FRANCHISE DISCLOSURE DOCUMENT

INSPIRING WELLNESS, LLC
A California Limited Liability Company
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momleta.com
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The MOMLETA franchise program targets prenatal and postpartum moms by providing fitness and nutrition programs to women, focusing on birth recovery, diastasis repair, stroller fitness, core training, and a healthy lifestyle.

The initial investment necessary to begin operation of a MOMLETA franchised business ranges from $5,895 to $9,624. This includes between $5,325 and $5,724 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact Franchisee Sales at the above mailing address, via phone at 510.418.8599 or via email at sales@momleta.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 an attorney or an accountant.

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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 (FTC). 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 be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: May 1, 2024 ~~May 1, 2023~~

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STATE COVER PAGES

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 Exhibit E.
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 includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only MOMLETA business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a MOMLETA franchisee?	Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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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 F.

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Special Risks to Consider About *This* Franchise

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

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

2. **Mandatory Minimum Payments**. You must make minimum licensing and royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

3. **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. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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Exhibits

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

1) Franchisor, Parents and Affiliates

We are Inspiring Wellness LLC, a California limited liability company, with a principal business address of 2010 7th Avenue, Oakland, California 94606. We have no parents or affiliates.

To simplify the language in this Disclosure Document, “we”, “us” or “the Company” means Inspiring Wellness LLC, the Franchisor. “You” means the person or entity who buys the franchise. If you purchase a Franchise with a business partner, “Principal Owner” means the individual who is an owner and who undertakes principal responsibility for operation of the business. “MOMLETA” or “Franchise Program” refers to the franchise offered by us.

2) Predecessors

Our Founder, Kristen Horler, formed Baby Boot Camp LLC, a California limited liability company, on December 4, 2004. Prior to forming the California limited liability company, Ms. Horler had operated MOMLETA as a sole proprietorship since August 2001. Ms. Horler and the predecessor California limited liability company assigned all business assets, including contracts, copyrights, trademarks and any other intellectual property to us.

We have no predecessor other than Ms. Horler and the California limited liability company as described above.

Effective January 1, 2022, the Horlers sold a majority interest in the Company to Mary McQueen, a long-time established MOMLETA franchisee.

3) Our Business Name

We do business under our franchise program name of “MOMLETA”.

4) Agent for Service of Process

Our registered agents for service of process in each state are listed in Exhibit F.

5) Our Legal Entity

We formed “Baby Boot Camp LLC” as a Florida limited liability company on October 28, 2005. We subsequently changed our name to “Inspiring Wellness LLC” on March 23, 2015 to better reflect our growing range of fitness and nutritional programming.

On January 1, 2022 we applied to change our domestic jurisdiction from Florida to California and on February 10, 2022 we completed our registration as a California limited liability company. We subsequently dissolved our registration as a Florida limited liability company.

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6) The Business

Our system was developed by our Founder, Ms. Horler, to create a high quality, duplicable system to offer franchise opportunities to individuals and business owners interested in serving our target market. We do not engage in any other business.

You will be an independent owner operator providing small group exercise training Classes, Programs, Courses and Events targeted towards a specific niche audience as follows:

> You will offer indoor and outdoor strength classes primarily oriented ~~orientated~~ towards moms ("Clients"). Our predominant ~~predominate~~ class format ("Baby Boot Camp") incorporates Clients bringing their young children to class in a stroller, hence we refer to this category as "stroller-based fitness". The primary target demographic for Baby Boot Camp classes is moms with stroller-aged children (usually between 6 weeks and 4 years old).
>
> In addition to Baby Boot Camp classes, we have also developed fitness programming for women of all "ages and stages" to attend without their children (if they have any). We offer a high intensity interval training boot camp class ("MOMLETA HIIT") and a lower intensity "core" workout class ("MOMLETA Core").
>
> We have developed a standardized set of Classes, Programs, Courses and Events (collectively "Services") for our Franchise System, as well as standardized plans under which Clients can purchase these Services. We require you to sell clients a New Client Enrollment Kit for participating in certain programs which you will purchase from us (unless your Client previously purchased this kit from us directly).
>
> You will deliver Services at third party facilities, typically parks or outdoor malls for outdoor classes and indoor malls or local community facilities (church halls, schools or other businesses with suitable space) for indoor classes. You will administer and manage the franchised business from your home-based office.
>
> You will use our System, including marketing techniques, trade secrets and business processes and systems. You receive business and systems training, enabling you to market and provide the Services in a Territory identified in the Franchise Agreement. After your initial training, we provide you with free ongoing telephone and video chat support as well as ongoing support through our various systems and online forums.

The fitness category is highly competitive. Your target market is women looking to begin or continue an exercise program and be a part of a community of moms and active women who share similar interests and goals. The MOMLETA franchise is designed to meet the needs of this target market by providing safe and effective programs for new moms of all ages and stages, generally beginning with the birth of her first baby.

We offer three different franchise "tiers", ranging from a Tier 1 franchise of up to 100,000 people in your Franchised Territory to a Tier 3 with up to 300,000 people in your Franchised Territory. You may upgrade or downgrade Franchise Tiers by providing us notice, and providing that additional Territory is available in the case of a requested upgrade. In general, we will not approve a request to upgrade your Franchise Tier until you have been operating your Franchise for a minimum of twelve (12) months, but we will consider your individual circumstances and business growth when evaluating each request.

We support you by providing ongoing and start-up business advice, consultation and assistance as described in this Disclosure Document. Your competition consists of general fitness facilities and programs, including those that may provide add-on offerings that cater to the target market. In addition, there are or may in the future be, other local, regional or national franchised or licensed, stroller-based or boot camp-based fitness programs. In addition to these competing programs, you may also face local competition from small independent operators and individual fitness instructors.

Our Franchise Program requires that all instructors must be qualified and insured fitness professionals holding certifications(s) or qualification(s) of a type and from an institution approved by us. We require an ICE-approved primary group exercise or personal trainer certification or qualification, but we may require other or additional certifications or qualifications that we deem necessary to provide new programs or services, meet competition or for other reasons.

The physical fitness industry is subject to federal, state and local regulations. A number of states have enacted health club legislation that you may be subject to. This legislation typically covers aspects of the billing agreement between you and your clients and/or requirements to maintain safety equipment onsite if you are operating out of a fixed facility. We highly recommend you discuss potential fitness industry regulations with your attorney or contact the appropriate federal, state and/or local agency for detailed information about these laws and regulations.

7) Our Prior Business Experience

We, together with our predecessors, operated MOMLETA territories in the San Francisco Bay Area, California, from August 2001 to August 2005 and in Sarasota, Florida, from February 2006 to March 2016 using the same tools, systems, marketing and techniques that we provide to our MOMLETA franchise owners.

Ms. McQueen owns and operates “McQueen’s Body Shop, Inc.”, a fitness company based in Oakland, California, where she has run a MOMLETA franchise since March 2009. She continues to operate her MOMLETA franchise as a completely separate business from Inspiring Wellness LLC, including paying standard franchising fees to us.

Neither we, nor our predecessors have offered or sold franchises in any other line of business nor offered or sold any other franchises that are substantially the same as this franchise.

2. BUSINESS EXPERIENCE

Chief Executive Officer, Mary McQueen

Ms. McQueen, based in Oakland, California, became our Chief Executive Officer in January 2022. She has owned and operated the MOMLETA Oakland franchise since March 2009 and, as of the date of this FDD, continues to operate this franchise.

~~Chief Financial Officer: Mark Horler~~

~~Mr. Horler, currently based in the UK, has been our Chief Financial Officer since February 2005. He is the husband of our Founder, Kristen Horler, and he, together with Ms. Horler, remains a minority owner of the Company.~~

Franchise Development Associate: Kate "KJ" Jwaskiewcz

Ms. Jwaskiewcz, based in Syracuse, New York, became our Social Media Coordinator in November 2018, coordinating our marketing and educational campaigns across our different social media channels as well as regularly communicating with our franchisees, instructors and franchisees' clients across the country. In January 2022 KJ assumed the additional role of Franchise Development Associate.

KJ ~~has~~ owned and operated the MOMLETA Syracuse franchise from ~~since~~ December 2016 until July 2022 ~~and, as of the date of this FDD, continues to operate this franchise~~.

3. LITIGATION

No litigation is required to be disclosed in this Item.

4. BANKRUPTCY

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

5. INITIAL FEES

Upon signing the Franchise Agreement, you must pay a uniform, non-refundable, initial franchise fee, based upon the population (based on the most recent U.S. Census data) of the franchise territory (the "Franchise Tier") as follows.

Tier	Territory Population	Initial Franchise Fee
1	Up to 100,000	US $4,995
2	100,001 to 200,000	Tier 2 franchises are available as an upgrade option only
3	200,001 to 300,000	Tier 3 franchises are available as an upgrade option only

In addition to the initial franchise fee, you must purchase Equipment Kits from us prior to opening so that you have Equipment Kits on hand to sell to your new clients. Your required initial purchase is $330. See Item 7 for additional details.

There are no other initial fees.

6. OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Monthly Fees			
Brand Licensing Fee	US $50 per month.	Due and payable by direct debit on the fifth (5th) of each month	The Brand Licensing Fee is uniform and non-refundable. This fee is waived for the first three (3) months for franchisees purchasing a new franchise.
Technology Fee	US $95 per month.	Due and payable by direct debit on the fifth (5th) of each month.	The Technology Fee is uniform and non-refundable. This fee is waived for the first three (3) months for franchisees purchasing a new franchise.

Name of Fee	Amount	Due Date	Remarks
Royalty	4% of your total Gross Services Revenue for the prior month	Due and payable by direct debit on the fifth (5th) of each month.	Gross Services Revenue means all sales of classes and/ or programs and includes all "Enrollment Fees" included as part of a Client Plan. All standard Client Plans (plans where clients pay monthly for classes) include an "Enrollment Fee" for new Clients. Clients paying this Enrollment Fee receive an Equipment Kit from you. You can waive the Enrollment Fee for returning Clients (or for Clients who previously purchased an Equipment Kit from you or us). Gross Sales do not include sales tax or use tax. Royalties are waived for the first three (3) months for franchisees purchasing a new franchise. Royalty minimums apply depending on your Franchise Tier as follows: • Tier 1: US $50 • Tier 2: US $100 • Tier 3: US $150
Additional Google Workspace Accounts Fee (Optional)	US $7.50 per month for each additional Google Workspace account	Due and payable with monthly direct debit	Only if you need additional separate Google Workspace accounts.
Fees due on Renewal or Change of Contract			

Name of Fee	Amount	Due Date	Remarks
Renewal Fee	US $600 flat fee regardless of your Franchise Tier.	Upon renewal.	You must be in good standing to be eligible to renew. You must execute our franchise agreement in effect at the time to renew.
Territory Change Request Fee	US $250.	When you request a change in Territory.	This fee is due for all requests for us to work with you to evaluate a potential change in your Territory, and is due whether or not you actually change your Territory following this evaluation. Should a change in Territory result in a Franchise Tier Upgrade, we will apply this fee to the Franchise Tier Upgrade Fee.
Franchise Tier Upgrade Fee	US $1,500 to upgrade from any Franchise Tier to the next level Franchise Tier.	Due at time of approval of Franchise Tier upgrade.	You have the right to upgrade your Franchise Tier at any point during the term of your agreement subject to our consent and the availability of additional territory. In general, we will not let you upgrade your Franchise Tier until you have been operating your Franchise for a minimum of twelve (12) months. The increased minimum royalty will be due following the first complete month in which you are operating at the larger Franchise Tier.

Name of Fee	Amount	Due Date	Remarks
Transfer Fee	US $1,500 flat fee regardless of your Franchise Tier.	Due at time of approval of transfer.	The transfer fee covers the training of the transferee and our expenses incurred. No fee is due for transfer to an entity you control. You must be in good standing to transfer.
Training Fees			
Annual Conference (Mandatory if we elect to hold an Annual Conference)	US $99 - $399.	Thirty (30) days prior to our Annual Conference.	We will publish our Annual Conference Fee a minimum of three (3) months prior to the conference. The Conference Fee will vary depending on our costs to organize and hold the conference, including whether the conference is In-person or Virtual.
In-person Business Boot Camp (Optional)	US $399.	Thirty (30) days prior to attending In-person Business Boot Camp training.	This in-person training for the Principal Owner is offered in addition to New Owner Orientation online learning. The In-person Business Boot Camp covers the same training content included on an online learning basis as part of the initial franchise fee.

Name of Fee	Amount	Due Date	Remarks
Run Programs Training Fee (Mandatory if you wish to offer any of our Running Programs including Run Club).	US $199.	Prior to our certifying your Franchise to offer any of our Running Programs.	The Run Programs Fee enables you to sell and deliver our Run Training Programs (5k, Half Marathon & 10k) to your clients as well as offer a local MOMLETA Run Club. This one-time training fee enables you and your Instructors to deliver our Run Programs for the duration of the time you operate your franchise. Also see Item 11 of this Disclosure Document.
Instructor Training Fees (These fees are payable by your Instructors)	US $149 per Instructor.	On request and prior to our certifying an Instructor to teach any of our Classes and Programs. We require recertification of instructors every twelve (12) months. The Annual Recertification Fee is US $10.	This training is included with our franchise at no charge for the Franchise Owner. We offer two (2) Instructor Training Programs as follows: • Baby Boot Camp • MOMLETA HIIT and MOMLETA Core (combined training) We may add additional Instructor Training Programs at our option. Instructors (including Franchise Owners) must hold a current, approved national fitness certification, successfully completed the instructor training, pass the related instructor examination, and show proof of insurance prior to teaching any of our Classes or Programs. Also see Item 11 of this Disclosure Document.
Other Fees			

Name of Fee	Amount	Due Date	Remarks
Late Fee	The lesser of 1.5% per month or the maximum rate permitted by law.	When any payment or fee is not received when it is due.	Maximum interest rate in California is 10% annually.
Alternate Supplier Approval Fee	US $35.	On request and prior to using our Marks on apparel not purchased from us.	We will approve or disapprove each item in our sole discretion and on an item-by-item basis.
Branding Guidelines Violation Fee	US $150 first violation. US $250 second violation.	When you fail to adhere to our Branding Guidelines or use marketing images or use of marketing materials that are not approved by us.	We will charge you this fee if you use, create, or distribute marketing materials not approved by us. The fee is assessed on a daily basis until you return to full compliance with the Branding Guidelines.
Unauthorized Class Format or Location	US $500 per Class.	When you hold a class format that you or your instructor is not properly certified or insured to instruct or you hold a Class outside of your franchised territory.	In addition to the right to terminate your franchise, we will also charge you $500 for each Class that you or your Instructors hold where you or your Instructor is not properly certified or insured, or you hold a Class outside of your franchised territory.
Audit	Variable	Upon completion of audit, if applicable.	If we audit your financials, and the audit was triggered by your failure to submit required reports, or the audit reveals you underreported Gross Services Revenue by more than two percent (2%).
Costs and Attorneys' Fees	Will vary with the circumstances.	As incurred	Due if we have to enforce the Agreement or if we prevail in any litigation or arbitration involving the Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
Indemnification	Amounts we incur arising from claims involving your Franchised Business.	As incurred	You must defend and hold harmless us and our affiliates for any legal claims brought as a result of the acts and omissions of you, your employees and agents.

None of these fees payable to us are refundable.

7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
Name of Expenditures	Actual or Estimated Amounts	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial franchise fee	$4,995	Lump sum	Upon signing Franchise Agreement	Us
Business license	$0 - $200	In full	Prior to opening	Applicable government agencies
Insurance	$170 - $600	Lump sum or as negotiated	Prior to opening	Insurance agent
Pre-opening Salaries, Travel and Initial Training	None	N/A	N/A	N/A
Fitness Professional Certification	$0 - $500 See fn 1	As required	As required	Professional fitness association (if not already qualified).
Rent	See fn 2			
Equipment Kits	$330 See fn 3	In full	Prior to opening	Us
In Person Boot Camp	$0 - $399	In full	Prior to attending, but only if you attend in-person training	Us

YOUR ESTIMATED INITIAL INVESTMENT				
Name of Expenditures	Actual or Estimated Amounts	Method of Payment	When Due	To Whom Payment Is To Be Made
In Person Boot Camp Travel related expenses	$0 - $600	As incurred	As required, but only if you attend in-person training	Airline, hotel, transportation providers, etc.
Additional Funds (3 months)	$400 - $2,000 See fn 4	As required	As required	Your Instructors, office products supply store, etc.
TOTAL	**$5,895 - $9,624**	Of which $5,325 - $5,724 must be paid to us		

Table Notes

1. It is industry standard that instructors pay for their own expenses associated with getting a professional fitness certification and professional liability insurance.
2. Not required, but if a separate location is desired rent will be at the prevailing market rate for the type and size of space selected. If you locate in a location separate from your home or preexisting fitness business, you may also incur security deposits, utility deposits and perhaps other required expenses.
3. This estimate is for you to purchase ten (10) Baby Boot Camp New Client Equipment Kits (Light resistance). You will sell these kits to your new clients and purchase additional kits as required.
4. This estimate of additional funds is the minimum recommended amount to cover operating expenses, including holding a grand opening event and paying instructor expenses (if you have an instructor), for three (3) months. You may require additional working capital if sales are low or fixed costs are high.

General

We have prepared these estimates based on our experience operating a MOMLETA franchise as well as our experience coaching hundreds of franchisees through their startup operations. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your franchise. They do not provide for your cash needs to cover any financing incurred by you or your other expenses. You should not plan to draw income from the operation during the start-up and development stage of your business.

We urge you to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for your particular operation.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

1) Required Purchases

We require the following items to be purchased from us:

Baby Boot Camp Equipment Kits

You must purchase a Baby Boot Camp Equipment Kit from us for each Client that attends Baby Boot Camp classes, unless that Client has previously purchased this kit from you, another MOMLETA Franchisee or from us. The Baby Boot Camp Equipment Kit includes certain exercise equipment necessary to attend Baby Boot Camp classes.

We have configured your Client Management Platform with certain standard Plans (where Clients pay monthly) and Packages (where Clients purchase a specific number of Classes). Standard Plans include an "Enrollment Fee" for new Clients to cover their purchase of the Equipment Kit. You will waive this fee for returning Clients. We do not include an Enrollment Fee on Packages so you will need to sell Equipment Kits separately for new Clients purchasing a Package.

Core9 Diastasis Repair Program

If you offer Diastasis Repair services, you must do so under our Core9 Diastasis Repair Program. You must purchase a Core9 Diastasis Repair Program from us for each client that purchases Diastasis Repair services from you, unless that client has previously purchased the Core9 Diastasis Repair Program from us or another MOMLETA Franchisee.

You can either simply resell our Core9 Diastasis Repair Program to your clients (in which case you purchase it from us at wholesale and sell it to your clients at our standard retail price), or you can sell "Core9 Diastasis Repair Program PLUS" where you include additional hands-on Diastasis Repair services that you or your Instructors provide.

See additional details on the Core9 Diastasis Repair Program in Items 11 and 16.

Core9 Equipment Kits

You must purchase a Core9 Equipment Kit from us for each client that purchases Diastasis Repair from you, unless that client has previously purchased a Core9 Equipment Kit from you, another MOMLETA Franchisee or from us. The Core9 Equipment Kit includes certain exercise equipment necessary to participate in either the Core9 Birth Recovery Program (exclusively offered by us) or the Core9 Diastasis Repair program (offered by you and us)

Karna Balls

You must purchase a Karna Ball from us for each client that attends MOMLETA Core or MOMLETA HIIT classes, unless that client has previously purchased a Karna Ball from you, another MOMLETA Franchisee or from us.

We are the only approved supplier for Equipment Kits and the Karna Ball. Clients do not need to purchase an Equipment Kit or Karna Ball if they are attending a complimentary class.

MOLO Annual Wellness Challenge Apparel

You must charge clients a MOLO Enrollment Fee to participate in our MOLO Annual Wellness Challenge. This Enrollment Fee includes access to the online MOLO Community, ongoing client communications and an exclusive apparel item for the current MOLO Challenge. You are required to order this exclusive apparel from us for all clients participating in MOLO.

2) Required and Approved Suppliers

You must purchase all exercise equipment (including resistance products such as resistance tubing, weighted and non-weighted balls, stability equipment and agility equipment such as an agility ladder, but excluding exercise or yoga mats) from us or our approved supplier(s). If you purchase from an approved supplier, we may require you to use a specific unique url or purchase code so that we may track purchases by all franchisees so that we can most effectively negotiate our purchasing terms for the benefit of all franchisees. The current list of other approved suppliers of exercise equipment is published on the Business Development Center.

If you require additional copies of our instructor training materials, you or your instructor(s) must purchase these from us.

We require you to use various third-party platforms we have integrated with our website and with each other. Specifically, we require you to use the Client Management Platform ("CMP"), Marketing Automation Platform ("MAP") and Instructor Management Platform that we provide, in accordance with the standards outlined in our Operations Manual and described in section 5 of this Item

With the exception of exercise equipment and instructor training materials, we do not require you to purchase or lease from us or from any particular supplier any goods, services, supplies, fixtures, equipment, inventory or real estate. We may from time to time in the future specify suppliers for additional items and if we do, you will be required to purchase from those suppliers.

We require all instructors teaching MOMLETA Classes or Programs to maintain professional liability insurance with a combined single limit for bodily injury, death or property damage of not less than $1,000,000 per occurrence and $3,000,000 in aggregate claims per year. This requirement may be satisfied by you obtaining a policy with the above limits covering all of your Instructors (including yourself if you teach MOMLETA Classes or Programs) or it may be satisfied by each Instructor purchasing an individual professional liability policy meeting these requirements. We do not require you or your instructors to use any particular insurance provider, providing that the insurance you obtain meets the requirements outlined in the franchise agreement.

3) Related Party Suppliers

As of the issuance date of this Disclosure Document none of our officers owns an interest in any required supplier.

4) Approval of Alternative Suppliers

If you wish to use the Licensed Marks on apparel that you don't purchase from us you must do so in accordance with the standards and specifications stated in the Operations Manual and the Branding Guidelines. You must present us with information about the apparel supplier on a form made available to you in the Business Development Center and you must send us a sample of each item of apparel on which you propose to use the Licensed Marks, together with drawings and specifications of how you propose to add the Licensed Marks to the item. We will approve or disapprove each item requested in our sole discretion and on an item-by-item basis, within 15 days from the time we receive the required information. We charge US $35 to review each item. The workmanship and materials must be durable and of high quality and meet our approval.

We may, at our sole discretion and in our sole business judgment, revoke an approval of an alternative apparel item or supplier. We will notify you in writing and at that point you are no longer authorized to purchase additional quantities of such previously approved item(s), but you may, and again at our sole discretion, be allowed to use and distribute any existing inventory for that item(s) that you may have on hand.

We are the only approved supplier for branded apparel.

5) Specifications and Standards

<u>Client Management Platform</u>

We have partnered with Pike13, a division of Jonas Software USA LLC, to use the Pike13 platform as our CMP. We use the terms "CMP" and "Pike13" interchangeably. Should we change our CMP in the future we will ensure that our new CMP solution provides substantially all of the major functionality offered by Pike13.

Pike13 enables you to maintain your own local franchise information, including details on Locations, Instructors, Pricing, Schedule and Client communication templates. As you maintain your information in Pike13 you can also decide what Clients can buy compared to what you and your team can sell. Your Clients, and potential Clients, can find your franchise through our main MOMLETA website.

Pike13 enables Clients to purchase Plans & Passes for your Services, as well as to enroll into Classes, Programs, Courses and Events once they have a valid Plan or Pass. Your staff will also be able to sell Clients Services and to enroll into them on behalf of Clients using either a web browser or a mobile device. ~~Finally, Clients will be able to manage their own MOMLETA account using a dedicated and branded mobile App.~~

You will be required to sign a merchant processing agreement with Transnational Bankcard LLC, a third-party merchant processor, who will process all Client transactions in your CMP on your behalf.

We require you to use Pike13 for all aspects of your local franchise, including recording all Client purchases and Class Enrollments into it. We do not mandate that all transactions go through your linked merchant account, but if you accept a check, cash or non-linked merchant account payment we require you to manually enter these transactions into Pike13.

We have configured Pike13 as follows:

i. General Settings

We have configured many of Pike13’s general and advanced settings on your behalf. This includes configuring, among other items, the default specifications for gathering Client data, the default Physical Activity Waiver we require your Clients to electronically sign, default client communications and references to your social media accounts.

Some of these settings may be updated by you and some may only be changed by us. We have included details of which fields have been “locked down” in the Technology Center portion of the BDC.

ii. Services

We have developed a standard list of Services that you may deliver to your Clients. These include Classes (such as Baby Boot Camp), Programs (such as MOMLETA Run Club), Courses (such as Core9 Diastasis Repair) and Events (such as our MOLO Annual Wellness Challenge and MOMLETA Community Events).

You may only deliver the standard Services we have developed, although you may submit a request through our Business Development Center for you to offer additional Services. If we approve your request to offer these additional Services, we will make them available to all Franchisees as part of our standard CMP configuration.

iii. Plans & Passes

We have developed a standard list of Plans (a recurring monthly purchase) & Passes (one time purchases where unused credits expire after 90 days unless prohibited by state law) that you may sell to your Clients. You will set the price for your Plans & Passes and can also configure whether a Client can purchase a particular Plan or Pass, or whether that Plan or Pass can only be sold by you and your Staff.

You may only offer and sell the standard Plans & Passes we have developed, although you may submit a request through the BDC for you to offer additional options to your Clients. If we approve your request to offer additional Plans & Passes, we will make them available to all Franchisees as part of our standard CMP configuration.

In the future, and at our sole discretion, we may introduce a minimum price policy as part of our Franchise System which we will require all Franchisees to comply with.

We maintain data access rights for Pike13 in accordance with the Data Rights Addendum to your Franchise Agreement.

Marketing Automation Platform (“MAP”)

We have partnered with Constant Contact as our Marketing Automation Platform (“MAP”). We have developed a variety of email marketing Templates within EMMA to support our standard marketing campaigns. We require you to use our MAP for all email marketing and to use the Templates and brand images we provide.

Should we change our MAP in the future we will develop similar email marketing Templates in the new system prior to the changeover to the new MAP.

We maintain data access rights for the MAP in accordance with the Data Rights Addendum to your Franchise Agreement.

MOMLETA Instructor Network

We require you to notify us of any new Instructors that you wish to teach Classes and Programs for your franchise so that we can issue them an invitation to the MOMLETA Instructor Network. Once they accept this invitation, which requires accepting our terms and conditions and payment of a monthly fee of US $5, we will then issue them an account for the MOMLETA Instructor Network, including the Instructor Management Platform.

We require all Instructors to be active members of the MOMLETA Instructor Network in order for them to be able to teach MOMLETA Classes.

Instructor Management Platform

We have partnered with Club Connect as our Instructor Management Platform.

We require you to ensure all of your Instructors keep their Account Profiles in Club Connect up-to-date. This includes their fitness qualifications, CPR certification dates and insurance policy and expiration information. Club Connect will then provide you with notifications of any upcoming expirations in your Club Connect dashboard.

Club Connect also provides you and your Instructors with access to a large library of online CEC courses, many of which are available for free.

