FRANCHISE DISCLOSURE DOCUMENT

StretchMed Franchise, LLC
a Puerto Rico Limited Liability Company
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The franchise offered is to operate a STRETCHMED® Studio that offers one-on-one assisted stretching and related products under the brand STRETCHMED®.

The total initial investment necessary to begin operation of a one to four-table STRETCHMED® franchise is between $129,892 to $280,147. This includes $91,869 to $183,320 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 disclosures in different formats, contact Brian Cook at StretchMed Franchise, LLC, 954 Avenida Ponce De Leon, Suite 205-PMB#10076, San Juan, Puerto Rico 00907, (559) 705-1192.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information on franchising. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: April 30, 2026, as amended May 5, 2026

How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only STRETCHMED® business in my area?	Item 12 and the "Exclusive 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 STRETCHMED® franchisee?	Item 20 or Exhibit H list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay service fees 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 an Exclusive Territory, the franchisor may have the right to compete with you in your Exclusive 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 agency information in Exhibit A.

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

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 Puerto Rico, or if the corporate headquarters is no longer in Puerto Rico, the city where the corporate headquarters is then located. 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 Puerto Rico, or the state where the corporate headquarters is located than in your own state.

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

3. **Limited Operation History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise system with a longer operating history.

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

To simplify the language of this disclosure document, "we" or "us" or "our" or "Franchisor" or "STRETCHMED®" refers to StretchMed Franchise, LLC, the Franchisor. "You", "your" or "Franchisee" refers to the individual, corporation or partnership that buys the franchise. If the franchisee will operate through a corporation, partnership or other entity, "you" also includes the franchisee's owners or partners.

We are a Puerto Rico, Limited Liability Company formed on April 1, 2020. Our principal business address is 954 Ave Ponce de Leon, Suite 205 - PMB 10076, San Juan, PR, 00907. We do business under our corporate name StretchMed Franchise, LLC, and as STRETCHMED®. We do not do business under any other name. We have conducted a business of the type you will operate since November 2019. We began selling STRETCHMED® franchises in December 2022. We have not conducted business in any other line of business or offered franchises in any other line of business. Our agents for service of process are disclosed in Exhibit A to the Disclosure Document.

Parents, Predecessors and Affiliates

We do not have any parents.

Our Predecessor, Stretch Med Franchise, Inc., a Massachusetts Corporation, with its principal business address of 117 West Central Street, Suite C, Natick, MA 01760, is the original franchisor of the STRETCHMED® brand, was incorporated in September of 2019 and began offering franchises for STRETCHMED® Studios in October 2019. On May 14, 2021, Stretch Med Franchise, Inc. sold its assets to us, including the Marks and four (4) franchise agreements. Our affiliate, Get In Shape Franchise, LLC, a Puerto Rico Limited Liability Company, with a principal business address of 954 Ave Ponce de Leon, Suite 205 - PMB 10076, San Juan, PR, 00907, grants franchises offering small group personal training for women under the trademark GET IN SHAPE FOR WOMEN®. It offers master franchise opportunities internationally. It has not offered franchises in any line of business or provided any services or products to franchisees, other than any disclosed in this paragraph.

The Franchised Business We Offer

We grant franchises for the operation of one-table STRETCHMED® Studio or up to four-table STRETCHMED® Studios offering 1-On-1 assisted stretching under the trademark STRETCHMED® (for reference purposes in this disclosure document, we call the Studios operating under the trademark "STRETCHMED® Studios"). As a franchisee, you will offer 1-On-1 assisted stretching under the trademark "STRETCHMED®".

All Stretch Therapists must complete our Stretch Therapist Training Program before they can become a STRETCHMED® Certified Stretch Therapist (CST™) and you or your therapist will be required to pay us our then-current training fee and cover the costs to attend the program.

The Studios consist of a small footprint of approximately 300 to 1,200 square feet and will have 1-4 stretching tables, a very specific design and layout and you will provide the approved services, sell any retail products we designate, and follow our system standards further described in our confidential operations manual. You will operate the studio from an approved location ("Approved Location" or

"Location") using our proprietary business format (the "System") under the trademark STRETCHMED®, and other such trademarks, service marks, logos, and other indicia of origin (our "Proprietary Marks") as we may designate for use in connection with your studio. The System may be changed or modified by us, in our sole discretion, and you will agree to comply with the System as it may exist (including all operational policies, procedures, programs and plans set forth in the Operations Manual or otherwise in writing). You will operate the studio according to the franchise agreement and our confidential operations manual as further described in this disclosure document.

We will grant you the right to operate one STRETCHMED® studio at a location we approve in the Franchise Agreement ("Franchise Agreement"). The Franchise Agreement is signed by you, us, and any of your principals we designate as the franchisee operator. Upon signing the franchise agreement, you and your franchisee operator(s) agree to be individually bound by certain obligations contained in the franchise agreement; including but not limited to the non-compete and confidentiality agreements, and to personally guarantee the franchise agreement.

We and/or our affiliates may sell to franchisees certain required initial start-up inventory, furniture, fixtures, equipment, build-out materials, supplies, technology, and other opening-related items for the Franchised Business. Franchisees must purchase these items through us or our designated affiliate or an approved third party vendor.

Market and Competition

The market for health, wellness, and fitness services is extremely competitive and well developed in most areas. You will compete with other STRETCHMED® studios, and other 1-On-1 assisted stretching businesses and fitness concepts which may be franchised or independent.

Industry Specific Laws and Regulations

Fitness studios are regulated in certain states and counties, and these regulations are always being updated. Some states require that health/fitness facilities have staff certified in cardiopulmonary resuscitation and automated external defibrillator use or other specialized medical training available during all hours of operation. Many states have laws regulating health club contracts, including refund and cancellation policies. Some states may also require you to obtain a bond for pre-paid membership fees. We require that you research your local laws and consult with your attorney prior to purchasing a STRETCHMED® Studio. At a minimum, your Studio will be subject to various federal, state and local laws, and regulations affecting the business, including laws relating to zoning, access for the disabled, and safety and fire standards. You may need the local fire marshals or other local, state or federal agency's permission before you begin operations.

There are also business laws and regulations that may affect your operations, such as the Americans with Disabilities Act, Wage Laws, Credit Card Transaction Laws (Truth In Lending and Regulation Z; Equal Credit Act; Fair Debt Collection Practices), and business permit requirements. It is your sole responsibility to investigate, understand and comply with these laws and regulations.

ITEM 2: BUSINESS EXPERIENCE

Founder, President & Director of Franchise Development: Brian Cook

Mr. Cook has served as our Founder, President & Director of Franchise Development since our formation on April 1, 2020. Mr. Cook was the Founder and served as the President, Chairman, and Director of our predecessor, StretchMed Franchise, Inc., from its formation in September of 2019 to May of 2021, located in Natick, Massachusetts. From 2006 to December of 2022, Mr. Cook was the Founder and served as the President, Chairman, and Director of Get In Shape Franchise, Inc., located in Natick, Massachusetts. From April 2020 to present, Mr. Cook has served as the Founder & President of Get In Shape Franchise, LLC, located in San Juan, Puerto Rico.

Franchise Support Manager: Kevin Otero Hernandez

Mr. Otero has served as our Franchise Support Manager from February 2022 until the present. Prior to this, Mr. Otero was a Personal Trainer at Health for You Corporate Wellness located in Arecibo, Puerto Rico from September 2013 to September 2018. He was an Assistant Strength & Conditioning Coach at Carlos Beltrán Baseball Academy located in Florida, Puerto Rico from August 2018 to August 2020. During the pandemic, he was self-employed and provided personal training and massage therapy from August 2020 to February 2022 in Manati, Puerto Rico.

Director of Operations: Andrew J. Zappala

Mr. Zappala has been our Director of Operations since December 2025. From July 2025 to November 2025, he was the Chief Operating Officer of Jaho Coffee Roasters (Jaho Coffee and Wine Bar) in the Greater Boston Area. From November 2022 to June 2025, he was the Managing Partner of Matchplay Golf and Sports Lounge in Andover, Massachusetts. From December 2020 to October 2023, he served as President of Marketing & Club Services of Work Out World New England in Randolph, Massachusetts. He was also the Senior Business Director at Boston Sports Clubs (Town Sports International) in Boston, Massachusetts, from June 2018 until December 2020.

ITEM 3: LITIGATION

Administrative Action

On or about June 28, 2023, we applied for franchise registration in the State of California. The Department of Financial Protection and Innovation of the State of California notified us that the CPA who had completed the audit of our financials did not have an active license. Our application was then denied and we would be charged $3,000 for this administrative action. We retained a new CPA who completed a new audit of our financials and we have resubmitted our application. Our California franchise registration was subsequently granted.

On or about July 12, 2023, we submitted an application for franchise registration in the State of Washington. During the application review, we entered into a consent order with the State of California due to the misrepresentation of the CPA we had hired to prepare our financial statements. As a result, we inadvertently failed to amend our registration application in the State of Washington. However, upon receipt of notice from the Department of Financial Institutions, Securities Division of the State of Washington, we immediately amended our application and

agreed to comply with RCW 19.100.170, the anti-fraud section of the Franchise Investment Protection Act.

Other than the above action, no litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

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

ITEM 5: INITIAL FEES

Initial Franchise Fee

We will charge you an initial franchise fee of Forty-Nine Thousand Five Hundred Dollars ($49,500) (the "Initial Franchise Fee") to consult with you in a manner we deem appropriate and at our sole discretion, in identifying an Exclusive Territory to open in, site selection, pre-opening marketing strategy, graphic design, social media, website landing page development, advertising and public relations, along with providing initial training for up to two (2) individuals, one of them being the Studio Manager which we will provide our Certified Stretch Therapist (CST) Training Program and Certification, to establish a single Studio under a franchise agreement. This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

Initial Inventory and Build-Out Package

The Initial Inventory and Build-Out Package includes the initial start-up inventory, furniture, fixtures, equipment, build-out materials, supplies, technology, and other opening-related items that we designate for the Franchised Business. You must purchase the Initial Inventory and Build-Out Package from us or our affiliate before opening. The estimated cost of this package is $42,369 to $133,820. This amount is charged by us or our affiliate, together with any related shipping, taxes handling, coordination, or administrative charges, if applicable.

ITEM 6: OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Continuing Service Fee[2]	6% of Gross Sales[3]	Due no later than Monday of each week on Gross Sales during previous week ending Sunday[2]	"Gross Sales" means all of your revenue from the franchised business, but excluding taxes collected from customers and paid to taxing authority, and reduced by the amount of any documented refunds, credits, allowances, and charge backs the Studio in good faith gives to customers. Gross Sales also include any insurance proceeds you receive for loss of business at the Studio

Type of Fee[1]	Amount	Due Date	Remarks
Advertising and Development Fund	2% of Gross Sales[3]	Due no later than Monday of each week on Gross Sales during previous week, ending Sunday[3]	You must pay to the systems Advertising and Development Fund 2% of Gross Sales for the preceding week. See Item 11 for a detailed discussion about this Fund.
Local Advertising	Up to $5,000 per month. Currently at $2,500 per month; may be reduced to $1,500 per month	As incurred	Payable to us and/or approved suppliers. You must spend this amount on local advertising. The franchisor reserves the right to require you to increase local marketing expenditures up to $5,000 per month until your Studio achieves at least 80% utilization. Utilization is defined as all tables fully booked from 8:00 AM to 8:00 PM, seven (7) days a week. Once 80% utilization is achieved and maintain it for 90 days, you may reduce your local marketing spend to $1,500 per month.
Content Manager	Up to $500 per month	As incurred	Payable to us and/or approved suppliers
Social Media Management	Up to $500 per month	As incurred	Payable to us and/or approved suppliers
Sales Development Representative (SDR) Fee	Our then-current SDR fee Currently, $1,200 per month	As incurred	Payable to us and/or approved suppliers. You must spend this amount on a SDR approved supplier.
Cooperative Advertising Programs	Up to 2% of Gross Sales[3]	As Cooperative Program directs	You must pay to the systems Cooperative Advertising Program 2% of Gross Sales for the preceding week. See Item 11 for a detailed discussion about Cooperative Advertising Programs. This amount counts towards the $2,500 per month you are required to spend on local advertising.

