal to 7% of net sales and a marketing and advertising fee equal to 1% of net sales. Royalties, including franchisee contributions to advertising funds, are calculated as a percentage of sales over the term of the franchise agreement. The franchise agreement royalties, inclusive of advertising fund contributions, represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchisee store level sales occur. Royalties and advertising fund fees are collected semimonthly.

Franchise Fees

The Company generally requires the entire nonrefundable initial franchise fee to be paid upon execution of the franchise agreement, which typically has an initial term of ten years. Initial franchise fees are recognized ratably on a straight-line basis over the term of the franchise agreement. The Company's services under the franchise agreement include: training of franchisees and staff, site selection, the right to use trademarks and proprietary information, and ongoing operations support. The Company generally does not provide financing to franchisees and offers no guarantees on their behalf. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Regional Development Fees

The Company has a regional development program where regional developers are granted as exclusive geographical territory and commit a minimum development obligation within that defined territory. Regional development fees paid to the Company are nonrefundable and are recognized as revenue ratably on a straight-line basis over the term of the regional development agreement, which is considered upon executive of the agreement. The Company's services under regional development agreements include training and general operational support of the regional developer. The services provided by the Company are highly interrelated with the development of the territory and resulting franchise licenses sold by the regional developer and as such are considered to represent a single performance obligation.

The Company entered into one regional development agreement during the period ended December 31, 2022, for which it received $224,250, which was deferred as of the transaction date and is recognized as revenue ratably on a straight-line basis over the term of the regional development agreement.

Subsequent Events

In preparing this financial statement, the Company has evaluated events and transactions for potential recognition or disclosure through February 10, 2023, the date the financial statement was available to be issued.

NOTE 2 REVENUE DISCLOSURES

Franchising Fees, Royalty Fees, and Advertising Fund Revenue

The franchise arrangement is documented in the form of a franchise agreement. The franchise arrangement requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all of the utility is derived from its association with the Company's past or ongoing activities.

The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation. The transaction price in a standard franchise arrangement primarily consists of (a) initial franchise fees, (b) continuing franchise fees (royalties), and (c) advertising fees. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

NOTE 2 REVENUE DISCLOSURES (CONTINUED)

Disaggregation of Revenue

The Company believes that the captions contained on the statements of operations appropriately reflect the disaggregation of its revenue by major type for the period ended December 31, 2022.

NOTE 3 RECEIVABLES, CONTRACT ASSETS AND CONTRACT LIABILITIES

Receivables and contract liabilities consists of the following:

	December 31, 2022	July 31, 2022
Accounts Receivable	$ 1,167	$ -
Contract Liabilities:		
Deferred Regional Development Fees	$ 222,381	$ -

The Company did not have any contract assets as of December 31, 2022 and July 31, 2022.

NOTE 4 RELATED PARTY TRANSACTIONS

The Company is party to a shared services agreement with the Parent, which allows for certain direct and indirect costs of the Parent to be allocated to the Company for services performed by the Parent on behalf of the Company. For the period ended December 31, 2022, the Company had incurred approximately $195,000 of expenses related to these shared services, which was included in accounts payable as of December 31, 2022.

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Exhibit F
Addenda Required by Certain States and Small Business Administration

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF CALIFORNIA

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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.

See the cover page of the disclosure document for iFlex Franchising's URL address.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

1. COVER PAGE, RISK FACTOR:

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

2. ITEM 3, LITIGATION.

The following statement is added to Item 3:

> Neither Franchisor nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such parties from membership in such association or exchange.

3. ITEM 5, INITIAL FEES.

> The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

4. ITEM 6, OTHER FEES.

The highest interest rate allowed in California is ten percent (10%) per annum.

5. ITEM 17, ADDITIONAL DISCLOSURES.

The following statements are added to Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of the iFlex Stretch Studio. If the Franchise Agreement contains any provision that is inconsistent with the law, the law will control.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.
You must sign a general release if you transfer or renew your franchise. These provisions may not be enforceable under California law. 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 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Franchise Agreement requires application of the laws of the State of Arizona. This provision may not be enforceable under California law.

The Franchise Agreement required binding arbitration. The arbitration will occur in Phoenix, Arizona, with the costs being borne by the non-prevailing party.

The Franchise Agreement requires that any litigation be held in Phoenix, Arizona. Costs will be borne by the non-prevailing party.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF ILLINOIS

1. COVER PAGE, RISK FACTORS.

The following statement is added at the end of the first Risk Factor:

SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT PROVIDES THAT ANY PROVISION IN A FRANCHISE AGREEMENT WHICH DESIGNATES JURISDICTION OR VENUE IN A FORUM OUTSIDE OF ILLINOIS IS VOID WITH RESPECT TO ANY CAUSE OF ACTION WHICH OTHERWISE IS ENFORCEABLE IN ILLINOIS.

The following statement is added at the end of the second Risk Factor:

Illinois law shall govern the Franchise Agreement.

2. ITEM 5, ADDITIONAL DISCLOSURES:

The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial; payments by area developers shall be deferred until the first franchise under the development agreement opens.

3. ITEM 17, ADDITIONAL DISCLOSURES.

The following statements are added to Item 17:

The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.

The Illinois Franchise Disclosure Act requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act.

In Conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

Your rights upon Termination and Non-Renewal of an agreement are set fourth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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 the 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.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF MARYLAND

Item 5 is amended as follows:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial; payments by area developers shall be deferred until the first franchise under the development agreement opens.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to modify any liability under the Maryland Franchise Registration and Disclosure Law.

The provision in the franchise agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF MINNESOTA

1. **Cover Page and Item 17, Choice of Forum and Law**. The following statement is added to the cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document, the Franchise Agreement 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.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the relevant Minnesota statute are met independently without reference to the Additional Disclosures.

2. **Item 17, Termination**. The following statement is added to Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5 which requires, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

3. **Item 17, General Release**. The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the relevant Minnesota statute are met independently without reference to the Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

4. Minn. Stat. Sec. 80C.21 may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, as provided for in Minn. Rule 2860.4400J, nothing in the Franchise Disclosure Document or Franchise Agreement requires a franchisee to waive any of his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or, to consent to liquidated damages, termination penalties, or judgment notes; provided that the requirement to arbitrate, as described in Section 20 of the Franchise Agreement is enforceable. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Franchise Disclosure Document and Franchise Agreement are amended to state that we will comply with Minnesota Statute 80C.17 subdivisions 5, Limitation on actions.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES

REQUIRED BY THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

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 DESCRIBED IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to 2 a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; 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", and Item 17(w), titled "Choice of law": The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

ADDITIONAL DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF VIRGINIA

Additional Risk Factor. The following is statement is added to the Special Risks to Consider About This Franchise page.

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $169,350 to $293,450. This amount exceeds the franchisor's stockholder's equity as of December 21, 2022, which is $40,767.

Additional Disclosure. The following statements are added to Item 17.h.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

ADDITIONAL DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF WASHINGTON

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the franchise agreement or offering circular, and (b) is open for business."

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.

ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED FOR CALIFORNIA FRANCHISEES

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

IN WITNESS WHEREOF**,** the Parties have executed this Addendum to Franchise Agreement as of _____**.**

IFLEX FRANCHISING LLC	**FRANCHISEE**
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of the franchise to you was made in the State of Illinois; (B) you are a resident of the State of Illinois; and/or (C) the iFlex Stretch Studio will be located or operated in the State of Illinois.

2. The following sentence is added at the end of Section 27(B):

Illinois law shall govern this Agreement.

3. The following sentence is added to the end of Section 27(C):

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

4. The following sentence is added at the end of section 27(G):

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

5. The following sentence is added to the end of section 25(B):

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act is void.

6. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

8. Your rights upon Termination and Non-Renewal of an agreement are set fourth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

10. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

IFLEX FRANCHISING LLC	**FRANCHISEE**
_____	_____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial; payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to you was made in the State of Maryland; (B) you are a resident of the State of Maryland; (C) part or all of the Protected Area is located in the State of Maryland; and/or (D) the iFlex Stretch Studio will be located or operated in the State of Maryland.

3. The following sentences are added to the end of Sections 16 and 17:

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The following sentence is added to the end of Section 27(C):

Notwithstanding the foregoing, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following sentence is added to the end of Section 27(G):

This limitation of claims provision shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

6. Section 30 of the Franchise Agreement is deleted in its entirety.

7. 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.

8. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF**,** the Parties have executed this Addendum to Franchise Agreement as of _____**.**

IFLEX FRANCHISING LLC	**FRANCHISEE**
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES

This Addendum to Franchise Agreement dated _____ ("Franchise Agreement") between IFLEX FRANCHISING LLC ("iFlex Franchising") and _____ ("You") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to you was made in the State of Minnesota; (B) you are a resident of the State of Minnesota; and/or (C) the iFlex Stretch Studio will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Section 17:

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. The following sentence is added to the end of Section 4(A):

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that a franchisee be given 180 days' notice for non-renewal of the Franchise Agreement.

4. The following sentence is added to the end of Section 13:

Notwithstanding the foregoing, we will indemnify you against liability to a third party resulting from claims that your use of a Mark infringes trademark rights of a third party; provided that we will not indemnify against the consequences of your use of the Marks unless the use is in accordance with the requirements of this Agreement and the System.

5. The following sentence is added to the end of Section 19:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute §80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement.

6. The following sentences are added to the end of Sections 27(B)-27(C):

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Agreement 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.

7. The second sentence of Section 27(D) is deleted and replaced with the following sentence:

You and we waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits.

8. The second sentence of Section 27(H) is deleted and replaced with the following sentence:

Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we are entitled to seek injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance. A court will determine if a bond or security must be posted.

9. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

10. The second sentence of Section 7(E) is deleted and replace with the following sentence:

The Insufficient Funds Fee is $30 per instance.

11. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

IFLEX FRANCHISING LLC	**FRANCHISEE**
_____	_____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, AND RELATED AGREEMENTS

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the franchise agreement or offering circular, and (b) is open for business."

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.

Section 17 of the Franchise Agreement is amended as follows:

The General Release does not apply to claims arising under the Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder in accordance with RCW 19.100.200(2).

Section 24(E) of the Franchise Agreement is Amended. This provision will not apply in Washington. Washington's Franchise Act (RCW 19.100.180(1)) states: "the parties shall deal with each other in good faith."