We require you to notify us when an Instructor is no longer teaching for you so that we can remove them from the MOMLETA Instructor Network and Club Connect.

We maintain data access rights for the MOMLETA Instructor Network and Club Connect in accordance with the Data Rights Addendum to your Franchise Agreement.

Social Media Platforms

We have established business social media “parent” accounts with Facebook and Instagram. If you created your local business social media account before we had established these “parent” accounts, we require you to work with us to convert your local business account into a “child” account of our parent accounts.

We maintain data access rights for your social media accounts in accordance with the Data Rights Addendum to your Franchise Agreement.

We reserve the right to change any of these third-party platforms at our sole discretion, provided that the replacement platform we provide has substantially similar functionality.

6) Revenue from Franchisee Purchases

For our fiscal year ended December 31, 2023 our total revenue from all sources was $26,373. Our revenues from the sale of exercise equipment and instructor training materials to franchisees was $1,706.42 (6.5%). ~~For our fiscal year ended December 31, 2022 our total revenue from all sources was $37,472. Our revenues from the sale of exercise equipment and instructor training materials to franchisees was $3,053 (8.1%).~~

7) Purchases from Us as a Percentage of Your Total Purchases

We estimate that purchases of exercise equipment purchased in accordance with our specifications, including Client Equipment Kits, will represent less than 10% of your total purchases to establish the business and between 5% and 10% of your ongoing operating costs.

8) Supplier Payments to Us based on Your Purchases

Currently we do not receive revenue or other benefits from designated suppliers based on purchases made by our Franchisees, but we may do so in the future.

9) Purchasing or Distribution Cooperatives

We do not have any purchasing or distribution cooperatives

10) Negotiated Purchase Arrangements

We have not negotiated any purchase arrangements with suppliers on your behalf.

11) Material Benefits

We do not provide or withhold material benefits to you (such as renewal rights or the right to purchase additional Locations or to expand your Territory) based on whether or not you purchase through the sources we designate or approve. However, purchases of unapproved products or from unapproved vendors in violation of the Franchise Agreement will entitle us, among other things, to terminate your Franchise Agreement.

9. FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Item in Disclosure Document
a. Site selection	Sections 1.7, 1.13 and 2.2	Items 11 and 12
b. Pre-opening purchases/ leases	Sections 4, 5 and 7	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Not Applicable	Items 8 and 11
d. Initial and ongoing training	Section 4, 5.9	Items 6 and 11
e. Opening	Not Applicable	Item 11
f. Fees	Sections 4.1, 4.2, 4.6.4, 5, 8.3, 9.4 and 10.3.3	Items 5, 6 and 7
g. Compliance with standards and policies/ Operating manual	Sections 3.1, 7 and 8	Items 8, 9, 11, 14, 15, 16 and 17
h. Trademarks and proprietary information	Section 3	Items 8, 13 and 14
i. Restrictions on products/ services offered	Section 8	Items 8 and 16
j. Warranty and customer service	Section 7.9	Not Applicable
k. Territorial development and sales quotas	Sections 7.1	Item 12
l. Ongoing product/service purchases	Not Applicable	Not Applicable
m. Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable
n. Insurance	Section 7.11	Items 6, 7 and 8
o. Advertising	Section 6	Items 6, 7, 8 and 11
p. Indemnification	Section 13 of Franchise Agreement, Transfer & Release Agreement, Section 12 of Data Rights Addendum	Item 6
q. Owner's participation/ management/staffing	Sections 4.1, 7.1, 7.2 and 7.3	Item 15

Obligation	Section in Agreement	Item in Disclosure Document
r. Records/reports	Section 7.12	Item 11
s. Inspections/audits	Section 7.13, Data Rights Addendum	Item 6
t. Transfer	Section 11	Items 6 and 17
u. Renewal	Section 9	Items 6 and 17
v. Post-termination obligations	Section 10.3	Item 17
w. Non-competition covenants	Section 12	Item 17
x. Dispute resolution	Section 15	Item 17

10. FINANCING

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

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

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

1) Pre-Opening Assistance

Within thirty (30) days of you executing the Franchise Agreement, and before you begin providing services to the public, we will provide the following start-up assistance:

1. **Operations Manual**. We will loan you a copy of (or provide you electronic access to) the Operations Manual. (Franchise Agreement – paragraph 4.6.1)
2. **Branding Guidelines**. We will provide you with a copy of our Branding Guidelines. (Franchise Agreement – paragraph 4.6.2)
3. **Initial Training**. We will provide you with New Owner Orientation Training and Instructor Training materials for all MOMLETA Class Formats. (Franchise Agreement – paragraph 4.6.3)
4. **Email Account**. We will provide you with a Google Workspace account for the duration of your agreement with an email address specified by us, in the format: firstname.lastname@momleta.com (Franchise Agreement – paragraph 4.6.4)
5. **Access to the Business Development Center ("BDC")**. The Google Workspace account that we provide will enable you to access our Business Development Center as well as a number of Google Drives that we collectively refer to as "myMOMLETA" and "ourMOMLETA". We will provide you with training on how information is organized in these systems. (Franchise Agreement – paragraph 4.6.5)

6. **Access to Franchisee Webstore**. ~~We will provide you with a username and password to enable you to access our Franchisee Webstore.~~ In addition to being able to order promotional items and equipment you will be able to customize and order certain marketing materials, including obtaining digital downloads. We will provide you with training on how materials are organized in this system. (Franchise Agreement – paragraph 4.6.6)
7. **Access to Client Management Platform ("CMP")**. We will provide you with a username and password to access your Client Management Platform. Your CMP enables you to maintain various details of your franchise, including Locations, Instructors and Schedule as well as Pricing details of available Plans & Passes. The CMP integrates with a merchant processing account, provided under a separate agreement with Transnational Bankcard LLC ("TNP"), linked to your business checking account. (Franchise Agreement – paragraph 4.6.7)
8. **Access to Marketing Automation Platform ("MAP")**. We will provide you with an account in our MAP. You are required to use the MAP for any email marketing campaigns you undertake. (Franchise Agreement – paragraph 4.6.8)
9. **Access to MOMLETA Instructor Network ("MIN")**. We will provide you with a username and password to access the MIN which contains training materials and resources for Instructors as well as our Class and Program Instructor Training. We will provide access to your Instructors once they have purchased a membership in the MIN. (Franchise Agreement – paragraph 4.6.9)
10. **Access to Instructor Management Platform**. We will provide you, and your Instructors once they have joined the MIN, with an account in our Instructor Management Platform. We require you and your Instructors to maintain an up-to-date Account Profile (fitness qualifications, CPR certification dates and insurance policy and expiration information) in this platform. This platform provides you and your Instructors with access to a large library of online CEC courses, many of which are available for free. (Franchise Agreement – paragraph 4.6.10)
11. **Access to Financial Reporting System ("FRS")**. We will provide you with access to FRS through your myMOMLETA Drive. FRS includes guidance on how to categorize and report your results and we provide additional guidance and examples in the BDC. (Franchise Agreement – paragraph 4.6.11)

2) Time before Opening

We estimate that the length of time between signing a Franchise Agreement and the opening of your franchise is approximately 12 weeks. Factors that affect this estimate include time of year, time to select and secure appropriate locations to deliver classes, weather conditions, ability to obtain appropriately qualified instructors, your diligence in completing required training and acts of others beyond our control.

3) Continuing Assistance

We have the following obligations to you during the operation of your business:

1. **Systems Access.** We will provide ongoing access to your email account and the various systems noted above.
2. **Promotional Products**. We will maintain a selection of promotional products, including exercise equipment, that you may order through our Franchisee webstore. (Franchise Agreement – paragraph 4.7.2)
3. **Advertising Materials**. We will provide you with electronic access to advertising materials in jpeg, png, PDF or other formats of our choice through the Business Development Center and "ourMOMLETA". We shall provide you with a variety of advertising formats suitable for advertisements and flyers. You shall bear all expense for copies and distribution of the materials for use and distribution by you. You shall pay all supply, shipping and other costs associated with ordering advertising materials from us. (Franchise Agreement – paragraph 4.7.3)
4. **Updates to Services**. We, at our discretion, may revise the structure of a Class, Program, Course or Event (collectively Services), whether included with your franchise or purchased separately from us. If we significantly revise a Class Format, as determined by us, we will provide you with updated training materials for that Class Format at no charge. (Franchise Agreement – paragraph 4.7.4)
5. **Annual Conference**. We will organize an annual franchise owner and instructor conference. We, at our sole discretion, may elect to hold the conference as an in-person conference or to hold it virtually. We will provide you with three (3) months' notice prior to establishing the conference dates and will publish our Annual Conference Fee a minimum of (3) months prior to the conference start date. We will collect the Conference Attendee Fee from you through our Franchisee Billing System thirty (30) days before our conference start date. If you own multiple franchises, we will only charge this fee once. We will make additional Conference tickets available for purchase for Instructors in the Franchisee Webstore and the MOMLETA Instructor Network.

   Our Annual Conference Fee will be between $199 and $399 for an in-person conference, and between $99 and $199 for a virtual conference, depending on conference duration, location and our production costs. (Franchise Agreement – paragraphs 4.8 and 5.11)
6. **Continuing Consultations**. We will provide a continuing consulting service. (Franchise Agreement – paragraph 4.9)

4) Advertising

Local Marketing

Your advertising must be in good taste and conform to ethical and legal standards and our brand guideline requirements. You do not need to obtain our approval to use the marketing materials that we make available to you through our Franchisee webstore or the Business Development Center, “myMOMLETA” and “ourMOMLETA” if you use them in substantially the same form as we provide them. You may not use any other advertising materials in any media, electronic or otherwise, without prior written approval. We will notify you or our approval or disapproval within 7 business days of your submission of other advertising materials to us for our review and base our approval on our published Branding Guidelines and business judgment.

You must at all times maintain up to date information on your MOMLETA website pages which will be accessible to all potential customers using the internet.

We require you, and your instructors, to wear branded apparel when teaching classes in accordance with our Instructor Guidelines, available to you and your instructors through the MOMLETA Instructor Network (“MIN”).

National Marketing

We, at our discretion, may advertise the MOMLETA programs in national or regional print media, radio, television, electronic media, or other media of our choice, including direct mail and mailings through our partners and sponsors. We are free to determine whether to advertise in cooperation with a partner or other third-party company.

We may periodically conduct promotional campaigns on a national or regional basis to promote products or marketing themes. You must participate in all promotional campaigns that we may establish for the region in which your franchise is located. (Franchise Agreement – paragraph 7.13)

We anticipate that you will incur little, if any, direct costs to comply with these promotional campaigns, but that you may have to perform additional activities, such as supporting a product sampling initiative within your customer base. We estimate that your participation in promotional campaigns will constitute an insignificant percentage of your costs to establish the business and your future operating costs.

Cooperative Advertising Fund

There are no advertising funds.

Advertising Cooperatives

There is no advertising council (comprised of franchisees that advises us on advertising policies), and we are not planning to establish an advertising council.

There are currently no local or regional advertising cooperatives. Should any cooperatives form, we would not mandate that you join such a cooperative, although we may, at our discretion, encourage franchisees to form a regional advertising cooperative by providing co-operative advertising fund matching dollars (at a percentage of our discretion and to be determined on a case-by-case basis) that we make available to such cooperatives. We would not have the power to require cooperatives to be changed, dissolved or merged.

5) Computer Systems and Equipment

We require you to be able to access the internet through a web browser for the duration of the franchise term.

We do not require you to purchase specific computer hardware or software, but you must have regular access to a computer from which you can access the Internet. You can use a computer at your local library if you do not own one.

We will have independent access to the data generated through our websites, including the data generated and stored through the various third-party platforms that we provide you with access to. There are no contractual limitations on our right to access and manipulate this data (for example, we can choose to add required data fields for your customers and to remove data fields for your customers that we deem are no longer necessary to operate our franchise system).

Our data access rights and obligations, including our obligations relating to our decision to comply with the General Data Protection Regulations ("GDPR") adopted by the European Union, are defined in the Data Rights Addendum to your Franchise Agreement.

6) Operations Manual

We have attached as Exhibit "D" a copy of the table of contents of our Operations Manual as of March 31, 2019 (212 pages).

7) Training Program

We provide business training for you, the Franchisee. We also provide instructor training for you and your Instructors to deliver MOMLETA Services, including Classes and Programs.

All Training materials are confidential and proprietary materials of Inspiring Wellness LLC.

i) Business Training

General

Business training is delivered by various members of our Corporate Team. Ms. McQueen has overall responsibility for our business training curriculum. Ms. McQueen has been a certified fitness professional since 2008.

Access to our Training Materials

We provide you with electronic access to our Business Training materials through the Business Development Center.

Business Training – New Owner Orientation

We provide “New Owner Orientation Training” through web-based online training sessions (“webinars”) or, at your election, an in-person one-day workshop at our Oakland, California headquarters (“In-person Business Boot Camp”). We require you to complete New Owner Orientation Training either online or at an In-person Business Boot Camp, within 90 days of executing your Franchise Agreement.

NEW OWNER ORIENTATION TRAINING			
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Establishing Your Franchised Business	4	0	Online (webinar) OR Oakland, California (in-person)
Marketing Your Business	2	0	Online (webinar) OR Oakland, California (in-person)
Business Administration	4	0	Online (webinar) OR Oakland, California (in-person)
Website Administration and Record Keeping	2	0	Online (webinar) OR Oakland, California (in-person)

If you wish to attend the In-person Business Boot Camp you must inform us within 10 days of signing your Franchise Agreement and we will schedule the workshop within 50 days of your request. You are required to pay the workshop fee a minimum of 30 days prior to the scheduled workshop.

You must complete New Owner Orientation Training within 60 days of executing your Franchise Agreement. You will not be able to open your franchised business until we are satisfied you have completely reviewed all subjects included in New Owner Orientation Training.

Training Fees – New Owner Orientation Training

We do not charge any fee for New Owner Orientation Training, or for our standard phone or Internet based coaching and support.

If you wish to attend the In-person Business Boot Camp we charge a fee of US $399 per attendee, not including your costs of travel, meals and accommodation. The In-person Boot Camp is held at our Oakland, California, headquarters.

Business Training – MOLO Annual Wellness Challenge

We provide a “MOLO Annual Wellness Challenge” (“MOLO”) business training program in December of each year for Franchise Owners to support the MOLO Annual Wellness Challenge for MOMLETA clients that happens in February of each year. MOLO business training is offered through web-based online training sessions (“webinars”).

You are not required to offer the MOLO Annual Wellness Challenge to your clients, although we highly encourage our Franchise Owners to participate in MOLO as it can significantly boost your local business, both with new client enrollment and with enhanced client motivation and satisfaction.

MOLO business training is delivered by various members of our Corporate Team. Ms. McQueen has overall responsibility for our MOLO Annual Challenge training curriculum.

MOLO BUSINESS TRAINING			
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
1) MOLO Annual Wellness Challenge Overview	1	0	Online (webinar)
2) Delivering a successful MOLO Annual Wellness Challenge	3	0	Online (guide)

MOLO Business Training includes training materials for your Instructors who will be providing MOLO Assessment Services to your Clients who enroll in the MOLO Annual Wellness Challenge. We will make these instructor training materials available in the MOMLETA Instructor Network in January of each year.

All Instructors that provide MOLO Assessment Services must be currently certified to teach one of our Class formats (Baby Boot Camp, MOMLETA HIIT or MOMLETA Core). They must also be a current member of the MOMLETA Instructor Network with an up-to-date Instructor Account Profile.

Training Fees – MOLO Business Training

We do not charge you any fees for the MOLO Business Training. In order to run the MOLO Annual Wellness Challenge for any given year the Principal Owner, or their designated instructor, must complete the MOLO Business Training for that particular year.

Business Training – MOMLETA Run Programs

We include business training for MOMLETA Run Programs within the Instructor Training materials for Run Programs as many of our Franchisees have a designated Instructor who manages MOMLETA Run Programs for their franchise. We will make these materials available to you, and your designated Instructor(s), upon payment of the Run Programs Training Fee.

Once you have completed MOMLETA Run Programs Training we will configure Pike13 so that you can sell MOMLETA Run Club and Run Programs to your Clients under our approved MOMLETA Run Programs Plans & Passes.

Training Fees – MOMLETA Run Programs

The MOMLETA Run Programs Training Fee is US $199. This is a one-time fee and is good for the duration that you own your Franchise, including any and all Franchise Renewals. This Fee covers Run Programs Training for you and your Instructors.

ii) Instructor Training and Certification

General

Ms. McQueen oversees our overall Instructor Training and Certification Programs. Ms. McQueen has been a certified fitness professional since 2008, an ACSM certified personal trainer since 2010. She is a certified prenatal and postpartum fitness instructor, a TRX certified Group Fitness Trainer and REVO2LUTION Certified Run Trainer. Our training was initially developed by our Founder, Ms. Horler, who is a continuing education provider for ACE and AFAA, a regular presenter at national fitness conventions and who writes for several industry newsletters and magazines on fitness and nutrition. Ms. Horler completed her Masters of Science degree in Sports & Fitness Nutrition from Northeastern University in December 2015.

We typically release updates to our Instructor Training Materials every three years, reflecting evolution of our class formats and incorporating additional research on the fundamentals of prenatal and postpartum exercise as this research becomes available. Our instructor training programs were last updated as follows: Baby Boot Camp (February 2021), MOMLETA HIIT and Core (March 2021) and Run Training (September 2018).

Our Instructor Training Materials, although comprehensive, assume a certain level of fitness training knowledge and qualifications. Accordingly, we require all instructors to also maintain an approved fitness certification (such as personal trainer or group exercise instructor) from an ICE-approved fitness certifying organization (such as ACE, AFAA, ACSM, NASM) and to be current with all on-going continuing education requirements prior to taking our Instructor Training.

At our discretion we may make additional training options available, covering items that we deem to be of interest to franchise owners. Should we make such additional training available then we may offer it as in-person training or via distance learning, at our sole discretion. We may elect to charge for such training or to make it available for free provided that you are in good standing under the terms of your Franchise Agreement. Should we offer such additional training we will notify you and, potentially, your Instructors, but attendance at such training will be strictly optional. Each participant that attends any in-person training will be responsible for paying their own travel and living expenses to attend.

Access to our Training Materials

We provide you, the Franchise Owner, with electronic access to our MOMLETA Instructor Network ("MIN") as part of your Franchise at no additional charge.

If you would like additional Instructors to teach classes for your MOMLETA Franchise then they will need to join the MOMLETA Instructor Network. Once they have joined the MOMLETA Instructor Network (by accepting our terms and by paying a US $5 monthly fee) they will then be able to purchase Instructor Training through our Instructor Webstore. They will receive access to our Training Materials based on the training they have purchased.

We require any Instructor, including you if you will be teaching classes yourself, to complete Instructor Training and pass the related Instructor Examination, to our satisfaction, prior to teaching any classes.

Instructor Training – Classes

We include Instructor Training for MOMLETA Classes with the franchise for the Principal Owner. This training is personal to you and is not transferable to an Instructor.

INSTRUCTOR TRAINING – Classes			
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Baby Boot Camp 1) Fundamentals of Prenatal and Postpartum Fitness Covers: female lifecycle; anatomical structure; pelvic core fundamentals; impact of pregnancy on women & exercise; prenatal & postnatal exercise programming; common issues & modifications; and instructor standards. 2) Baby Boot Camp class structure.	5 2-4	0-8 We provide 2–4 hours of class instruction training each year at our annual conference.	Home Study Nearby franchise locations, online or our annual conference
MOMLETA Core & MOMLETA HIIT (combined training) 1) Fundamentals of Prenatal and Postpartum Fitness Covers: female lifecycle; anatomical structure; pelvic core fundamentals; impact of pregnancy on women & exercise; prenatal & postnatal exercise programming; common issues & modifications; and instructor standards. 2) MOMLETA Core Class Structure 3) MOMLETA HIIT Class Structure	5 2 2	0-8 4 4	Home Study Nearby franchise locations, online or our annual conference

1 We encourage new Franchise Owners and Instructors to attend, train with and co-teach with existing instructors if there are established Baby Boot Camp classes in the general vicinity of the new franchise owner. This may or may not be feasible based on geographical considerations.

Instructor Training Fees and Policies – Classes

If you want additional Instructors to teach classes for your MOMLETA Franchise they will need to join the MOMLETA Instructor Network. Once they have joined the MOMLETA Instructor Network they can then purchase Instructor Training from our Instructor Webstore.

The Instructor Training Fee for Classes is US $149 per Class (MOMLETA Core and MOMLETA HIIT are one combined course).

We require all Instructors (including Instructors who are Franchise Owners) to be recertified every two (2) years. The recertification Fee for Instructors is $10. We do not charge a fee for recertifying a Franchise Owner.

Instructor Training – MOMLETA Run Programs

INSTRUCTOR TRAINING – MOMLETA Run Programs			
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
MOMLETA Run Programs			
1) How to establish MOMLETA Run Programs	3	0	Home Study
2) MOMLETA Run Club	2		
3) 5K Training Program	2		
4) Half Marathon Training Program (including 10K)	3		
5) The Runner's Clinic	2		

Instructor Training Fees and Policies – MOMLETA Run Programs

Once you have paid the MOMLETA Run Programs Training Fee for your Franchise (described above under "Business Training") you may request us to provide access to Run Programs Training for any of your Instructors. Once we verify that your Instructor is eligible for this training then we will provide this training to your Instructor at no charge.

All Instructors that provide any Services for your Run Programs must be currently certified to teach one of our Class formats (Baby Boot Camp, MOMLETA HIIT or MOMLETA Core). They must also be a current member of the MOMLETA Instructor Network with an up-to-date Instructor Account Profile and have completed Run Programs Training. There are no recertification requirements for Run Programs Training.

Instructor Training – Core9 Diastasis Repair

We offer a number of training Courses to consumers under the "Core9" brand, including directly selling these Courses to your Clients.

If you wish to offer Diastasis Repair services you must do so under our Core9 brand and you must complete our "Core9 Diastasis Repair" course before doing so.

INSTRUCTOR TRAINING – Core9 Diastasis Repair			
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Core9 Diastasis Repair 1) Introduction Program Overview, Female Anatomical Structure & Birth Recovery, Diastasis Recti Assessments, SPD, C-section, Pelvic Pain, Posture, Alignment, Postpartum Abdominal Binding. Physical, Emotional, and Social Changes. Birth Recovery Modifications. Six to 16-week Rule. Sixteen-week Postpartum Assessment. 2) Diastasis Repair Program Course Objectives, Session One through Four Movements.	8		Online.

Instructor Training Fees and Policies –Core9 Diastasis Repair

The Retail Price for our Core9 Diastasis Repair Program is US $149. The wholesale cost for you or your Instructors to purchase this course from us is US $99.

If you would like your Instructors to lead local Diastasis Repair workshops, they must: complete the Core9 Diastasis Repair Program; be a current Baby Boot Camp or MOMLETA HIIT and Core certified instructor; be in good standing in the MOMLETA Instructor Network; and maintain a current Account Profile in Club Connect.

Instructors can purchase the Core9 Diastasis Repair Program from us in the MOMLETA Instructor Network Webstore.

Our rights to sell “Core9 Consumer Training”, and how we require you to offer Diastasis Repair to your clients, are described in more detail in Items 12 and 16 below.

12. TERRITORY

1) Location of Your Business

You are unilaterally free to select the actual Location(s) at which you offer our programs, provided these Locations are wholly located within your franchised Territory. We require you to obtain all necessary permits and insurance required to operate at your selected Location(s).

We do not select Locations for you or approve the Locations you select, but these Locations must meet the standards and criteria outlined in the Operations Manual. Examples of Locations may be a park, a church, a mall or a track within your Territory.

2) Territory

Your Territory means the contiguous geographic region within which you are authorized to operate the franchised business. Your Territory will be defined in an Exhibit to your Franchise Agreement and is defined in terms of zip codes. We may, at our sole discretion, define your Territory to include a portion of a zip code, but our general operating practice is that a Territory must consist of one or more complete and contiguous zip codes. A Territory may not exclude wholly encircled zip codes. We use government census data to determine Territory population and may consider other factors, such as hospitals, doctors' offices and potential Location options when working with you to finalize your Territory.

The total population of your Territory must generally be a minimum of 60,000 people to provide a viable demographic of people in your target audience who are located within a reasonable driving distance.

3) Changing your Locations or Territory

You may change the Locations at which you offer services within your Territory at any time, for no fee. We do not require you to inform us in advance that you are changing Locations. We do require that you obtain all necessary permits and insurance required to operate at all of your Locations. Generally, you will satisfy the insurance requirement by adding the Location as an Additional Insured Party to your existing insurance policy.

You may change your Territory in the future, including completely relocating your business to another geographic region where we offer franchises, providing that: you are in good standing under your Franchise Agreement and any other agreement(s) you may have with us; you release us from any claims that may arise in your original Territory; you pay the Territory Change Fee in effect at the time; and your requested new Territory is available and complies with our Territory Definition Standards.

4) Your Rights to Acquire Additional Franchises or Expand Your Territory

We do not grant any options, rights of first refusal or similar rights to acquire additional Franchises or to acquire additional Territory to expand your existing Franchise.

You may acquire additional Franchises providing that you are in good standing under your Franchise Agreement and any other agreement(s) you may have with us and upon executing the current Franchise Agreement in effect at the time for the additional Franchise(s).

Your initial Territory will be a "Tier 1" (see table below), but you have the option to upgrade your Territory size once you have established your business provided that a larger Territory is available at the time you request the upgrade.

Tier	Territory Population
1	Up to 100,000
2	Up to 200,000
3	Up to 300,000

You may expand your Franchise Territory providing that: you are in good standing under your Franchise Agreement and any other agreement(s) you may have with us; you release us from any claims that may arise in any Territory you are releasing back to us; you pay the Territory Change Fee or Territory Upgrade Fee (if this expansion causes your Territory to become a higher Tier); and your requested additional Territory is available.

If expanding your Territory causes your Territory to become a higher Tier, your minimum monthly royalty will increase (see Item 6 of this Disclosure Document for more details).

5) Your Territory Exclusivity

You have the exclusive right to offer in-person Classes, Programs and Events within your Territory. We may not operate, or authorize another franchisee to operate, MOMLETA Classes, Programs and Events from physical locations within your Territory.

We grant your Territory Exclusivity in anticipation of you operating your Franchise in accordance with the System Standards outlined in our Operations Manual, the Branding Guidelines, the Business Development Center, the MOMLETA Instructor Network and any System Memorandum that we provide.

Your Territory Exclusivity is dependent upon you operating your Franchise in accordance with our System Standards and remaining in good standing under your Franchise Agreement and any other agreement(s) you may have with us. It is not contingent upon any other factors and may not be altered, other than by mutual agreement in writing, once awarded.

6) Our Rights Within Your Territory and Your Rights Outside Your Territory

We retain the right to sell merchandise (including the consumer fitness training courses we offer under the "Core9" brand) through mail order, internet, television, newspaper and any other advertising media to consumers located anywhere, including within your Territory. We do not pay any compensation for retail orders accepted from clients within your Territory.