Type of Fee[1]	Amount	Due Date	Remarks
Initial Training Program	$1,000	Before the start of Franchise School	We or an approved supplier will provide initial training and materials for up to two trainees at no extra charge to you prior to opening your Studio. If you send more than two people to initial training or you or we require future employees to receive initial training, the cost will be $1,000 per person. See Item 11 for detailed description of training and fees.
Additional Training or Assistance Beyond Franchise School	Currently, we charge $400 per day plus expenses for training at our designated location, and $600 per day plus travel expenses for training at your Studio, and $100 to $300 per 1-2 hour video conference, teleconference, or webinar session.	On demand	We or an approved supplier may charge you for training newly hired personnel; in a manner we deem appropriate and at our sole discretion; for refresher training courses and for additional or special assistance or training we feel you need or by your request. For all training sessions you must pay for your trainees' and representatives' salaries and benefits, and for their travel, lodging and meal expenses. Additional training programs may include, but not be limited to, webinars, video conference calls and/or in-person meetings that may be performed weekly, monthly, quarterly and annually. Monthly Coaching Webinars and Quarterly Coaching Workshops are considered additional training.
STRETCHMED ® Certified Stretch Therapist (CST™) Certification Fee	Our then-current CST fee Currently, $495 per therapist	Prior to training.	We or an approved supplier will charge you a CST Certification Fee payable to us or an approved supplier before the start of the program to be held at our corporate headquarters in Puerto Rico or at any place designated by us. All staff stretching in any STRETCHMED® location, pop-up, or event, must be trained on the STRETCHMED® protocols, as well as have a degree, license, or certification in an exercise science related field. This includes managers. Training up a new stretch therapist to be proficient with the various protocols we use should take between 2 to 4 weeks. In the event the designated manager will not stretch and/or is not qualified to be a CST,

Type of Fee[1]	Amount	Due Date	Remarks
			you must have an additional full-time staff member, who is qualified to be a CST, to attend the Training Program at our corporate headquarters in Puerto Rico or any other location we designate. We reserve the right to modify the CST Certification Fee upon 30 days' prior written notice.
CST Recertification Program Fee	Our then-current CST Recertification fee Currently, $95 per therapist	As incurred	On an annual basis, we may conduct additional recertification training for your Certified StretchMed Practitioners.
Liquidated Damages	Will vary under circumstances	As incurred	If you in any way compromise the secure access to the online version of our Operations Manual, proprietary training videos including but not limited to allowing unauthorized users to access this material, you will be required to pay us liquidated damages in the amount of $10,000. If you are terminated, you may be required to pay liquidated damages in an amount equal to the last thirty-six (36) months of service fees paid, or fifty thousand dollars ($50,000), whichever is greater. If you sell your franchise business to someone other than an approved STRETCHMED® franchise owner, you will be required to pay us an amount equal to the last sixty (60) months of service fees paid or one hundred thousand dollars ($100,000), whichever is greater.
Annual Convention	Up to $1,500 per person	On demand	You must pay us a registration fee, which will not be more than $1,500 per person. You are solely responsible for all travel, room, board, and salary expenses of your employees for attendance at the annual convention. We may require you (or your managing owner), your studio manager and/or any of your employees to attend.

Type of Fee[1]	Amount	Due Date	Remarks
Transfer or Renewal	50% of our then current initial franchise fee	Before transfer or renewal completed	If you sell your Studio, or renew your franchise agreement, you or your transferee, in the event of a transfer, must pay us 50% of the then-current initial franchise fee being charged to franchisees at that time. In the event of renewal, you must renovate your Studio at your expense to our then current build out specifications to conform to our then current standards and image.
Transfer Evaluation Fee	$1,500	As Incurred	You must pay us for expenses we incur to evaluate a proposed transfer for any transfer that is not completed. If our broker finds the buyer, you must reimburse us for all commissions we pay the broker
Product and Service Purchases	Will Vary by Suppliers / Cost of Service	When billed	You must buy products and services from affiliates, our designated and approved suppliers, and us whose items meet our standards and specifications. We may permit you to buy from other suppliers to the industry.
Non-Compliance Default Notice Fee	Up to $500 per notice of violation	Immediately after notice from us	Payable only if you violate your Franchise Agreement and/or the Operations Manuals. We reserve all rights and remedies.
Testing	Cost of Testing	When billed	This covers the costs of testing new products or inspecting new suppliers you propose.
Business Management Software, Website Upgrades, Maintenance, and Support	Then-current fee charged by our approved suppliers, which is currently $350/month, $1,000 per year for upgrades	On demand	You must install and use all third-party customer relationship management, scheduling, management, and credit card processing software that we require. We may collect the monthly fee from you on behalf of each third party.
IT Management and Consulting Fee	Our then-current IT Management and Consulting Fee Currently, $200/mo.	On demand	For maintenance, management, and support services that we or a third party may provide in the future.

Type of Fee[1]	Amount	Due Date	Remarks
Camera System	Cost to install and maintain camera system	As incurred	You will purchase, install, and maintain a camera system specified by us, to be used for security as well as quality control and training purposes.
Phone Recording System	Cost to install and maintain phone recording system	As incurred	You will purchase, install, and maintain a phone recording system specified by us; to record any incoming calls for quality control and training purposes.
Audit	Costs we incur with any audit, that reveals under reporting or if conducted in response to a default.	Within 15 calendar days after receipt of audit report.	Payable only if (a) audit or review shows an understatement of the required Continuing Support and Service Fee payments or Fund contributions for the audited period of 2% or more, or (b) the audit or review is being conducted in response to your failure to timely submit any reports required by us. In the event that an audit discloses an understatement of Gross Sales or other discrepancy equal to or greater than two percent (2%) of Gross sales, in addition to the cost of the audit, including attorneys' fees, accountants' fees, travel expenses and compensation of our employees (These fees will not exceed our actual costs) you will be required to pay the marketing due on the amount of such understatement, plus late fees and interest.
Interest	Lesser of 18% per annum or highest commercial contract interest rate law allows	15 days after billing	Due on all amounts not paid when it falls due until paid in full.
Maintenance and Refurbishing of Store	You must reimburse our expenses	15 days after billing	If, after we notify you, you do not undertake efforts to correct deficiencies in Studio appearance, then we can undertake the repairs and you must reimburse us.
Insurance	Cost of insurance and, if not obtained by you, our procurement expense, plus and administrative fee	On demand	Payable only if you fail to maintain the required insurance coverage and we elect to obtain coverage for you.

Type of Fee[1]	Amount	Due Date	Remarks
Insufficient Funds	$75/occurrence	As incurred	Due when you have insufficient funds in your ACH to cover a payment, or if you pay by check, the check is returned for insufficient funds.
Management Fee	$500 per person per day (plus costs and expenses)	As incurred	Due when we (or a third party) manage your Studio after you or your managing owner's death or disability, or after your default or abandonment.
Cost of Enforcement or Defense	All costs including attorney's fees	Upon settlement or conclusion of claim or action	Under the franchise agreement, you must pay to us all damages, costs, and expenses, including all court costs, arbitration costs, and reasonable attorney fees, and all other expenses we incur in enforcing any obligation or in defending against any claim, demand, action or proceeding relating to the franchise agreement, including the obtaining of injunctive relief.
Indemnification	Will vary under circumstances	On demand	You must reimburse us for any damages we incur or if we are held liable for any claims arising from the operation of your business.
Quality Control or Secret Shopping Programs	$250, not more than 1 time per quarter, unless we determine you are not in compliance with our systems and standards, in that event, not more than 1 time per month	When billed	We may use an independent, third party, individual or consultant for quality control measures and secret shopping to help you set appropriate performance benchmarks and goals, as well as to monitor and enforce the proper implementation of our System and Standards.
Manager Training Fee	Our then-current Manager Training Fee Currently at $400/month	As incurred	Your studio manager is required to participate in training from an approved supplier until your studio reaches the below monthly sales levels consistently for 3 months: 1-Table = $20,000/mo 2-Table = $35,000/mo 3-Table = $50,000/mo 4-Table = $65,000/mo If your studio manager reaches these monthly sales levels over a 3-month period

Type of Fee[1]	Amount	Due Date	Remarks
			then this training is not required provided the monthly sales levels are achieved. If, afterwards, your monthly sales fall below these levels for any given month the studio manager will be required to rejoin the training.
Collections Costs & Attorney's Fees	Will vary under circumstances	On demand	Under the Franchise Agreement, if we prevail in whole or in substantial part, obtain temporary, preliminary, or permanent injunctive relief, obtain declaratory relief, or if the matter is resolved by your payment, cure, or settlement after our enforcement efforts begin, you must reimburse us for all reasonable costs and expenses actually incurred by us or our affiliates in investigating, responding to, mediating, arbitrating, litigating, appealing, collecting, or otherwise enforcing the Franchise Agreement, any related agreement, or any obligation arising out of the franchise relationship. These amounts may include court costs, arbitration costs, attorney fees, paralegal fees, expert fees, accounting fees, investigation costs, travel expenses, and, to the extent permitted by applicable law, the actual documented cost of time spent by our in-house counsel and other personnel materially involved in the matter; provided, however, that the reimbursable hourly amount for such internal personnel time will not exceed $250 per hour.
Professional Cleaning Service	Cost of service, estimated not to exceed $300/month	As incurred	You are required to have a professional cleaning service deep clean your studio at least one time per week, payable to the supplier.
Credit Card Processing Fee	3% of amount charged	Any time you make payments to Franchisor or its Affiliates by credit card	When Franchisee uses a credit card for purchases from the Franchisor or its Affiliates, Franchisor or its Affiliates will charge Franchisee a credit card processing fee.

Type of Fee[1]	Amount	Due Date	Remarks
Customer Service Non-Compliance Fee	up to $250 per incident	Immediately after notice from us	A fee may be imposed when Franchisee fails to timely resolve customer service disputes after receiving notice of dispute such that Franchisor finds it necessary to intervene.
Improper or Unauthorized Use of Trademark	up to $1,000 per day	Immediately after notice from us	A fee may be imposed when Franchisee improperly uses Franchisor's Names and Marks.
Non-compliance of prohibition of advertising on daily deal sites	up to $250 per day	Immediately after notice from us	In addition to liability for any damages for which Franchisee is legally liable, a daily fee will be assessed by the Franchisor when Franchisee posts promotions on daily deal sites, such as Groupon, Living Social, MindBody, GymPass and/or other similar sites. This daily fee will be assessed until Franchisee demonstrates promotion is completely removed, including from any internet search engines.
Music Licensing	Amounts charged by the providers for such music licensing	As invoice or otherwise agreed	We may require that this amount be paid to our then-current Approved Supplier, which may be us or our affiliate, that determines to handle and manage these licenses for System franchisees. As of the Issue Date, we are not collecting this amount directly – but we may at some point to help administer and manage the licensing across the System.
Administrative Fee	Then-current fee charged by us. Currently, $100 for each late payment or late report	Upon demand	We reserve the right to require you to pay an administrative fee of $100 for each late payment or late report in connection with payment of all amounts due under your Franchise Agreement.
Alternate Supplier Approval	Then-current fee charged by us. Currently, $500 per request for personnel, plus expenses.	At time of request.	We may charge you or the supplier our then-current fee to evaluate and determine within a reasonable time (generally no more than 30 days) whether or not the supplier is approved.