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

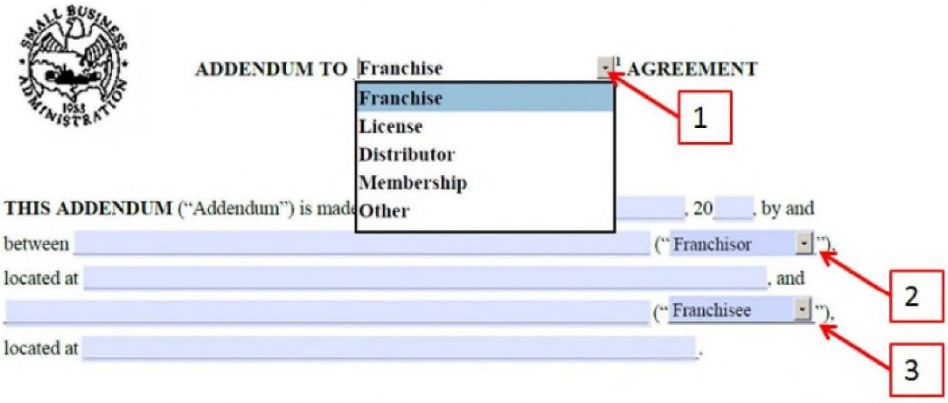
IFLEX FRANCHISING LLC	**FRANCHISEE**
_____	_____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

INSTRUCTIONS FOR USE OF SBA FORM 2462
ADDENDUM TO FRANCHISE AGREEMENT

SBA has issued a revised version of the Addendum to Franchise Agreement (SBA Form 2462) which became effective January 1, 2018. SBA's Standard Operating Procedure (SOP) 50 10 5(J) explains updates made to the franchise review process for the 7(a) and 504 loan programs. By executing this Addendum, the franchisor agrees that any terms in its franchise agreement or any other document the franchisor requires the franchisee to sign that are related to control by the franchisor or its franchisees (resulting in a determination by SBA of affiliation between the Franchisor and its franchisees, as defined in 13 CFR part 121 and SBA's Standard Operating Procedure 50 10) will not be enforced against the franchisee during the life of the SBA-guaranteed loan.

SBA Form 2462 has **three** locations with drop down menu options at the beginning of the form (see example below). Once a drop down option is chosen (i.e. #1 "Franchise" #2 "Franchisor" and #3 "Franchisee"), the user must hit the "tab" key to automatically populate the appropriate term in all fields.

Example of Drop-Down Options



Once the drop down options have populated in all three locations, the remaining fillable fields must be completed manually (see example below). These fields will either be blank or contain the language "(Enter type of)" or "(type of agreement)." In each of these fields, enter the type of agreement, e.g., franchise, license, dealer, membership, etc. When completing SBA Form 2462, the text may not be altered except to insert the information required to complete the form.

Example of Fillable Fields to be Completed Manually

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the (enter type of) term (excluding additional renewals) for fair market value.

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.

ADDENDUM TO FRANCHISE ☐[1] **AGREEMENT**

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor ☐"), located at _____, and _____ ("Franchisee ☐"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20___, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the (enter type of) term (excluding additional renewals) for fair market value.

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR:

By: _____

Print Name: _____

Title: _____

Authorized Representative of FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.

Exhibit G
Franchisee Lists

LIST OF FRANCHISED IFLEX STRETCH STUDIOS AS OF DECEMBER 31, 2022

None.

LIST OF FRANCHISEES WHO CEASED OPERATIONS DURING 2022

None.

Exhibit H
Operations Manual Table of Contents

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Exhibit J
Development Agreement

DEVELOPMENT AGREEMENT

This Development Agreement, as of the date on the last page of this Agreement, by and between **iFlex Franchising LLC, a Arizona limited liability company**("Franchisor"), and the party identified on the last page of this Agreement ("Franchisee").

RECITALS

A. Franchisor and Franchisee have signed that certain Franchise Agreement, dated as of _____ (the "Franchise Agreement"), with respect to the operation by Franchisee of a iFlex Stretch Studio® (the "First Unit");

Franchisee desires to operate additional iFlex Stretch Studio® franchises (the "Subsequent Units"); and

Subject to the terms and conditions of this Agreement, Franchisor is willing to grant an additional iFlex Stretch Studio® franchises to Franchisee.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement

1. **GRANT OF OPTION TO ESTABLISH ADDITIONAL IFLEX STRETCH STUDIOS.**

A. Subject to and in accordance with the terms of this Agreement, Franchisor grants to Franchisee, and Franchisee accepts, an option to establish and operate additional iFlex Stretch Studios at the following locations or within the following geographical area (the "Development Area"):

See attached map of Development Area.

In accordance with the following development schedule:

Unit #	Development Deadline

Subject to and in accordance with the terms of this Agreement, Franchisee (and his Principals, directors, officers, managers and employees) will sign and deliver to Franchisor, in connection with each Unit, a franchise agreement (and such other ancillary agreements and documents as Franchisor may then require in connection with the signing of franchise agreements) in the form then being signed by new franchisees and will be subject to the terms of such franchise agreement (including, without limitation, the Royalty Fees, the Advertising Payments and other fees), except that the Franchise Fee payable with respect to the

First Unit, for which Franchisee had already paid the Franchise Fee, the Franchisee Fee payable in connection with each Subsequent Unit will be the amounts on Schedule A. The Initial Franchise Fee is not refundable and will be used for our general purposes.