In addition, we may, at our option, offer virtual fitness classes under the "MOMLETA Online" brand which we may sell to customers located anywhere, including within your Territory. Since establishing MOMLETA Online in March 2020 it has been our practice to refer potential customers to a Franchisee if they are located within that Franchisee's Territory so that the Franchisee may sell a MOMLETA Online membership (or an in-person package). We are not obligated to maintain this practice and may choose to sell MOMLETA Online memberships directly to customers in the future.

Although we have not established, and have no current plans to establish, other franchises or company-owned outlets offering similar products or services under a different trademark, we are not restricted from doing so.

You are free to advertise and to sell products and services to clients living outside your Territory, including delivering virtual classes over the internet, but as noted above you may only physically offer MOMLETA programs at Locations within your Territory. We do not restrict your advertising, sales or distribution channels, other than requiring you to comply with our Branding Guidelines for all advertising. If you distribute advertising materials through physical locations in another franchise owner's territory or participate in marketing events located in another franchise owner's territory, we require you to comply with our "Cooperative Marketing Guidelines" which, amongst other items, require you to inform the other owner of your marketing activities and to use marketing materials that either direct the prospective client to our website or that include contact information for both franchises involved.

13. TRADEMARKS

Under the terms of the Franchise Agreement, we grant you the non-exclusive right to operate your business under the principal service mark "MOMLETA" and to use the associated logos and other trademarks (collectively referred to as the "Marks") in connection with the operation of your franchise and in compliance with our Branding Guidelines.

We are the owner of all right, title and interest in our trade name and trademarks and has received registration of the following Marks on the principal register of the U.S. Patent and Trademark Office:

Mark	Type	Registration / Application Number	Registration / Application Filing Date
MOMLETA	Word mark	Reg. No 6,092,332	Reg. Date Jun 30, 2020
Baby Boot Camp	Word mark	Reg. No. 3,922,549	Reg. Date Feb 22, 2011 Renewed Mar 9, 2020
Baby Boot Camp	Design	Reg. No. 3,206,852	Reg. Date Feb 6, 2007 Renewed Jun 13, 2016
Be fit. Be strong. Be together.	Word mark	Reg. No. 3,273,870	Reg. Date Aug 7, 2007 Renewed Jun 13, 2016
Bring your baby. Get fit.	Word mark	Reg. No. 3,392,801	Reg. Date Mar 4, 2008 Renewed Jun 8, 2017
STROLLERFIT	Word mark	Reg. No. 2,279,881	Reg. Date Sep 21, 1999 Renewed Oct 25, 2018

Mark	Type	Registration / Application Number	Registration / Application Filing Date
STROLLERFIT. EXERCISE WITH YOUR BABY.	Word mark	Reg. No. 3,027,493	Reg. Date Dec 13, 2005 Renewed Aug 1, 2015
STROLLERFIT. EXERCISE WITH YOUR BABY.	Design	Reg. No. 3,203,545	Reg. Date Jan 1, 2007 Renewed Jun 13, 2016
STROLLERFRIENDS	Word mark	Reg. No. 3,027,407	Reg. Date Dec 13, 2005 Renewed Apr 7, 2015
MOM STRONG	Word mark	Reg. No. 4,854,673	Reg. Date Nov 17, 2015
Core9	Word mark	Reg. No. 5,281,643	Reg. Date Sep 5, 2017

We have filed all required affidavits. There are currently no material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the Trademark Administrator of this State or any court; pending infringement, opposition or cancellation; and pending material litigation involving the Marks.

There are no agreements presently in effect that would significantly limit our rights to use or license the use of our Marks and we do not know of any infringing use or litigation that could significantly affect the ownership or use of our Marks.

In addition to the Marks that we own, we have licensed the following Marks from Fit Revolution, Inc.: MOMMYMUSCLE and FIT AS A FAMILY (the “FRI Marks”). The License Agreement grants us the right to use and sublicense these Marks on a perpetual basis provided that we remain in good standing with the other terms of the License Agreement.

In the event of a challenge to your use of our Marks, including the FRI Marks, we will take the action we think appropriate. We, alone, have the sole and exclusive right to control any legal action or proceeding including settlement involving service mark infringement or unfair competition against you or others. We will prosecute or defend an action at our sole discretion. You must notify us immediately upon learning about any infringement or challenge so we can take whatever action we deem is necessary. We may take over the defense of such claim at any time and settle it as we think fit.

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

You must modify or discontinue the use of a Mark if we require you to do so. If this happens, we are not required to reimburse you for any costs of discontinuance of the old Mark or establishment of the new Mark. You must not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business.

14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents material to the franchise. We own the copyrights to a variety of materials including the Operations Manual, our training materials and the content on the Business Development Center and the MOMLETA Instructor Network.

You must operate your franchise in accordance with our standards, specifications, policies and procedures as stated in the Operations Manual or otherwise communicated to you. You must treat the information contained in the Operations Manual and any other manuals or supplemental material supplied by us as confidential. The Operations Manual is our property and you may not duplicate, copy, disclose or disseminate the contents of the Operations Manual at any time, without our prior written consent. We have the right to modify or supplement the Operations Manual upon notice or delivery to you.

You may not divulge or use any confidential information concerning our methods or procedures during or after the term of the Franchise Agreement. Information made available to you may not be divulged to any person other than your employees, independent contractors or financial advisors who reasonably need access to such information for purposes of fulfilling their employment or contractual responsibilities. All persons to whom the information, or any of it, is made available shall be informed of this obligation of confidentiality.

You must promptly tell us when you learn about unauthorized use of our confidential information. We are not obligated to take any action but will respond as we think appropriate.

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

We require you to personally supervise the franchised business. You must devote at least 10 hours per week to the management of your franchised business, including your time instructing and leading MOMLETA Classes, Programs and Events.

We require all Instructors who teach MOMLETA Classes and Programs, including owner instructors, to: 1) be a Qualified Fitness Instructor (as defined in section 1.1 of the Franchise Agreement); 2) maintain appropriate professional liability insurance; 3) have successfully passed the Instructor Examination(s) to our satisfaction for the Classes and Programs being taught; 4) maintain their membership in the MOMLETA Instructor Network; and 5) maintain an up-to-date Account Profile in Club Connect.

We require you to require Instructors to sign an employee agreement or independent contractor agreement covering, at a minimum, the requirements outlined above.

16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

1) Your obligation to only sell approved Services and Merchandise

You may only offer and sell Services and Merchandise that have been designated in writing by us to be consistent with our program, and you may only sell your Services using the Plans & Passes that we have approved for you to use. All Services and Merchandise you sell and deliver to your clients must meet the standards stated in the Confidential Operations Manual and other written publications. With the exception of our Core9 Diastasis Repair Program and MOMLETA Online, which we require you to resell at our published retail price, you will set all prices for your Services. However, we may from time to time recommend certain prices to you and reserve the right to implement a Minimum Approved Pricing (MAP) policy.

Diastasis Repair

We offer “Core9 Diastasis Repair” to consumers as part of our “Core9” brand of consumer training courses. We allow you to resell this course to your clients in one of two ways:

1. As our standard “Core9 Diastasis Repair Program”
2. As part of a “Core9 Diastasis Repair Program – Workshop Package”

In both cases you will purchase our Core9 Diastasis Repair Program from us at your wholesale cost. If you resell our program under option 1 (i.e., reselling our course with no additional services) we require you to sell this to your Clients at the retail price listed in our Customer webstore (US $149 as of the date of this FDD). If you resell our program under option 2 we require you to sell this to your Clients at a minimum retail price of US $199 and include a minimum of two additional local Diastasis Repair workshop sessions that you or your Instructors will provide.

Virtual Classes

We allow you and your Instructors to deliver virtual Classes to your clients in addition to in-person Services. If you sell clients a Plan or Pass that enables them to attend your virtual Classes then we require that this Plan or Pass also enables them to attend your in-person Classes (you may offer a “virtual only” discount if you are not offering in-person Classes due to state or local government restrictions).

You may not use our name, trademarks, service marks, trade names, logotypes or commercial symbols in any business other than the franchised business or to sell any product or service not approved by us.

2) Your obligation to sell ALL Services and Merchandise we approve

We do not require you to sell all Services and Merchandise that we approve for sale through our franchise system. We recognize that each Franchise Owner’s business is unique.

3) Our rights to make changes to authorized Services and Merchandise

We have the right to make changes to the Services and Merchandise we allow you to sell and deliver, including making changes to our authorized Class Formats, Programs, Courses and

Events as well as making changes to our Merchandise including changing the specifications of exercise equipment and apparel. There are no restrictions on our rights to make such changes. Those specifications and standards may be modified by us from time to time and the modifications are effective at such time as we may disclose to you in writing or by posting to the Business Development Center.

17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	9.1 and 9.2	Initial term is three (3) years from the date of execution of the Franchise Agreement.
b. Renewal or extension of the term	9.2	You can renew providing you are not in default or in violation of the Franchise Agreement or any other agreement with us. You will renew by executing the then current Franchise Agreement, under the terms in effect at the time, including new monthly service fees, cooperative advertising fees and so on, and by paying the appropriate renewal fee. The new Franchise Agreement may Ie materially different terms. However, we cannot alter your Territory Definition or Tier as a condition of renewal nor increase your Monthly Service Fee more than 5% on renewal (and at the end of any year during the Term).
c. Requirements for franchisee to renew or extend	9.2	Sign then current Franchise Agreement, pay renewal fee, be in good standing under terms of all existing agreements with us.
d. Termination by Franchisee	10.1	You may terminate the Agreement for cause if we violate our material obligations to you and fail to cure such violation within sixty (60) days after our receipt of written notice from you.

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise Agreement	Summary
e. Termination by franchisor without cause	10.2 and 10.3	We can terminate only if you default.
f. Termination by franchisor with cause	10.2 and 10.3	We can terminate only for cause. Depending on the type of cause, we will give you an opportunity to cure (see g below) or termination will be effective on receipt of notice without opportunity to cure (see h below).
g. "Cause" defined – curable defaults	10.2	10 days to cure: Operation of business materially and adversely affects goodwill; default of any provision of franchise agreement or other agreement between the parties not covered by section 10.3; failure to follow directives and policies in Operations Manual; and failure to open your business within the agreed upon time with us. 5 days to cure: Attachment of involuntary lien over US $1,000; failure to make timely payment of sums payable under the franchise agreement; and failure to pay all debts and obligations when due.
h. "Cause" defined – defaults which cannot be cured	10.3	Non Curable Defaults: Transfers without our prior written consent; you become insolvent; you abandon business for 30 consecutive days (except due to fire, flood, etc. where you promptly recommence operations); material misrepresentations; your failure to comply with laws; repeated breaches of franchise agreement even if cured; failure to maintain required licenses or permits; we terminate any other agreement with you for good cause; disclosure of contents of Operations Manual or other confidential information; franchisee or principal owner convicted of felony or criminal misconduct; failure to complete required training; and we determine danger to public health.

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination or non-renewal	10.4	Obligations include complete de-identification, payment of all fees including Termination Fee and return of proprietary materials. Also see r below.
j. Assignment of contract by franchisor	11.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	11.2 and 11.5	Includes transfer of contract or assets or ownership change.
l. Franchisor approval of transfer by franchisee	11.2, 11.3 and 11.4	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	11.3 and 11.4	New franchisee qualifies, transfer fee paid, release signed by you, current agreement signed by new franchisee and no defaults under existing agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	11.6	We can match any offer.
o. Franchisor's option to purchase franchisee's business	11.6	Except for right of first refusal as explained in item n above, we have no right or option to purchase your business.
p. Death or disability of franchisee	11.7	The franchise must be assigned by estate to approved transferee within 3 months.
q. Non-competition covenants during the term of the franchise	12	You cannot directly or indirectly operate a competing business in your Territory or any Territory in which any MOMLETA franchisee is located. A liquidated damages provision applies should you breach the non-competition provisions.
r. Non-competition covenants after the franchise is terminated or expires	12	Same as item q above for two (2) years after termination of the Franchise.
s. Modification of the agreement	19	No modifications generally but Operations Manual, Instructor Training and systems subject to change.

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	15.1, 15.14.2 and 20.4	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	15.3	Except for certain claims, all disputes must be arbitrated in Oakland, California, in accordance with the Commercial Arbitration Rules of the American Arbitration Association.
v. Choice of forum	15.4	All litigation, court proceedings, lawsuits, arbitration and other hearings must be in Oakland, California, subject to state law.
w. Choice of law	15.1	California law applies, subject to state law.

18. PUBLIC FIGURES

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

19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchise 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 provided in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet that 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 locations. 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 franchise, the existing franchisee may provide you with actual records of that franchise. 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 our Chief Compliance Officer, Mark Horler, at the address and phone number on page 1 of this FDD or via email at compliance@momleta.com; the Federal Trade Commission; and the appropriate state regulatory agencies.

20. OUTLETS AND FRANCHISEE INFORMATION

Table 1: Systemwide Outlet Summary for Years 2021 ~~2020~~ to 2023 ~~2022~~

State	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	~~2020~~ 2021	~~49~~ 21	~~21~~ 8	~~-28~~ -13
	~~2021~~ 2022	~~21~~ 8	~~8~~ 6	~~-13~~ -2
	~~2022~~ 2023	~~8~~ 6	6	~~-2~~ 0
Company Owned	~~2020~~ ~~2021~~	0	0	0
	~~2021~~ ~~2022~~	0	0	0
	~~2022~~ ~~2023~~	0	0	0
Total	~~2020~~ 2021	~~49~~ 21	~~21~~ 8	~~-28~~ -13
	~~2021~~ 2022	~~21~~ 8	~~8~~ 6	~~-13~~ ~~-2~~
	~~2022~~ 2023	~~8~~ 6	6	~~-2~~ 0

Table 2: Transfer of Outlets from Franchisee to New Owners (other than the Franchisor) for Years 2021 ~~2020~~ to2023 ~~2022~~

State	Year	Number of Transfers
~~Indiana~~	~~2020~~	~~1~~
	~~2021~~	~~0~~
	~~2022~~	~~0~~
New Jersey	~~2020~~ 2021	0
	~~2021~~ 2022	~~0~~ 1
	~~2022~~ 2023	1
Total	~~2020~~ 2021	~~1~~ 0
	~~2021~~ 2022	~~0~~ 1
	~~2022~~ 2023	1

Table 3: Status of Franchised Outlets for Years 2021 ~~2020~~ to2023 ~~2022~~

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Not Renewed	Re-acquired	Ceased Other Reasons	Outlets at End of Year
~~Arizona~~	~~2020~~	~~1~~	~~0~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~
	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
California	~~2020~~ 2021	~~10~~ 4	0	0	~~5~~ 2	0	~~1~~ 0	~~4~~ 2
	~~2021~~ 2022	~~4~~ 2	~~0~~ 1	0	~~2~~ 0	0	0	~~2~~ 3
	~~2022~~ 2023	~~2~~ 3	~~1~~ 0	0	0	0	0	3
Florida	~~2020~~ 2021	~~6~~ 2	0	0	~~0~~ 1	0	~~4~~ 1	~~2~~ 0
	~~2021~~ 2022	~~2~~ 0	0	0	1	0	~~1~~ 0	0
	~~2022~~ 2023	0	0	0	0	0	0	0
Illinois	~~2020~~ 2021	~~2~~ 1	0	0	~~0~~ 1	0	~~1~~ 0	~~1~~ 0
	~~2021~~ 2022	~~1~~ 0	0	0	~~1~~ 0	0	0	0
	~~2022~~ 2023	0	0	0	0	0	0	0
Indiana	~~2020~~ 2021	~~2~~ 1	0	0	0	0	1	~~1~~ 0
	~~2021~~ 2022	~~1~~ 0	0	0	0	0	~~1~~ 0	0
	~~2022~~ 2023	0	0	0	0	0	0	0
Kentucky	~~2020~~ 2021	1	0	0	0	0	~~0~~ 1	~~1~~ 0
	~~2021~~ 2022	~~1~~ 0	0	0	0	0	~~1~~ 0	0
	~~2022~~ 2023	0	0	0	0	0	0	0
~~Louisiana~~	~~2020~~	~~3~~ 0	~~0~~	~~0~~	~~2~~ 0	~~0~~	~~1~~ 0	~~0~~
	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Minnesota~~	~~2020~~	~~1~~ 0	~~0~~	~~0~~	~~1~~ 0	~~0~~	~~0~~	~~0~~
	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Missouri	~~2020~~ 2021	1	0	0	~~0~~ 1	0	0	~~1~~ 0
	~~2021~~ 2022	~~1~~ 0	0	0	~~1~~ 0	0	0	0
	~~2022~~ 2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Not Renewed	Re-acquired	Ceased Other Reasons	Outlets at End of Year
New Jersey	~~2020~~ 2021	~~5~~ 3	0	0	0	0	~~2~~ 0	3
	~~2021~~ 2022	3	0	0	~~0~~ 2	0	0	~~3~~ 1
	~~2022~~ 2023	~~3~~ 1	0	0	~~2~~ 0	0	0	1
~~New Mexico~~	~~2020~~	~~1~~ 0	~~0~~	~~1~~ 0	~~0~~	~~0~~	~~0~~	~~0~~
	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
New York	~~2020~~ 2021	~~2~~ 1	0	0	~~1~~ 0	0	0	1
	~~2021~~ 2022	1	0	0	~~0~~ 1	0	0	~~1~~ 0
	~~2022~~ 2023	~~1~~ 0	0	0	~~1~~ 0	0	0	0
North Carolina	~~2020~~ 2021	~~2~~ 1	0	0	0	0	~~1~~ 0	1
	~~2021~~ 2022	1	0	0	0	0	0	1
	~~2022~~ 2023	1	0	0	0	0	0	1
Ohio	~~2020~~ 2021	1	0	0	~~0~~ ~~1~~	0	0	~~1~~ 0
	~~2021~~ 2022	~~1~~ 0	0	0	~~1~~ 0	0	0	0
	~~2022~~ 2023	0	0	0	0	0	0	0
Oklahoma	~~2020~~ 2021	1	0	0	~~0~~ 1	0	0	~~1~~ 0
	~~2021~~ 2022	~~1~~ 0	0	0	~~1~~ 0	0	0	0
	~~2022~~ 2023	0	0	0	0	0	0	0
Oregon	~~2020~~ 2021	~~3~~ 2	0	0	~~1~~ 0	0	~~0~~ 2	~~2~~ 0
	~~2021~~ 2022	~~2~~ 0	0	0	0	0	0	0
	~~2022~~ 2023	0	0	0	0	0	0	0
Texas	~~2020~~ 2021	~~7~~ 2	0	0	~~3~~ 1	0	~~2~~ 0	~~2~~ 1
	~~2021~~ 2022	~~2~~ 1	0	0	1	0	0	~~1~~ 0
	~~2022~~ 2023	~~1~~ 0	0	0	~~1~~ 0	0	0	0
Total	~~2020~~ 2021	~~50~~ 22	0	~~1~~ 0	~~14~~ 9	0	~~13~~ 5	~~22~~ 8
	~~2021~~ 2022	~~22~~ 8	~~0~~ 2	0	~~9~~ 4	0	~~5~~ 0	~~8~~ 6
	~~2022~~ 2023	~~8~~ 6	~~2~~ 0	0	~~4~~ 0	0	0	6

Table 4: Status of Company-Owned Outlets for Years 2021 ~~2020~~ to2023 ~~2022~~

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Sold to Franchisees	Outlets at End of Year
Total	~~2020~~ 2021	0	0	0	0	0	0
	~~2021~~ 2022	0	0	0	0	0	0
	~~2022~~ 2023	0	0	0	0	0	0

Table 5: Projected Openings during Fiscal Year (2024 ~~2023~~)

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchise Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Ohio	0	1	0
Texas	0	1	0
Total	0	3	0

Exhibit E lists the name, city and phone numbers of all current franchisees as of December 31, 2023 ~~2022~~.

Exhibit E lists the name, city and last known phone number of every franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during 2022 or who has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise your contact information may be disclosed to other buyers when you leave the franchise system.

We have not required any former franchisees to sign a separate confidentiality agreement or clause in the last three (3) years as a condition of terminating or selling their franchise. However, they may not be able to answer all the questions that you ask them due to the confidentiality clause in Section 12.2 of the Franchise Agreement which survives for three years from the date of terminating their franchise.

There are no formal franchisee associations that we sponsor or that have requested to have contact information included in this Franchise Disclosure Document.

21. FINANCIAL STATEMENTS

The following financial statements are attached as Exhibit A:

- Audited Financial Statements as of December 31, 2023 ~~2022~~, December 31, 2022 ~~2021~~ and December 31, 2021 ~~2020~~.

22. CONTRACTS

Attached as Exhibit B is a copy of our current form of Franchise Agreement.

Attached as Exhibit C is a copy of our current Transfer & Release Agreement that we require you to sign when selling your Franchise.

23. RECEIPTS

You will find copies of a detachable receipt in Exhibit J at the very end of this Disclosure Document.

A. Financial Statements

FINANCIAL STATEMENTS

INSPIRING WELLNESS LLC

December 31, 2022, 2021 and 2020

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Mercurio & Maxwell, CPA's, LLC

Certified Public Accountant
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Sarasota, Florida 34236

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Member
American Institute of Certified
Public Accountants
Florida Institute of Certified
Public Accountants

February 2, 2023

The Board of Directors and Members
Inspiring Wellness LLC
Sarasota, Florida

Independent Auditor's Report

Opinion

We have audited the accompanying financial statements of Inspiring Wellness, LLC (the Company), which comprise the balance sheets as of December 31, 2022, 2021 and 2020, and the related statements of income, retained earnings, and cash flows for the years then ended, 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 Inspiring Wellness, LLC as of December 31, 2022, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Inspiring Wellness, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Inspiring Wellness, 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 statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Inspiring Wellness, 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.

Mercurio & Maxwell, CPA's, LLC

Mercurio & Maxwell, CPA's LLC

Sarasota, Florida

Inspiring Wellness, LLC

Balance Sheet

December 31, 2022, 2021 and 2020

	2022	2021	2020
ASSETS			
Current assets			
Cash	$ 13,000	$ 3,000	$ 492
Accounts receivable - Net of allowance for doubtful accounts of $0, $0 and $0	3,240	-	-
Notes receivable - NOTE D	-	-	7,500
Inventory	15,713	16,272	19,551
Total current assets	31,953	19,272	27,543
Fixed assets			
Fixed assets (net of accumulated depreciation of $49,763, $49,763 and $53,710)	-	-	1,407
Other assets			
Notes receivable - NOTE D	-	-	7,500
Intangible assets (net of accumulated amortization of $6,338, $80,823 and $80,120)	4,648	5,386	5,664
Total other assets	4,648	5,386	13,164
TOTAL ASSETS	$ 36,601	$ 24,658	$ 42,114
LIABILITIES AND MEMBER EQUITY			
Current liabilities			
Accounts payable	$ 658	$ -	$ 42,228
Accrued liabilities	457	-	53
Current portion of contract liabilities	4,528	356	6,366
Total current liabilities	5,643	356	48,647
Long term liabilities			
Contract liabilities	11,609	673	8,600
Less current portion of contract liabilities	(4,528)	(356)	(6,366)
Total long term liabilities	7,081	317	2,234
Member equity			
Total member equity	23,877	23,985	(8,767)
TOTAL LIABILITIES AND MEMBER EQUITY	$ 36,601	$ 24,658	$ 42,114

The accompanying notes are an integral part of these financial statements.

Inspiring Wellness, LLC

Statement of Income and Members' Equity (Deficit)

	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenue			
Licensing & franchising	$ 9,652	$ 31,585	$ 62,281
Monthly fees	8,236	19,570	55,825
Training	8,756	19,533	21,062
Product sales	9,848	21,649	38,533
Nutrition programs	980	1,106	785
Total revenue	37,472	93,443	178,486
Cost of goods sold	8,578	14,017	27,832
Gross profit	28,894	79,426	150,654
Expenses			
Corporate expenses	1,228	1,477	3,660
General manager	-	25,738	58,505
Franchise development	1,268	5,155	7,167
Marketing	6,619	8,477	12,112
Franchise support	7,130	8,566	14,910
Information technology	4,329	14,795	27,046
Legal	2,121	-	3,813
Finance	5,569	8,798	11,373
Depreciation and amortization	738	1,185	1,217
(Gain) Loss on disposal of fixed assets	-	924	(29,051)
Total expenses	29,002	75,115	110,752
Net income (loss) before interest and depreciation	(108)	4,311	39,902
Other income & expense			
Other income	-	1,578	5,087
Interest Income	-	450	750
Interest expense	-	(5,575)	(4,850)
Total other income & expense	-	(3,547)	987
Net income	(108)	764	40,889
Members' Equity (Deficit)			
Beginning of year	23,985	(8,767)	(23,097)
Capital contributions	-	37,301	-
Distributions	-	(5,313)	(26,559)
End of year	$ 23,877	$ 23,985	$ (8,767)

The accompanying notes are an integral part of these financial statements.

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Inspiring Wellness, LLC

Statement of Cash Flows

**For the years ended December 31, 2022
2021 and 2020**

	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
Cash flows from operating activities			
Net income (loss)	$ (108)	$ 764	$ 40,889
Adjustments to reconcile net income to			
Net cash provided (used) by operating activities:			
Depreciation & amortization	738	1,185	1,217
(Gain) Loss on disposal of fixed assets	-	924	(29,051)
(Increase) decrease in account receivables	(3,240)	15,000	13,088
(Increase) decrease in inventories	559	3,280	(15,115)
Increase (decrease) in accounts payable	658	(42,228)	(7,342)
Increase (decrease) in accrued liabilities	457	(53)	(443)
Increase (decrease) in contract liabilities	10,936	(7,927)	(27,411)
Net cash flow provided (used) from operations	10,000	(29,055)	(24,168)
Cash flows from investing activities:			
Purchases of property & equipment	-	(425)	(3,126)
Proceeds from sale of property & equipment	-	-	30,000
Net cash provided (used) by investing activities	-	(425)	26,874
Cash flows from financing activities:			
Contributions from member	-	37,301	-
Distributions to member	-	(5,313)	(16,559)
Net cash provided (used) by financing activities	-	31,988	(16,559)
Increase (decrease) in cash	10,000	2,508	(13,853)
Cash at beginning of period	3,000	492	14,345
Cash at end of period	$ 13,000	$ 3,000	$ 492

Other Supplemental Financial Cash Flow Information			
Interest paid	$ -	$ 5,575	$ 4,850
Supplemental Disclosures of Noncash Investing and Financing Activities			
Reclassification of notes receivable - officers as distributions	$ -	$ 15,000	$ 10,000

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

INSPIRING WELLNESS LLC

December 31, 2022, 2021 and 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business:
Inspiring Wellness LLC (the Company) was initially formed by Kristen Horler as a Florida Limited Liability Company on October 29, 2005. In July 2006, the Company commenced franchising the "Baby Boot Camp" fitness program. In April 2010, the Company acquired the franchising assets of Stroller Fit, Inc., a national competitor. In 2020 the Company rebranded it's franchise program from "Baby Boot Camp" to "MOMLETA" to reflect the broadening of its fitness offering to focus on moms of "all ages and stages". The Company delivers it's MOMLETA fitness programs nationally through a network of franchisees and directly provides fitness training to Consumers under the "Core9" brand.