Type of Fee[1]	Amount	Due Date	Remarks
Relocation Fee	$5,000	Upon submission of a proposal to relocate	You will not be permitted to relocate your Studio without our prior written approval, which may be withheld at our discretion. We reserve the right to assess a relocation fee of $5,000 at the time you submit the proposed location for your relocated Studio. Generally, we do not approve requests to relocate your Studio after a site selection has been made and you have opened for business unless (a) it is due to extreme or unusual events beyond your control, and (b) you are not in default of your Franchise Agreement. If we approve your relocation request, we retain the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection.
Photo and Video Shoot Cost	$3,000/semi annual	As incurred	We may charge you for semi annual photo, and video shoots, and reels to gather assets for marketing and social media. We may allow you to hire a third-party professional photographer or otherwise supplied by us.
LOI and Lease Review Fee	Up to $3,000 for review of associated documents We currently charge $1,500 for review of associated documents	As incurred	We, or an approved third-party vendor, will review, assess and evaluate all documents relating to your proposed studio site, development, or operation that require Franchisor approval or consent under the Franchise Agreement, and will coordinate the Franchisor's written approval or consent as applicable. This includes, without limitation, letters of intent, leases, lease amendments, assignments, subleases, transfer agreements, collateral assignments of lease, site plans, floor plans, architectural and construction plans, signage plans, and other related or ancillary documents. Approval or consent is expressly contingent upon inclusion of the provisions and protections required by the Franchisor under the Franchise Agreement and the execution

Type of Fee[1]	Amount	Due Date	Remarks
			of a general release in a form prescribed by the Franchisor.
CAD Design and Virtual Rendering Fee	(a) $1,000 for the Studio Design of your new studio case of relocation; or (b) $500 in case of refurbishment of existing studio	As Incurred	You must pay the Franchisor a non-refundable studio design fee in the amount of: (a) $1,000 for the studio design of your new studio in case of relocation; or (b) $500 if the Franchisor requires you to refurbish an existing studio.
Emergency Purchases	Will vary under circumstances	As Incurred	Under emergency circumstances, we may purchase items for you that we determine are necessary for you to operate your business. You must reimburse us for these purchases.
Late Development Fee	$5,000	As Incurred	Only payable if you fail to open a Studio by the date required under your Franchise Agreement, and paying the fee does not extend the opening deadline, cure default, or waive franchisor remedies.

Notes:

1. Except for product and service purchases described in Item 8, and except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to us. Except as noted above, all fees are non-refundable. These fees are uniformly imposed.

2. Before your Studio opens, you must sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Continuing Service Fee payments, Fund contributions, default notices, and other amounts due under the Franchise Agreement and for your purchases from us and our affiliates, and any subcontractor we deemed appropriate (the "Electronic Depository Transfer Account" or "EDTA") through the ACH Checking Account Deduction Document (see Franchise Agreement Attachment 3). We will debit the EDTA for these amounts on their due dates. Funds must be available in the EDTA for withdrawal. We may require payment other than by automatic debit, and you must comply with our payment instructions. We will charge you a Service fee of six percent (6%) (the "Continuing Service Fee") to consult you in a manner we deem appropriate and at our sole discretion, for the following ongoing consulting: local advertising, marketing, public relations, digital marketing strategy, social media strategy, sales training, stretch therapy education and training, business strategy planning and growth consulting. For any interruption in the operation of your business (except for an interruption due to a remodel or refurbish of the business), you must continue to pay us, during such period of interruption, continuing Service fees based on the average monthly Service fees paid by you during the twelve (12) months immediately preceding the period of interruption. However, if (a) this interruption is due to force majeure, (b) you have obtained the insurance coverage we require or reasonably recommend, and (c) you properly and

timely submit all applicable insurance claims, the Service fees payable to us during this period of interruption will be based on the insurance payments, if any, you receive.

3. "Gross Sales" means all of your revenue from the franchised business, but excluding taxes collected from customers and paid to taxing authority, and reduced by the amount of any documented refunds, credits, allowances, and charge backs the Studio in good faith gives to customers. Gross Sales also include any insurance proceeds you receive for loss of business at the Studio. If you do not report the Studio's Gross Sales, we may debit your EDTA for 118% of the last Continuing Service Fee payment and Fund contribution that we debited. If the amounts we debit are less than the amounts you actually owe us, we will debit your EDTA for the balance on the day we specify. If the amounts we debit are greater than the amounts you actually owe us, we will credit the excess against the amounts that we otherwise would debit from your EDTA during the following week.

   These Studios will include STRETCHMED® Studios operating in the Advertising Coverage Area by us, or our affiliates. Each STRETCHMED® Studio operating in the Advertising Coverage Area will have one vote, including our studios and those owned by our affiliate(s). There is a Seventy-five-dollar ($75.00) charge per occurrence if you have insufficient funds in your ACH to cover a payment, or if you pay by check, the check is returned for insufficient funds.

   On Monday of each week, we may electronically access your computer system to obtain your Studio's Gross Sales. If any state imposes a sales or other tax on the Service Fees, then we have the right to collect this tax from you.

4. Grant of Security Interest. As security for your obligations to us under the Franchise Agreement or any other agreement, you will grant us a first-priority security interest in the assets comprising your Franchise Business.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR A 1-TABLE STUDIO

Type of Expenditure[1]	Amount[23]	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee[2]	$49,500	Lump Sum	Upon signing Franchise Agreement	StretchMed Franchise, LLC
Real Estate/Rent[3] (First month's rent plus one month Security Deposit)	$4,301 - $6,452	As Agreed	As Agreed	Landlord, or other outside party as agreed
Utility Deposits[4]	$0 - $400	Lump Sum	As per terms of invoice	Landlord, or other outside party service provider.

Type of Expenditure[1]	Amount[23]	Method of Payment	When Due	To Whom Payment Is To Be Made
Leasehold Improvements[5, 22]	$0 - $41,953	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Computer System and Related[6]	$4,083	As Agreed	As Incurred	Outside Suppliers
Sound & Camera System[22]	$1,271 - $1,406	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Store Furnishings and Miscellaneous Studio Items[22]	$10,673 - $13,629	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Stretching Tables/ Equipment[22]	$6,701 - $9,187	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Architectural Plans[7]	$0 - $2,500	As Agreed	As Incurred	Architect
Office Furniture and Supplies, Promotional Products & Employee Apparel[8, 22]	$11,598 - $13,693	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Grand Opening Marketing[9]	$5,000	As Agreed	As Incurred	Advertising Sources
Presale Advertising[10]	$10,000	As Agreed	As Incurred	Advertising Sources
Training Expenses (out-of- pocket costs for 2 people)[11]	$0 - $4,000	As Agreed	As Incurred	Third Parties
Prepaid Insurance 3 months[12]	$400 - $1,000	As Agreed	As Incurred	Insurance Company
Additional Funds 3 months[13]	$10,000 - $20,000	As Agreed	As Incurred	Employees, Third Parties
Signage[14, 22]	$1,808 - $2,085	As Agreed	As Incurred	Outside Suppliers
Inventory[15, 22]	$8,217 - $8,868	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
First Aid Equipment and Training[16, 22]	$2,102 - $2,392	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Licenses and Permits[17]	$0 - $5,200	As Agreed	As Incurred	Local, State or Federal Government
STRETCHMED® Certified Stretch Therapist (CST™) Certification Fee[18]	$990	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Professional Fees[19]	$1,000 - $5,000	As Agreed	As Incurred	Third Parties

Type of Expenditure[1]	Amount[23]	Method of Payment	When Due	To Whom Payment Is To Be Made
LOI and Lease Review[20]	$1,500 - $3,000	As Agreed	As Incurred	Third Parties and/or StretchMed Franchise, LLC
CAD Design and Virtual Rendering Fee[21]	$750	As Agreed	As Incurred	Third Parties and/or StretchMed Franchise, LLC
TOTAL INITIAL INVESTMENT [23]	**$129,892 - $211,086**			

Explanatory Notes

1. Unless otherwise agreed by a third party, or stated in this disclosure document, none of these payments are refundable.

2. We describe the initial franchise fee in Item 5.

3. A 1-Table STRETCHMED® Studio occupies about approximately 300-400 square feet of space, some Studios are a little smaller and some larger. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and could be considerably higher in large metropolitan areas than in more suburban or small-town areas. STRETCHMED® Studios can be located in strip shopping centers, shopping malls, free-standing units, and other venues in downtown commercial areas and in residential areas. We anticipate that you will rent the Studio's premises. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Studio is already constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this estimated initial investment table does not reflect the potential cost of purchasing real estate rather than renting it. The rent cost can vary between $4,301-$6,452 which includes 1 months' rent and 1 month security deposit.

4. This item includes utility deposits, telephone company deposits, electrical and other energy company deposits.

5. Leasehold improvement costs, net of estimated tenant improvement allowances, include floor coverings, wall treatments, counters, ceiling treatments and painting, window coverings, electrical work, carpentry, contractor's fees, and similar work. These costs vary based on the site's condition, location, size, prior use, required build-out, market conditions, lease terms, and any construction allowance, tenant improvement allowance, turnkey build-out, rent credit, reimbursement, or other landlord contribution. Any landlord contribution is not guaranteed. The lower figure assumes the landlord performs or pays for most of the build-out, provides a turnkey or substantially turnkey build-out, or provides a sufficient tenant improvement allowance.

The higher figure assumes significant construction work is required and the landlord does not contribute, or contributes only minimally.

6. These figures reflect two computer options, which are outlined in Item 11, a tablet to be used at the front of the Studio to check in clients and play music in your studio, and a laptop for the Manager to run operations for the studio. This also includes a multifunction printer, fax, scanner, and copier.

7. The architect will provide architectural services relating to the Studio building. The lower number assumes that the landlord and town where your premises are located accept a basic floor plan when approving build out improvements. Some towns may require a licensed architect to submit floor plans.

8. This includes corporate discounts that we have established with national office supply and apparel vendors. Items include a small conference table and chairs, storage units, waiting room table, miscellaneous Studio supplies, such as bathroom tissue, artificial plants, etc., employee apparel, and promotional products.

9. This is the minimum required amount you must spend on grand opening marketing for your Studio.

10. You must spend this amount on local advertising for at least two (2) months before you open.

11. We will provide initial training up to two (2) people at no additional cost when opening a new Studio. The lower figure assumes that you will not have to pay for flights, meals, etc. The higher figure assumes that you will need to get a flight(s), hotel, and pay for food and living expenses during your week of training with us.

12. You must obtain and maintain certain types and amounts of insurance. (See Item 9) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for three (3) months.

13. Additional Operating Funds. Franchise disclosure laws require us to include an estimate of all costs and expenses to operate the franchise business during the "initial phase" of your business, which must be a period of at least three months after the franchised business opens, or a longer period if "reasonable for the industry". We are not aware of any established longer "reasonable period" for the health and fitness industry. This item estimates your expenses during the initial period of operation of your Studio (other than the items identified separately in the table). These expenses include payroll costs, but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on how much you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition;

and the sales level reached during the initial period of operation of your Studio. Some states may require you to obtain a bond for pre-paid membership fees. This amount does not include the cost of obtaining a bond for your business. Because the requirements vary by state, and may depend on your net worth, we cannot estimate the amount you will need to obtain a bond, or the assets you may need to collateralize that bond.

14. This amount will vary by the site's location, size, structure, and town permitting. The lower figure assumes a smaller sign, without being backlit; the higher number would be a larger sign and, in some cases, multiple signs that may be with backlit and local ordinances require additional signage criteria. Signage includes a "Coming Soon" banner.

15. We may require you to place an initial order of supplies such as T-shirts, hats, and water bottles from us or our approved suppliers to have in stock upon opening.

16. Before you may open your STRETCHMED® Studio, you must purchase an Automated External Defibrillator ("AED") and you and your staff must be certified in cardiopulmonary resuscitation and AED use. The above estimate reflects the cost of purchasing the AED and certifying two (2) people.

17. Local, municipal, county, and state regulations vary on what licenses and permits you must obtain to operate a Franchise Business.

18. All staff stretching in any STRETCHMED® location, pop-up, or event must be trained on the STRETCHMED® protocols. You are solely responsible for obtaining these CST Certifications and paying the associated costs. This item estimates the costs for obtaining CST Certification on the initial staff who will provide stretching services at your Studio.