2. **ROYALTY FEES.**

Unless otherwise provided in this Agreement, the Royalty Fees payable to us in conjunction with each of your Franchise Agreement and each Subsequent Units will be indicated in the Franchise Agreement executed in conjunction with each Franchise Agreement.

3. **NO REFUNDS.** Once paid, Development Fees are not refundable under any circumstances.

4. **CONDITIONS TO ESTABLISHING ADDITIONAL IFLEX STRETCH STUDIOS.**

Franchisee acknowledges and agrees that it is critical for Franchisor to protect the Trademarks and to maintain a high quality of services and products provided under the Trademarks. Accordingly, Franchisee acknowledges that Franchisor has a significant interest in granting franchises only to persons who operate their iFlex Stretch Studios in accordance with the highest integrity and operational excellence, and agrees that Franchisee's right to establish and operate the Units will be subject to the satisfaction (in Franchisor's sole discretion) of each of the following conditions:

A. Franchisee must sign a franchise agreement with respect to each Subsequent Unit by the Development Deadline;

B. At the time that Franchisee seeks to sign a franchise agreement with respect to a Subsequent Unit, Franchisee (and his Affiliates and their respective Principals, directors, officers, managers and employees) must not be in breach of his (or their) obligations under, or related to, this Agreement, any franchise agreement or any other agreement with Franchisor or its Affiliates, and no fact or condition exists that, with the passage of time or the giving of notice, would constitute a breach;

C. At the time that Franchisee seeks to sign a franchise agreement with respect to a Subsequent Unit, (i) all iFlex Stretch Studios operated by Franchisee (and all of his Affiliates) must be in full compliance with all operational and other requirements, rules and policies contained in Franchisor's Operation Manual and (ii) Franchisee must qualify (in Franchisor's sole discretion) for acceptance as a franchisee under Franchisor's then-current qualifications (including, without limitation, financial qualifications) for franchisees;

D. Franchisee (and his Principals, directors, officers, managers and employees) signs and delivers to Franchisor, in connection with any such Subsequent Unit, the franchise agreement (and such other ancillary agreements and documents as Franchisor may then require in connection with the signing of franchise agreements) in the form then being signed by new franchisees and will be subject to the terms of such franchise agreement including, without limitation, the Royalty Fees, the Advertising Payments and other fees; and

E. At the time that Franchisee seeks to sign a franchise agreement with respect to a Subsequent Unit, Franchisee must sign a general release of Franchisor and its Affiliates, in the form attached as Schedule A, or in such other form as Franchisor may then require. Franchisee agrees that if Franchisee fails to satisfy (in Franchisor's sole discretion) each of the above conditions, Franchisee will not be entitled to establish or operate the additional iFlex Stretch Studios contemplated by this Agreement and that Franchisor will not be obligated to grant Franchisee any additional franchises or sign any additional franchise agreements with Franchisee; provided, however, that Franchisee's rights with respect to Subsequent Units to which both Franchisee and Franchisor have previously signed franchise agreements will not be subject to the terms of this Section 4, but will be subject to the terms of those franchise agreements.

5. **LOCATION OF SUBSEQUENT UNITS.**

A. Franchisee must establish and operate each Subsequent Unit within the Development Area, subject to the approval of that location by Franchisor, which approval may not be unreasonably withheld.

B. Subject to Section 5.B, if Franchisor desires to operate, or grant any other Person the right to operate, a iFlex Stretch Studio within the Development Area, Franchisor will provide to Franchisee written notice of the location at which Franchisor intends that iFlex Stretch Studio to be located (the "Initiating Notice"). If Franchisee provides to Franchisor, within ten (10) days after the date of the Initiating Notice, written notice of Franchisee's intent to sign the franchise agreement with respect to that Unit at the location specified in the Initiating Notice and that franchise agreement (and all other documents to be signed in connection therewith) is signed by Franchisee (and the balance of the franchise fee (and all other amounts payable in connection therewith) is paid) within 30 days after the date of the Initiating Notice, Franchisor will not operate, or grant any other Person the right to operate, a iFlex Stretch Studio at the location specified in the Initiating Notice. If Franchisee fails to satisfy either of those requirements, or this Agreement is terminated, Franchisor will not be subject to the restrictions reflected in this Section 5.A. If Franchisee fails to satisfy any of the conditions contained in Section 5 at the time that Franchisee's rights under this Section 5.A would otherwise arise, Franchisor will not be subject to the restrictions reflected in this Section 5.A.

C. Anything contained in this Agreement to the contrary, including, without limitation, Section 5.A:

(1) Franchisor and/or its Affiliates may market, directly or indirectly, services and/or products (including, without limitation, identical, similar or other services and products) under the Trademarks (or under other trademarks) through channels of distribution other than iFlex Stretch Studios, including the Internet.

(2) Franchisor may operate, or grant any other Person the right to operate, iFlex Stretch Studios within certain dense retail traffic areas (such as Las Vegas and Honolulu) or unique or non-traditional marketplaces (such as airports, train stations, hotels, casinos, stadiums and sports and entertainment venues), as designated by Franchisor, in its discretion.

(3) Franchisor reserves the right to market services and/or products (including, without limitation, identical, similar or other services and products) under the Trademarks (or under other trademarks) or otherwise on the Internet. Franchisee may not market his iFlex Stretch Studios or use the Trademarks on the Internet.

(4) Franchisor reserves the right to market services and/or products (including, without limitation, identical, similar or other services and products) under the Trademarks (or under other trademarks) outside of the Development Area.