On December 31, 2021 the Horlers sold a majority interest in Inspiring Wellness, LLC to Mary McQueen, a long-time established franchisee of the Company. The Company, now headquartered in Oakland, California, became a California limited liability company, effective February 10, 2022.

Recently Adopted Accounting Pronouncements:
The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, Other Assets and Deferred Costs-Contracts with Customers, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, we refer to the new Topic 606 and Subtopic 340-40 as the "new guidance."

As a result of the new guidance, beginning in January 2018, the initial franchise fees have been recognized as the Company satisfies the performance obligations over the term of the franchise agreement. This method is used because management considers the passage of time to be the best available measure of progress on contracts.

The Company pays commissions upon the signing or renewal of franchise agreements. Because the recovery of commissions is expected to occur from franchising revenues in one year (or less), the Company charges commissions to expense as incurred.

Revenue Recognition:
For the year ended December 31, 2022, the Company recognizes revenue from contracts with customers when (or as) the performance obligations are satisfied.

Licensing and franchising revenue consist primarily of initial franchise fees ranging from $5,000 to $8,000 and renewal fees of $600. The performance obligations for franchise fees are satisfied monthly over the term of the franchise agreement, which is generally thirty-six months. At December 31, 2022, 2021, and 2020, the Company has recorded a contract liability of $11,609, $673 and $8,600 respectively, derived from licensing and franchising revenue for which the performance obligation has not yet been met.

Monthly fees consist of a brand licensing fee ($50/month), a technology fee ($95/month), and a royalty fee (ranging from $50/month to $150/month). The performance obligations for monthly fees are satisfied monthly as the services are performed.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

INSPIRING WELLNESS LLC

December 31, 2022, 2021 and 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The performance obligations for product sales are satisfied when a firm sales agreement is in place, with the majority of product sales taking place through the Company's webstore and the order is fulfilled. The Company generally maintains sufficient inventory so that product fulfillment takes place on the same day as the sale, but some orders may not be fulfilled until a short time later due to product backorder from its suppliers.

For the years ended prior to December 31, 2017, the Company recognized revenue in accordance with ASC 605-10 "Revenue Recognition" and Staff Accounting Bulletin No. 104, which requires that four basic criteria must be met before revenue can be recognized: 1) persuasive evidence of an arrangement exists; 2) delivery has occurred; 3) the selling price is fixed and determinable; and 4) collectability is reasonably assured.

Accounts Receivable:
Accounts receivables consist primarily of amounts due from initial franchise fees. Accounts receivable are presented in the balance sheets at the amount that management expects to collect from balances outstanding at year end. The Company fully reserves balances over 60 days past due. The potential risk is limited to the amount recorded in the financial statements. Receivables are written off when they are determined to be uncollectable. Based on management's assessment of the past credit history with customers and their current financial condition, it has recorded an allowance for doubtful accounts of $0, $0 and $0 at December 31, 2022, 2021 and 2020, respectively.

Inventory:
Inventory consists of products held for resale, which are stated at the lower of cost or net realizable value. The Company accounts for its inventory using specific-identification.

Property and Equipment:
Property and equipment is recorded at cost and depreciated over their estimated useful lives using the straight-line method. Maintenance and repairs are charged to operations as incurred while major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

Intangibles:
Intangible assets consist of trademarks are recorded at cost and amortized on a straight-line basis over a 10 year period.

Marketing Costs:
Marketing costs are expensed as incurred. Marketing expense for the years ended December 31, 2022, 2021 and 2020 totaled $6,619, $8,477 and $12,112, respectively.

Use of Estimates:
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

INSPIRING WELLNESS LLC

December 31, 2022, 2021 and 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes:
The Company, with the consent of its members, has elected to have its income taxed as a partnership under the Internal Revenue Code. As such, the Company does not pay corporate taxes and is not allowed net operating tax loss carrybacks or carryovers as deductions. Instead, the members include their proportionate share of the Company's taxable income or loss in their individual income tax returns.

Subsequent Events:

Management evaluated all activity of the Company through February 2, 2023, the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.

NOTE B-PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows at December 31:

	2022	2021	2020
Website development	$ 10,000	$ 49,763	$ 49,763
Computer equipment and software	-	-	5,354
	10,000	49,763	55,117
Less accumulated depreciation	10,000	49,763	53,710
	$ -	$ -	$ 1,407

Depreciation and amortization expense for the years ended December 31, 2022, 2021 and 2020 was $0, $1,185 and $1,217 respectively.

NOTE C - RELATED PARTY TRANSACTIONS

The Company issued a note receivable to the members in 2014, this note is unsecured and accrues interest at a fixed rate of 3% of the outstanding balance. The note is payable in annual installment of $10,000 and matures on December 31, 2024. As of December 31, 2022, 2021 and 2020, the balance of the note due was $0, $0, and $15,000, respectively. Interest income earned on this note for the years ended December 31, 2022, 2021, and 2020 was $0, $450 and $750, respectively.

B. Franchise Agreement

EXHBITS

INSPIRING WELLNESS LLC
[SAMPLE] FRANCHISE AGREEMENT – UNITED STATES

Effective Date of this Agreement: ____________________

Franchisor: Inspiring Wellness LLC, a California limited liability company, with a principal place of business at 2010 7th Avenue, Oakland, California 94606, United States
(Also referred to as “we”, “us” or “our”)

Franchisee: _________________________________with a principal place of business of
____.
(Also referred to as “Franchisee”, “you”, “your” or “yourself”)

RECITALS

WHEREAS, through the expenditure of time, energy and other resources, Inspiring Wellness has developed a special system for the development, marketing and operation of a business providing innovative fitness, nutrition, and wellness programs to prenatal and postpartum women (the MOMLETA franchise and the “System”).

WHEREAS, the System is currently used in a network of independent fitness businesses and you desire to obtain a franchise for the purpose of joining that network and becoming a MOMLETA franchisee entitled to enjoy the benefits of being identified with MOMLETA and operating your MOMLETA business (the “Franchised Business”) according to the System.

WHEREAS, you agree that all components and details of how the System operates are important, not only to you but to all MOMLETA Franchisees as well as us, and so you agree at all times during the term of this Agreement to operate your franchise in accordance with the Operations Manual.

WHEREAS, Inspiring Wellness LLC desires to grant you a MOMLETA Franchise to enable you to join the network of MOMLETA Franchisees and thereby to operate your Franchised Business according to the System in the manner and according to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the promises contained in this Agreement, you and Inspiring Wellness agree as follows.

1. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

1.1. ”**Services**” means the Classes, Programs, Courses and Events you offer to your Clients, including Baby Boot Camp, MOMLETA HIIT, MOMLETA Core, Diastasis Repair, Run Programs, our annual challenges and any other MOMLETA classes, programs, courses or events you may offer.

1.2. “**Class Formats**” means the fitness class content designed or approved by us and identified on www.momleta.com. From time to time, we may update the MOMLETA Class Formats to reflect changes to the System.

1.3. “**Materials**” includes, without limitation, the materials identified by us from time to time as being approved for use in connection with the operation of the Franchised Business.

1.4. “**Client**” means any individual to whom your Franchised Business delivers Services

1.5. “**Business Development Center**” means the repository of forms, flyers, training materials, sample marketing materials and other materials maintained on www.bdc.momleta.com.

1.6. “**Franchise Tier**” means the particular type of franchise we grant you based on the total population of the area with respect to which you are granted an exclusive territory.

1.7. "**Location**" means the specific site(s) at which in-person MOMLETA Classes or Programs will be delivered.

1.8. "**Licensed Marks**" means the service marks "MOMLETA", the word mark appearing on the first page of this Franchise Agreement and any other trademarks, service marks or logotypes which we authorize or require you to use.

1.9. "**Manual**" means the Confidential Operations Manual provided to each Franchisee containing policies, procedures, forms and other information related to the operation of the Franchised Business utilizing the System. We may modify the Manual from time to time and such modifications shall be effective on receipt thereof by you or as otherwise specified by us.

1.10. "**Principal Owner**" means the person identified in this Franchise Agreement as the person who has primary responsibility for performance of your obligations under this Agreement.

1.11. "**Qualified Fitness Instructor**" means any individual who maintains one or more of the following Primary Group Exercise or Personal Trainer Certifications: ACE, ACSM, AFAA, NASM, and any other certification or degree which is approved by us in writing, which approval may be granted or withheld in our sole discretion. The master list of approved qualifications is maintained on the Business Development Center.

1.12. "**Term**" collectively means the Initial Term set forth in Section 9.1 below and any Renewal Terms set forth in Section 9.2 below.

1.13. "**Territory**" means the geographic region indicated in this Agreement within which you are authorized to deliver in-person Classes or Programs. The Territory covered by this Agreement is identified on Exhibit 1.

2. GRANT OF FRANCHISE

2.1. **Grant of Franchise and License**. We hereby grant you, during the Term and subject to the terms and conditions of this Agreement, the right, license and franchise to operate the Franchised Business using the System, as the System may be changed and improved from time to time by us.

2.2. **Locations and Territory**. You acknowledge and agree that you shall only deliver in-person MOMLETA Services at Locations within the Territory. Provided you are in compliance with all material terms of this Agreement, we shall not allow other MOMLETA Franchisees to deliver in-person MOMLETA Services from Locations within your Territory, and shall not do so ourselves. You are free to market your MOMLETA Services from physical locations outside your Territory, including participating in marketing events outside your Territory, but if you market your in-person Services within another Franchise Owner's Territory we require you to cooperate with our "Cooperative Marketing Guidelines".

2.3. **Changes to Territory**. You may request subsequent changes to your Franchised Territory using such forms and providing such information as we shall specify. You are required to pay the Territory Change Request Fee in effect at the time that you request a change in your Territory, whether or not you ultimately decide to make a change in your Territory (or whether we are able to facilitate your request).

2.4. **Reservation of all Rights**. We reserve all rights, except as specifically provided herein, including the right to offer or open additional company owned locations and grant additional franchises.

3. TRADEMARKS, SERVICE MARKS, TRADE NAMES, LOGOTYPES AND COMMERCIAL SYMBOLS

3.1. **Licensed Marks**. You shall operate the Franchised Business under the Licensed Marks and utilizing the System. You shall not use any name or trademark, logotype or design which is not a Licensed Mark in connection with the operation of the Franchised Business. You agree that the Licensed Marks shall be used in connection with the Franchised Business only in the manner specified by us. If we modify or replace any Licensed Mark, regardless of the reason therefore, you shall modify or replace your signs, materials or designs and designations using the Licensed Mark in such manner as we shall direct. You will not allow any Licensed Mark or any substantially similar mark to be used for any purpose not directly related to the operation of the Franchised Business, including use in connection with the formation of any other businesses. You shall not use any Licensed Mark as part of your legal entity name, but may use the mark "MOMLETA" as part of a fictitious name ("dba") for the operation of the Franchised Business in such manner as we may designate or approve in writing from time to time.

3.2. Goodwill. All goodwill that may arise from your use of the Licensed Marks shall at all times remain our sole and exclusive property and shall inure to our sole benefit. You do not at any time acquire any rights in the Licensed Marks by virtue of any use thereof. You shall not at any time during or after the Term challenge the validity of the Licensed Marks or any of our rights or goodwill therein.

3.3. Infringement. You shall notify us promptly, and in all events within ten (10) days, from the time you become aware that any person or entity is infringing any of the Licensed Marks or there is any claim against you that your use of the Licensed Marks infringes the rights of any third party. We shall take such action, if any, as we determine appropriate in the event of any such infringement, and the taking or failure to take any such action does not give you any rights against us or any other person or entity with respect to such infringement. We are not required to protect you against claim of infringement or unfair competition arising out of the use of the Licensed Marks or defend you in any legal action in connection therewith. However, we may undertake such defense pursuant to the next subsection, and in any event you agree to cooperate with us in any defense that is undertaken.

3.4. Control of Actions and Service Mark Usage. We have the sole right to control any legal actions or proceedings including settlements involving infringement or unfair competition. We may, at our sole discretion, prosecute or defend any infringements or unfair competition involving the Licensed Marks or any other actions or proceedings which we deem necessary or desirable for the protection of any Licensed Mark.

4. TRAINING AND ASSISTANCE FROM US

4.1. Business Training

i. New Owner Orientation

We shall provide you (the Principal Owner as identified on the Ownership Schedule to this Agreement) with training in operating the Franchised Business according to our Franchise System ("New Owner Orientation Training"). We may modify the form or content of required or voluntary training from time to time in our discretion.

We shall provide New Owner Orientation Training through distance learning via webinar and our training manuals or, at your option, through a one-day intensive workshop ("In-person Business Boot Camp"). The materials covered in New Owner Orientation Training are also covered in the Operations Manual, the Business Development Center and the MOMLETA Instructor Network, which we make electronically available to you.

Within ninety (90) days following the execution of this Agreement you (the Principal Owner) shall complete New Owner Orientation Training and demonstrate mastery of the materials and information included. Failure to complete New Owner Orientation Training within 90 days following the execution of this Agreement shall delay our approval of your commencement of operations of the Franchised Business.

If you fail to complete New Owner Orientation Training in its entirety, you must complete the next available New Owner Orientation Training webinar or schedule attendance at our In-person Business Boot Camp.

As of May 1, 2023, the fee for the one day In-person Business Boot Camp is US $399.

ii. Delivering the MOLO Annual Wellness Challenge

We shall provide you (the Principal Owner), or your designated instructor, with training to deliver the MOLO Annual Wellness Challenge that happens in February of each year.

We provide this MOLO Business Training through web-based online training sessions (“webinars”) available on the Business Development Center.

As of May 1, 2023, there is no fee for MOLO Business Training.

iii. Establishing and Managing MOMLETA Run Programs

At your request, and upon your payment of the MOMLETA Run Programs Training Fee in effect at the time (as of May 1, 2023 this fee is US $199), we shall provide you with training on how to establish and manage MOMLETA Run Programs for your franchise. This one-time training fee is good for the duration that you own your Franchise and includes Run Programs Instructor Training for you and your designated Instructors.

Once you have completed MOMLETA Run Programs Training we will configure your Client Management Platform so that you can sell MOMLETA Run Club and Run Programs to your Clients under our approved MOMLETA Run Programs Plans & Passes.

Once you have paid the MOMLETA Run Programs Training Fee you may request us to provide access to Run Programs Training for any of your Instructors. Once we verify that your Instructor is eligible for this training then we will provide this training to your Instructor at no charge.

4.2. Instructor Training

We shall provide Instructors (including you if you are also an Instructor) with Instructor Training, covering MOMLETA Classes and Programs as follows:

i. MOMLETA Classes

We shall provide training through an Instructor Training Handbook, Class Format Handbooks and/or one or more videos. We will provide an Instructor Certification Examination for MOMLETA Classes.

Training fees and conditions are described in Item 5.9 of this Agreement.

ii. MOMLETA Run Programs

We provide training through an Instructor Training Manual and/or one or more videos or webinars. We require that any Instructors delivering any Services for your Run Programs be currently certified to teach one of our MOMLETA Classes and to have completed Run Programs Training.

We do not charge a fee to certify your Instructors to lead MOMLETA Run Programs as this is included in the one-time Run Programs Training Fee described in Item 4.1.iii.

iii. Core9 Diastasis Repair

We provide training through an online course targeted to consumers of our fitness training. We require that any Instructors delivering any services related to Diastasis Repair, including you if you will be delivering such services, have first completed our Core9 Diastasis Repair Program.

Training fees and conditions are described in Item 5.9 of this Agreement.

Should you, any employee, independent contractor or other subcontracted staff teach MOMLETA Classes, Programs or Courses, without first successfully completing the Instructor Training we may terminate this Agreement.

4.3. Required Internet Access. You are required to have internet access in order to view some or all of the training materials provided.

4.4. Mandatory and Optional Training Programs. At our sole discretion, we may also provide mandatory and/or optional training programs on fitness and body mechanics, stroller and infant safety, sales techniques, customer service techniques, management skills, and other aspects of the System which we believe may be useful to franchisees. These programs may be offered as a distance learning option (internet, video or text based), or they may be offered as in-person training, either at the annual franchise owner conference or at another venue chosen by us. Certain programs will be offered at no charge, while others may be offered for a fee.

4.5. Training Expenses. You, or your Instructor(s) must pay all expenses incurred by you and your Instructor(s) in connection with all training programs including, without limitation, the training fees, if any, and the cost of travel, entertainment, room, board and wages for the duration of all training programs.

4.6. Start Up Assistance. Within 30 days of the Effective Date, we will provide the following:

4.6.1. Confidential Operations Manual. For the Term of this Agreement, we will make available to you the materials constituting our Manual covering operational procedures including pre-opening procedures, program management policies, instructor policies and procedures, administrative procedures, accounting procedures, suggested sales promotions and marketing, among others. We may choose to provide these materials electronically, in which case they will be available in the Business Development Center or MOMLETA Instructor Network.

4.6.2. Branding Guidelines. For the Term of this Agreement, we will make a copy of our Branding Guidelines available to you in the Business Development Center.

4.6.3. Initial Training. We will provide you with New Owner Orientation Training and Instructor Training for all MOMLETA Class Formats.

4.6.4. Email Account. We will provide you with a Google Workspace account for the Term of your Franchise, in the format firstname.lastname@momleta.com, or a similar format email address of our choosing. We have the right to assign an alternate email address should this email address not be available.

We will provide you with additional Google Workspace accounts at your request for payment of an additional fee of US $7.50 per month per account. This fee may be revised at our sole discretion on January 1 of each year, with any price increase not to exceed $1 per annum.

4.6.5. Access to Business Development Center. Your Google Suite account will enable you to access our Business Development Center as well as a number of Google Drives that we collectively refer to as “myMOMLETA” and “ourMOMLETA”. We will provide you with brief training on how information is organized in this system.

4.6.6. Access to Franchisee Webstore. We will provide you with a username and password to enable you to access our Franchisee Webstore. We will provide you with brief training on how materials are organized in this system.

4.6.7. Access to Client Management Platform (“CMP”). We will provide you with a username and password to access your Client Management Platform. Your CMP will enable you to maintain various details of your franchise, including Locations, Instructors and Schedule as well as pricing details for your available Plans & Passes that you sell to your clients. The CMP integrates with a merchant processing account, provided under a separate agreement with Transnational Bankcard LLC (“TNP”) or our designated successor, linked to your business checking account.

We maintain data access rights for the CMP in accordance with the Data Rights Addendum to this Agreement.

4.6.8. Access to Marketing Automation Platform (“MAP”). We will provide you with a username and password to access the MAP. We will provide you with instructions on how to export client contacts from your CMP into the MAP. You can also import additional contacts into the MAP from other sources, such as local marketing events, to expand your marketing “audience”. We maintain various marketing campaigns and client communication templates in the MAP and provide you with training on how to segment your audience and deliver approved campaigns. You are required to use the MAP for any email marketing campaigns you undertake.

We maintain data access rights for the MAP in accordance with the Data Rights Addendum to this Agreement.

4.6.9. Access to MOMLETA Instructor Network (“MIN”). We will provide you with a username and password to access the MIN. The MIN contains training materials and resources for you and your Instructors to deliver Services to your Clients, including our Class and Program Instructor Training.

We will provide access to the MIN for your Instructors once they have purchased a monthly membership to the MIN from us (as of May 1, 2023 this fee is US $5 per month for each Instructor). **Among other requirements, we require your Instructors to be current members of the MIN and in good standing in order to teach classes and offer services to your Clients. We reserve the right to change this fee upon 30 days notice to you and your Instructors.**

We maintain data access rights for the MIN in accordance with the Data Rights Addendum to this Agreement.

4.6.10. Access to Instructor Management Platform. We will provide you, and your Instructors once they have joined the MIN, with an account in our Instructor Management Platform. We require you and your Instructors to maintain an up-to-date Account Profile (fitness qualifications, CPR certification dates and insurance policy and expiration information) in this platform. This platform provides you and your Instructors with access to a large library of online CEC courses, many of which are available for free.

We maintain data access rights for the Instructor Management Platform in accordance with the Data Rights Addendum to this Agreement.

4.6.11. Access to Financial Reporting System (“FRS”). We will provide you with access to our FRS System through your myMOMLETA Drive once we deploy this system. FRS will include guidance on how to categorize and report your monthly financial results. Once we have deployed FRS we will provide additional guidance and examples in the BDC on how to report using this system.

4.7. On-going Assistance. For the duration of the franchise, we will provide the following:

4.7.1. Systems Access. We will provide you with ongoing access to your email account and the various systems noted above.

4.7.2. Promotional Products. We will maintain a selection of promotional and other products, including exercise equipment, that you may order through our Franchisee Webstore.

4.7.3. Advertising Materials. We will provide you with electronic access to advertising materials in jpeg, png, PDF or other formats of our choice through the Business Development Center and “ourMOMLETA”. We shall provide you with a variety of advertising formats suitable for advertisements and flyers. You shall bear all expense for copies and distribution of the materials for your use. You shall pay all supply, shipping and other costs associated with ordering advertising materials from us.

4.7.4. Updates to Services. We, at our discretion, may revise the structure of a Class, Program, Course or Event, whether included with your Franchise or purchased separately from us. If we significantly revise a Class Format, as determined by us, we will provide you with updated training materials for that Class Format at no charge.

4.8. Annual Conference. We, at our sole discretion, will organize an annual franchise owner and instructor conference. We, again at our sole discretion, may elect to hold the conference as an in-person conference or to hold it virtually.

Annual Conference Fees are outlined in Section 5.11 of this Agreement.

We will provide you with three (3) months’ notice prior to establishing the conference dates.

4.9. Franchisor Consultations. We will provide, at our discretion, an advisory service which shall include consultation on promotional, business or operational problems and analysis of your services, sales, marketing and financial data.

4.10. Other Assistance. From time to time, we may provide other assistance to you regarding aspects of the Franchised Business and the System. However, we are not required to provide such assistance. Such additional assistance shall be provided from such locations and with such materials and items as we determine in our sole discretion.

5. FRANCHISE FEES

5.1. Initial Franchise Fee. You will pay us a uniform, non-refundable Initial Franchise Fee, based upon the “Franchise Tier”, upon signing your Franchise Agreement as follows:

Tier	Territory Population	Initial Franchise Fee
1	Up to 100,000	US $4,995
2	100,001 to 200,000	Upgrade only
3	200,001 to 300,000	Upgrade only

In consideration for the Initial Franchise Fee, you receive the services and products set forth herein and the rights to sell and deliver all MOMLETA Services included with the franchise under our approved MOMLETA Plans & Passes. You may upgrade your Franchise Tier to a larger Franchise Tier at any time by paying the Upgrade Fee identified below, providing that an appropriate additional Territory is available.

Franchisees located in any state in which we charge sales tax will be required to pay sales tax on the wholesale purchase price of the included start-up kit items, if any.

5.2. **Brand Licensing Fee**. In consideration of the franchise granted to you hereunder, each month during the Term, you will pay us a monthly Brand Licensing Fee.

Brand Licensing Fee: US $50 per month

The Brand Licensing Fee is due and payable on the 5th (fifth) of each month.

Increases to Brand Licensing Fee. We have the right to increase the Brand Licensing Fee on an annual basis, effective January 1st of each year. We have the sole right to determine the amount of such increase, but in no event will this increase exceed US $5 per month compared to the prior year.

5.3. **Technology Fee.** In consideration of the franchise granted to you hereunder, each month during the Term you will pay us a monthly Technology Fee. The Technology Fee is due and payable on the 5th (fifth) of each month.

Technology Fee: US $95 per month

The Technology Fee is due and payable on the 5th (fifth) of each month.

Increases to Technology Fee. We have the right to increase the Technology Fee on an annual basis, effective January 1st of each year. We have the sole right to determine the amount of such increase, but in no event will this increase exceed $10 per month compared to the prior year.

5.4. **Royalty.** In consideration of the franchise granted to you hereunder, each month during the Term you will pay us a monthly royalty based on your total Gross Services Revenue for the prior month, excluding sales tax or use tax. Gross Services Revenue means all sales of classes and/or programs and includes all “Enrollment Fees” included as part of a Client Plan. Gross Services Revenue excludes your resale of Merchandise purchased from us (these fall into your “Merchandise” category).

The royalty is due and payable on the 5th (fifth) of each month.

Royalty: Four percent (4%) of prior month Gross Services Revenue.

There is a monthly Minimum Royalty, based on your Franchise Tier as follows:

Tier	Minimum Royalty
1	US $50
2	US $100
3	US $150

Increases to Royalty. Your royalty percentage and monthly Minimum Royalty is fixed for the Term of your Agreement. We have the right to increase your royalty percentage and/or

Minimum Royalty when you renew your Franchise Agreement. Any royalty percentage increase will not exceed two (2) points over your current Agreement royalty percentage (i.e., if your royalty rate is 4%, we can increase it to a maximum of 6% on your next renewal). Any Minimum Royalty increase will not exceed US $15 per month over your current Agreement.

5.5. Waiver of Monthly Fees for New Franchises. The Brand Licensing Fee, Technology Fee and Royalty are waived for the first three (3) months of your Franchise Term if you purchase a new franchise from us. We do not waive these fees if you purchased your Franchise on a transfer from an established franchise owner.

5.6. Territory Change Request Fee. You may request in writing to make changes to your Franchised Territory at any point in time by completing the Territory Change Request Form and paying us a Territory Change Request Fee of US $250. We will evaluate and approve or disapprove your request within ten (10) business days from receipt of payment. If we approve your request then you will need to sign a Change in Territory Addendum to your Franchise Agreement for the change to become effective.

5.7. Franchise Tier Upgrade Fee. Should you request a change in Territory that increases your Territory population to a larger Franchise Tier, and we approve this request, then you will owe a Franchise Tier upgrade fee outlined below. In general, we will not approve a request to upgrade your Franchise Tier until you have been operating your Franchise for a minimum of twelve (12) months, but we will consider your individual circumstances and business growth when evaluating each request.

Single Tier Upgrade:	US $1,500	For example, Tier 1 to Tier 2

In the event of a Franchise Tier upgrade, the increased Minimum Royalty will apply following the first (1st) full month in which you upgraded your Franchise Tier.

We apply the Territory Change Request Fee you paid when you requested a change in your Territory against the subsequent Franchise Tier Upgrade Fee.

5.8. Franchise Tier Downgrade. Should you request a change in Territory that downgrades your Franchise Tier by reducing the size of your Territory, we will work together with you in good faith to redefine your Territory so that the redefined Territory meets the population criteria for the appropriate Franchise Tier to which you wish to downgrade.

The reduced monthly Minimum Royalty will apply following the first (1st) full month in which you signed the Change in Territory Addendum to downgrade your Franchise Tier. There are no refunds of any Initial Franchise Fees in the event of a downgrade, and if you wish to subsequently upgrade your Franchise Tier at a future date, you must pay us the appropriate Upgrade Fee. There is no Franchise Tier Downgrade Fee, although you must pay us the then-current Territory Change Request Fee at the time that you request your change in Territory.

5.9. Training Fees

5.9.1 Business Training

Establishing and Managing MOMLETA Run Programs

At your request, and upon your payment of the training fee in effect at the time, we shall provide you with training on how to establish and manage MOMLETA Run Programs for your franchise. This one-time training fee is good for the duration that you own your Franchise and includes training for you and your designated Instructors.