19. You may decide to form a Business Entity to operate the Franchise Business before beginning operations. You will have to comply with the fictitious, assumed, or trade name statutes of the state in which the Franchise Business will be located. These estimates include attorneys' fees, publication fees, filing fees and other costs for business entity formation, compliance with your state's fictitious or assumed name statute and review of this Franchise Disclosure Document, and lease review and negotiation, depending on the scope of representation. These fees may vary from state to state depending on each state's laws and the prevailing rates of attorneys' fees.

20. We or an approved third parties will review the letter of intent and/or lease for your studio and require that it include certain provisions in order to approve your studio's site and its lease. Franchisor's acceptance of a site does not constitute a guarantee by Franchisor that the Studio will be profitable at that site.

21. After you send us completed pre-construction forms and "as-built" drawings of the existing premises to be developed as your studio, we will prepare and send you a design plan for your studio that includes a floor plan, flooring specifications, ceiling

specifications and renderings (including location of walls, retail displays, fixtures and equipment) (a "Studio Design"). All Studio Designs are subject to the Franchisor's review and approval, which may be granted or withheld in the Franchisor's sole discretion. The studio design fee is uniformly imposed.

22. The following line items collectively comprise the Initial Inventory and Build-Out Package described in Item 5.

23. We relied on affiliate-owned STRETCHMED® locations which have operated a STRETCHMED® location in establishing this estimate. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness, and collateral and lending policies of financial institutions from which you request a loan.

YOUR ESTIMATED INITIAL INVESTMENT FOR A 2-TABLE STUDIO

Type of Expenditure[1]	Amount[23]	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee[2]	$49,500	Lump Sum	Upon signing Franchise Agreement	StretchMed Franchise, LLC
Real Estate/Rent[3] (First month's rent plus one month Security Deposit)	$5,771 - $8,656	As Agreed	As Agreed	Landlord, or other outside party as agreed
Utility Deposits[4]	$0 - $400	Lump Sum	As per terms of invoice	Landlord, or other outside party service provider.
Leasehold Improvements[5, 22]	$0 - $52,643	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Computer System and Related[6]	$4,083	As Agreed	As Incurred	Outside Suppliers
Sound & Camera System[22]	$1,208 - $1,363	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Store Furnishings and Miscellaneous Studio Items[22]	$10,621 - $13,593	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Stretching Tables/ Equipment[22]	$10,741 - $13,417	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Architectural Plans[7]	$0 - $2,500	As Agreed	As Incurred	Architect

Type of Expenditure[1]	Amount[23]	Method of Payment	When Due	To Whom Payment Is To Be Made
Office Furniture and Supplies, Promotional Products & Employee Apparel[8, 22]	$11,155 - $13,250	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Grand Opening Marketing[9]	$5,000	As Agreed	As Incurred	Advertising Sources
Presale Advertising[10]	$10,000	As Agreed	As Incurred	Advertising Sources
Training Expenses (out-of- pocket costs for 2 people)[11]	$0 - $4,000	As Agreed	As Incurred	Third Parties
Prepaid Insurance 3 months[12]	$400 - $1,000	As Agreed	As Incurred	Insurance Company
Additional Funds 3 months[13]	$10,000 - $30,000	As Agreed	As Incurred	Employees, Third Parties
Signage[14, 22]	$1,739 - $2,016	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Inventory[15, 22]	$7,904 - $8,554	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
First Aid Equipment and Training[16, 22]	$2,022 - $2,311	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Licenses and Permits[17]	$0 - $5,200	As Agreed	As Incurred	Local, State or Federal Government
STRETCHMED® Certified Stretch Therapist (CST™) Certification Fee[18]	$990	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Professional Fees[19]	$1,000 - $5,000	As Agreed	As Incurred	Third Parties
LOI and Lease Review[20]	$1,500 - $3,000	As Agreed	As Incurred	Third Parties and/or StretchMed Franchise, LLC
CAD Design and Virtual Rendering Fee[21]	$750	As Agreed	As Incurred	Third Parties and/or StretchMed Franchise, LLC
TOTAL INITIAL INVESTMENT[23]	**$134,382 - $237,226**			

Explanatory Notes

1. Unless otherwise agreed by a third party, or stated in this disclosure document, none of these payments are refundable.

2. We describe the initial franchise fee in Item 5.

3. A 2-Table STRETCHMED® Studio occupies approximately 500-700 square feet of space, some Studios are a little smaller and some larger. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and could be considerably higher in large metropolitan areas than in more suburban or small-town areas. STRETCHMED® Studios can be located in strip shopping centers, shopping malls, free-standing units, and other venues in downtown commercial areas and in residential areas. We anticipate that you will rent the Studio's premises. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Studio is already constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this estimated initial investment table does not reflect the potential cost of purchasing real estate rather than renting it. The rent cost can vary typically between $5,771 - $8,656 which includes 1 months' rent and 1 month security deposit.

4. This item includes utility deposits, telephone company deposits, electrical and other energy company deposits.

5. Leasehold improvement costs, net of estimated tenant improvement allowances, include floor coverings, wall treatments, counters, ceiling treatments and painting, window coverings, electrical work, carpentry, contractor's fees, and similar work. These costs vary based on the site's condition, location, size, prior use, required build-out, market conditions, lease terms, and any construction allowance, tenant improvement allowance, turnkey build-out, rent credit, reimbursement, or other landlord contribution. Any landlord contribution is not guaranteed. The lower figure assumes the landlord performs or pays for most of the build-out, provides a turnkey or substantially turnkey build-out, or provides a sufficient tenant improvement allowance. The higher figure assumes significant construction work is required and the landlord does not contribute, or contributes only minimally.

6. These figures reflect two computer options, which are outlined in Item 11, a tablet to be used at the front of the Studio to check in clients and play music in your studio, and a laptop for the Manager to run operations for the studio. This also includes a multifunction printer, fax, scanner, and copier.

7. The architect will provide architectural services relating to the Studio building. The lower number assumes that the landlord and town where your premises are located accept a basic floor plan when approving build out improvements. Some towns may require a licensed architect to submit floor plans.

8. This includes corporate discounts that we have established with national office supply and apparel vendors. Items include a small conference table and chairs, storage units, waiting room table, miscellaneous Studio supplies, such as bathroom tissue, artificial plants, etc., employee apparel, and promotional products.

9. This is the minimum required amount you must spend grand opening marketing for your Studio.

10. You must spend this amount on local advertising for at least two (2) months before you open.

11. We will provide initial training up to two (2) people at no additional cost when opening a new Studio. The lower figure assumes that you will not have to pay for flights, meals, etc. The higher figure assumes that you will need to get a flight(s), hotel, and pay for food and living expenses during your week of training with us.

12. You must obtain and maintain certain types and amounts of insurance. (See Item 9) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for three (3) months.

13. Additional Operating Funds. Franchise disclosure laws require us to include an estimate of all costs and expenses to operate the franchise business during the "initial phase" of your business, which must be a period of at least three months after the franchised business opens, or a longer period if "reasonable for the industry". We are not aware of any established longer "reasonable period" for the health and fitness industry. This item estimates your expenses during the initial period of operation of your Studio (other than the items identified separately in the table). These expenses include payroll costs, but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on how much you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Studio. Some states may require you to obtain a bond for pre-paid membership fees. This amount does not include the cost of obtaining a bond for your business. Because the requirements vary by state, and may depend on your net worth, we cannot estimate the amount you will need to obtain a bond, or the assets you may need to collateralize that bond.

14. This amount will vary by the site's location, size, structure, and town permitting. The lower figure assumes a smaller sign, without being backlit; the higher number would be a larger sign and, in some cases, multiple signs that may be with backlit and local ordinances require additional signage criteria. Signage includes a "Coming Soon" banner.

15. We may require you to place an initial order of supplies such as T-shirts, hats, and water bottles from us or our approved suppliers to have in stock upon opening.

16. Before you may open your STRETCHMED® Studio, you must purchase an Automated External Defibrillator ("AED") and you and your staff must be certified in

cardiopulmonary resuscitation and AED use. The above estimate reflects the cost of purchasing the AED and certifying two (2) people.

17. Local, municipal, county, and state regulations vary on what licenses and permits you must obtain to operate a Franchise Business.

18. All staff stretching in any STRETCHMED® location, pop-up, or event must be trained on the STRETCHMED® protocols. You are solely responsible for obtaining these CST Certifications and paying the associated costs. This item estimates the costs for obtaining CST Certification on the initial staff who will provide stretching services at your Studio.

19. You may decide to form a Business Entity to operate the Franchise Business before beginning operations. You will have to comply with the fictitious, assumed, or trade name statutes of the state in which the Franchise Business will be located. These estimates include attorneys' fees, publication fees, filing fees, and other costs for business entity formation, compliance with your state's fictitious or assumed name statute and review of this Franchise Disclosure Document, and lease review and negotiation, depending on the scope of representation. These fees may vary from state to state depending on each state's laws and the prevailing rates of attorneys' fees.

20. We or an approved third parties will review the letter of intent and/or lease for your studio and require that it include certain provisions in order to approve your studio's site and its lease. Franchisor's acceptance of a site does not constitute a guarantee by Franchisor that the Studio will be profitable at that site.

21. After you send us completed pre-construction forms and "as-built" drawings of the existing premises to be developed as your studio, we will prepare and send you a design plan for your studio that includes a floor plan, flooring specifications, ceiling specifications and renderings (including location of walls, retail displays, fixtures and equipment) (a "Studio Design"). All Studio Designs are subject to the Franchisor's review and approval, which may be granted or withheld in the Franchisor's sole discretion. The studio design fee is uniformly imposed.

22. The following line items collectively comprise the Initial Inventory and Build-Out Package described in Item 5.

23. We relied on affiliate-owned STRETCHMED® locations which have operated a STRETCHMED® location in establishing this estimate. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness, and collateral and lending policies of financial institutions from which you request a loan.

YOUR ESTIMATED INITIAL INVESTMENT FOR A 3-TABLE STUDIO

Type of Expenditure[1]	Amount[23]	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee[2]	$49,500	Lump Sum	Upon signing Franchise Agreement	StretchMed Franchise, LLC
Real Estate/Rent[3] (First month's rent plus one month Security Deposit)	$7,283 - $10,925	As Agreed	As Agreed	Landlord, or other outside party as agreed
Utility Deposits[4]	$0 - $600	Lump Sum	As per terms of invoice	Landlord, or other outside party service provider.
Leasehold Improvements[5, 22]	$0 - $60,451	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Computer System and Related[6]	$4,083	As Agreed	As Incurred	Outside Suppliers
Sound & Camera System[22]	$1,172 - $1,527	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Store Furnishings and Miscellaneous Studio Items[22]	$11,878 - $14,946	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Stretching Tables/ Equipment[22]	$13,961 - $16,828	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Architectural Plans[7]	$0 - $2,500	As Agreed	As Incurred	Architect
Office Furniture and Supplies, Promotional Products & Employee Apparel[8, 22]	$10,357 - $12,452	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Grand Opening Marketing[9]	$5,000	As Agreed	As Incurred	Advertising Sources
Presale Advertising[10]	$10,000	As Agreed	As Incurred	Advertising Sources
Training Expenses (out-of- pocket costs for 2 people)[11]	$0 - $4,000	As Agreed	As Incurred	Third Parties
Prepaid Insurance 3 months[12]	$400 - $1,000	As Agreed	As Incurred	Insurance Company
Additional Funds 3 months[13]	$10,000 - $35,000	As Agreed	As Incurred	Employees, Third Parties
Signage[14, 22]	$1,615 - $1,892	As Agreed	As Incurred	Outside Suppliers or StretchMed

Type of Expenditure[1]	Amount[23]	Method of Payment	When Due	To Whom Payment Is To Be Made
				Franchise, LLC
Inventory[15, 22]	$7,338 - $7,989	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
First Aid Equipment and Training[16, 22]	$1,877 - $2,167	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Licenses and Permits[17]	$0 - $5,200	As Agreed	As Incurred	Local, State or Federal Government
STRETCHMED® Certified Stretch Therapist (CST™) Certification Fee[18]	$990 - $1,485	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Professional Fees[19]	$1,000 - $5,000	As Agreed	As Incurred	Third Parties
LOI and Lease Review[20]	$1,500 - $3,000	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
CAD Design and Virtual Rendering Fee[21]	$750	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
TOTAL INITIAL INVESTMENT [23]	**$138,704 - $256,296**			

Explanatory Notes

1. Unless otherwise agreed by a third party, or stated in this disclosure document, none of these payments are refundable.