(5) Franchisor reserves the right to market services and/or products (including, without limitation, identical, similar or other services and products) under trademarks other than the Trademarks within the Development Area.

(6) Franchisee acknowledges that Franchisor presently intends to develop Franchised Businesses (including franchised and company-owned units) throughout the United States and perhaps internationally and that one or more future Franchised Businesses (including franchised and company-owned units) may have an adverse effect on the revenues and profitability of existing Franchised Businesses, including Franchisee's Franchised Businesses. Franchisee further acknowledges that Franchisor has not made any representation or agreement, or provided Franchisee any assurance, that no future Franchised Business (including franchised and company-owned units) would adversely affect the revenues and profitability of Franchisee's Franchised Businesses.

6. **TERMINATION.** This Agreement will terminate upon the earlier of:

A. the date of the last Development Deadline specified in Section 1 of this Agreement;

B. the Insolvency of Franchisee;

C. the breach by Franchisee (or any of his Affiliates) of any of his (or their) obligations under, or related to, this Agreement, any franchise agreement or any other agreement with Franchisor or its Affiliates; and

D. the date on which any franchise agreement previously signed by Franchisee (or any of his Affiliates) and Franchisor, or any other agreement between Franchisee (or any of his Affiliates) and Franchisor (or any of its Affiliates), is terminated.

7. **EXTENSION FEE.**

You may extend the Development Deadline to open a iFlex Stretch Studio, on a month to month basis, by paying us the Extension Fee. The Extension Fee currently being charged is $2,500 per month per iFlex Stretch Studio, and shall be paid on or before the 5th day of each month for which an extension is sought. We reserve the right to modify, increase, decrease or waive the Extension Fee in our sole and absolute discretion.

8. **INDEMNIFICATION.**

A. Developer agrees to indemnify Franchisor, its affiliates and their respective directors, officers, employees, shareholders, members, managers, agents, successors and assigns (each, an "**Indemnitee**," and collectively "**Indemnitees**"), and to hold the Indemnitees harmless to the fullest extent permitted by law, from any and all Losses and Expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party against any one or more of the Indemnitees in connection with (i) Developer's failure to perform or breach of any covenant, agreement, term or provision of the Development Agreement; (ii) Developer's breach of any representation or warranty contained in the Development Agreement; (iii) Developer's development, principal ownership, operation and/or closing of any of its Studios; and (iv) any allegedly unauthorized service or act rendered or performed by Developer in connection with the Development Agreement (collectively "**Event**"), and regardless of whether it resulted from any strict or vicarious liability imposed by law on the Indemnitees.

B. The foregoing indemnity shall not apply to Developer: (i) if and to the extent it is determined in a final, non-appealable judgment of a court of competent jurisdiction that the Indemnitees' negligence caused such Losses and Expenses; (ii) to any Losses and Expenses incurred where it is clearly evident that Developer followed Franchisor's guidance or otherwise was complying with instructions from the Franchisor; (iii) to any Losses and Expenses arising from a breach of the Development Agreement by the Indemnitees; or (iv) to any Losses and Expenses directly resulting from the gross negligence or willful acts of Indemnitees (except to the extent that joint liability is involved, in which Event the indemnification provided will extend to any finding of comparative or contributory negligence attributable to Developer). The term "**Losses and Expenses**" includes compensatory, exemplary and punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to Franchisor's reputation and goodwill; and all other costs associated with any of the foregoing Losses and Expenses. Franchisor agrees to give Developer reasonable notice of any Event of which Franchisor becomes aware for which indemnification may be required, and Franchisor may elect (but is not obligated) to direct the defense thereof, provided that the selection of counsel shall be subject to Developer's consent, which consent shall

not be unreasonably withheld or delayed. Franchisor may, in its reasonable discretion, take such actions as it deems necessary and appropriate to investigate, defend or settle any Event or take other remedial or corrective actions that may be necessary for the protection of Indemnitees or iFlex Stretch Studios generally, provided however, that any settlement shall be subject to its consent, which consent shall not be unreasonably withheld or delayed. Further, if the insurer on a policy or policies obtained by Developer in compliance with its Franchise Agreement agrees to undertake the defense of an Event (an "**Insured Event**"), Franchisor agrees not to exercise its right to select counsel to defend the Event if such would cause Developer's insurer to deny coverage. Franchisor reserves the right to retain counsel to represent it with respect to an Insured Event at its sole cost and expense. This Section shall continue in full force and effect subsequent to the expiration or termination of the Development Agreement.

9. OWNERSHIP OF THE MARKS.

Developer acknowledges that an affiliate of Franchisor owns the Marks and that Developer is not granted the right under the Development Agreement to use the Marks. Developer's right to use the Marks arises solely from, and is limited to, Franchise Agreements entered into between Developer and Franchisor. Developer may not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate, legal or other business name (other than in connection with any legally required fictitious or assumed name filings), or with any prefix, suffix or other modifying words, any of Developer's terms, designs or symbols, or with the name or other designation of the metropolitan area or city in which any of Developer's iFlex Stretch Studios are located, or in any other manner (including any Internet related use such as an electronic media identifier, for websites, web pages or domain names) not explicitly authorized in writing by Franchisor. Developer may not at any time during or after the term contest, or assist any other person or entity in contesting, the validity or principal ownership of any of the Marks.