MOMLETA Run Programs Training Fee: US $199

Once you have completed MOMLETA Run Club Business Training we will configure your Client Management Platform so that you can sell MOMLETA Run Club and Run Programs to your Clients under our approved MOMLETA Run Club Plans & Passes.

5.9.2 Instructor Training

MOMLETA Instructor Network

We include a membership in the MOMLETA Instructor Network (MIN) and the Instructor Management Platform for you (the Principal Owner) as part of the Franchise.

We will provide access to the MIN and the Instructor Management Platform for your Instructors once they have signed up for the MIN with us directly.

MOMLETA Instructor Network Fee: US $5 per month

To provide any Services to your clients, your Instructors need to be "in good standing" in the MOMLETA Instructor Network. This means your Instructors need to be current with their monthly membership fee and maintain a current Account Profile (qualifications, CPR and insurance) in the Instructor Management Platform (Club Connect).

MOMLETA Classes

We include Instructor Training for MOMLETA Classes for you (the Principal Owner), as part of the Franchise.

We will train and certify your Instructors to teach MOMLETA Classes at their request provided that they are in good standing in the MOMLETA Instructor Network and upon payment of the Instructor Training Fee.

Instructor Training Fee - MOMLETA Classes: US $149

As of May 1, 2023, we offer two Instructor Training courses for Classes as follows:

- Baby Boot Camp
- MOMLETA HIIT and Core (Combined course)

We require you (and your Instructors) to complete recertification every two (2) years to continue to teach MOMLETA Classes. As of May 1, 2023, the recertification fee is $10 for Instructors (we do not charge this fee for Franchise Owners).

MOMLETA Run Programs

We do not separately charge Instructors for training on MOMLETA Run Programs as this is included in the one-time fee described in Item 5.9.1.

For your Instructors to provide MOMLETA Run Club services they must be a current Baby Boot Camp, MOMLETA HIIT or MOMLETA Core certified instructor and in good standing in the MOMLETA Instructor Network.

Core9 Diastasis Repair

We offer a number of training Courses to consumers under the "Core9" brand, including directly selling these Courses to your clients. If you wish to offer Diastasis Repair services you must do so under our Core9 brand and you must complete our "Core9 Diastasis Repair" course before doing so.

We will train and certify you to offer Diastasis Repair services upon your request and payment of the wholesale price for the Core9 Diastasis Repair course. Once you have completed the Core9 Diastasis Repair training we will configure your Client Management Platform so that you can sell Core9 Diastasis Repair under our approved Plans & Passes.

We will train and certify your Instructors to offer Diastasis Repair services at their request provided that they are in good standing in the MOMLETA Instructor Network and upon payment of the wholesale price for the Core9 Diastasis Repair course.

For your Instructors to provide Diastasis Repair services they must be a current Baby Boot Camp, or MOMLETA HIIT and Core certified instructor and in good standing in the MOMLETA Instructor Network.

Core9 Diastasis Repair Course – Wholesale price: US $99

5.10. Changes to Training Fees. We have the right to make changes to our Training Fees as we deem appropriate and necessary. We will provide a minimum of thirty (30) days' notice of any price changes, following which you will be required to pay our then current pricing.

5.11. Annual Conference. We will publish our Annual Conference Fee a minimum of three (3) months prior to the conference. We will collect the Conference Attendee Fee from you through our Franchisee Billing System thirty (30) days before our conference start date. If you own multiple franchises, we will only charge this fee once. We will make additional Conference tickets available for purchase for Instructors in the Franchisee Webstore and the MOMLETA Instructor Network.

Our Annual Conference Fee will vary depending on our costs to organize and hold the conference as follows. We anticipate this fee will be within the following ranges:

- In-person Conference Fee: US $199 - $399
- Virtual Conference Fee: US $99 - $199

5.12. Client Equipment Kits and Required Purchases

Baby Boot Camp Equipment Kits

You must provide each new client attending Baby Boot Camp classes with a "Baby Boot Camp Equipment Kit" containing certain exercise equipment unless they previously purchased this kit from us or another Franchise Owner and show you this Equipment Kit in good condition.

We expect that your Clients will purchase their Equipment Kit directly from you (although they may also purchase it from us on our retail webstore). You must purchase Baby Boot Camp Equipment Kits through the Franchisee Webstore. We recommend you maintain a minimum inventory of Equipment Kits on hand to minimize delays in your clients getting their kit.

Core9 Equipment Kits

You must provide each new client attending an in-person Diastasis Repair workshop with a "Core9 Equipment Kit" unless they previously purchased this kit from us or another Franchise.

We expect that if your client previously purchased a Core9 Birth Recovery or Core9 Diastasis Repair Course from us then they would have purchased the Core9 Equipment Kit at that time. You may purchase Core9 Equipment Kits from us on the Franchisee Webstore.

Karna Balls

You must provide each new client attending MOMLETA Core or MOMLETA HIIT Classes with a Karna Ball unless they previously purchased this from us or another Franchise. We recommend you maintain a minimum inventory of Karna Balls on hand to minimize delays in your clients getting this equipment.

MOLO Annual Wellness Challenge Apparel

You will charge an enrollment fee to each Client participating in the MOLO Annual Wellness Challenge and must provide them with a "MOLO Annual Enrollment Kit" as specified in the MOLO Training for each year. Part of each Client's Enrollment Kit will be an exclusive item of MOLO Apparel which you must purchase from us through our Franchisee Webstore.

5.13. Collection of Fees. You shall pay all recurring fees to us by direct debit ("ACH") to such accounts as we may specify from time to time. You shall provide a valid US bank account number and routing number for the duration of this Agreement to enable us to collect these fees.

We will initiate collection of, and you shall pay, the monthly fees due via ACH no later than the 5th of each month, or the following workday if the 5th is not a workday. The ACH transaction shall consist of the total fees due for the current month plus any prior month recurring fees if not previously collected.

You shall maintain a current credit card on file with us. Should your ACH payment be returned for any reason other than a processing error made by us, we shall charge your credit card on file for the fees due, including an additional US $35 processing fee.

Should you fail to pay Brand Licensing Fee, the Technology Fee, the Royalty (or Minimum Royalty) or any other fees due and payable within 48 hours of being due, in addition to our other remedies we have the right to immediately disable your web presence so that all of your web pages are no longer visible on our website(s), including disabling access to your Client Management Platform.

5.14. Late Fees. Any payment or fee not received when it is due from you to us shall bear interest at a rate equal to the lesser of (a) one- and one-half percent (1.5%) per month, or (b) the maximum rate permitted by law.

6. ADVERTISING AND ADVERTISING FEE

6.1. Form and Manner of Advertising. We reserve the right to designate or consent to the content, themes, materials and placement of all advertising programs by you. All such advertising shall be submitted to us for approval at least five (5) business days prior to submission for publication unless we specifically waive this requirement in writing, with the exception that the standard advertising materials provided by us and available on the Marketing & Print Center shall be deemed approved**.**

6.2. Branding Guidelines. We will make available to you a copy of our Branding Guidelines, which are subject to change from time to time. You are required to comply with the Branding Guidelines, including complying with any changes to the Branding Guidelines within 30 days from the date that any updated version of the Branding Guidelines is made available. You are required immediately upon notice to commence efforts to comply with any changes and thereafter diligently to come into full compliance as soon as practical and in all events within sixty (60) days following such notice.

Should you fail to adhere to our Branding Guidelines, or use marketing images or marketing materials that are not acceptable to us, you are required to come into full compliance with our Branding Guidelines within 24 hours of written notice of such violation. In addition to our other remedies under this Agreement, if you do not come into full compliance within this period, you will be charged a US $150 First Violation Fee which will be assessed on a daily basis until you come into full compliance with our Branding Guidelines. If this is your second or subsequent violation of the Branding Guidelines, you will be charged a US $250 Subsequent Violation Fee immediately, which will be assessed on a daily basis until you come into full compliance with our Branding Guidelines.

6.3. Cooperative Advertising Fee. We do not charge any Cooperative Advertising Fee nor require that a minimum percentage of your monthly revenues be spent on advertising activities.

6.4. Social Media. We define “Social Media” as a network of services, including, but not limited to, blogs, microblogs, and social networking sites (such as Facebook and Instagram), video-sharing and photo-sharing sites (such as YouTube and Flickr), review sites (such as Yelp), marketplace sites (such as Craigslist), chat rooms and virtual worlds, that allows participants to communicate online and form communities around shared interests and experiences. You agree to strictly follow our “Social Media Guidelines”, available in the Business Development Center, including complying with all updates to these Guidelines that we may make from time to time. Your use of Social Media to support your Franchise must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. We reserve the right to "curate" any Social Media websites/pages and be the sole provider of information regarding the Franchise System on such websites/pages (e.g., a system-wide Facebook page). At our request, you will promptly modify or remove any online communication that does not comply with this Agreement or the Social Media Guidelines. We specifically require that you make us an administrator, owner or editor for your business social media accounts (this depends on the site and will be stated in the Social Media Guidelines).

7. CONDUCT OF THE BUSINESS BY FRANCHISEE

7.1. General Operational Requirements. You shall open and operate the Franchised Business in conformity with such methods, standards and specifications as we may from time to time specify and shall ensure that all products and services are provided to your Customers with the highest degree of quality.

You specifically commit to offer ongoing Services during the Term of this Agreement, in accordance with the guidance provided in our Operations Manual and the Business Development Center, once you have commenced offering classes (i.e., after the initial pre-opening period), with the exception of planned breaks communicated at least fifteen (15) days in advance to Clients on your web pages. Our approval is required for any planned break between classes which exceeds thirty (30) days.

We reserve the right, from time to time, by adoption or amendment of System Standards to add, amend, modify, delete or enhance any portion of the System (including any of the Marks and System Standards) as may be necessary in our sole judgment to change, maintain or enhance the System, Marks or the reputation, efficiency, competitiveness and/or quality of the System, or to adapt it to new conditions, materials or technology, or to better serve the public. You will, at your expense, fully comply with all such additions or modifications reasonably designated by us as applicable to existing System franchisees.

You understand and acknowledge that we may, from time to time, revise the contents of the Operations Manual to implement new or different requirements for the operation of the Franchised Business, and you expressly agree to comply with all such changed requirements which are by their terms mandatory, provided that such requirements shall also be applied in a nondiscriminatory manner to other System franchisees. The implementation of such requirements may require the expenditure of reasonable sums of money by you.

7.2. **Use of our Systems**. You specifically commit to use the systems we provide to run your Franchised Business, including, but not limited to, Business Development Center, the Client Management Platform, the Marketing Automation Platform and the Instructor Management Platform. Should we implement a Monthly Financial Reporting system you commit to reporting your results through this system according to the system wide standards that we will communicate through the Operations Manual and the Business Development Center.

7.3. **Effort.** You shall devote commercially reasonable efforts to the management of the Franchised Business. The designated Principal Owner, or, with our prior approval, your Designated Manager, shall devote no less than ten (10) hours per week to such operations.

7.4. **Employees.** You shall staff the Franchised Business with sufficient, qualified and trained employees or independent contractors as shall be reasonably necessary to provide Baby Boot Camp Classes and Programs to those Clients desiring to obtain services or products from you.

7.5. **Permits and Licenses; Certification; Compliance with Law.** You shall obtain and maintain at all times all licenses and permits required for the operation of the Franchised Business. You shall also ensure that all fitness instructors are Qualified Fitness Instructors. You shall comply with all laws, rules and regulations applicable to you or the Franchised Business.

7.6. **Services and Products.** You shall sell and offer for sale only such Services and/or products that meet our uniform standards of quality and that have been specifically approved for sale in writing by us. You shall refrain from selling or offering for sale any products that we may have disapproved from time to time**.**

Should you sell or offer to sell Classes or Programs you or your Instructor(s) have not been properly certified or insured to instruct; teach an in-person Class outside of your franchised Territory; or offer Classes and/or Programs substantially similar to our Classes and/or Programs under names, trademarks and/or branding other than those we authorize in this Franchise Agreement (collectively "Unauthorized Class"), then in addition to our other remedies under this Agreement, you will be assessed and charged an Unauthorized Class Fee of US $500 for each Unauthorized Class that we become aware of.

7.7. **Pricing.** You must set all prices for your Services, unless we have established a System-wide price for any of our Services, in which case you agree to sell the specific service at the price that we establish. You may only sell your Services using the standard Plans & Passes we have configured for you in your Client Management Platform (for example, "MOMLETA Gold – Unlimited"). However, as stated above, you will set the specific prices for these Plans & Passes unless we have established a System-wide price. We will communicate any System-wide prices in the Business Development Center together.

If you are reselling a standard course that we offer to consumers (for example, our Core9 Diastasis Repair Program) then you will sell this course at our retail price listed in our Customer Webstore. If we authorize any additional Services to be provided in conjunction with our standard consumer courses then you will comply with any specific pricing policy we communicate in the Business Development Center related to these Services.

You specifically acknowledge that should we introduce a minimum price policy you will adhere to this policy.

7.8. **Facilities and Equipment.** You shall maintain such facilities and equipment as may be required by us as set forth in the Manual from time to time.

7.9. **Customer Service and Customer Complaints.** You shall conform the operation of the Franchised Business to all standards and policies regarding customer service as shall be set forth in the Manual from time to time. You shall promptly investigate and respond to all Client complaints and shall provide us with information regarding such complaints upon our request.

You expressly agree to own and operate the Franchised Business in compliance with the standards outlined in the "MOMLETA Guide to Customer Service".

7.10. **Annual Conference.** You will use all reasonable efforts to ensure that the Principal Owner, or their designated representative, attends each Annual Conference that we hold in the United States. You shall pay all expenses associated with such attendance. In the event you, or your designated representative, are unable to attend for any reason you are still obligated to pay our Annual Conference Fee.

7.11. **Insurance.** All instructors teaching MOMLETA Classes or Programs shall be Qualified Fitness Instructors who maintain professional liability insurance with a combined single limit for bodily injury, death or property damage of not less than $1,000,000 per occurrence and $3,000,000 in aggregate claims per year. This requirement may be satisfied by you obtaining a policy with the above limits covering all of your Instructors (including yourself if you teach MOMLETA Classes or Programs) or it may be satisfied by each Instructor purchasing an individual professional liability policy meeting these requirements. Each insurance policy shall name Inspiring Wellness LLC as an additional insured party; shall be written as primary policies which provide that any insurance that we may carry is strictly excess, secondary and non-contributing with any insurance carried by you and/or your Instructor(s); and shall provide thirty (30) days prior written notice to us of any material modifications and ten (10) days notice to us of cancellation. You shall deliver a certificate of insurance to us within ten (10) days of our request.

7.12. **Accounting and Reporting**. You shall establish and maintain at your own expense a bookkeeping, accounting and records retention system conforming to the requirements prescribed by us in the Business Development Center. Although we do not require you to use a prescribed "Chart of Accounts" for bookkeeping, we highly encourage you to adopt our recommended Chart of Accounts that we will make available to you. You are able to customize this Chart of Accounts to provide additional granularity of your accounting system for your local purposes. Upon our request you must submit to us accurate financial reports, including copies of all federal and state income tax returns relating to your Franchised Business. You will keep these financial records relating to your Franchised Business for at least two years after the Termination of this Agreement.

In addition, we require you to enter a simplified monthly income statement showing your revenue and expenses broken down into standard categories into myMOMLETA by the 10th of each month for the preceding month. We maintain the confidentiality of your results and use them for system-wide financial analysis and Franchisee coaching. Once we, in our opinion, have collected sufficient data to enable us to summarize these results, we will make system-wide Key Performance Indicators available in ourMOMLETA as well as using this data for overall management and marketing of our franchise system.

7.13. **Audit.** During the Term, and up to two years after the expiration of the Term, we will have the right to audit your books and records relating to the Franchised Business. We may, at all reasonable times and without prior notice to you, examine, audit, or request copies of the Franchised Business records, including the books, records and state and/or federal income tax records and returns of any owner. You will fully cooperate with our representative hired to conduct any examination or audit. If any such examination discloses an understatement of gross Services revenue and a corresponding underpayment of Royalties, you will pay the additional Royalties due plus a 20% penalty plus interest calculated from the date originally due until the date of payment. In addition, if you underreported gross Services revenue by more than two percent (2%) you will reimburse us for the cost of the audit or examination, including the charges of any independent accountants and any related travel expenses incurred. The foregoing remedies are in addition to all other of our remedies and rights under applicable law.

7.14. Supplier Program. You shall acquire supplies and products only from such suppliers as shall provide supplies and products of such design and quality to satisfy in all respects our requirements or as shall be otherwise approved in advance and in writing by us. We may receive compensation from such suppliers and are not required to share any such compensation with you.

7.15. Promotional Campaigns. You shall participate in all promotional campaigns that we may establish for the region in which the Territory is located provided that such requirements shall be applied in a nondiscriminatory manner to other System franchisees located within that region and that any expenditures you incur as a result of such participation are reasonable.

8. RESTRICTIONS ON GOODS AND SERVICES OFFERED BY FRANCHISEE

8.1. Restrictions. You may only offer such services and sell such products as we may designate from time to time in writing, and of the kind and quality which comply with the reasonable standards designated in the Manual or directives in writing provided by us from time to time.

You may be restricted from purchasing exercise equipment (including resistance products such as resistance tubing, weighted and non-weighted balls, stability equipment and agility equipment such as an agility ladder, but excluding exercise or yoga mats) other than from us or our approved supplier(s). If you purchase from an approved supplier, we may require you to use a specific unique URL or purchase code so we may track purchases by all Franchisees to more effectively negotiate our purchasing terms for the benefit of all Franchisees. We maintain the list of approved and restricted equipment and approved suppliers in the Business Development Center.

You may not use our name, trademarks, service marks, trade names, logotypes or commercial symbols in any business other than the Franchised Business.

8.2. Required Quality. All Services provided by you and your Instructors must be of that quality necessary to uphold the reputation and public image of our System and must meet the standards as set forth in the Manual and other written publications, as changed from time to time by us.

8.3. Use of Licensed Marks. Provided that you comply with our Branding Guidelines, are in good standing under this Agreement and obtain our prior written approval, you may include our Marks on promotional items and apparel designed by you to be given away or to be sold to your local customers at your actual product cost basis.

If you wish to use the Licensed Marks on apparel and promotional items that you don't purchase from us you must do so in accordance with the standards and specifications stated in the Manual and the Branding Guidelines. You must present us with information about the apparel supplier on a form made available to you in the Business Development Center and you must send us a sample of each item of apparel on which you propose to use the Licensed Marks, together with drawings and specifications of how you propose to add the Licensed Marks to the item. We will approve or disapprove each item requested in our sole discretion and on an item-by-item basis, within fifteen (15) days from the time we receive the required information. We charge US $35 to review each item. The workmanship and materials must be durable and of high quality.

We may, at our sole discretion and in our sole business judgment, revoke an approval of an alternative apparel item or supplier. We will notify you in writing and at that point you are no longer authorized to purchase additional quantities of such previously approved item(s), but you may, and again at our sole discretion, be allowed to use and distribute any existing inventory for that item(s) that you may have on hand. We expressly restrict you from developing an internet, phone or mail order business offering and selling apparel and promotional items in significant quantities, as deemed significant by us in our sole discretion.

9. TERM AND RENEWAL

9.1. Term. The term of this Franchise Agreement is three (3) years from the Effective Date.

9.2. Right to Renew. Provided that you are not in default under this Agreement or any other agreement with us, you may renew your Franchised Business for an additional three (3) year term by providing us written notice of your intent to renew not less than thirty (30) days prior to the expiration of this Agreement.

9.3. Renewal Terms. You may renew your Franchised Business by executing the then current franchise agreement in effect at the time of renewal and paying the appropriate renewal fee.

9.4. Renewal Fee. The renewal fee is US $600.

10. TERMINATION

10.1. Termination by You. You have the right to terminate this Agreement if we violate any of our material obligations to you and fail to cure such violation within sixty (60) days of our receipt of written notice from you identifying the violation.

10.2. Termination by Us Following Notice and Opportunity to Cure. We may, at our option, terminate this Agreement if you do not cure any of the following defaults in the manner and within the time set forth below:

10.2.1. The attachment of any involuntary lien in the sum of US $1,000 or more upon any of your business assets or property, which lien is not removed within five (5) days following written notice from us. You shall give us immediate notice of the imposition of any such lien and the failure to give such notice shall constitute a breach hereof for which no period of cure shall be required.

10.2.2. Failure to open the Franchised Business according to the timetable established by us following consultation with you if you don't open the Franchised Business within ten (10) days after written notice from us.

10.2.3. Failure to cure within ten (10) days after written notice from us if you conduct the Franchised Business in such a manner so as to affect materially and adversely your or our goodwill or reputation.

10.2.4. Failure to pay us any and all sums payable pursuant to this Agreement or any other agreement with us within five (5) days after written notice of such failure to pay.

10.2.5. Failure to pay all other past due debts and obligations not specified in Section 10.2.4 and owing to third parties if the failure is not cured within five (5) days after written notice from us.

10.2.6. Failure to pay all of your debts and obligations as and when same are due if the failure is not cured within five (5) days after written notice from us.

10.2.7. Failure to cure the breach of any other provision of this Agreement not otherwise specified in Sections 10.2 or 10.3 within ten (10) days after written notice from us.

10.3. Termination by Us Upon Notice—No Right to Cure. We may terminate this Agreement effective upon written notice to you (with no right to cure) as follows. Where we are permitted to terminate this Agreement pursuant to either Section 10.2 or Section 10.3, we may select which of such Sections is applicable.

10.3.1. If you make or attempt to make any assignment, transfer or sublicense of the franchise, or any right hereunder, without strict adherence to the provisions governing assignment, transfer and sublicense set forth in Section 11 below.

10.3.2. If you become insolvent or a material part of your assets are assigned, or sold after levy thereupon, to or for the benefit of any creditor; or you admit your inability to pay your debts as they become due; or a claim for the appointment of a receiver is filed against you, or a receiver is appointed for your assets or business, or a final judgment against you remains outstanding for more than thirty (30) days (unless appealed in a manner which stays execution on such judgment) or a creditor attempts to foreclose a lien on any material part of the Franchised Business or your assets and such attempt is not dismissed within thirty (30) days thereafter; or if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; or if you are adjudicated bankrupt or insolvent.

10.3.3. If you abandon the franchise by failing to actively operate the Franchised Business for thirty (30) consecutive days, unless such failure is due to fire, flood, earthquake or other similar causes beyond your control and you promptly and diligently commence and complete actions necessary to re-commence operation of the Franchised Business, but for no more than sixty (60) days.

10.3.4. If you make a material misrepresentation or omission on any document or information (whether written or oral) provided by you to us.

10.3.5. If you fail to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business.

10.3.6. If you receive your third or subsequent notice of default under Section 10.2 above in any consecutive 12-month period, whether or not the previous notices or the third or subsequent notice have been or are thereafter cured.

10.3.7. If you fail to maintain any license or permit, or fail to cause your Qualified Fitness Instructors to maintain any license, permit or certification required hereunder or pursuant to any laws applicable to you, the Principal Owners or other personnel.

10.3.8. If we terminate any other agreement between you and us for cause.

10.3.9. If you directly or indirectly divulge the contents of the Manual or other confidential information or trade secret.

10.3.10. If you are convicted of a felony, or pleads guilty or no contest to any violation of law that in our estimation adversely affects the goodwill associated with the Licensed Marks.

10.3.11. If the Principal Owner fails to complete any required training successfully (as demonstrated by passing the test(s) referred to in Section 4.1) within the time frame set forth in Section 4.1.

10.3.12. If we determine, in our reasonable discretion, that your continuing operation of the Franchised Business represents the threat of immediate harm to public health or safety or to the health or safety of any customer.

10.3.13. If you, any owner or any of your staff consume or possess illegal drugs or alcoholic beverages while providing services to Clients.

10.3.14. If you and/or your Instructors fail to maintain continuous insurance coverage as required under Section 7.10.

10.3.15. If you take any unprofessional action, or any actions either oral, written or physical which impugn the integrity or image of the System in dealing with the public or customers in any way.

No election by us to provide notice and an opportunity to cure pursuant to Section 10.2 shall preclude us from rescinding the opportunity to cure and exercising our right to terminate this Agreement immediately upon notice pursuant to Section 10.3. No exercise of a right to terminate this Agreement by us shall act as an election of remedies and preclude us from exercising any other remedies to which we may be entitled to by law, equity, or otherwise pursuant to this Agreement.

10.4. Obligations and Rights after Termination. In the event of termination of this Franchise Agreement for any reason, including non-renewal:

10.4.1. You shall immediately cease operation of the Franchised Business and shall not thereafter, directly or indirectly disparage us or the System or hold yourself out as a current or former franchisee of ours, or hold yourself out in any manner which affiliates you directly or indirectly with the Licensed Marks or the System.

10.4.2. You shall immediately cease using any of the components of the System, including, without limitation, any of the Baby Boot Camp Classes or Programs, and shall immediately cease any use of any Licensed Marks. In particular, you shall cease to use, without limitation, all signs, fixtures, equipment, advertising materials, stationery, forms or any other articles that display any Licensed Mark. You shall also take such action as is necessary to terminate any fictitious name registration or similar registration which includes any Licensed Mark. You shall provide written confirmation of the actions required hereby within thirty (30) days following termination of this Agreement.

10.4.3. You shall pay any amounts due or owing to us and our affiliates, including, without limitation Monthly Service Fees and Technology Fees due through the month of termination within ten (10) days following termination of this Agreement. In addition, you shall also pay all fees and expenses we may incur in collecting any amounts due under this Franchise Agreement.

10.4.4. You will promptly, and in all events within twenty-four (24) hours following request, return to our Corporate Headquarters the Manual and all other Confidential Information, including, without limitation, Instructor Training materials and other materials provided by us and designated as confidential, and all copies thereof in your possession. As an alternative to returning these materials you can send us a letter certifying the destruction of all Confidential Information. You shall also certify in writing that you maintain no electronic copies of these materials.

10.4.5. We shall have the right, but not the obligation, exercisable by written notice within thirty (30) days after termination to purchase some or all supplies, materials, equipment, inventory or other items used or useful in the operation of the Franchised Business and bearing any of the Licensed Marks. The purchase price for such items shall be the lesser of the fair market value thereof or your cost. If the parties cannot agree on the purchase price within twenty (20) days following notice of our election to purchase, either party may seek to have an independent appraiser determine the fair market value of the materials and items, and the determination of value by the appraiser shall be final and binding.

10.4.6. You shall immediately upon written request by us assign or sublease to us your interest in any lease or sublease or right to use any Location.

11. ASSIGNMENT AND TRANSFER OF INTERESTS

11.1. Transfer by Us. We shall have the right to transfer or assign all or any part of our rights and obligations under this Franchise Agreement to any person or entity.

11.2. Sale of Franchise by You. You acknowledge and agree that the rights and duties set forth in this Agreement are personal to you. Therefore, neither you nor any person or entity which owns a direct or indirect interest in your Franchised Business of more than ten percent (10%) shall sell, assign, transfer, convey, give, pledge, mortgage or otherwise encumber any direct or indirect interest in the Franchised Business or in this Agreement without our prior written consent. Any purported transfer or assignment by operation of law or otherwise without prior written consent shall constitute a material breach of this Agreement, for which we may terminate this Agreement as set forth in Section 10.3 above. All Franchise sales must be initiated by you completing the "Request to Sell Your Franchise" form through the Business Development Center.