2. We describe the initial franchise fee in Item 5.

3. A 3-Table STRETCHMED® Studio occupies approximately 800-900 square feet of space, some Studios are a little smaller and some larger. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and could be considerably higher in large metropolitan areas than in more suburban or small-town areas. STRETCHMED® Studios can be located in strip shopping centers, shopping malls, free-standing units, and other venues in downtown commercial areas and in residential areas. We anticipate that you will rent the Studio's premises. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Studio is already constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this estimated initial investment table does not reflect the potential cost of

purchasing real estate rather than renting it. The rent cost can vary typically between $7,283 - $10,925 which includes 1 months' rent and 1 month security deposit.

4. This item includes utility deposits, telephone company deposits, electrical and other energy company deposits.

5. Leasehold improvement costs, net of estimated tenant improvement allowances, include floor coverings, wall treatments, counters, ceiling treatments and painting, window coverings, electrical work, carpentry, contractor's fees, and similar work. These costs vary based on the site's condition, location, size, prior use, required build-out, market conditions, lease terms, and any construction allowance, tenant improvement allowance, turnkey build-out, rent credit, reimbursement, or other landlord contribution. Any landlord contribution is not guaranteed. The lower figure assumes the landlord performs or pays for most of the build-out, provides a turnkey or substantially turnkey build-out, or provides a sufficient tenant improvement allowance. The higher figure assumes significant construction work is required and the landlord does not contribute, or contributes only minimally.

6. These figures reflect two computer options, which are outlined in Item 11, a tablet to be used at the front of the Studio to check in clients and play music in your studio, and a laptop for the Manager to run operations for the studio. This also includes a multifunction printer, fax, scanner, and copier.

7. The architect will provide architectural services relating to the Studio building. The lower number assumes that the landlord and town where your premises are located accept a basic floor plan when approving build out improvements. Some towns may require a licensed architect to submit floor plans.

8. This includes corporate discounts that we have established with national office supply and apparel vendors. Items include a small conference table and chairs, storage units, waiting room table, miscellaneous Studio supplies, such as bathroom tissue, artificial plants, etc., employee apparel, and promotional products.

9. This is the minimum required amount you must spend on grand opening marketing for your Studio.

10. You must spend this amount on local advertising for at least two (2) months before you open.

11. We will provide initial training up to two (2) people at no additional cost when opening a new Studio. The lower figure assumes that you will not have to pay for flights, meals, etc. The higher figure assumes that you will need to get a flight(s), hotel, and pay for food and living expenses during your week of training with us.

12. You must obtain and maintain certain types and amounts of insurance. (See Item 9) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, business

contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for three (3) months.

13. Additional Operating Funds. Franchise disclosure laws require us to include an estimate of all costs and expenses to operate the franchise business during the "initial phase" of your business, which must be a period of at least three months after the franchised business opens, or a longer period if "reasonable for the industry". We are not aware of any established longer "reasonable period" for the health and fitness industry. This item estimates your expenses during the initial period of operation of your Studio (other than the items identified separately in the table). These expenses include payroll costs, but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on how much you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Studio. Some states may require you to obtain a bond for pre-paid membership fees. This amount does not include the cost of obtaining a bond for your business. Because the requirements vary by state, and may depend on your net worth, we cannot estimate the amount you will need to obtain a bond, or the assets you may need to collateralize that bond.

14. This amount will vary by the site's location, size, structure, and town permitting. The lower figure assumes a smaller sign, without being backlit; the higher number would be a larger sign and, in some cases, multiple signs that may be with backlit and local ordinances require additional signage criteria. Signage includes a "Coming Soon" banner.

15. We may require you to place an initial order of supplies such as T-shirts, hats, and water bottles from us or our approved suppliers to have in stock upon opening.

16. Before you may open your STRETCHMED® Studio, you must purchase an Automated External Defibrillator ("AED") and you and your staff must be certified in cardiopulmonary resuscitation and AED use. The above estimate reflects the cost of purchasing the AED and certifying two (2) people.

17. Local, municipal, county, and state regulations vary on what licenses and permits you must obtain to operate a Franchise Business.

18. All staff stretching in any STRETCHMED® location, pop-up, or event must be trained on the STRETCHMED® protocols. You are solely responsible for obtaining these CST Certifications and paying the associated costs. This item estimates the costs for obtaining CST Certification on the initial staff who will provide stretching services at your Studio.

19. You may decide to form a Business Entity to operate the Franchise Business before beginning operations. You will have to comply with the fictitious, assumed, or trade

name statutes of the state in which the Franchise Business will be located. These estimates include attorneys' fees, publication fees, filing fees and other costs for business entity formation, compliance with your state's fictitious or assumed name statute and review of this Franchise Disclosure Document, and lease review and negotiation, depending on the scope of representation. These fees may vary from state to state depending on each state's laws and the prevailing rates of attorneys' fees.

20. We or an approved third parties will review the letter of intent and/or lease for your studio and require that it include certain provisions in order to approve your studio's site and its lease. Franchisor's acceptance of a site does not constitute a guarantee by Franchisor that the Studio will be profitable at that site.

21. After you send us completed pre-construction forms and "as-built" drawings of the existing premises to be developed as your studio, we will prepare and send you a design plan for your studio that includes a floor plan, flooring specifications, ceiling specifications and renderings (including location of walls, retail displays, fixtures and equipment) (a "Studio Design"). All Studio Designs are subject to the Franchisor's review and approval, which may be granted or withheld in the Franchisor's sole discretion. The studio design fee is uniformly imposed.

22. The following line items collectively comprise the Initial Inventory and Build-Out Package described in Item 5.

23. We relied on affiliate-owned STRETCHMED® locations which have operated a STRETCHMED® location in establishing this estimate. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness, and collateral and lending policies of financial institutions from which you request a loan.

YOUR ESTIMATED INITIAL INVESTMENT FOR A 4-TABLE STUDIO

Type of Expenditure[1]	Amount[23]	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee[2]	$49,500	Lump Sum	Upon signing Franchise Agreement	StretchMed Franchise, LLC
Real Estate/Rent[3] (First month's rent plus one month Security Deposit)	$9,010 - $13,514	As Agreed	As Agreed	Landlord, or other outside party as agreed
Utility Deposits[4]	$0-$800	Lump Sum	As per terms of invoice	Landlord, or other outside party service provider.

Type of Expenditure[1]	Amount[23]	Method of Payment	When Due	To Whom Payment Is To Be Made
Leasehold Improvements[5, 22]	$0-$74,115	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Computer System and Related[6]	$4,083	As Agreed	As Incurred	Outside Suppliers
Sound & Camera System[22]	$1,114 - $1,469	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Store Furnishings and Miscellaneous Studio Items[22]	$11,599 - $14,683	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Stretching Tables/ Equipment[22]	$17,053 - $20,111	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Architectural Plans[7]	$0 - $2,500	As Agreed	As Incurred	Architect
Office Furniture and Supplies, Promotional Products & Employee Apparel[8, 22]	$9,839 - $11,935	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Grand Opening Marketing[9]	$5,000	As Agreed	As Incurred	Advertising Sources
Presale Advertising[10]	$10,000	As Agreed	As Incurred	Advertising Sources
Training Expenses (out-of- pocket costs for 2 people)[11]	$0 - $4,000	As Agreed	As Incurred	Third Parties
Prepaid Insurance 3 months[12]	$400 - $1,000	As Agreed	As Incurred	Insurance Company
Additional Funds 3 months[13]	$10,000 - $40,000	As Agreed	As Incurred	Employees, Third Parties
Signage[14, 22]	$1,534 - $1,811	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Inventory[15]	$6,972 - $7,622	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
First Aid Equipment and Training[16]	$1,783 - $2,073	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Licenses and Permits[17]	$0-$5,200	As Agreed	As Incurred	Local, State or Federal Government

Type of Expenditure[1]	Amount[23]	Method of Payment	When Due	To Whom Payment Is To Be Made
STRETCHMED® Certified Stretch Therapist (CST™) Certification Fee[18]	$990 - $1,980	As Agreed	As Incurred	Outside Suppliers or StretchMed Franchise, LLC
Professional Fees[19]	$1,000 - $5,000	As Agreed	As Incurred	Third Parties
LOI and Lease Review[20]	$1,500 - $3,000	As Agreed	As Incurred	Third Parties and/or StretchMed Franchise, LLC
CAD Design and Virtual Rendering Fee[21]	$750	As Agreed	As Incurred	Third Parties and/or StretchMed Franchise, LLC
TOTAL INITIAL INVESTMENT[23]	**$142,126 - $280,147**			

Explanatory Notes

1. Unless otherwise agreed by a third party, or stated in this disclosure document, none of these payments are refundable.

2. We describe the initial franchise fee in Item 5.

3. A 4-Table STRETCHMED® Studio occupies approximately 1,000-1,200 square feet of space, some Studios are a little smaller and some larger. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and could be considerably higher in large metropolitan areas than in more suburban or small-town areas. STRETCHMED® Studios can be located in strip shopping centers, shopping malls, free-standing units, and other venues in downtown commercial areas and in residential areas. We anticipate that you will rent the Studio's premises. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Studio is already constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this estimated initial investment table does not reflect the potential cost of purchasing real estate rather than renting it. The rent cost can vary typically between $9,010 - $13,514 which includes 1 months' rent and 1 month security deposit.

4. This item includes utility deposits, telephone company deposits, electrical and other energy company deposits.

5. Leasehold improvement costs, net of estimated tenant improvement allowances, include floor coverings, wall treatments, counters, ceiling treatments and painting, window coverings, electrical work, carpentry, contractor's fees, and similar work.

These costs vary based on the site's condition, location, size, prior use, required build-out, market conditions, lease terms, and any construction allowance, tenant improvement allowance, turnkey build-out, rent credit, reimbursement, or other landlord contribution. Any landlord contribution is not guaranteed. The lower figure assumes the landlord performs or pays for most of the build-out, provides a turnkey or substantially turnkey build-out, or provides a sufficient tenant improvement allowance. The higher figure assumes significant construction work is required and the landlord does not contribute, or contributes only minimally.

6. These figures reflect two computer options, which are outlined in Item 11, a tablet to be used at the front of the Studio to check in clients and play music in your studio, and a laptop for the Manager to run operations for the studio. This also includes a multifunction printer, fax, scanner, and copier.

7. The architect will provide architectural services relating to the Studio building. The lower number assumes that the landlord and town where your premises are located accept a basic floor plan when approving build out improvements. Some towns may require a licensed architect to submit floor plans.

8. This includes corporate discounts that we have established with national office supply and apparel vendors. Items include a small conference table and chairs, storage units, waiting room table, miscellaneous Studio supplies, such as bathroom tissue, artificial plants, etc., employee apparel, and promotional products.

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10. You must spend this amount on local advertising for at least two (2) months before you open.

11. We will provide initial training up to two (2) people at no additional cost when opening a new Studio. The lower figure assumes that you will not have to pay for flights, meals, etc. The higher figure assumes that you will need to get a flight(s), hotel, and pay for food and living expenses during your week of training with us.

12. You must obtain and maintain certain types and amounts of insurance. (See Item 9) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for three (3) months.