10. COVENANTS.

A. Confidential Information. During and after the Term, you may not communicate, divulge or use for any purpose other than the operation of your iFlex Stretch Studio any Confidential Information, knowledge, trade secrets or know-how which may be communicated to you or which you may learn by virtue of your relationship with us ("Confidential Information"). You may divulge Confidential Information only to your professional advisers and to your employees who must have access to the information to operate your iFlex Stretch Studio. All Confidential Information, relating to us, our business plans, or the System are deemed confidential for purposes of this Agreement, except information that you can demonstrate came to your attention by lawful means prior to our disclosure; or which, at the time of our disclosure to you, had become a part of the public domain. You must require your Operating Principal and key employees and any other person or entity you wish to disclose any Confidential Information to sign agreements, in a form acceptable to us, that they will maintain the confidentiality of the disclosed information. The agreements must identify us as a third-party beneficiary with the independent right to enforce the agreements.

B. Restrictions.

(1) You acknowledge and agree that: (a) according to this Agreement, you will have access to the Confidential Information; (b) the System and the opportunities, associations and experience established by us and acquired by you under this Agreement are of substantial and material value; (c) in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (d) we would be unable to adequately protect the System and the Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among iFlex Stretch Studios if our franchisees were permitted to hold interests in "Competing Businesses" (which are defined as businesses that provide assisted stretch programs, techniques, and systems to people of all ages and related retail products). You acknowledge that restrictions on your right to hold interests in, or perform services for

Competing Businesses will not hinder your activities. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the restrictions contained in this Section will not deprive you of your personal goodwill or ability to earn a living.

(2) You therefore agree that, during the term of this Agreement and for the "Restricted Period" following the expiration or earlier termination of this Agreement, you and your owners will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, limited liability company, or other entity:

(a) own, maintain, operate, engage in, franchise or license, advise, help, make loans to, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, officer, manager, employee, consultant, representative, or agent in any Competing Business;

(b) knowingly employ or seek to employ any person then employed by us or employed by any iFlex Stretch Studio franchisee as a manager or higher, or otherwise directly or indirectly induce such person to leave his or her employment without our prior written consent; or

(c) divert or attempt to divert, by direct or indirect inducement or otherwise, any actual or potential business or customer of any iFlex Stretch Studio to a Competing Business.

(d) For purposes of this Agreement, the term "Restricted Period" shall be two (2) years from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end six (6) months from the date the Franchise Agreement expires or is terminated.

(3) During the term of this Agreement, there is no geographical limitation on the restrictions contained in this Section 10. During the Restricted Period, these restrictions will apply at the Premises; within the Protected Area; within a 5-mile radius of the outer boundaries of the Protected Area; and within 5 miles of any other iFlex Stretch Studio in operation or under construction on the later of: (i) the date of the termination or expiration of this Agreement (the "Restricted Area"); or (ii) the date on which all persons restricted by Section 10.B(4) begin to comply with Section 10.

(4) If, at any time during the Restricted Period, you or your owners fail to comply with your obligations contained in this Section 10, that period of noncompliance will not be credited toward the satisfaction of your obligations under this Section 10. Equity ownership of less than 2% of a Competing Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 10.

(5) If any restriction in this Section 10 is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. Specifically, if any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable.

(6) You agree to obtain similar covenants from the personnel and persons we specify, including your officers, directors, managers, and other employees who attend our training programs or have access to Confidential Information and your immediate family members (which include spouses and

domestic partners and such other persons as we may specify following our review of your franchise application and proposed operations and ownership structure). We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

C. Information Exchange. All processes, ideas, concepts, advertising and promotional materials, website pages and content, methods, techniques, or materials used or useful to a health and wellness business, whether or not constituting protectable intellectual property (collectively, the "Materials"), that Developer creates, or that are created on its behalf, in connection with the development or operation of its Studios must be promptly disclosed to Franchisor. If Franchisor adopts any of such Materials as part of the System, or deems them to be sufficiently related to Franchisor and its business to be considered proprietary, they will be deemed to be Franchisor's sole and exclusive property and deemed to be Works-made-for-Hire (as such term is defined under Section 101 of the Copyright Act) for Franchisor, and to the extent the Materials may for any reason not be considered a Work-Made-for-Hire, Developer irrevocably conveys, grants, transfers and assigns to Franchisor all rights, title and interest which Developer may have now or in the future in and to the Materials. Developer agrees to sign whatever assignment or other documents Franchisor requests, during and after the term, to evidence Franchisor's principal ownership or to assist Franchisor in securing intellectual property rights in the Materials, and Developer warrants that it will obtain all rights from any third party acting on its behalf to comply with this provision.

11. MISCELLANEOUS

A. Provisions. Each provision, condition and term of this Agreement is material, and a breach or violation of any of them will constitute a default of that party's obligations under this Agreement.

B. Definitions**.** All capitalized terms used, but not defined, in this Agreement have the meanings given them in the Franchise Agreement.

C. Notices**.** All communications or notices required or permitted to be given or served under this Agreement must be in writing and will be deemed to have been duly given or made if (a) delivered in person or by courier (including by Federal Express or other courier), (b) deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, or (c) faxed, and addressed to the address or fax number reflected on the last page of this Agreement. All communications and notices will be effective upon delivery in person or by courier to the address stated in this Agreement, upon being deposited in the United States mail in the manner above or upon being faxed in the manner above. Any party may change his, her or its address or fax number by giving notice in writing, stating his, her or its new address, to the other party to this Agreement as provided in the foregoing manner.