11.3. Conditions for Approval of Sale of Franchise. We shall not unreasonably withhold our approval of a franchise sale by you; provided, however, that in connection with determining whether to approve such a sale, we may, in our discretion, require the following:

11.3.1. You shall be current in all of your financial obligations to us and any of our affiliates, including Monthly Service Fees and Technology Fees.

11.3.2. You shall not be in default of any provision of this Agreement or any other agreement between you and us or any affiliate.

11.3.3. You complete the "Request to Transfer/Sell Franchise" or such other form as we may designate.

11.3.4. We determine in our reasonable discretion that the proposed buyer demonstrates the education, experience and character appropriate for a Baby Boot Camp Franchisee**.**

11.3.5. You shall pay us the applicable transfer fee for the Franchised Territory being sold and shall execute the then-current "Transfer & Release Agreement" for such Territory. We will also charge you the minimum royalty for the final month that you operated the Franchise.

11.3.6. The buyer shall concurrently execute our then-current Franchise Agreement for such Territory. The Franchise Agreement provided by us to the buyer shall have a $0 Initial Franchise Fee due from the buyer to us. The buyer will pay standard monthly fees starting in the month immediately following the effective date of the Franchise Agreement. We will not charge the buyer royalties for the first month as we will charge you the minimum royalties as noted above

11.4. Our Approval or Disapproval. Following receipt of all materials required as set forth in Section 11.3 above, we shall have thirty (30) days within which to approve or disapprove the proposed sale. The sale shall become effective on the date of the "Transfer & Release Agreement" or the date of the new franchise agreement with the buyer, whichever is later. If we disapprove of the proposed buyer, we shall provide you with a written statement of the reasons for disapproval.

11.5. Change in Beneficial Ownership of Franchisee. The provisions of Section 11.3 above shall not apply to a transfer of ownership interests by you to a corporation, limited liability company, or partnership in which the you, or the Principal Owner(s), are the beneficial owners of not less than fifty percent (50%) of all classes of voting securities or the controlling general partner; provided that in the above circumstances, you and the Principal Owners shall remain responsible to us for performance of all your obligations hereunder.

If you desire to make such an assignment of ownership interests to a controlled entity, we, in our discretion, may require the following:

11.5.1. You shall be current in all of your financial obligations to us and any of our affiliates, including Monthly Brand Licensing Fees, Technology Fees and Royalties.

11.5.2. You shall not be in default of any provision of this Agreement or any other agreement between you and us or any affiliate.

11.5.3. We shall have received from you and the proposed assignee a request to transfer, containing such information, including without limitation, the financial statements of the proposed assignee, business references and terms of the proposed transaction, as we may reasonably request.

11.5.4. You and proposed assignee shall complete such forms and with such information as we may require.

11.6. Our Right of First Refusal. If you give us a bona fide request for transfer under Section 11.3 above, or otherwise seek to transfer any interest in your Franchise or the Franchised Business, other than in the ordinary course of business, then you shall give us all information which we may reasonably request regarding such proposed transfer. We shall then have thirty (30) days following receipt of such information within which to determine whether to purchase the interest or the assets which you propose to transfer upon the price and terms set forth in such request for transfer or reasonably equivalent terms. If we do not exercise our right of first refusal by accepting the proposed transaction within the thirty (30) day period, then you may sell the interests or assets according to the offer, provided that we approve the proposed assignee in accordance with this Section 11.

Our right of first refusal shall not apply with respect to any proposed transfer which is (a) exempted from approval pursuant to the provisions of Section 11.5 above; or (b) the transfer by an individual Franchisee to his or her spouse, son, daughter, brother or sister (collectively, "Family Member"), or any or all of them, or (c) to a corporation, partnership or trust in which no one other than a Family Member is an interest, or (d) a transfer on the death or incapacity of an individual Franchisee pursuant to the provisions of Section 11.7 below.

Closing of any exercise of the right of first refusal set forth herein shall be held within thirty (30) days after we give notice of intent to exercise. Should we not exercise the rights granted in this Section, but you do not consummate the transfer within sixty (60) days after we give notice of non-exercise, then the transfer shall again be subject to the provisions of this Section.

11.7. Death or Incapacity of an Individual Franchisee. If you are an individual and you should die or become mentally incapacitated, your personal representative shall arrange for a transfer of the Franchise to an approved transferee within three (3) months of the date of death or mental incapacity. Any such transfer shall be subject to approval pursuant to the provisions of this Section 11.

12. NON-COMPETITION AND NON-DISCLOSURE

12.1. Non-Competition. You, and the Principal Owner(s), acknowledge that: (A) pursuant to this Agreement, you and your owners, employees, officers, directors and agents ("Associates") will obtain our confidential information and trade secrets, including, without limitation, information in the Manual, the System, Class Formats, Programs, customers and our operational, sales, promotional and marketing methods and techniques and the System (the "Confidential Information"); (B) during the Term, we will provide you with Confidential Information concerning our business methods and operating practices and dedicate substantial time and money to the extraordinary training and education of you, so you may obtain a unique skill or an enhanced degree of sophistication in an existing skill that you might not otherwise have obtained were it not for us; (C) you will have access to Confidential Information and other information regarding trade secrets, valuable confidential business relations and established relations with existing customers; (D) such trade secrets, Confidential Information, extraordinary training and education, and access to valuable information provided to you by us are our legitimate business interests which should be protected and that the use by you of such Confidential Information, extraordinary training and education would give you an unfair competitive advantage if you or your owners or employees were allowed to engage in a business in any manner similar to, or in competition with, the System; (E) your unauthorized use of such trade secrets, Confidential Information, training or education in competition with us or the System will be detrimental to our legitimate business interests and the System and will cause irreparable injury to the conduct of our business and the System; and (F) all Confidential Information is valuable to them and to the development of the Franchised Business, and that we would not enter into this Agreement without the commitments and covenants of you in this Section.

In view of the foregoing, you and the Principal Owner(s) agree as follows:

12.1.1. During the term of this Agreement and for two years following the non-renewal or termination of this Agreement for whatever reason, neither you nor any Owner shall engage directly or indirectly (whether as owner, stockholder, member, partner, officer, director, employee, consultant, franchisor, franchisee or otherwise in the Territory or any other Franchisees' territory, in any business which offers fitness or nutrition programs designed to appeal to moms.

12.1.2. In addition, during the two-year period following the non-renewal or termination of this Agreement, neither you nor any Owner shall directly or indirectly provide or attempt to provide services or products of a type provided hereunder, to any person or entity to whom or which you provided services or products hereunder during the term of this Agreement.

12.1.3. The time periods set forth in Sections 12.1.1 and 12.1.2 above shall be extended by the number of days you are not in compliance with the provisions of this Section 12.1.

12.2. Damages Attributable to Noncompetition Provisions. The parties agree that damages which we would sustain for violation of the provisions of Section 12.1 would be difficult, if not impossible to determine. Therefore, the parties agree that a reasonable estimate of damages solely attributable to damages arising out of each violation of Section 12.1 is an amount equal to the average Monthly Service Fees payable during the three (3) month period immediately preceding the termination of this Agreement multiplied by the lesser of (A) the number of months and partial months during which you were in violation of the provisions of Section 12.1 or (B) twenty-four (24). You agree to pay damages in accordance with the foregoing formula within fifteen (15) days following receipt of our written demand for payment. This provision relates solely to damages attributable to violations of Section 12.1 of this Agreement and does not act to limit our right to pursue and collect other damages. In addition, we shall be entitled to pursue any other rights to which we may be entitled at law, equity or otherwise pursuant to the terms of this Agreement including but not limited to injunctive relief.

12.3. Non-Disclosure. During the term of this Agreement and for three (3) years following the termination of this Agreement for whatever reason, neither you nor any Associate shall disclose or use, directly or indirectly, for the benefit of any person or entity outside of us any Confidential Information.

12.4. Your Instructors and Employees. You shall require and cause each Instructor and Employee (including independent contractors) to execute an agreement, in form acceptable to us, pursuant to which those individuals agree to be personally bound by the covenants and restrictions contained in this Section 12.

13. INDEMNIFICATION

13.1. Franchisee Indemnification. You are solely responsible for all loss or damage arising from or relating in any manner, directly or indirectly to the Franchised Business. During and after the Term of this Franchise Agreement, you shall indemnify and hold us and our past and present affiliates, agents, officers, directors, owners, employees and representatives harmless from and against any and all loss, damage, liability, expense (including the fees of attorneys or experts) and cost of any kind arising directly or indirectly out of or in connection with the Franchised Business or your activities. Notwithstanding the foregoing sentence, you shall not be required to indemnify us and our past and present affiliates, agents, etc., against any loss or damage to us arising solely from the use by you of any Licensed Mark in strict compliance with the terms of this Agreement and with any specifications regarding such usage which are provided to you by us from time to time, including, without limitation, the Branding Guidelines. Your maintenance of general liability insurance does not relieve you of any of the indemnification obligations set forth in this Section 13.1. We may defend any such matter with counsel of our choosing and you shall pay all reasonable expenses incurred in such defense upon our demand.

14. RIGHT OF OFFSET

14.1. Right of Offset. We may offset against amounts due to you hereunder all amounts which you owe to us.

15. GENERAL CONDITIONS

15.1. Governing Law, Severability, and Substitution of Provisions. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. §1051 et seq.), this Agreement and the relationship between us, you and any franchise owner will be exclusively governed by the laws of the State of California (without regard to, and without giving effect to, the application of California choice-of-law rules).

Every part of this Agreement shall be considered severable. If for any reason, any part of this Agreement is held to be invalid, that determination shall not impair the other parts of this Agreement. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographic area, type of activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, the parties agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

15.1.1. If any applicable law requires a greater prior notice of termination than is required hereunder, a different standard for termination or non-renewal, or the taking of some other action not required hereunder, the prior notice, different standard, and/or other action required by such law shall be substituted for the comparable provisions hereof.

15.1.2. If any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable under applicable law, we have the right, in our sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable.

15.2. Injunctive Relief. We will have the right, without the posting of any bond or security, to apply for specific performance of the terms of this Agreement, by petitions for temporary and permanent injunctions or other similar equitable relief. Specifically, we will have the right to obtain such relief to prevent you or any Owner from: (A) misusing any of the rights licensed by this Agreement; (B) engaging in competitive operations in violation of the covenants set forth in Section 12; (C) transferring or assigning any Interest without complying with this Agreement; (D) engaging in acts or practices in violation of applicable laws and regulations or which are fraudulent, dishonest or create health or other hazards to the public; (E) misuse of any confidential information as set forth in this Agreement; or (F) impairing the good will associated with the Licensed Marks. Our rights to apply for such relief are in addition to all other remedies available to us under applicable law or this Agreement.

15.3. Arbitration. Subject to the provisions of Section 15.2, any other controversy or claims arising out of or relating to this Agreement, or any breach thereof, including, without limitation, any claim that this Agreement or any portion thereof is invalid, illegal or otherwise voidable, shall be submitted to Arbitration before and in accordance with the then-Current Commercial Arbitration rules of the American Arbitration Association and judgment upon the award may be entered in any court having jurisdiction thereof.

15.4. Jurisdiction and Venue. All litigation, court proceedings, lawsuits, arbitration proceedings and other hearings must and will be venued exclusively with the courts having jurisdiction and locale where our principal office is then located. You and each Owner do hereby agree and submit to personal jurisdiction in the state and Federal Courts having jurisdiction where our principal office is then located for the purposes of any suit, proceeding, arbitration or hearing permitted to be brought to enforce or construe the terms of this Agreement or to resolve any dispute or controversy arising in connection with this Agreement. You and each Owner waive any rights to contest such venue and jurisdiction and any claims that such venue and jurisdiction are invalid.

15.5. **Cumulative Rights**. Our rights hereunder are cumulative and no exercise or enforcement by us of any right or remedy hereunder will preclude the exercise or remedy by us of any other right or remedy hereunder to which we are entitled by law or equity to enforce. If you or any Owner commits any act of default under this Agreement for which we exercise our right to terminate this Agreement, you shall pay to us the actual and consequential damages we incur as a result of the premature termination of this Agreement. You acknowledge and agree that the proximate cause of such damages sustained by us is your act of default and not our exercise of our right to terminate this Agreement.

15.6. **NO CLASS ACTIONS**. **YOU FURTHER AGREE THAT, FOR THE SYSTEM TO FUNCTION PROPERLY, WE MUST NOT BE BURDENED BY THE COST OF LITIGATING OR ARBITRATING SYSTEM-WIDE DISPUTES. ACCORDINGLY, ANY DISAGREEMENT BETWEEN US, YOU AND/OR ANY OWNER SHALL BE CONSIDERED UNIQUE AS TO ITS FACTS AND SHALL NOT BE BROUGHT AS A CLASS ACTION, AND YOU OR EACH OWNER WAIVE ANY RIGHT TO PROCEED AGAINST US BY WAY OF CLASS ACTION.**

15.7. **Waiver**. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request therefore, and such approval must be obtained in writing before you act on it. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you, by granting any waiver, approval, or consent to you, or by reason of any neglect, delay, or denial of any request therefore. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days prior written notice. We shall not be deemed to have waived or impaired any right, power, or option reserved in this Agreement (including the right to demand exact compliance with every term, condition, and covenant herein or to declare any breach to be a default and to terminate this Agreement) by virtue of any custom or practice of the parties, at variance with the terms hereof; any failure, refusal, or neglect by us to exercise any right under this Agreement or to insist upon exact compliance with the obligations prescribed hereunder (including any mandatory format, specification, standard, method, or procedure prescribed by us); any waiver, forbearance, delay, failure, or omission by us to exercise any right, power, or option, whether of the same, similar, or different nature, with respect to the franchisees for other Franchised Businesses; or the acceptance by us of any payments due from you after any breach of this Agreement.

15.8. **MUST BRING CLAIMS WITHIN ONE YEAR. ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF YOU AND US, OR YOUR OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER, MUST BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIMS OR ACTION, OR, IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES, SUCH CLAIM OR ACTION (REGARDLESS OF WHEN IT BECOMES KNOWN) SHALL BE IRREVOCABLY BARRED.**

15.9. **WAIVER OF PUNITIVE DAMAGES**. **WE AND YOU HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.**

15.10. **WAIVER OF JURY TRIALS. WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

15.11. **Third Party Litigation**. You shall pay to us any legal fees, costs and expenses incurred by us to defend us from any third party who joins us in litigation attributable to the Franchised Business, you or the Owners.

15.12. COST OF ENFORCEMENT. IF WE FILE A CLAIM IN A JUDICIAL OR ARBITRATION PROCEEDING TO ENFORCE ANY PROVISIONS OF THIS AGREEMENT AND PREVAIL IN ANY SUCH PROCEEDING, YOU AGREE TO IMMEDIATELY REIMBURSE US FOR ALL COSTS AND EXPENSES, INCLUDING REASONABLE ACCOUNTING, EXPERT WITNESS AND ATTORNEY'S FEES. IF WE ARE REQUIRED TO RETAIN LEGAL COUNSEL IN CONNECTION WITH YOUR FAILURE TO COMPLY WITH THIS AGREEMENT, YOU SHALL REIMBURSE US FOR ANY LEGAL FEES INCURRED WITHIN THIRTY (30) DAYS FOLLOWING RECEIPT OF OUR INVOICE FOR SUCH EXPENSES.

15.13. Successors and Assigns. This Agreement shall inure to the benefit of and shall bind the parties hereto, their permitted successors and permitted assigns. This Agreement is fully transferable by us, whether by operation of law or otherwise, without your consent and shall inure to the benefit of any transferee or any other legal successor to our interest herein and shall not be contestable by you.

15.14. Construction.

15.14.1. The language of this Agreement shall be construed according to its fair meaning and not strictly against any party.

15.14.2. This Agreement and all Exhibits to this Agreement constitute the entire agreement of the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or any related agreement, however, is entitled to disclaim the representations by us in the Franchise Disclosure Document furnished to you. Otherwise, the parties acknowledge and agree that they are not relying on anything other than the words of this Agreement and the Franchise Disclosure Agreement in deciding whether to enter into this Agreement.

15.14.3. The headings, table of contents, gender and language usage of the sections are for convenience only and do not in any way define, limit or construe the contents of such section. As used herein, the male gender shall include the female and neuter genders, the singular shall include the plural, and the plural, the singular.

15.14.4. Time is of the essence in this Agreement.

15.14.5. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, and such of your and our respective successors and assigns as may be contemplated (and, as to you, permitted) by Section 11 above, any rights or remedies under or by reason of this Agreement.

15.14.6. You expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

16. NOTICES AND PAYMENTS

16.1.1. Any and all notices requires or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, reputable overnight delivery service, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses designated on the first page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means that affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

16.1.2. Any payments and reports required by this Agreement shall be sent to our address specified in this Agreement unless and until a different address has been designated by written notice. No restrictive endorsement on any check or in any letter or other communication accompanying any payment shall bind us or any of our Affiliates, and acceptance of any such payment shall not constitute an accord and satisfaction.

17. INDEPENDENT CONTRACTOR; INDEPENDENCE; GUARANTEE

17.1. Franchisee is an Independent Contractor. Nothing in this Agreement is intended to constitute you as the agent, legal representative, subsidiary, joint venturer, fiduciary partner, employee or servant of us for any purpose whatsoever. You are an independent contractor and are in no way authorized by this Agreement to make any contract, warranty or representation, or to create any obligation, express or implied, on behalf of or in the name of us. You bear full responsibility for all of your employees or agents.

17.2. Franchisee Disclosure of Independence. In all of dealings with third parties including customers, employees and suppliers, you shall disclose in an appropriate manner acceptable to us that you are an independent entity. This Agreement does not create a fiduciary relationship or a relationship of special trust or confidence between you and us, and we shall not be deemed to owe any special or fiduciary duties to you.

17.3. Guarantee. Your Principal Owner(s) shall jointly and severally guarantee to us the performance by you of all of your obligations under this Agreement in substantially the form attached hereto as Exhibit 3.

18. THIRD PARTIES

18.1. No Third-Party Beneficiaries. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third party shall have the right to claim the benefit of any provision hereof as a third-party beneficiary of any such provision.

19. MODIFICATIONS

19.1. Modification of Agreement. Except as set forth herein to the contrary, this Agreement may be modified only with the written consent of both parties.

19.2. Our Modification Rights. We expressly reserve the right to modify the Manual and the System, the composition of the package of services offered and/or to change the Licensed Marks without your consent.

19.3. Additional Actions. The parties agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purposes of this Agreement.

20. MISCELLANEOUS

20.1. Independent Counsel. You expressly acknowledge that you have conducted an independent investigation of the matters covered by this Franchise Agreement and have been advised by independent counsel.

20.2. Business Risk. **YOU EXPRESSLY RECOGNIZE THAT THE CONTEMPLATED FRANCHISE AND ASSOCIATION WITH US INVOLVES BUSINESS RISKS MAKING THE SUCCESS OF THE FRANCHISED BUSINESS EXCLUSIVELY DEPENDENT UPON YOUR BUSINESS ABILITIES AND EXTERNAL ECONOMIC FACTORS OVER WHICH NEITHER WE NOR YOU HAVE CONTROL. YOU ACKNOWLEDGE AND AGREE THAT THERE ARE NO GUARANTEES OF SUCCESS OF THE FRANCHISED BUSINESS. NO REPRESENTATIONS OR WARRANTIES OR PROMISES HAVE BEEN MADE BY US TO INDUCE YOU TO ENTER INTO THIS AGREEMENT EXCEPT AS SPECIFICALLY SET FORTH HEREIN AND IN THE FRANCHISE DISCLOSURE DOCUMENT. YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED OR RELIED ON ANY WARRANTY OR ASSURANCE, EXPRESSED OR IMPLIED AS TO THE POTENTIAL SALES VOLUME, PROFITS OR SUCCESS OF THE FRANCHISED BUSINESS.**

20.3. Survival. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement. Notwithstanding any provision hereof to the contrary, the following provisions of this Franchise Agreement shall survive any termination hereof: Section 10.3, Sections 12, 13, 15, 17 and 20.

20.4. Entire Agreement. This Agreement and all exhibits to this Agreement constitute the entire agreement of the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or any related agreement, however, is intended to disclaim the representations made by us in the Franchise Disclosure Document furnished to you.

No modification or termination of this Agreement shall be binding unless executed in writing by all parties hereto. This Agreement is binding on the parties and their heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed in duplicate as of the day and year written herein.

FRANCHISOR:

INSPIRING WELLNESS, LLC
A California Limited Liability Company

By: ______________________________ Date: __________
Authorized Signatory

FRANCHISEE:

______________________________ Date: __________
(Signature of sole proprietor if sole proprietorship)

____
(Name of entity if partnership or corporation)

______________________________ Date: __________
(Signature of Corporate Officer if corporation)

____
(Title of Corporate Officer)

____
(Name of Principal Owner if partnership or corporation – see §1.10)

______________________________ Date: __________
(Signature of additional partner or owner)

______________________________ Date: __________
(Signature of any additional partner or owner)

______________________________ Date: __________
(Signature of any additional partner or owner)

EXHIBIT 1
FRANCHISE TIER, TERRITORY NAME & DEFINITION

Franchise Tier:	1 : □	Population : up to 100,000	$4,995
	2 : □	Population : up to 200,000	Transfers Only
	3 : □	Population : up to 300,000	Transfers Only

Territory Name: ____

The Territory Name appears on the website to help clients identify the Franchisee they wish to take classes from.

Territory Definition: The territory shall be defined as the physical area encompassed by the zip codes listed below. In the event that such territory is not contiguous, or that a zip code not listed below shall be completely encompassed by the territory as defined, Inspiring Wellness shall have the sole right to redefine such territory, at any point in time, so that it complies with our then-current territory definition standards.

____

____

____

Zip codes must be included in their entirety unless specific approval from Inspiring Wellness' CEO.

Territory Population: Population Total: ______________________________

Source: www.us.census.gov

Population by Zip code: ____________________________

____

____

____

The Territory Population notes are provided for reference only and were gathered as part of the franchise application and award process.

EXHIBIT 2
GUARANTEE AND ASSUMPTION OF OBLIGATIONS

For value received and in consideration for, and as an inducement for Inspiring Wellness LLC, a California limited liability company ("IW"), to enter into a Franchise Agreement with _______________________________________ ("Franchisee"), the undersigned:

1. Jointly and severally, personally, absolutely and unconditionally guarantee to Inspiring Wellness, its successors and assigns, the full payment of all amounts due and owing from the Franchisee to Inspiring Wellness which accrue after the date hereof, as well as the payment of IW's costs of enforcement (including without limitation, attorney's fees and costs) arising from any breach of such payment obligations regardless of when such enforcement costs may arise; and

2. Jointly and severally, absolutely and unconditionally guarantee and otherwise agree to be personally bound by and observe all the covenants, terms, conditions and agreements herein provided to be performed and observed by the Franchisee or any owner under or arising out of the Franchise Agreement or any related agreement between Inspiring Wellness and Franchisee which accrue after the date hereof, as well as the payment of Inspiring Wellness' costs of enforcement (including without limitation, attorney's fees and costs) arising from any breach of such covenants, conditions, or agreements, regardless of when such enforcement costs may arise; and

3. Jointly and severally, personally, absolutely and unconditionally guarantee performance by Franchisee and to be personally bound by the post-termination (meaning accruing after expiration or sooner termination of the Franchise Agreement) obligations (both monetary and non-monetary), as well as the payment of Inspiring Wellness' costs of enforcement (including without limitation, reasonable attorney's fees and costs) arising from any breach of any such obligation.

Each of the undersigned joins in and agrees to be jointly bound by all obligations of Franchisee or any owner under or arising out of the Franchise Agreement and any related agreement between Inspiring Wellness and Franchisee. Each of the undersigned further covenants and agrees that this personal guarantee shall remain and continue in full force and effect as to any renewal, modification or extension of the Franchise Agreement between Inspiring Wellness and Franchisee and any post-term obligations.

Signature:	________________________	Signature:	________________________
Print Name:	________________________	Print Name:	________________________
Address:	________________________	Address:	________________________
	________________________		________________________
	________________________		________________________
Date:	________________________	Date:	________________________

EXHIBIT 2 Continued

Additional Guarantors:

Signature:	______________________	Signature:	________________________
Print Name:	______________________	Print Name:	________________________
Address:	______________________	Address:	________________________
	______________________		________________________
	______________________		________________________
Date:	______________________	Date:	________________________

EXHIBIT 3
AUTOMATIC DEBIT AUTHORIZATION FORM (Primary Payment Method)

In accordance with the terms of the Franchise Agreement between Inspiring Wellness LLC, a California limited liability company, and the Franchisee identified on this form, and for the term of such Agreement, the franchisee and/or account holder identified below hereby authorizes Inspiring Wellness LLC to initiate electronic withdrawals and deposits to the checking or savings account indicated below and authorizes the financial institution named below to credit or debit these transactions to or from this referenced account.

Franchisee: ________________________________ (Company name if a corporation)

Social Security #: ________________________________ (EIN if a corporation)

Franchisee Address: ________________________________

____

Franchisee Phone: (   )   - ________________

Account Type (Check One): (   ) Personal Account (   ) Business Account

Account Class (Check One): (   ) Checking (   ) Savings

Account Number: ________________________

Routing Number: ________________________ (9 digits)

Account Holder Name:________________________ (If different from above)

Account Holder Address: ________________________________ (If different from above)

____

Account Holder Phone:( )   - ________________ (If different from above)

Account Holder Signature:________________________________ (If different to Franchisee)

Financial Institution Name: ________________________________

Financial Institution Phone: (   )   - ________________

Franchisee Signature: ________________________________ Date: ____________________

Title if business account: ________________________________

Please also include a photo or pdf of a voided check with your form.

EXHIBIT 4
DATA RIGHTS ADDENDUM

This Data Rights Addendum ("Addendum") is entered into by and between Inspiring Wellness LLC, a California limited liability company, ("Franchisor") and ____________________ ("Franchisee") and is incorporated by reference into the Franchise Agreement to which this Addendum is attached (the "Agreement"). This Addendum governs ownership and access rights to certain data that is generated and made available to Franchisee in connection with the Agreement. Both Franchisor and Franchisee are referenced herein individually, as a "party" and collectively, as the "parties."

1. **Definitions**. The following list of terms and definitions are applicable to this Addendum.

   a. "**Applicable Laws**" means (a) laws of the European Union or a Member State that pertain to Franchisor's Personal Data and/or Franchisor; and (b) Data Protection Laws that are applicable to Franchisor or Franchisor's Personal Data.

   b. "**Authorized Persons**" means any person who processes Personal Data on Processor's behalf, including Processor's employees, officers, partners and contractors.

   c. "**Customer**" means a customer of the Franchise.

   d. "**Customer Data**" means any data that is captured from or regarding the Customer and includes Personal Data.

   e. "**Data Protection Laws**" means the GDPR and, to the extent applicable, the data protection or privacy laws of any other country, which are applicable to the Services being rendered pursuant to the Agreement.

   f. "**EEA**" means the European countries that comprise the European Economic Area.

   g. "**Franchise**" means the MOMLETA franchise system.

   h. "**General Data Protection Regulation**" or "GDPR" means the European Union's General Data Protection Regulations 2016/679 of the European Parliament and Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and all applicable member state implementations thereof.

   i. "Model Clauses" means the standard contractual classes, approved by the European Commission, as may be amended or updated by the European Commission from time to time.

   j. "**Services**" means the services to be provided by Franchisee on behalf of Franchisor pursuant to the Agreement.

   k. The terms "**Controller**," "**Data Subject**," "**Member State**," "**Personal Data**," "**Personal Data Breach**," "**Processing**," "**Processor**," and "**Supervisory Authority**" have the meanings ascribed to such terms in the GDPR.

   l. Capitalized terms not otherwise defined in this Addendum shall have the meaning given them in the Agreement.