13. Additional Operating Funds. Franchise disclosure laws require us to include an estimate of all costs and expenses to operate the franchise business during the "initial phase" of your business, which must be a period of at least three months after the franchised business opens, or a longer period if "reasonable for the industry". We are not aware of any established longer "reasonable period" for the health and fitness industry. This item estimates your expenses during the initial period of operation of

your Studio (other than the items identified separately in the table). These expenses include payroll costs, but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on how much you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Studio. Some states may require you to obtain a bond for pre-paid membership fees. This amount does not include the cost of obtaining a bond for your business. Because the requirements vary by state, and may depend on your net worth, we cannot estimate the amount you will need to obtain a bond, or the assets you may need to collateralize that bond.

14. This amount will vary by the site's location, size, structure, and town permitting. The lower figure assumes a smaller sign, without being backlit; the higher number would be a larger sign and, in some cases, multiple signs that may be with backlit and local ordinances require additional signage criteria. Signage includes a "Coming Soon" banner.

15. We may require you to place an initial order of supplies such as T-shirts, hats, and water bottles from us or our approved suppliers to have in stock upon opening.

16. Before you may open your STRETCHMED® Studio, you must purchase an Automated External Defibrillator ("AED") and you and your staff must be certified in cardiopulmonary resuscitation and AED use. The above estimate reflects the cost of purchasing the AED and certifying two (2) people.

17. Local, municipal, county, and state regulations vary on what licenses and permits you must obtain to operate a Franchise Business.

18. All staff stretching in any STRETCHMED® location, pop-up, or event must be trained on the STRETCHMED® protocols. You are solely responsible for obtaining these CST Certifications and paying the associated costs. This item estimates the costs for obtaining CST Certification on the initial staff who will provide stretching services at your Studio.

19. You may decide to form a Business Entity to operate the Franchise Business before beginning operations. You will have to comply with the fictitious, assumed, or trade name statutes of the state in which the Franchise Business will be located. These estimates include attorneys' fees, publication fees, filing fees and other costs for business entity formation, compliance with your state's fictitious or assumed name statute and review of this Franchise Disclosure Document, and lease review and negotiation, depending on the scope of representation. These fees may vary from state to state depending on each state's laws and the prevailing rates of attorneys' fees.

20. We or an approved third parties will review the letter of intent and/or lease for your studio and require that it include certain provisions in order to approve your studio's

site and its lease. Franchisor's acceptance of a site does not constitute a guarantee by Franchisor that the Studio will be profitable at that site.

21. After you send us completed pre-construction forms and "as-built" drawings of the existing premises to be developed as your studio, we will prepare and send you a design plan for your studio that includes a floor plan, flooring specifications, ceiling specifications and renderings (including location of walls, retail displays, fixtures and equipment) (a "Studio Design"). All Studio Designs are subject to the Franchisor's review and approval, which may be granted or withheld in the Franchisor's sole discretion. The studio design fee is uniformly imposed.

22. The following line items collectively comprise the Initial Inventory and Build-Out Package described in Item 5.

23. We relied on affiliate-owned STRETCHMED® locations which have operated a STRETCHMED® location in establishing this estimate. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness, and collateral and lending policies of financial institutions from which you request a loan.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases of Goods and Services:

You must operate the Studio according to our System Standards, as outlined in this disclosure document and other confidential materials, may regulate, among other things: the types, models, and brands of fixtures, furniture, equipment, furnishings, and signs (collectively, "Operating Assets"); products, supplies and services you must use in operating the Studio; unauthorized and prohibited products, and services you must not use; inventory requirements; and designated and approved suppliers of Operating Assets, Trade Secret Products, and other products, supplies and services.

In the case of Trade Secret Products, suppliers will be limited to us, our affiliates, or other specified exclusive sources, and you must buy Trade Secret Products during the franchise term only from us, our affiliates or the other specified exclusive sources at the prices we and they decide to charge. We restrict your sources of Trade Secret Products in order to protect our trade secrets, assure quality, assure a reliable supply of products that meet our standards, achieve better terms of purchase and delivery service, control usage of the Marks by third parties, and monitor the manufacture, packaging, processing, and sale of these items.

In the case of Operating Assets and items other than Trade Secret Products, suppliers could, at our option, be limited to us, our affiliates, or other specified exclusive sources, in which case you would have to buy the Operating Assets and other items only from us, our affiliates or the other specified exclusive sources at the prices we or they decided to charge. We have the absolute right to limit the suppliers with whom you may deal.

We will identify all designated and approved suppliers in the Operations Manual or other written communications. You must purchase certain products and services only from designated suppliers, and you must purchase certain other products and services only from us or our affiliates.

In particular, you must purchase from us or our affiliate the Initial Inventory and Build-Out Package described in Items 5, which includes the initial start-up inventory, furniture, fixtures, equipment, build-out materials, supplies, technology, shipping, and other opening-related items that we designate for your business. You must also purchase specific products that we designate from us, our affiliate, or our designated suppliers, as applicable.

Any purchases from us or our affiliates, whether required or voluntary, may be at prices exceeding our or their costs and may include a reasonable markup, together with any applicable shipping, handling, coordination, or administrative charges.

Under emergency circumstances, we may purchase items for you that we determine are necessary for you to operate your business. You must reimburse us for these purchases.

If you fail to make any payment when due to an approved supplier, or if we (in our reasonable discretion) determine that it is the most efficient method to remit payment to any supplier, we may act as a pass through by collecting payments (past due, current and future) for the specific product or service and remitting those payments to the supplier, who ultimately provides the product or the service to you. If we act in this pass-through capacity, we will collect your payment for our approved supplier or require you to wire the payment on a designated account and remit the payment to the approved supplier as arranged. Products and services for which we may act as a pass through may include equipment, fixtures, goods, merchandise, inventory, marketing campaigns or materials, lending services, computer hardware and software, supplies, uniforms and other categories of products and services that you may purchase from approved suppliers. Although we do not currently do so, we and our affiliates may receive commissions or other consideration for acting as a pass through between you and any approved supplier.

Insurance:

Franchisee shall procure, prior to opening the Studio, and shall maintain in full force and effect during the term of this Agreement at Franchisee's expense, an insurance policy or policies protecting Franchisor, and the officers, affiliates, directors, partners, and employees of both Franchisor and Franchisee against any loss, liability, personal injury, death, property damage, or expense whatsoever arising or occurring upon or in connection with operating the Studio. Franchisor shall be named as an additional insured on all such policies.

Prior to the opening of the Studio and thereafter at least thirty (30) days prior to the expiration of any such policy or policies, Franchisee shall deliver to STRETCHMED® certificates of insurance evidencing the proper coverage with limits not less than those required hereunder. All certificates shall expressly provide that not less than thirty (30) days prior written notice shall be given to STRETCHMED® in the event of material alteration to termination, non- renewal, or cancellation of, the coverage evidenced by such certificates.

Insurance Carrier Must be Approved by Franchisor:

Such policy or policies shall be written by the insurance company approved by STRETCHMED® in accordance with standards and specifications set forth in the Manuals or otherwise in writing, from time to time, and shall include, at a minimum (except as additional coverages and higher policy limits may be specified by STRETCHMED® from time to time), the following initial minimum coverage:

1. Commercial General Liability Insurance, covering your day-to-day business operation and premises liability exposure with limits not less than the following:

    a. products-completed operations, contractual liability, personal and advertising injury, fire damage, medical expenses, including sexual abuse, sexual misconduct, molestation, and employment discrimination, having a combined single limit for bodily injury (including death) and property damage of $1,000,000 per occurrence and $3,000,000 in the aggregate (except for fire damage and medical expense coverage, which may have different limits of not less than $1,000,000 for one fire and $1,000,000 for one person, respectively), and Medical Payments coverage of not less than $5,000 per person; plus
    b. not less than $1,000,000 for damage to rented premises, participant legal liability, professional liability, employee benefits liability (per employee) and $2,000,000 in aggregate for employee benefits liability; plus
    c. non-owned automobile liability insurance and, if Franchisee owns, rents or identifies any vehicles with any Names and Marks or vehicles are used in connection with the operation of the Studio, automobile liability coverage for owned, non-owned, scheduled and hired vehicles having limits for bodily injuries of $1,000,000 per person and $1,000,000 per accident, and property damage limits of $100,000 per occurrence; plus
    d. excess liability umbrella coverage for the general liability and automobile liability coverage in an amount of not less than $2,000,000 per occurrence and aggregate.
    e. All such coverages shall be on an occurrence basis and shall provide for waivers of subrogation.

2. All-risk property insurance, including theft and flood coverage (when applicable), written at replacement cost value covering the building, improvements, furniture, fixtures, equipment, and inventory. Coverage shall be written in a value which will cover not less than eighty (80%) percent of the replacement cost of the building and one hundred (100%) percent of the replacement cost of the contents of the building. Such Property insurance shall include glass coverage with limits not less than $25,000, and signage coverage with limits not less than $10,000.

3. Workers' Compensation Insurance as required by applicable law, and Employer's Liability Insurance with minimum limits of Five Hundred Thousand Dollars ($500,000) per accident, Five Hundred Thousand Dollars ($500,000) per employee for disease, and Five Hundred Thousand Dollars ($500,000) aggregate disease policy limit.

4. Business interruption and Extra expense insurance of not less than $30,000 per month

for loss of income and other expenses with a limit of not less than twelve (12) months of coverage.

5. Employee Practices Liability insurance of not less than $250,000 per claim in the aggregate, with a retention not larger than $50,000, providing legal defense coverage for any claims brought by current or former employees, or anyone else alleging employment related torts, including wrongful acts committed by non-employees or specific to joint employer liability and wage and hour claims. Said policy shall also include Third Party Employment Practices Liability coverage.

We have the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances. Should you not procure and maintain the above insurance coverage, we have the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to you, which charges, together with a reasonable fee plus administrative fee for expenses incurred by us in connection with such procurement, shall be payable by you immediately upon notice.

We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes.

Advertising Materials:

Before using additional marketing material above what franchisor designs, you must send us for review samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written approval within 5 days after we receive the materials, they are deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved.

Studio Development:

You must develop the Studio. We will give you mandatory specifications and layouts for a STRETCHMED® Studio, including requirements for dimensions, design, image, interior layout, décor, Operating Assets, and color scheme. These specifications and layouts might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. You must prepare a site survey and all required construction plans and specifications for the Studio's site and make sure that they comply with the ADA and similar rules, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We must review and approve all final specifications and plans before you begin constructing the Studio and all revised or "as built" specifications and plans during construction. Our review is only to ensure your compliance with our design requirements. We may inspect the Studio during its development and require changes in order to comply with our specifications.

Studio Site:

The Studio must be at a site that we approve. We have the right to approve the Studio's lease or sublease and to require that it include certain provisions, including our right to the Studio's site if the franchise is terminated or not renewed or if you lose possession because of your default under the lease. Once a final lease has been executed you may not alter any of the provisions contained in the final lease without our express written consent, this includes but is not limited to the term length, restrictive covenants, etc.

Real Estate Brokerage Services:

You must select a site for your Franchised Business in accordance with our site selection criteria. We may require you to use a real estate broker approved or designated by us to assist with site selection, lease negotiation, or related real estate services.

We may designate Everest CRE, LLC, an affiliate of the franchisor, to provide brokerage services in connection with site selection and lease negotiation. Everest CRE, LLC may receive commissions, fees, or other compensation from landlords as a result of providing brokerage services. We may benefit financially from such arrangements.

The commission or fee paid to Everest CRE, LLC is typically paid directly by the landlord under a separate brokerage agreement. You will not be required to pay Everest CRE, LLC any direct fees or commissions in connection with real estate brokerage services, but you are responsible for cooperating with Everest CRE, LLC or any approved broker in securing an approved site.

Approval of Alternative Suppliers:

To maintain the quality of the goods and services that STRETCHMED® Studios sell, as well as our system's reputation, we may condition your right to buy or lease goods or services (besides those described above that you may obtain only from us, our affiliates, or other specified exclusive sources) on their meeting our minimum standards and specifications and being purchased from suppliers that we approve. Purchasing or leasing from unapproved suppliers is a default under your Franchise Agreement that may result in termination (or non-renewal) of your franchise.