D. Transfers; Successors and Assigns**.** Anything contained in this Agreement, or in any other agreement, to the contrary, Franchisee may not assign or otherwise transfer, by operation of law or otherwise, his rights under this Agreement without the prior written consent of Franchisor, which consent may be withheld by Franchisor in its sole discretion. Any transfer of an equity interest in Franchisee, by operation of law or otherwise, and any merger or consolidation of Franchisee (if a corporation, partnership, limited liability company or other entity) will be deemed to be a transfer of the Franchised Business in violation of this Section 11.C. Any attempt by Franchisee to assign his rights under this Agreement without Franchisor's prior written consent will be void.

E. Anything contained in this Agreement to the contrary, Franchisor may assign its rights under this Agreement, or delegate any of its obligations hereunder, without the consent of Franchisee or any other person.

F. Subject to Section 11.D of this Agreement, this Agreement will be binding upon and inure to the benefit of the parties and their respective assigns, legal representatives, executors, heirs and successors.

G. Amendment, Modification or Waiver.

(1) Except as stated in this Agreement, no amendment, modification or waiver of any condition, provision or term of this Agreement will be valid or of any effect unless made in writing, signed by the parties and specifying with particularity the nature and extent of the amendment, modification or waiver.

(2) Failure on the part of any party to complain of any act or failure to act of another party or to declare another party in default, irrespective of how long the failure continues, will not constitute a waiver by that party of his, her or its rights under this Agreement. Any waiver by any party of any default of another party will not affect or impair any right arising from any other or subsequent default.

H. Entire Agreement**.** This Agreement, including the exhibits, contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to that subject matter. Each of the exhibits is incorporated in this Agreement by this reference and constitutes a part of this Agreement. Nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits, and amendments.

I. Terminology**.** All captions, headings or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement or a limitation of the scope of the particular paragraph or section to which they apply. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, will, where appropriate, include all other genders and the singular will include the plural and vice versa.

J. Counterparts**.** This Agreement may be executed in two or more counterparts, each of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

K. Dispute Resolution/Governing Law and Venue/Waiver of Certain Claims and Damages.

(1) Mediation. Before you or we may bring an action in court, against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation will be non-binding and will be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. Anything to the contrary, this Section 27(A) will not bar you or us from obtaining judicial or injunctive relief for claims that are based solely on demands for monies owed, or from obtaining injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation; including, without limitation, claims involving the Marks. The mediation proceeding will be conducted within 30 miles of our then-existing principal business location.

(2) Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between you and us will be governed by the laws of the State of Arizona, without regard to its conflict of laws rules.

(3) Consent to Jurisdiction and Venue. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction

where you reside or do business, where your iFlex Stretch Studio is or was located, or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

(4) Waiver of Certain Damages and Rights. You and we waive, to the fullest extent permitted by law, any right or claim of any punitive or exemplary damages against each other and agree that, in the event of a dispute between us, we each will be limited to the recovery of actual damages sustained. You and we waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits and the right to trial by jury.

(5) Reimbursement of Costs and Expenses. If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, in contemplation of or subsequent to the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, you agree to reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

(6) Rights and Remedies Cumulative. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 27 shall survive the expiration or earlier termination of this Agreement.

(7) Limitations of Claims. Any and all claims and actions arising out of or relating to this Agreement, the relationship between you and us, or your operation of your iFlex Stretch Studio, must be brought or asserted before the expiration of the earlier of: (1) the time period for bringing an action under any applicable state or federal statute of limitations; (2) 1 year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (3) 2 years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions will be irrevocably barred. Our claims attributable to underreporting of sales, and claims of the parties for failure to pay monies owed and/or indemnification will be subject only to the applicable state or federal statute of limitations.

(8) Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including, but not limited to, your failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by us will be in addition to, and not in lieu of, all remedies and rights that you otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

L. Attorneys' Fees**.** In the event of any claim, controversy or dispute arising out of or relating to this Agreement, or the breach thereof, the prevailing party may recover reasonable attorneys' fees incurred in connection with any proceeding.

M. Construction**.** The parties acknowledge that each party was represented (or had the opportunity to be represented) by legal counsel in connection with this Agreement and that each of them and his, her or its counsel have reviewed this Agreement, or have had an opportunity to do so, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any amendments or any exhibits.

N. Additional Actions**.** Each party agrees to do all acts and things and to make, execute and deliver such written instruments as may from time to time be reasonably required to carry out the terms and provisions of this Agreement.

O. Computation of Time**.** Whenever the last day for the exercise of any privilege or discharge of any duty under this Agreement falls upon Saturday, Sunday or any legal holiday under Arizona law, the party having that privilege or duty will have until 5:00 p.m. Phoenix, Arizona time, on the next succeeding regular business day to exercise that privilege or to discharge that duty.

P. Currency**.** Unless otherwise directed by Franchisor in writing, all amounts contemplated by this Agreement will be paid in United States Dollars and deposited in the bank account specified by the recipient. Computation of any amounts to be paid which require conversion between currencies will be made at the selling rate for United States Dollars quoted by Franchisor's primary bank on the date on which payment is made. Franchisee will pay all costs of currency exchange.