2. **Customer Data**.

   a. Customer Data, including any Personal Data, shall be collected and maintained in accordance with Franchisor's instructions as set forth in Exhibit A, which is attached hereto and any supplemental instructions issued by Franchisor. Franchisor shall specify the categories, types, and fields of Customer Data that Franchisee will collect and the systems, infrastructure and platform on which such Customer Data will be maintained in such instructions. Franchisor reserves the right to revise the instructions from time-to-time in Franchisor's sole discretion.

b. Subject to the terms and conditions of this Addendum, Franchisor hereby grants Franchisee a non-exclusive, non-sublicensable, non-transferrable, revocable license to access and use the Customer Data as required in the course of its business operations and only for so long as Franchisee maintains a Franchise in accordance with the Agreement ("**License**").

c. Franchisee acknowledges and agrees that all rights, title, and interest in and to all Customer Data is and shall remain with Franchisor and that Franchisor shall have sole and exclusive ownership over Customer Data, including any Derivative Works thereof. Franchisee further acknowledges and agrees that the License conferred hereunder does not confer any ownership rights in any Customer Data.

d. Each Customer, including any Data Subject, shall have the right to control such Customer's Customer Data in accordance with Data Protection Laws, including exercising any rights to access, portability, deletion, restriction, withdraw of consent, or any other rights under applicable Data Protection Laws.

e. The License granted under Section 2(b) shall only be used for Franchisee's purposes in connection with operating the Franchise. Franchisee shall not alter or attempt to alter any of the Customer Data and shall not create any Derivative Works based on any portion of the Customer Data. For purposes of this Addendum, a Derivative Works means any revision, enhancement, modification, translation, abridgement, condensation, or expansion created by Franchisee, including its employees, subcontractors, agents and representatives that is based upon the Customer Data or a portion thereof that would be a copyright infringement if prepared without authorization of Franchisor. Franchisee agrees to maintain confidentiality over the Customer Data, using the same level of care that it uses to maintain confidentiality over its own sensitive data, but in no event less than a reasonable level of care. Franchisee shall not disclose, transfer, share, trade, lease, or provide any third party with any Customer Data, except as may be authorized in Section 5 hereof. In the event that any Customer Data is disclosed to a third party in violation of this Addendum, Franchisee shall immediately notify Franchisor of the disclosure and cooperate to mitigate and rectify any damages resulting therefrom. To the extent any Derivative Works are created in violation of this Addendum, Franchisee hereby assigns (and to the extent applicable, will cause its employees, agents and representatives to assign upon Franchisor's request) all rights, title and interest in and to such Derivative Works to Franchisor and will take all actions reasonably requested by Franchisor to ensure the ownership of such Derivative Works are properly transferred to Franchisor.

f. Upon termination or expiration of the Agreement, Franchisee's License shall terminate hereunder and Franchisee shall, at Franchisor's option, either return or destroy all Customer Data within its possession, custody and control and certify in writing that it has complied with this Section 2(f) of the Addendum.

3. Franchisee's Processing of Customer Data

a. Franchisee shall:

   i. comply with all applicable Data Protection Laws in connection with the Processing of Customer Data;

   ii. to the extent Franchisee is collecting Customer Data directly from a Data Subject, ensure that all appropriate disclosures have been made available to such Data Subjects prior to the collection of any such Customer Data;

   iii. not engage in any Processing of Customer Data other than in accordance with Franchisor's documented instructions as set forth in Exhibit A to this Addendum, unless such other Processing is required pursuant to Applicable Laws, to which Franchisee, as a Processor, is subject, and provided that Franchisee informs Franchisor before Processing any Customer Data, unless that Applicable Law prohibits such notice on important grounds of public interest.

b. Franchisor:

i. warrants and represents that Franchisor: (1) is and will, at all relevant times, remain duly and effectively authorized to give the instructions set forth in Section 3(b)(i) of this Addendum; and (2) has and will continue to maintain a lawful basis for the Processing activities Franchisor is instructing Franchisee to undertake.

c. Exhibit A to this Addendum details certain information regarding Franchisee's Processing of the Customer Data in accordance with Article 28(3) of the GDPR and, as applicable, equivalent requirements of the Data Protection Laws. For the avoidance of doubt, the instructions set forth in Exhibit A do not confer any right or impose any obligation on any Party to this Addendum.

d. Franchisor may make reasonable amendments to Exhibit A as Franchisor reasonably considers necessary to meet the requirements of the applicable Data Protection Laws, by providing written notice to Franchisee.

4. <u>Franchisee's Personnel</u>

a. Franchisee shall:

i. Take all reasonable steps to ensure the reliability of any Authorized Persons who have access to Customer Data, ensuring in each case that access is strictly limited to those individuals who need to know and have access to the relevant Customer Data that belongs to Franchisor, as required for carrying out Franchisee's obligations, and to comply with Applicable Laws as it pertains to that individual's duties to Franchisee; and

ii. Ensure that any Authorized Persons that process Customer Data have executed an agreement committing such Authorized Persons to a duty of confidentiality.

5. <u>Subprocessing</u>

a. Franchisee shall have no right to engage or otherwise utilize a subprocessor in connect with the Agreement or under this Addendum. Any violation of this Section 5 shall be a material breach of the Agreement.

6. <u>Cooperation</u>

a. Franchisee shall reasonably cooperate with Franchisor to enable Franchisor to respond to any request, complaints or other communications from a Data Subject, and governmental, regulatory or judicial bodies relating to the Processing of such Data Subject's Customer Data under this Addendum, including requests from Data Subjects seeking to exercise their rights under Applicable Laws. If any such request, complaint or communication is received by or otherwise made to Franchisee, then Franchisee shall, to the extent not prohibited by Applicable Laws, immediately notify Franchisor of the request, complaint, or communication and will not respond to such communication unless Franchisor expressly authorizes Franchisee to do so.

b. Except as otherwise prohibited by Applicable Laws, if Franchisee receives a subpoena, court order, warrant or other legal demand from a third party, including, but not limited to law enforcement or other governmental, regulatory or judicial authorities, seeking the disclosure of Customer Data, Franchisee shall not disclose any information without first immediately notifying Franchisor, in writing, of such request in order to allow Franchisor to limit, challenge or protect against such disclosure, provided, however, that Franchisee's cooperation pursuant to this Subsection (b) of Section 6, shall be at Franchisor's sole expense.

c. Franchisee shall provide its reasonable assistance to Franchisor with any data protection impact assessments, and consultations with Supervising Authorities or other competent data privacy authorities, which Franchisor reasonably considers to be required of Franchisor by Articles 35 or 36 of the GDPR or similar provisions of the Data Protection Laws, in relation to the Processing of Customer Data and taking into account the nature of the Processing and information available to Franchisee.

7. Personal Data Breach

a. In the event of a Personal Data Breach affecting Customer Data, Franchisee shall:

i. Immediately notify Franchisor as soon as reasonably possible and without undue delay after Processor becomes aware of the occurrence of any such Personal Data Breach; and

ii. Provide Franchisor with sufficient information in order to allow Franchisor to comply with any obligations it may have to report or inform Data Subjects and/or Supervisory Authorities of the Personal Data Breach in accordance with Applicable Laws.

b. To the extent the Personal Data Breach concerns Franchisee's systems, Franchisee shall take such measures and actions as appropriate to remedy and mitigate the effects of the Personal Data Breach and shall cooperate with Franchisor by providing regular updates and other reasonably requested information, to the extent available to Franchisee, about developments in connection with the Personal Data Breach response, investigation and remediation efforts.

8. Security

a. As it concerns the Processing of Personal Data in accordance with the Agreement and this Addendum, to the extent applicable, Franchisee shall take into account the state of the art, costs of implementation, and the nature, scope, context and purposes of Processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons ("**Assessments of the Risks**").

b. Franchisee, in relation to Processing of the Customer Data under this Addendum, shall implement appropriate technical and organizational measures to ensure a level of security appropriate to address the Assessment of Risks, including, the measures referenced in Article 32(1) of the GDPR, as appropriate.

c. As part of the Assessment of Risks in Section 8(a) of this Addendum, Franchisee shall take into account the specific risks presented by such Processing of a Personal Data Breach.

9. Audit Reports and Inspection

a. Upon request by Franchisor, Franchisee shall provide copies of all information necessary to demonstrate Franchisee's compliance with this Addendum.

b. Franchisee will allow and provide its reasonable cooperation with an audit under this Addendum, including inspections by Franchisor or a mutually agreed upon auditor, in relation to the Processing of Customer Data by Franchisee, which shall be conducted at Franchisor's expense.

c. Franchisor shall provide Franchisee with reasonable notice of any audit or inspection it desires to conduct pursuant to Section 9(b) of this Addendum and the Parties shall mutually agree upon the date and time of such audit, which shall include reasonable efforts to avoid causing disruption to Franchisee's premises, equipment, personnel and business while Franchisor or auditor personnel are on the premises conducting an audit or inspection.

d. Any of Franchisor's or the auditor's personnel will not be granted access to Franchisee's premises unless such personnel provide reasonable evidence of their identity, which shall be provided to Franchisee prior to the commencement of the audit or inspection.

e. No more than one audit or inspection shall be permissible during any calendar year with respect to Franchisee, except where Franchisor is required to carry out an audit or inspection by Data Protection Laws, a Supervisory Authority or a similar regulatory authority with responsibility for the enforcement of Data Protection Laws applicable to Franchisor.

f. No provision in this Addendum shall be construed to preclude Franchisee from immediately informing Franchisor of any instruction received from Franchisor that Franchisee, in its opinion, believes infringes the GDPR or Applicable Laws.

10. <u>Deletion and Return of Customer Data</u>

a. Upon Franchisor's request, or upon termination or expiration of this Addendum, the Agreement or, at Franchisor's option, Franchisee shall promptly destroy or return to Franchisor all of Franchisor's Customer Data in Franchisee's possession, custody or control.

b. The requirement set forth in Section 10(a) of this Addendum shall not apply to the extent that Franchisee is required by Applicable Laws to retain some or all of the Customer Data, in which case, Franchisee shall isolate and protect the Customer Data from further Processing.

11. <u>Transfers of Customer Data by Franchisee in Connection with this Addendum</u>

a. Franchisee shall at all times provide a level of protection for Customer Data that is in its possession that is adequate, wherever processed, in accordance with the requirements of Applicable Laws.

b. Franchisee shall not process or transfer any Customer Data to any geographic territory except the territory in which the Customer Data was provided by Franchisor to Franchisee.

c. Franchisee shall not permit the Customer Data to be processed or transferred unless:

i. Franchisee has obtained Franchisor's prior written consent; and

ii. Franchisee takes all such measures as are necessary to ensure such Processing or transfer is in compliance with Applicable Laws.

d. Where Franchisee processes Personal Data under this Addendum that originates within the EEA, any such consent shall be conditioned on Franchisee utilizing adequate safeguards under Applicable Laws for a transfer such as the Model Clauses.

e. For purposes of the Model Clauses and only as it concerns Franchisee and Franchisor, the Parties agree that Franchisee is a data "Processor" and a "data importer" and that Franchisor is a "Controller" and a "data exporter" under the GDPR.

12. <u>Indemnification</u>.

a. Franchisee shall fully defend, indemnify, and hold harmless Franchisor, including its officers, directors, members, employees, subcontractors, agents, and assigns from any and all claims, causes of action, demands for damages, investigations, regulatory or administrative inquiries, lawsuits, proceedings, and hearings (collectively, "**<u>Claims</u>**") and pay all judgements, orders, settlements, damages, penalties, fines, interest, costs (including attorney's fees, expert witness fees, and court costs), fees and other expenses (collectively, "**<u>Losses</u>**"), arising out of, relating to, or in connection with Franchisee's breach of this Addendum or any Personal Data Breach, which is caused by Franchisee's negligence or willful misconduct.

13. <u>General Terms</u>

a. Except for the changes set forth in this Addendum, the Agreement shall remain unchanged and in full force and effect.

b. In the event of any conflict between the provision of this Addendum and any provision in the Agreement, this Addendum shall control and take precedence. If there is a conflict or inconsistency between this Addendum and the Model Clauses, the Model Clauses shall prevail and take precedence.

c. The obligations imposed upon Franchisee under this Addendum shall survive the expiration or termination of this Addendum so long as Franchisee processes Customer Data on behalf of Franchisor.

d. Without causing prejudice to the provisions in the Model Clauses (Clauses 7 and 9):

   i. As it concerns any disputes or claims arising under this Addendum, including disputes regarding its existence, validity or termination or the consequences of its nullity, the Parties to the Addendum hereby agree and consent to the jurisdiction set forth in the Agreement.

e. In the event there are changes made to the Data Protection Laws as defined in this Addendum:

   i. Franchisor may:

      1. by providing at least thirty (30) calendar days' written notice to Franchisee, from time to time, make any changes to the Model Clauses as they apply to transfers that are subject to restrictions under the GDPR and subject to a Data Protection Law, which are required, as a result of any change in, or a decision of a competent authority under, that Data Protection Law, to allow such transfers to be made, or continue to be made, without breach of that Data Protection Law; and

      2. propose any other amendments or changes to this Addendum, which Franchisor reasonably considers to be necessary to address the requirements of any Data Protection Law.

   ii. If Franchisor should provide notice under Section 13(e)(i)(2), the Parties shall promptly discuss the proposed amendments and negotiate, in good faith, those or alternative amendments designed to address the requirements identified in Franchisor's notice as soon as is reasonably practicable.

   iii. The Parties acknowledge and agree that a breach by Franchisee of this Addendum shall constitute a material breach of the Agreement, in which case and without prejudice to any other right or remedy available to it, Franchisor may elect to immediately terminate the Agreement in accordance with the termination provision set forth in that Agreement.

   iv. In the event any provision of this Addendum is declared to be invalid or unenforceable, then the remainder of this Addendum shall remain valid and in full force and effect. The invalid or unenforceable provision shall be amended as necessary to ensure its validity and enforcement, which preserving the Parties' intentions or, if this is not possible, construed in a manner as if the invalid or unenforceable part had never been contained therein.

   v. This Addendum may not be modified except by a subsequent written instrument signed by both Parties.

   vi. This Addendum may be executed in two or more counterparts, each of which shall be deemed an original and all of which taken together shall be deemed to constitute an original. The Parties are permitted to sign and deliver this Addendum by facsimile or email transmission or through technology infrastructure that permits and accepts digital signatures.

IN WITNESS WHEREOF, the Parties have caused this Addendum to be executed by duly authorized representatives. This Addendum is effective as of the Effective Date of the Agreement.

By: ________________________________ Date: ______________
Authorized Signatory

Mary McQueen
Authorized Signatory Name

Franchisee: ________________________________ Date: ______________
Authorized Signatory

____
Authorized Signatory Name

EXHIBIT A: DETAILS OF THE PROCESSING ACTIVITIES IN RELATION TO CUSTOMER DATA THAT IS BEING UNDERTAKEN BY FRANCHISEE

In accordance with Article 28(3) of the GDPR, this Exhibit A contains certain details regarding the Processing of Customer Data pursuant to the Agreement.

Subject Matter and Duration of the Processing Services

The subject matter and duration of the processing activities are set forth in the Agreement and Franchisor's instructions concerning Customer Data.

The Nature and Purposes of the Processing Services

The nature and purposes of the processing activities are set forth in the Agreement and Franchisor's instructions concerning Customer Data.

Types of Data Controller's Personal Data

The types of Customer Data processed include name, address, email address, and other pertinent contact information of Customers.

Categories of Data Subject to whom the Data Controller's Personal Data relates

The categories of data subjects are Customers of Franchise.

Obligations and Rights of the Franchisor

The obligations and rights of the Franchisor are set forth in the Agreement and the Addendum.

EXHIBIT 5
DIRECT SALES COMPANY ADDENDUM

Inspiring Wellness LLC has selected a nutritional product (the "Product") from a Direct Sales Company ("DSC") as an integral part of the MOMLETA franchise programs.

As part of your franchise, we will pay your partner application fee ($52) and the first four-month shipment of the Product (we have selected a standard product package that we will reimburse you for) and partner you up with a fellow franchise owner on the MOMLETA DSC Team ("Team Inspire Wellness"). After the first four months you may cancel your order. The product is charged on a monthly basis and our selected product package is approximately $50 per month. This money is paid to the DSC, not to Inspiring Wellness.

You will receive commissions on your order and commissions on anyone you introduce to the Product who signs up as customers under your partner account. We provide ongoing coaching on developing your Product business as an integral part of our franchise system. We also provide regular customer education calls to which you can invite prospective customers so that they may learn more about the Product. We also provide training to prospective new partners who may wish to sign up as part of your team. You will receive commissions on these "downline" partners and their customers in accordance with the DSC's compensation scheme.

Signing up with the DSC to represent the Product is optional, although highly recommended by us. If you do not choose to join our Team then we will not refund any portion of your initial franchise fee. You must sign up with the DSC at the time of purchasing your franchise to be eligible for the special promotion where we pay your partner application fee and the first four-month shipment. However, if you choose to sign up with the DSC later as part of Team Inspire Wellness we will pay your partner application fee, but not your initial four-month Product shipment.

If you join Team Inspire Wellness you are eligible to partner up with other MOMLETA franchise owners as part of your team. However, if you are a partner for the Product but are not part of Team Inspire Wellness (for example if you are an existing partner of the DSC we have selected prior to purchasing your franchise), you are specifically precluded from recruiting any MOMLETA franchise owners to your team.

YOU SPECIFICALLY ACKNOWLEDGE THAT IF YOU ARE NOT A MEMBER OF THE MOMLETA DSC TEAM AND YOU RECRUIT A MOMLETA FRANCHISE OWNER AS A PARTNER ON YOUR TEAM THAT THIS IS CAUSE FOR IMMEDIATE TERMINATION OF YOUR FRANCHISE WITH NO RIGHTS TO CURE.

Signature:	______________________	Join Team:	________________________
Print Name:	______________________	Decline:	________________________
Date:	______________________		Sign appropriate line above

C. Transfer & Release Agreement

NOTE: We require you to execute the current form of our Transfer & Release Agreement as a condition of your franchise sale and/or transfer.

INSPIRING WELLNESS LLC
TRANSFER AND RELEASE AGREEMENT

Effective Date of this Agreement: ____________________

Party 1: Inspiring Wellness LLC, a California limited liability company, with a principal place of business at 2010 7th Avenue, Oakland, CA 94606
(Also referred to as "IW", "we", "us" or "our.")

Party 2: [Franchisee]________________, with a principal place of business of
____
(Also referred to as "Seller")

Intended: Beneficiary ___________________________, with a principal place of business of
____
(Also referred to as "Buyer")

THIS TRANSFER AND RELEASE AGREEMENT (the "Release") is entered into as of the effective date stated above between Inspiring Wellness and Seller (hereinafter collectively referred to as the "Parties".) The Parties specifically agree that Buyer is an intended beneficiary under this agreement and may directly enforce any provision of this agreement on either party once Buyer's intended beneficiary rights have vested.

Recitals

A. Seller entered into a Franchise Agreement with Inspiring Wellness dated _______ (the "Franchise Agreement").

B. Seller desires to transfer its rights, obligations, title and interest to some or all of the Territory granted under the Franchise Agreement (hereinafter referred to as the "Specified Territory") to Buyer, together with other assets developed by Seller in the course of operating the franchised business, if any, in exchange for a payment from Buyer to Seller.

C. Seller represents and warrants that Seller has entered into a sales agreement with Buyer with the same effective date as this Release (hereinafter referred to as the "Contemporaneous Sales Agreement").

D. Buyer desires to acquire Seller's rights, obligations, title and interest to the Specified Territory and will either execute the current form of Inspiring Wellness' franchise agreement or, in the case of a Buyer that is an existing MOMLETA Franchisee, a Change in Territory Exhibit encompassing the Specified Territory (either of which is hereinafter referred to as the "Buyer Agreement").

E. Inspiring Wellness is willing to enable such transfer of rights, obligations, title and interest to the Specified Territory in exchange for payment of a Transfer Fee to Inspiring Wellness from Seller.

F. Buyer's intended beneficiary rights do not vest until Buyer executes the appropriate Buyer Inspiring Wellness Agreement with the same effective date as this Release.

G. Inspiring Wellness will provide a copy of this Release to Buyer.

Agreements

In consideration of the foregoing recitals, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Specified Territory.** The Specified Territory is specified in Exhibit 1 to this Release, hereby incorporated by reference.

2. **Release of Rights to Specified Territory.** Seller acknowledges that upon Seller's execution of this Release and Buyer's execution of the Buyer's Inspiring Wellness Agreement that all of Seller's rights, obligations, title, and interest to the Specified Territory granted under the Franchise Agreement will immediately cease to exist.

3. **Consideration.** The consideration for this Release between Buyer and Seller is evidenced by the consideration outlined in the Contemporaneous Sales Agreement. The consideration for this Release between Inspiring Wellness and Seller is the payment of the transfer fee specified in the Exhibit to this Release, which is due and payable from Seller to Inspiring Wellness as of the effective date of this Release.

4. **Representations and Warranties.** Seller represents and warrants that Seller has good and marketable title to the interests conveyed in the Contemporaneous Sales Agreement and that Seller will defend such conveyance against all persons claiming the same or any part thereof, and indemnify and hold harmless Inspiring Wellness and Buyer from and against any and all loss, expense or liability (including attorneys' fees and costs of court) arising from any such claim providing that in the event of such a claim, upon Seller's written request, Inspiring Wellness and Buyer shall make available to Seller such original documents, or copies thereof, as are necessary to defend such a claim, and shall cooperate with Seller as reasonably necessary, at no expense to Inspiring Wellness and Buyer, to defend such a claim.

5. **Indemnification.** Seller hereby agrees to indemnify Inspiring Wellness and Buyer from any and all claims, actions, causes of action, damages, costs, expenses, liabilities and other obligations (including without limitation all attorneys' fees and costs of court) incurred or sustained by Inspiring Wellness and Buyer as a result of any default by Seller under the terms of the Franchise Agreement through the effective date of this Release.

6. **Release of Claims.** In consideration of the mutual covenants contained herein, Seller, for herself and, as applicable, her respective agents, attorneys, successors, and assigns, hereby fully, forever, irrevocably, and unconditionally releases Inspiring Wellness, including any parent, subsidiary, related and affiliate entities, any predecessors, successors, and assigns and the current and past officers, directors, shareholders, agents, and employees of each and all of the foregoing from any and all claims, charges, complaints, liabilities, and obligations of any nature whatsoever, which she may have, whether now known or unknown, and whether asserted or unasserted, arising from any event or omission occurring from the beginning of time to the date of execution of this Release.

7. **Effect of Release on Seller.** The effect of this Release on the Seller is specified in the Exhibit to this Release.

8. **Binding Effect.** This Release shall inure to and be binding upon the Parties and their respective successors and assigns.

9. **Governing Law.** This Release shall be governed by and construed in accordance with the laws of the State of California, to the extent permitted by applicable state law.

10. **Facsimile Transmission.** Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as transmission of an original.

11. **Counterparts.** This Assignment may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

EXECUTED as of the effective date stated above.

Inspiring Wellness LLC
a California Limited Liability Company

By: ______________________________ Date: ____________
Authorized Signatory

Mary McQueen
Authorized Signatory Name

Seller: ____________________________________ Date: ____________
Authorized Signatory

____
Authorized Signatory Name

EXHIBIT 1
SPECIFIED TERRITORY & EFFECT OF RELEASE ON SELLER

Specified Territory

Territory Name: ____

Territory Definition: The territory shall be defined as the physical area encompassed by the zip codes listed below. In the event that such territory is not contiguous, or that a zip code not listed below shall be completely encompassed by the territory as defined, Inspiring Wellness shall have the sole right to redefine such territory, at any point in time, so that it complies with Inspiring Wellness' then-current territory definition standards.

____

____

____

Zip codes must be included in their entirety unless specifically approved by Inspiring Wellness' CEO.

Effect of Release on Seller

Release Type: 1 : □ Complete or Partial Transfer; Seller's Franchise Terminates

Seller's Franchise Agreement shall terminate as of the effective date of this Release in accordance with the termination provisions of such agreement.

2 : □ Partial Transfer; Seller's Franchise does not Terminate

All other terms and conditions of Seller's Franchise Agreement, with the exception of the definition of Territory which shall be deemed to specifically exclude the Specified Territory, shall remain unaffected following execution of this Release.

Seller shall subsequently execute a Change in Territory Exhibit that specifically updates the Territory Definition of Seller's Franchise Agreement. Failure to execute such Change in Territory Exhibit within five (5) days of Inspiring Wellness' provision of the same to Seller, or to provide Inspiring Wellness with sufficient information to prepare the Change in Territory Exhibit within five (5) days of a written request for such information, shall be considered a breach of Seller's Franchise Agreement which Seller will have ten (10) days to cure following written notice from Inspiring Wellness.

Transfer Fee: **US $1,500**

D. Table of Contents of Operations Manual

(212 pages)

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E. List of Current & Former Franchisees

Current Franchisees as of 12/31/2023 ~~12/31/2022~~

First Name	Last Name	City	State	Zip	Phone
Ashley	Daly	Kensington	CA	94707	510.332.3346
Mary	McQueen	Oakland	CA	94606	510.418.8599
Sandy	Mourad	Concord	CA	94518	415.350.6970
Laura	Kirkikis	New Orleans	LA	70124	504.247.7657
Jen	McDonald	Hendersonville	NC	28739	248.303.8807
Jennifer	Onyskow	Highland Lakes	NJ	07442	201.469.5174

Each of these franchisees may also be reached at firstname.lastname@momleta.com (for example, sandy.mourad@momleta.com).

Former Franchisees

The following are the names and last known addresses and telephone numbers of all franchisees who had an outlet terminated, cancelled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during 2021 ~~2020~~, including the reason for termination.

First Name	Last Name	City	State	Zip	Phone	Reason
Anna	Markouris	Morristown	NJ	07960	609.432.9822	Transferred
Kristin	Menapace	Princeton	NJ	08540	949.554.8054	Non-Renewal
Shannon	Schneider	Redbank	NJ	07701	917.716.1593	Non-Renewal
Kate	Jwaskiewicz	Liverpool	NY	13090	315.345.7261	Other
Kasey	Johnson	Plano	TX	75033	214.704.1454	Non-Renewal

Non Communication with Franchisees

The following franchisees have not communicated with Inspiring Wellness within 10 weeks of the date of this Disclosure Document:

None

F. List of State Administrators
and
List of Agents for Service of Process

Listed here are the names, addresses and telephone numbers of state and federal agency personnel having responsibility for franchising disclosure/registration laws and selected business opportunity laws. We have also included a list of certain of these agencies that we have designated as our registered agent for service of process in that state.