We will formulate and modify standards and specifications based on our experience, the experience of our affiliates, and the experience of our franchisees in operating STRETCHMED® Studios. Our standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance. The criteria for our approval of suppliers are available to you in our Operations Manual or other written communications, which will identify our standards and specifications. We will notify you and, where appropriate, the suppliers. We may later inspect the Studio and items that you sought approval of and revoke our approval of the supplier and/or item that fails to continue to meet any of our criteria. We will send a written notice of any revocation. We may impose obligations on approved suppliers, which will be incorporated in a separate written license agreement with the supplier.

If you want to use any item or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved or designated, you must first send us sufficient information, specifications, and samples so that we can determine whether the item or service complies with System

Standards, or the supplier meets approved supplier criteria. We may charge you or the supplier a reasonable fee for the evaluation (see Item 6) and will decide within a reasonable time (generally no more than 30 days). We periodically will establish procedures for your requests and may limit the number of approved items, services or suppliers, as we think best.

Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with a limited number of suppliers to obtain better prices and service, and/or a supplier's willingness to pay us or our affiliates for the right to do business with our system. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new supplier, product, or service. You must reimburse all costs we incur related to evaluating a product or supplier that you propose, up to $500 per request for personnel, plus expenses. We may also revoke approval of a particular product or supplier.

You must obtain all supplies, materials, fixtures, furnishings, equipment (including computer hardware and software), and other products used or offered for sale solely from approved suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards or in accordance with our standards and specifications

Revenue Derived from a Supplier:

We and our affiliates have the right to derive revenue or receive payments from suppliers on account of their actual or prospective dealings with you and other franchisees and to use all amounts that we and our affiliates receive without restriction (unless we and our affiliates agree otherwise with the supplier) for any purposes we and our affiliates deem appropriate. We and/or our affiliates may also sell or resell to you certain required products, equipment, inventory, furniture, fixtures, build-out materials, supplies, technology, and other opening-related items, including the Initial Inventory and Build-Out Package described in Items 5, and may derive revenue from those required purchases, including through markups. If we collect such revenue from our Approved Suppliers, the amount paid to us by the Approved supplier will be on a case by case basis, such as a percentage of sales to you or a flat fee. We may also purchase items and resell them to you at our cost plus a markup, at our discretion.

Collectively, the purchases and leases described above are about 60-95% of your overall purchases and leases in establishing the Studio and about 30-55% of your overall purchases and leases in operating the Studio. During fiscal year 2025, neither we nor our affiliates derived any revenue from required purchases or leases by franchisees.

Cooperatives:

We may negotiate purchase agreements or purchase cooperatives with suppliers (including price terms), for the benefit of the franchise system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers. Currently, we coordinate purchases with suppliers for beneficial pricing and services for franchisees for promotional items, office supplies, uniforms, customer relationship

management and scheduling programs, client survey programs, and customer apparel.

ITEM 9: FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections 2.2 and 6.21	Items 7, 8, 11, and 12
(b) Pre-opening purchases/leases	Section 6	Items 5, 7, 8, and 11
(c) Site development and other Sections opening requirements	Sections 2; 4; 5; 6; 7	Items 7, 8, and 11
(d) Initial and ongoing training	Sections 6 and 14	Items 6, 7, and 11
(e) Opening	Section 2; 5 and 6	Item 11
(f) Fees	Sections 4 and 5	Items 5, 6, and 7
(g) Compliance with standards and policies/Operating Manual	Sections 6; and 10	Items 8 and 11
(h) Trademarks and proprietary information	Sections 9 and 10	Items 13 and 14
(i) Restrictions on products/services offered	Section 6	Items 8, 11, 12, and 16
(j) Warranty and customer service requirements	Sections 6 and 14	Not Applicable
(k) Territorial development and sales quotas	Section 2	Not Applicable
(l) On-going product/service purchases	Section 6	Items 6 and 8
(m) Maintenance, appearance, and remodeling requirements	Section 6	Items 8, 11, 16, and 17
(n) Insurance	Section 7	Items 7 and 8
(o) Advertising	Section 5	Items 6, 7, 8, and 11
(p) Indemnification	Section 12	Item 6
(q) Owner's participation/ management/staffing	Sections 6	Items 11 and 15
(r) Records and reports	Section 8	Not Applicable
(s) Inspections and audits	Sections 6	Items 6 and 11

Obligation	Section in Franchise Agreement	Disclosure Document Item
(t) Transfer	Section 16	Item 17
(u) Renewal	Section 3	Item 17
(v) Post-termination obligations	Section 18	Item 17
(w) Non-competition covenants	Section 13	Items 15 and 17
(x) Dispute resolution	Section 19	Item 17
(y) Other	Not Applicable	Not Applicable
(z) Inspections and audits	Sections 6	Items 6 and 11

ITEM 10: FINANCING

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

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

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

Pre-Opening Assistance

Before you open a Studio, we will consult you, in a manner we deem appropriate and at our sole discretion:

1. Designate your Exclusive Territory (Franchise Agreement – Section 2).

2. Approve or disapprove your Studio's location. We will give you our site selection criteria for the Studio. We will not locate the site, nor negotiate the purchase or lease of the site for you. However, we reserve the right to assist in locating a site for you to develop in a manner we deem appropriate and at our sole discretion. In the event we are able to find a location suitable for development by you, you must develop said location. Neither we, nor any affiliate, owns any premises that will be leased to you or any other franchisee. The site must meet our criteria for demographic characteristics; traffic patterns; availability of parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size (approximately 300-400 square feet for a 1-Table STRETCHMED® Studio; approximately 500-700 square feet for a 2-Table STRETCHMED® Studio; approximately 800-900 square feet for a 3-Table STRETCHMED® Studio; and approximately 1,000-1,200 square feet for a 4-Table STRETCHMED® Studio); appearance; visibility; and other physical and commercial characteristics. We will approve or disapprove a location you propose within 30 business days after receiving your description of, and evidence confirming your favorable prospects for obtaining, the proposed site. If franchisor and franchisee cannot agree on a site within 180 days after you sign the Franchise Agreement, we will have

the right to terminate the Franchise Agreement. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location, although we will not conduct site selection activities for you. You must submit photos of prospective site locations to us, which must meet our approval. (Franchise Agreement – Sections 2.2 and 6). We do not provide assistance with conforming the premises to local ordinances and building codes and obtaining any required permits

3. Approve or disapprove your Studio's lease. Approval may be conditioned upon your lease containing certain franchise-specific language, which we will provide to you and a Collateral Assignment of Lease. (Franchise Agreement – Section 6.7 and 2.3).

   We will not assist you in conforming your premises to local ordinances and building codes, nor will we assist you in obtaining any required permits.

   If you do not locate and sign a lease or purchase document for an acceptable site for the premises of your Store within 180 days after you sign the Franchise Agreement, this Agreement shall be deemed terminated upon written notice from either Franchisee or Franchisor to the other, without the necessity of further action by either party or further documentation. (Franchise Agreement – Section 2.4(d))

   Our review of your lease or purchase agreement and any advice or recommendations we may offer is not a representation or guarantee by us that you will succeed at the leased or purchased premises.

4. Give you mandatory and suggested specifications and layouts for a STRETCHMED® Studio, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. This may be done in the form of a Prototype Floor Plan, which may not conform to your space precisely.

5. Review your proposed floor plans for the Studio and approve or provide corrective feedback on the plans. We will not help you in constructing, remodeling, or decorating the premises otherwise.

6. Assist you in obtaining the necessary equipment, signs, fixtures, opening inventory and supplies. We may provide these items directly, or simply provide you with names of approved suppliers. We will provide written specifications for these items. We will not deliver or install these items, unless we agree otherwise (Franchise Agreement – Sections 6.1(h) and 14.2). Notwithstanding the aforementioned, we reserve the right to designate the required initial inventory and build-out materials and, directly or through our affiliate, arrange for the sale, procurement, and/or delivery of those items to your franchised location.

7. Identify the Operating Assets, Trade Secret Products, other non-secret products, and supplies that you must use to develop and operate the Studio, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease these items (which may be limited to or

include us, our affiliates or other specified exclusive sources) (Franchise Agreement – Sections 6 and 14.2)

8. Give you digital access to the Operations Manual, the current table of contents of which is in Exhibit E. We may loan this to you by providing you a username and password to our website, which will give you access to the manual. (Franchise Agreement – Section 14)

9. Give you access to sample documents, such as advertisements, job descriptions and job proposals, to assist you in hiring new employees (Franchise Agreement – Section 14)

10. Provide the training program described in tabular form below (Franchise Agreement – Section 14). We reserve the right to substitute any in-person training for virtual training at our discretion. We also reserve the right to name additional trainers periodically. There are no limits on our right to assign a substitute to provide training.

11. Advise you on the Studio's grand opening advertising program (Franchise Agreement – Sections 5 and 14)

We estimate that it will be, on average, 45 to 180 days after you sign the Franchise Agreement before you open the Studio, but this assumes that you already have a site for the Studio or find one shortly after signing the Franchise Agreement. You must sign a lease for an acceptable site within 180 days after the Franchise Agreement's effective date, and we may terminate the Franchise Agreement if you fail to sign a lease within the 180-day period. The specific timetable for opening depends on the site's condition; the Studio's construction schedule; the extent to which you must upgrade or remodel an existing location; the delivery schedule for equipment and supplies; completing training; and complying with local laws and regulations. You may not open the Studio until: (1) we notify you in writing that the Studio meets our standards and specifications (you must send pictures, which will need to meet our approval before opening); (2) you complete pre-opening training to our satisfaction; (3) you pay the initial franchise fee and other amounts then due us; (4) you give us certificates for all required insurance policies; and (5) you have scheduled at least two-hundred fifty (250) free Intro Stretches. Subject to these conditions, you *must* open the Studio within 270 days after the Franchise Agreement's effective date. (Franchise Agreement – Section 2.5).

The following is a summary of our initial training program as of the issuance date of this document:

TRAINING PROGRAM(S)

1. Owner Manager Program (to be completed by Franchisee or Operating Principal)

Owner/Manager Program			
Subject*	**Hours of Online Pre-recorded Course Work**	**Hours of Online Live Training**	**Location**
Module 1: Vision	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.

Owner/Manager Program			
Subject*	**Hours of Online Pre-recorded Course Work**	**Hours of Online Live Training**	**Location**
Module 2: People	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 3: Start Up	1	1	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 4: Marketing	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 5: Sales	3	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 6: New Client Experience	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 7: Client Transformation	8	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 8: Client Fulfillment	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 9: Referrals	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 10: Testimonials	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 11: Innovation	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Total Hours of Training	20	6	

** The above 26 hours is the approximate time we expect it will take you to complete our Training Program.*

2. Designated Manager Training Program (if applicable)

Designated Manager Training Program			
Subject*	**Hours of Online Pre-recorded Course Work**	**Hours of Online/Live Training**	**Location**
Module 1: Vision	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 4: Marketing	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 5: Sales	3	6	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 6: New Client Experience	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 7: Client Transformation	8	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 8: Client Fulfillment	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 9: Referrals	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Module 10: Testimonials	1	0.5	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Total Hours of Training	17	11.5	

** The above 28.5 hours is the approximate time we expect it will take you to complete our Training Program.*

Your training materials will include the Operations Manual which will be made available to you at Training. Our initial training program may be taught at our corporate headquarters in San Juan, PR, virtually, or any location we designate and is overseen by our Founder, President & Director of Franchise Development, Brian Cook; our Franchise Support Manager, Kevin Otero; and our Director of Operation, Andrew Zappala.

Brian Cook has over twenty-eight (28) years of experience opening and operating multiple fitness brands and has over twenty-two (22) years of experience in franchise development. He has a B.S. in

Exercise Physiology and an M.B.A.

Kevin Otero has over eight (8) years of experience as an Assistant Strength And Conditioning Coach with a demonstrated history of working in the fitness and sports industry. He is skilled in First Aid, Strength Training, Athletic Performance, Fitness, and Coaching Baseball. He has a strong education professional with a Bachelor of Science - BS focused in Exercise Science and Sports Studies.