Q. Authority**.** Any individual signing below on behalf of a corporation, partnership, Limited Liability Company or other entity personally represents that he has full authority to bind the party or parties on whose behalf he is signing.

R. Terrorist and Money Laundering Activities**.** Franchisee hereby represents and warrants to Franchisor that neither Franchisee, nor any of his Affiliates or their respective equity owners, directors, officers, employees, representatives and agents (collectively, the "Included People"), (a) is identified, by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.treas.gov/offices/enforcement/ofac/) or (b) has violated any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text currently available at www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13224 (text currently available at www.treas.gov/offices/enforcement/ofac/sanctions/terrorism. html) or any similar law. Franchisee agrees that he will comply with, and will cause the Included People to comply with, all laws prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government. Franchisee further agrees that he will immediately notify Franchisor of the occurrence of any event, or the development of any circumstances, that might render any of the foregoing representations or warranties to be false, inaccurate or misleading.

S. Acknowledgement of Franchisee**.** Franchisee acknowledges that, except as expressly reflected in the Disclosure Document delivered to Franchisee, neither Franchisor, nor anyone acting on behalf of Franchisor, has made any claims or representations whatsoever regarding potential sales, profits or earnings achievable by Franchisee in connection with the conduct of the Franchised Businesses. Franchisee acknowledges that he has been informed and he understands that the successful operation of the Franchised Businesses will depend primarily upon the efforts, capabilities and management skills of Franchisee and general economic conditions and trends. Franchisee acknowledges and confirms that he has selected, or will select, the premises on which the Franchised Businesses will be established and operated by him, and that the decision to establish and operate the Franchised Businesses in those premises was, or will be, made solely by him. Franchisee accepts full responsibility for the consequences of his decision.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of _____.

IFLEX FRANCHISING LLC	**FRANCHISEE**
_____	_____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

SCHEDULE A TO DEVELOPMENT AGREEMENT-INFORMATION SHEET

If Franchisee is any entity, identify:_____.

Type of entity:_____

State of organization:_____

Title of signatory:_____

If an individual, identify state of residence and domicile:_____

Address:_____

Email Address:_____

Person who will supervise the Franchised Business: _____

Address: _____

Email Address: _____

Telephone Numbers: (H) (_____

(O) _____

(C) _____

Principals of Franchisee (Shareholders, Partners, Members, Etc.--Total MUST equal 100%)

Name	% Ownership

Franchise Fees Payable for Subsequent Unit(s):

ADDENDUM TO DEVELOPMENT AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES

1. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial; payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

3. The provisions of this Addendum form an integral part of and are incorporated into the Development Agreement. This Addendum is being executed because: (A) the offer or sale of the regional developer franchise to you was made in the State of Illinois; (B) you are a resident of the State of Illinois; and/or (C) the iFlex Stretch Studio will be located or operated in the State of Illinois.

4. The following sentence is added at the end of Section 11.K(2)

Illinois law shall govern this Agreement.

5. The following sentence is added to the end of Section 11.K(3):

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

6. The following sentence is added at the end of section 11.K(7):

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

7. The following sentence is added to the end of section 11.K(4):

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

9. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IFLEX FRANCHISING LLC	**FRANCHISEE**
_____	_____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

ADDENDUM TO DEVELOPMENT AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial; payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IFLEX FRANCHISING LLC	**FRANCHISEE**
_____	_____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

WASHINGTON ADDENDUM TO THE DEVELOPMENT AGREEMENT

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the franchise agreement or offering circular, and (b) is open for business. The Development fee will be prorated and collected as each unit is opened.

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.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

IFLEX FRANCHISING LLC	**FRANCHISEE**
_____	_____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

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 states, 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	3/22/2023
Illinois	3/27/2023
Indiana	3/23/2023
Michigan	3/4/2023
Minnesota	3/17/2023
Maryland	3/29/2023
New York	3/21/2023
Rhode Island	3/21/2023
Virginia	3/9/2023
Washington	3/9/2023
Wisconsin	3/3/2023

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.

Exhibit K
Receipt (2 copies)

RECEIPT
(RETAIN THIS COPY FOR YOUR RECORDS)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Franchisor offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale.

New York law require a franchisor to provide a 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.

If Franchisor does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency.

The issuance date for this Franchise Disclosure Document is February 16, 2023

I have received a Disclosure Document dated February 16, 2023 that included the following Exhibits:

A	State Agencies and Administrators Franchise's Agent for Service of Process	G	Franchise List
B	Franchise Agreement	H	Operations Manual Table of Contents
C	Confidentiality Agreement	I	Development Agreement
D	General Release	J	State Effective Dates
E	Financial Statements	K	Receipts (2 copies)
F	State Specific Disclosures and Addendums		

Prospective Franchisee	Prospective Franchisee
_____	_____
Print Name: _____	Print Name: _____
Date: _____	Date: _____

Instructions for returning the receipt: If the Disclosure Document is not delivered in person, the prospective franchisee must sign both copies of this Receipt, retaining one (1) for the prospective franchisee's records. The other copy must be sent via certified mail to the Franchisor: _____.

Franchise seller's name: _____
Principal business address: _____
Email: _____
Telephone number: _____

Franchise seller's name: _____
Principal business address: _____
Email: _____
Telephone Number: _____

Exhibit K
Receipt (2 copies)

RECEIPT
(RETURN THIS COPY TO FRANCHISOR)

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