STATE ADMINISTRATORS

Alaska
Attorney General's Office
Commercial and Fair Business Section
1031 W. 4th Avenue, Suite 200
Anchorage, Alaska 99501
(907) 269-5200

California
Franchise Division
Department of Financial Protection and Innovation
2101 Arena Blvd
Sacramento, CA 95834
(866) 275-2677

Connecticut
[Business Opportunity Investment Act]
Department of Banking
Securities Division
260 Constitution Plaza
Hartford, CT 06103
Phone: (860) 240-8230
Toll-free: (800) 831-7225
Fax: (860) 240-8295

Florida
[Sale of Business Opportunities Act]
Dept. Agri. & Consumer Services
407 S. Calhoun St.
Finance & Accounting Section
Tallahassee, FL 32301
(850) 488-2221
(800) 342-2176 (FL only)

Georgia
Office of Consumer Affairs
No. 2 - Martin Luther King Dr.
Plaza Level, East Tower
Atlanta, GA 30334
(404) 656-3790

Hawaii
Department of Commerce & Consumer Affairs
Business Registration Division
Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

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

Indiana
Franchise Division
Office of Secretary of State
302 W. Washington St., Rm. E111
Indianapolis, IN 46204
(317) 232-6681

Kentucky
Office of the Attorney General
Office of Consumer Protection
1024 Capital Center Drive
Frankfort, KY 40601
(502) 573-2200

Louisiana
Office of the Attorney General
Consumer Protection Section
1885 3rd St.
Baton Rouge, LA 70802
(225) 326-6460

Maine

Banking Bureau
Securities Division
State House - Station 121
Augusta, ME 04333
(207) 624-8551

Maryland

Office of the Attorney General
Securities Division
200 Saint Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan

Consumer Protection Division
Franchise Section
PO Box 30213
Lansing MI 48909

Minnesota

Commissioner of Commerce
85 Seventh Place East, Suite 500
St. Paul, MN 55101-2198
(651) 296-6328

Nebraska

Dept. of Banking & Finance
Commerce Court
1230 “O” Street, Suite 400
PO Box 95006
Lincoln, NE, 68509-5006
1-877-471-3445

New Hampshire

Attorney General's Office
Consumer Protection Div.
State House Annex
Concord, NH 03301
(603) 271-3641

New York

New York State Department of Law
Investor Protection Bureau
28 Liberty Street
21st Floor
New York NY 10005
(212) 416-8285

North Carolina

North Carolina Department of the Secretary of State
P.O. Box 29622
Raleigh, NC 27626-0622
(919) 807-2000

North Dakota

Franchise Division
Office of Securities Commission
600 East Boulevard - 5th Floor
Bismarck, ND 58505
(701) 328-2910

Ohio

Attorney General's Office
Consumer Protection Section
25th Floor, State Office Tower
30 E. Broad Street - 14th Floor
Columbus, OH 43215
(614) 466-8831
800-282-0515 (in-state only)

Oklahoma

Oklahoma Department of Securities
Suite 860, First National Center
120 N. Robinson
Oklahoma City, OK 73102
(405) 280-7700 (voice)
(405) 280-7742 (fax)

Oregon

Corporate Securities Section
Dept. of Insurance & Finance
Labor & Industries Bldg.
Salem, OR 97310
(503) 378-4387

Rhode Island

Franchise Office
Division of Securities
1511 Pontiac Avenue, Bldg 69-1
Cranston, RI 02920
(401) 462-9527

South Carolina
Secretary of State's Office
P.O. Box 11350
Columbia, SC 29211
(803) 734-2169

South Dakota
Franchise Office
Division of Securities
910 E. Sioux Avenue
Pierre, SD 57501
(605) 773-4013

Tennessee
Tennessee Secretary of State
Department of State
Division of Business Services
312 Eighth Avenue North
6th Floor, Wm R. Snodgrass Tower
Nashville, TN 37243

Texas

Utah
Consumer Protection Division
160 East 300 South
Salt Lake City, UT 84111
(801) 530-6601

Secretary of State's Office
Statutory Documents Section
P.O. Box 12887
Austin, TX 78711-2887
(512) 475-1769

Virginia
Division of Securities & Retail Franchising
State Corporation Commission
1300 East Main Street
Richmond, VA 23219
(804) 371-9276

Washington
Department of Financial Institutions
Securities Division
150 Israel Rd SW
Turnwater, WA 98501
Voice: (360) 902-8760
Fax: (360) 586-5068

Wisconsin
Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
(608) 266-3364

Federal Trade Commission
Division of Marketing Practices
Department of Consumer Protection
Pennsylvania Avenue at 6th Street, NW
Washington D.C.
(202) 326-3128

AGENTS FOR SERVICE OF PROCESS

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

Hawaii
Department of Commerce & Consumer Affairs
Business Registration Division
Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813

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

Indiana
Indiana Secretary of State
200 West Washington Street, Room 201
Indianapolis, IN 46204

Maryland
Maryland Securities Commissioner
200 Saint Paul Place
Baltimore, MD 21202-2020

Minnesota
Franchise Examiner, Minnesota Department of Commerce
85 Seventh Place East, Suite 500
St. Paul, MN 55101-2198

New York
Secretary of State of the
State of New York
99 Washington Avenue
Albany, NY 12231

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

Virginia
Clerk of the State Corporation Commission
1300 East Main Street
Richmond, VA 23219

Washington
Administer of Securities
Department of Financial Institutions
Securities Division
150 Israel Rd SW
Turnwater, WA 98501

Wisconsin
Administrator, Division of Securities
345 West Washington Avenue,
P.O. Box 1768
Madison, WI 53701-1768

G. Copies of Notices of Negotiated Sales

NOTICES FILED WITHIN THE LAST 12 MONTHS OF THE DATE OF THIS DISCLOSURE DOCUMENT FOR INSPIRING WELLNESS LLC.

NONE.

H. State Specific Addenda

CALIFORNIA

CHANGES TO DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

In recognition of the requirements of the California Administrative Doce, Title 10, Chapter 3, subchapter 2.6, sections 310.00 through 310.505 and the California Business and Professions Code, Section 20000 through 20043, the Disclosure Document of Inspiring Wellness LLC for use in the State of California shall be amended as follows:

1. The cover page shall be supplemented with the addition of the following language:

   THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THIS DISCLOSURE DOCUMENT

   CALIFORNIA BUSINESS AND PROFESSION CODE SECTIONS 20000 THROUGH 20043 PROVIDE RIGHTS TO THE FRANCHISEE CONCERNING TERMINATION OR NON-RENEWAL OF A FRANCHISE. IF THE FRANCHISE AGREEMENT CONTAINS A PROVISION THAT IS INCONSISTENT WITH THE LAW, THE LAW WILL CONTROL.

   THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.

   The Franchise Agreement contains a liquidated damages clause. Under California Civil Code 1671, certain liquidated damages clauses are unenforceable.

   OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFRONIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

2. The last paragraph of the "What You Need to Know About Franchising Generally" page shall be amended to read as follows:

   Registration of this franchise with any state does not mean that the state recommends it or has verified the information in this Disclosure Document. If you learn that anything in this Disclosure Document is untrue, contact the Federal Trade Commission and the California Department of Corporations, at any of its offices.

3. Item 3, entitled "Litigation", shall be supplemented with the addition of the following language:

   Neither we nor any person or franchise broker identified in Item 2 of this FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

4. Item 5, entitled "Initial Franchise Fee" shall be amended as follows:

   The introductory sentence in Item 5 shall be replaced with the following introductory sentence:

   > Payment of all initial fees is postponed until we have fulfilled all of our initial obligations and you are open for business."

5. Item 7, entitled "Estimated Initial Investment" shall be amended as follows:

   The "When Due" column for the initial franchise fee shall read "10 days after we have fulfilled all of our initial obligations and you are open for business."

6. Item 17(h), entitled "Cause Defined – Defaults which cannot be cured" shall be supplemented with the addition of the following language:

   The provision for termination upon filing bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C.A Sec. 101.

7. Item 17(r), entitled "Non-competition after the franchise is terminated or expires" shall be supplemented with the addition of the following language:

   Because the covenant not to compete extends beyond the termination of the franchise, this provision may not be enforceable under California law.

8. Item 17, entitled "Renewal, Termination, Transfer and Dispute Resolution", shall be supplemented with the addition of the following paragraphs at the end of the Item:

   California Corporations Code, Section 31125, requires us to give you a Disclosure Document, approved by the Department of Corporations before a solicitation of a proposed material modification of an existing franchise.

   You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

   California Business and Professions Code Sections 2000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

CHANGES TO FRANCHISE AGREEMENT REQUIRED BY THE STATE OF CALIFORNIA

Section 5.1 of the Franchise Agreement states that the Initial Franchise Fee is due upon execution of the Franchise Agreement.

This provision is amended by replacing the introductory sentence with the following paragraph:

> All Franchisees pay a uniform, non-refundable Initial Franchise Fee, based on the population (based on the most recent U.S. Census data) of the franchise territory (the "Franchise Tier") as follows. Payment of all initial fees is postponed until we have fulfilled all of our initial obligations and you are open for business. Payments will be due and payable Net 10 days from the date of invoice thereafter.

Section 10.3.2 of the Franchise Agreement provides for termination on bankruptcy

This provision is amended by adding the following sentence:

> This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 1-1 et seq.)

Section 12.1 of the Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise

This provision is amended by adding the following sentence:

> This provision may not be enforceable under California law.

Inspiring Wellness LLC		Franchisee	
Signature:	______________________	Signature:	______________________
Print Name:	Mary McQueen	Print Name:	______________________
Date:	______________________	Date:	______________________

HAWAII

CHANGES TO DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF HAWAII

The cover page of the Disclosure Document of Inspiring Wellness, LLC for use in the State of Hawaii shall be supplemented with the following language:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Department of Commerce & Consumer Affairs
Business Registration Division
Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813

ILLINOIS

CHANGES TO DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF ILLINOIS

The Franchise Disclosure Document of Inspiring Wellness LLC for use in the State of Illinois shall be amended as follows:

General Revision

Illinois law governs the franchise agreement.

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in Sections 19 and 20 of the of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Item Revisions

1. Item 1 entitled "Special Industry Regulation" shall be supplemented with the following paragraphs:

   Two Illinois Statutes govern the operation of physical fitness facilities in Illinois. The Physical Fitness Services Act (815 ILCS 645) requires written contracts, specified cancellation requirements, that contracts cannot be for more than $2,500 per person per year and that a person trained in CPR be on the premises at all times that people can be working out. We believe that this act will govern the operation the franchise we offer and we require you to use our billing contract designed to conform to this act when signing customers to billing contracts.

   The Physical Fitness Facility Medical Emergency Preparedness Act (210 ILCS 74) requires a medical emergency plan, at least one automated external defibrillator and staff training on CPR and AEDs. Due to our limited class size we believe that this act does not apply to our franchise program.

2. Item 5, entitled "Initial Franchise Fee" shall be amended as follows

   The introductory sentence in Item 5 shall be replaced with the following introductory sentence:

All Franchisees pay a uniform, non-refundable Initial Franchise Fee, based on the population (based on the most recent U.S. Census data) of the franchise territory (the "Franchise Tier") as follows:

The fee will be invoiced at the time you have commenced doing business pursuant to the franchise agreement, and will be due and payable Net 10 days from the date of invoice.

3. Item 7, entitled "Estimated Initial Investment" shall be amended as follows:

   The "When Due" column for the initial franchise fee shall read "10 days after we have met our initial obligations to you and you have commenced doing business".

4. Item 17 (v) entitled, "Choice of forum", shall be supplemented with the addition of the following language:

   For any disputes, controversies or claims not submitted to arbitration, Illinois jurisdiction and venue shall apply.

5. Item 17 (w), entitled "Choice of Law", shall be supplemented with the addition of the following language:

   In the state of Illinois, Illinois venue and law shall apply.

CHANGES TO FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the franchise agreement.

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in Sections 19 and 20 of the of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Inspiring Wellness LLC		Franchisee	
Signature:	______________________	Signature:	______________________
Print Name:	Mary McQueen	Print Name:	______________________
Date:	______________________	Date:	______________________

MICHIGAN

CHANGES TO DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MICHIGAN

The Disclosure Document of Inspiring Wellness, LLC for use in the State of Michigan shall be amended as follows:

1. The cover page shall be supplemented with the following language:

   THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

   Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

   a) A prohibition on the right of a franchisee to join an association of franchisees.

   b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law (the “Act”). This shall not preclude a franchisee, after entering into a Franchise Agreement, from settling any and all claims.

   c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

   d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of the expiration of the franchisee’s inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor’s intent to not renew the franchise.

   e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

   f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration outside of the State of Michigan.

   g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

I. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
II. The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.
III. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
IV. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Phone: (517) 373-7117

2. Item 17 (m), entitled "Conditions for our approval of transfer", shall be supplemented with the addition of the following language:

   A franchisor may not require a franchisee to sign anything that waives or releases the franchisor from liability for claims that may arise under the Michigan Franchise Investment Law.

3. Item 17 (v) entitled, "Choice of forum", shall be supplemented with the addition of the following language.

   This provision may not be enforceable under Michigan Law.

CHANGES TO FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MICHIGAN

Section 11.3.5 of the Franchise Agreement requires you and the Principal Owner(s) to release us from any and all claims as a condition for approval of transfer.

This provision is amended by adding the following sentence:

> Notwithstanding the foregoing, the general release required as a condition of transfer shall not apply to claims arising under the Michigan Franchise Investment Law.

Section 15.3 of the Franchise Agreement requires Arbitration in accordance with the rules of AAA in Oakland, California.

This provision is amended by adding the following sentence:

> Franchisee still can file a civil lawsuit in Michigan alleging a violation of the Franchise Investment Law.

Section 15.4 of the Franchise Agreement requires litigation and arbitration to take place in Oakland, California.

The clause ending the first sentence that states that "… will be venued exclusively with the courts having jurisdiction and locale where our principal office is located" is replaced with the following clause:

> "… will be venued in Lansing, Michigan, unless otherwise agreed by the parties."

Inspiring Wellness LLC		Franchisee	
Signature:	______________________	Signature:	______________________
Print Name:	Mary McQueen	Print Name:	______________________
Date:	______________________	Date:	______________________

MINNESOTA

CHANGES TO DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MINNESOTA

The cover page of the Disclosure Document of Inspiring Wellness, LLC for use in the State of Minnesota shall be amended as follows:

The following statement shall appear on the outside front cover:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISION OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The Disclosure Document of Inspiring Wellness, LLC for use in the State of Minnesota shall be amended as follows:

1. Item 17(g), entitled "Cause Defined – Curable defaults", shall be supplemented with the addition of the following language:

   With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

2. Item 17(h), entitled "Cause Defined – Defaults which cannot be cured", shall be supplemented with the addition of the following language:

   With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

3. Item 17 (m), entitled "Conditions for our approval of transfer", shall be supplemented with the addition of the following language:

   A franchisor may not require a franchisee to sign anything that waives or releases the franchisor from liability for claims that may arise under the Minnesota Franchise Law.

4. Item 17 (u), entitled “Dispute resolution by arbitration or resolution”, shall be supplemented with the addition of the following language:

   Minn. Rule 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

5. Item 17 (v), entitled “Choice of forum”, shall be supplemented with the addition of the following language.

   Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or 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 or the jurisdiction.

6. Item 17 (w), entitled “Choice of Law”, shall be supplemented with the addition of the following language:

   This section shall not in any way abrogate or reduce any rights of the franchisee as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts in Minnesota.

Agent for Service of Process

Our agent for service of process in Minnesota is:

Minnesota Commissioner of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198

CHANGES TO FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA

Sections 10.2 of the Franchise Agreement includes various provisions under which IW may terminate the Franchise Agreement following notice and opportunity to cure.

This provision is amended by adding the following sentence:

> With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

Sections 10.3 of the Franchise Agreement includes various provisions under which IW may terminate the Franchise Agreement following notice with no opportunity to cure.

This provision is amended by adding the following sentence:

> With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

Section 11.3.5 of the Franchise Agreement requires that you and the Principal Owner(s) release us from any and all claims as a condition for approval of transfer.

This provision is amended by adding the following sentence:

> Notwithstanding the foregoing, we may not require you and the Principal Owner(s) to sign anything that waives or releases the Released Parties from liability for claims that may arise under the Minnesota Franchise Law.

Section 13 of the Franchise Agreement includes provisions governing indemnification.

This section is amended by adding the following provision:

2. **Franchisor Indemnification.** Pursuant to Minn. Stat. Sec.80C.12, Subd. 1(g), to the extent required by law, we will protect your right to use the Licensed Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Licensed Marks.

Section 15.3 of the Franchise Agreement requires Arbitration in accordance with the rules of AAA in Oakland, California.

This provision is amended by adding the following language:

> Minn. Rule 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.
>
> Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the offering circular or 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 or the jurisdiction.

Section 15.4 of the Franchise Agreement requires application of the laws of California.

This provision is amended by adding the following sentence:

> This section shall not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts in Minnesota.

Inspiring Wellness LLC		Franchisee	
Signature:	______________________	Signature:	______________________
Print Name:	Mary McQueen	Print Name:	______________________
Date:	______________________	Date:	______________________

NEW YORK

CHANGES TO DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NEW YORK

1. The cover page of the Franchise Disclosure Document of Inspiring Wellness, LLC shall be amended as follows:

   The following information is added to the cover page of the Franchise Disclosure Document:

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

   THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

   The following risk factor is added to the **"Special Risks to Consider About *This* Franchise":**

   - **THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
   - **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

   The following statement shall appear above the Disclosure Document Effective Date:

   The name and address of the Franchisor's agent for service of process in New York is:

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

2. The following paragraphs are inserted at the end of Item 3 of the Disclosure Document:

   Restrictive Orders:

   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 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.

Arbitrations:

The franchise agreement contains a binding arbitration provision. Franchisor does not have any material arbitration pending involving a franchisee, nor, during the 10-year period immediately preceding the date of this Disclosure Document, has franchisor been a party to any concluded arbitration proceeding involving a franchisee.

3. The following paragraph is inserted at the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers or general partner during the 10 year period immediately before the date of this Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the US Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the US Bankruptcy Code or that obtained a discharge of its debts under the US Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of Item 17 (c) “Summary” titled “**Requirements for franchisee to renew or extend**”:

As our franchise program continually evolves, you may be asked to sign a Franchise Agreement with materially different terms on renewal. However, we will not change your Territory on renewal unless you request that we do so during the renewal process.

6. 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.

7. The following language replaces the Item 17 (d) "Summary" titled "**Termination by Franchisee"**:

   You may terminate the Franchise Agreement upon any grounds available to you by law.

8. The following is added to the end of the "Summary" of Item 17 (j) titled **"Assignment of Contract by Franchisor"**:

   However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement.

9. The following sentence is added to the end of the "Summary" 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.

RHODE ISLAND

CHANGES TO DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF RHODE ISLAND

The Franchise Disclosure Document of Inspiring Wellness, LLC for use in the State of Rhode Island shall be amended as follows:

1. Item 17 (m), entitled "Conditions for our approval of transfer", shall be supplemented with the addition of the following language:

   A franchisor may not require a franchisee to sign anything that waives or releases the franchisor from liability for claims that may arise under the Rhode Island Franchise Investment Act.

2. Item 17 (v) entitled, "Choice of forum", shall be supplemented with the addition of the following language.

   Nothing in the Disclosure Document or franchise agreement can abrogate or reduce any of your rights as provided for the Rhode Island Franchise Investment Act.

3. Item 17 (w), entitled "Choice of Law", shall be supplemented with the addition of the following language:

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by the Rhode Island Franchise Investment Act.

CHANGES TO FRANCHISE AGREEMENT REQUIRED BY THE STATE OF RHODE ISLAND

Section 11.3.5 of the Franchise Agreement requires that the Franchisee and the Principal Owner release us from any and all claims as a condition for approval of transfer.

This provision is amended by adding the following sentence:

> Notwithstanding the foregoing, the general release required as a condition of transfer shall not apply to any liability arising under the Rhode Island Franchise Investment Act.

Section 15.3 of the Franchise Agreement requires Arbitration in accordance with the rules of AAA in Oakland, California.

This provision is amended by adding the following sentence:

> You still can file a civil lawsuit in Rhode Island alleging a violation of the Rhode Island Franchise Investment Act.

Section 15.8 of the Franchise Agreement provides claims must be brought within one year.

This provision is amended by adding the following sentence:

> This provision may not be enforceable under Rhode Island law.

Inspiring Wellness LLC		Franchisee	
Signature:	______________________	Signature:	______________________
Print Name:	Mary McQueen	Print Name:	______________________
Date:	______________________	Date:	______________________

VIRGINIA

CHANGES TO DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF VIRGINIA

The following statement shall appear above the Disclosure Document Effective Date:

The name and address of the Franchisor's agent for service of process in Virginia is:

Clerk of the State Corporation Commission
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219

The following risk factor is added to the **"Special Risks to Consider About *This* Franchise":**

- **Turnover Rate.** In the last year a high percentage of franchised outlets were terminated, not renewed, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

Section 5.1 of the Franchise Agreement states that the Initial Franchise Fee is due upon execution of the Franchise Agreement.

This provision is amended by replacing the introductory sentence with the following introductory paragraph:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to us until we have completed our pre-opening obligations under the franchise agreement.

The following summary of provision h of Item 17 of the Disclosure Document is amended as follows:

The clause "we terminate any other agreement with you for good cause" is struck in its entirety and is not applicable in the State of Virginia.

CHANGES TO FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF VIRGINIA

Section 5.1 of the Franchise Agreement states that the Initial Franchise Fee is due upon execution of the Franchise Agreement.

This provision is amended by replacing the introductory sentence with the following paragraph:

> All Franchisees pay a uniform, non-refundable Initial Franchise Fee, based on the population (based on the most recent U.S. Census data) of the franchise territory (the "Franchise Tier") as follows. All initial fees and other payments payable to us before the business opens shall be deferred until after we have fulfilled all of our pre-opening obligations under the franchise agreement, and will be due and payable Net 10 days from the date of invoice thereafter.

Section 10.3.8 of the Franchise Agreement states that the Franchise Agreement may be terminated with no right to cure by the Franchisee in the event that Inspiring Wellness terminates any other agreement between Inspiring Wellness and the Franchisee for cause.

This provision is not applicable for any Franchise Agreements executed in the State of Virginia.

Inspiring Wellness LLC		Franchisee	
Signature:	______________________	Signature:	________________________
Print Name:	Mary McQueen	Print Name:	________________________
Date:	______________________	Date:	________________________

WASHINGTON

CHANGES TO DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF WASHINGTON

1. The cover page of the Disclosure Document of Inspiring Wellness, LLC for use in the State of Washington shall be amended as follows:

   The cover sheet shall be entitled as follows:

   DISCLOSURES REQUIRED BY THE STATE OF WASHINGTON

   The following statement shall appear under the title:

   THE STATE OF WASHINGTON HAS NOT REVIEWED AND DOES NOT APPROVE, RECOMMEND, ENDORSE, OR SPONSOR ANY BUSINESS OPPORTUNITY. THE INFORMATION CONTAINED IN THIS DISCLOSURE HAS NOT BEEN VERIFIED BY THE STATE. IF YOU HAVE ANY QUESTIONS ABOUT THIS INVESTMENT, SEE AN ATTORNEY BEFORE YOU SIGN A CONTRACT.

   The following statement shall appear before the effective date:

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

   Administrator of Securities
   Department of Financial Institutions
   Securities Division
   150 Israel Rd SW
   Turnwater, WA 98501

3. The following rider shall be attached to the Disclosure Document of Inspiring Wellness, LLC for use in the State of Washington:

   If any of the provisions in the franchise offering circular or franchise agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the franchise offering circular and franchise agreement with regard to any franchise sold in Washington.

   In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

4. Item 5, entitled “Initial Franchise Fee” shall be amended as follows

   The introductory sentence in Item 5 shall be replaced with the following introductory sentence:

   All Franchisees pay a uniform, non-refundable Initial Franchise Fee, based on the population (based on the most recent U.S. Census data) of the franchise territory (the “Franchise Tier”) as follows. 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.

CHANGES TO FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON

Section 5.1 of the Franchise Agreement states that the Initial Franchise Fee is due upon execution of the Franchise Agreement.

This provision is amended by replacing the introductory sentence with the following introductory paragraph:

> All Franchisees pay a uniform, non-refundable Initial Franchise Fee, based on the population (based on the most recent U.S. Census data) of the franchise territory (the "Franchise Tier") as follows. 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.

Section 15.3 of the Franchise Agreement requires Arbitration in accordance with the rules of AAA in Oakland, California.

This provision is amended by adding the following:

> In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
>
> In addition, if any of the provisions in the franchise offering circular or franchise agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the franchise offering circular and franchise agreement with regard to any franchise sold in Washington.

Inspiring Wellness LLC		Franchisee	
Signature:	____________________	Signature:	____________________
Print Name:	Mary McQueen	Print Name:	____________________
Date:	____________________	Date:	____________________

I. 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	Pending
Illinois	Pending
New York	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

J. Receipt

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Inspiring Wellness 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 and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Inspiring Wellness does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit F.

The following is the name, principal business address and telephone number of each franchise seller offering this franchise:

Mary McQueen, 2010 7th Avenue, Oakland, California 94606, 510.418.8599
Mark Horler, 2010 7th Avenue, Oakland, California 94606, 510.418.8599

Date of Issuance: May 1, 2023

See Exhibit F for our registered agents authorized to receive service of process.

I have received a Franchise Disclosure Document with an Issuance Date of May 1, 2023 that included the following exhibits:

A. Financial Statements
B. Franchise Agreement
C. Transfer & Release Agreement
D. Table of Contents of Operations Manual
E. List of Current & Former Franchisees
F. List of State Administrators
G. Copies of Negotiated Sales
H. State Specific Appendix
I. State Effective Dates
J. Receipt

Date: ______________ Prospective Franchisee: ________________________________

Name / Title: ________________________________

Franchisee's Copy

This page intentionally left blank.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Inspiring Wellness 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 and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Inspiring Wellness does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit F.

The following is the name, principal business address and telephone number of each franchise seller offering this franchise:

Mary McQueen, 2010 7th Avenue, Oakland, California 94606, 510.418.8599
Mark Horler, 2010 7th Avenue, Oakland, California 94606, 510.418.8599

Date of Issuance: June 9, 2022

See Exhibit F for our registered agents authorized to receive service of process.

I have received a Franchise Disclosure Document with an Issuance Date of June 9, 2022 that included the following exhibits:

A. Financial Statements
B. Franchise Agreement
C. Transfer & Release Agreement
D. Table of Contents of Operations Manual
E. List of Current & Former Franchisees
F. List of State Administrators
G. Copies of Negotiated Sales
H. State Specific Appendix
I. State Effective Dates
J. Receipt

Date: ______________ Prospective Franchisee: _________________________________

Name / Title: _______________________________

Franchisor's Copy: Ensure you date this receipt with the date you received the Disclosure Document.