Andrew Zappala has substantial experience leading operations, sales, marketing, and business development across the fitness, hospitality, and sports entertainment industries.

You will be invited to the Training Program after you sign the Franchise Agreement and while you are developing your Studio. You and Your attendees must complete the Training Program before you may open your Studio.

The Training Program will be taught to you (or your managing owner) and one manager-level employee (Franchise Agreement – Section 14), at our expense, before the Studio opens. Additional people beyond the first two (2) may attend initial training if you pay our then current training charge for each additional person (See Item 6). Initial training is defined as training received prior to the Studio opening. In the event of a Studio transfer, we will provide the Training Program at our expense (Franchise Agreement – Section 14). We offer the Initial Training Program on an "as-needed" basis. If you require additional/future employees to attend the Training Program you must pay our then current training charge for each additional person (See Item 6). We may change the schedule of our training based on (a) demand, and (b) the availability of our instructors.
We, in a manner we deem appropriate, and at our discretion, will consult you and your Manager in the completion of the initial Training Program.

In the event the designated manager will not stretch and/or is not qualified to be a STRETCHMED® Certified Stretch Therapist (CST) (to be qualified you must have a degree, license, or certification in an exercise science related field), you must have an additional full-time staff member that is qualified to be a CST, attend the Training Program.

If you (or your managing owner) or one of your manager-level employees cannot complete the Training Program to our satisfaction, we may terminate the Franchise Agreement. (Franchise Agreement – Sections 6 and 14).

CST TRAINING PROGRAM

Subject	Hours of Classroom Training	Location
3D4Medical Course	5-10 Hours	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Trainual Course	15-20 Hours	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Stretch Protocol Practice	15-20 Hours	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.

Subject	Hours of Classroom Training	Location
Test out	3-8 Hours	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Applied Learning	40 Hours	At our Corporate HQ in San Juan, PR, Virtual, or any location we designate, or a recorded course.
Total Hours of Classroom Training	**78 - 98**	

During the operation of your Studio, we, in a manner we deem appropriate and at our sole discretion will:

1. Supply you with approved suppliers information (Franchise Agreement – Section 14).

2. Establish and maintain an internet-based application for your Studio. The application will allow you to access confidential company information and documents, such as the Operations Manual and training videos.

3. Send one of our representatives to the Studio for additional training and support, as we deem appropriate (Franchise Agreement – Section 14).

4. Consult with you and give you advice regarding your Studio's operation based on your reports or our inspections, which may include phone calls and intro stretch recordings, reviewing video recordings, and reports by "secret shoppers." Our advice will include information regarding standards, specifications, operating procedures, and methods that STRETCHMED® Studios use; as well as required purchasing of Operating Assets, Trade Secret Products, and other items and services that you will offer in your Studio. We will assist in arranging their distribution to you and establishing prices for items and services offered to clients (Franchise Agreement – Sections 14).

5. Consult with you and give you advice regarding advertising, marketing materials, programs; employee training, administrative, bookkeeping, accounting, and inventory control procedures. We will guide you in the use of our Training Program, Operations Manual, bulletins and other written materials, by electronic media, by telephone consultation, and/or at our office. We will also set all prices for services, memberships, goods, products and the like, offered or sold at all STRETCHMED® Studios. (Franchise Agreement – Section 14). Franchisor and Franchisee agree that any list or schedule of prices furnished to Franchisee by Franchisor is a set list of retail prices and that no prices for any such services, memberships, goods and products sold or offered at any STRETCHMED® Studio can deviate from said list or schedule, unless state law permits franchisee to do so.

6. Give you, at your request (and our option), or that we deem appropriate, additional or special guidance, assistance, and training (Franchise Agreement – Section 14), which training can be done by a third party, or anyone we deem appropriate. We have the right

to charge you for any additional or ongoing training or support that you request and/or that we deem is necessary, including Monthly Coaching Sessions and Quarterly Coaching Workshops.

7. Provide additional and ongoing training for you, your manager, and/or employees at times and locations we designate. We may charge a fee for training. (See Item 6). You are responsible for all related travel and living expenses and employee wages (Franchise Agreement – Section 14).

8. Continue to give you access to the Operations Manual, which may include audio, video, computer software, other electronic media, and/or written materials. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("System Standards") that we periodically require. These are the administrative, bookkeeping, accounting, operations, and inventory control procedures you will need. We may modify the Operations Manual periodically to reflect changes in the System (Franchise Agreement – Sections 14).

9. Issue and modify System Standards, products and services for STRETCHMED® Studios. We may periodically modify System Standards, which may accommodate regional or local variations, and these modifications may require you to invest additional capital in the Studio or incur higher operating costs (Franchise Agreement – Section 14).

10. Send one of our representatives which may be an affiliate or an independent contractor to Inspect the Studio and observe its operation to help you comply with the Online Operations Manual, Franchise Agreement and all System Standards. We will also be available by phone or video conference to help resolve operating problems you may encounter (Franchise Agreement – Section 14).

11. Allow you to use our confidential information (Franchise Agreement – Section 1).

12. Allow you to use our Marks (Franchise Agreement – Section 1).

13. Periodically offer refresher-training courses, such as Monthly Coaching Webinars, Quarterly Coaching Work Shops. We have the right to require attendance for this additional training. We have the right to charge a fee for this additional training. You must send your employees to these courses for training if we deem appropriate. We do not assist you in hiring employees (Franchise Agreement – Section 14).

14. Require you to attend an annual convention for all franchisees at a date, time, and location we designate; we will not require attendance at the annual meeting for any more than 4 calendar days per year. You are responsible for all training expenses, including associated travel, living expenses and wages. We may charge a fee for the annual meeting. (See Item 6.)

Advertising Assistance

Advertising and Development Fund

We have established a formal Advertising and Development Fund (the "Fund") for advertising, marketing, and public relations programs and materials we deem appropriate. You must contribute to the Fund in amounts that we periodically require, which is currently up to 2% of weekly gross sales (See Item 6). STRETCHMED® Studios that we or our other affiliates own will contribute to the Fund on the same basis as franchisees. We have the right to collect, for deposit into the Fund, any advertising, marketing, or similar allowances paid to us by suppliers who deal with STRETCHMED® Studios and with whom we have agreed that we will deposit these allowances.

We will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. We reserve the option of using an in-house advertising department and/or a national or regional advertising or creative agency. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce Website and/or related internet and social media strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, job posting platforms such as Indeed.com, and marketing activities to attract STRETCHMED® customers and employees. In the event of employee recruitment, we will not maintain a database but will forward all applicants to your franchise location website landing page. We will not advise you in any manner on HR-related items. The Fund may advertise locally, regionally, and/or nationally in printed materials, on radio, television, on the Internet, and/or by any other media sources as we see fit in our sole discretion. The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for our general operating expenses. However, in our sole discretion, we may charge the fund a management fee and use the Fund to pay the salaries and benefits of personnel who manage and/or administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities related to administering or directing the Fund and its programs, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Fund contributions. We are currently managing the Fund but reserve the right to allocate this task to a third party. We currently charge the fund a five thousand ($5,000) dollar per month management fee.

The Fund is not our asset. The Fund also is not a trust. We have a contractual obligation to hold all Fund contributions for the benefit of the contributors and to use contributions only for their permitted purposes (described herein). We have no fiduciary obligation to you for administering the Fund. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If not all of the advertising funds are spent in the year they accrue, we will carry the balance over into

the next year. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises. We will prepare an annual, unaudited statement of Fund collections and expenses and, at your written request, give it to you in April of each year.

We may have the Fund audited annually, at the Fund's expense, by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity when we think best. The successor entity will have all of the rights and duties described here.

During fiscal year 2025, the Fund contributions were spent as follows: 15.30% on website hosting, computer, telephone, 69.20% on management fees, 11.56% on graphic design, video production, marketing, advertising products and services.

The Fund is intended to maximize recognition of the Marks for the patronage of STRETCHMED® Studios by employees and customers. Although we will try to use the Fund to develop advertising and marketing materials and programs that will benefit all STRETCHMED® Studios, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by STRETCHMED® Studios operating in that geographic area or that any STRETCHMED® Studio benefits directly or in proportion to its Fund contributions from the development of advertising and marketing materials or the placement of advertising. We may use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to maintaining, directing, or administering the Fund. The Fund materials may mention "Career & Franchise Opportunities Available", and brief statements about availability of information regarding the purchase of a STRETCHMED® franchise.

We may at any time defer or reduce a franchisee's Fund contributions and, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to franchisees, and to us and our affiliates, in proportion to their, and our, respective Fund contributions during the preceding 12-month period. We do not currently have a franchisee advisory council or advertising council that advises us on advertising policies.

Your Local Advertising

In addition to your Fund contributions and your grand opening advertising obligation, you must spend at least two thousand five hundred dollars ($2,500) each month to advertise and promote your Studio. We may require you to increase your monthly local marketing spend up to $5,000 if your Studio has not achieved 80% utilization. Utilization is defined as all tables fully booked from 8:00 AM to 8:00 PM, seven (7) days a week. Once 80% utilization is achieved and maintain it for 90 days, you may reduce your local marketing spend to $1,500 per month. If utilization later falls below this threshold, we may again require increased marketing expenditures.

Within 30 days after the end of each month, you must send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month. Your local advertising and promotion must follow our guidelines, which may change from time to time, and

use our approved suppliers. All advertising and promotional materials developed for your Studio must contain notices of our Website's domain name in the manner we designate. You may not develop, maintain, or authorize any Website or any web-related or mobile web material that mentions or describes you or the Studio or displays any of the Marks.

Each franchise location is required to have a photo and video shoot at their Studio no less than one (1) every six (6) months. Each franchisee is required to provide a minimum of twelve (12) photos, three (3) customer video testimonials, one (1) employee video testimonials, and twelve (12) video reels per quarter. The cost of the photo and video shoot is approximately $3,000. The photo and video shoot must be done in accordance with the system laid out in the Operations Manual.

All advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. All independent advertising, promotion and marketing material for your Studio must also contain the language, "This location is Independently Owned and Operated by, [your company], a franchisee of StretchMed Franchise, LLC". Before you use any of the above material, you must send us or our designated agency for review samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written approval within 5 days after we or our designated agency receives the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved.

Cooperative Advertising Programs:

We may designate an advertising coverage area ("ACA") – local or regional – in your designated market area ("DMA") in which two or more STRETCHMED® Studios are located, in order to seek to establish a cooperative advertising program ("Cooperative Program"). An ACA is the area covered by the particular advertising medium recognized in the industry. DMA is a recognized marketing medium by Arbitron. We will require all franchisees in the ACA to participate. Each STRETCHMED® Studio operating in the ACA will have one vote, including each Studio we, or our affiliates operate.

If a Cooperative Program is established for your ACA, your Studio and each other Studio in the ACA (whether franchised or owned by us or an affiliate) must contribute up to 2% of Gross Sales to the Cooperative Program weekly. Any amounts you contribute to a Cooperative Program will count toward the $2,500 you are required to spend on local advertising each month. The funds will be used for advertising for customers and/or recruitment of employees in your advertising coverage area and/or your designated market area. In the event of employee recruitment, we will not maintain a database but will forward all applicants to your franchise location website landing page. We will not advise you in any manner on HR-related items.

We have the power to form, change, dissolve, or merge any Cooperative Program. Cooperative Programs will not operate from any written governing documents. However, in the event Studios in the ACA cannot agree, we shall have final control over advertising decisions.

We are responsible for administering the Cooperative Program funds and reserve the right to allocate this task to a third-party advertising agency. We will account for the Cooperative Program funds separately from our other funds and not use the Cooperative Program Funds for our general operating

expenses. However, in our sole discretion, we may charge a management fee and use the Cooperative Program funds to pay the salaries and benefits of personnel who manage and/or administer Cooperative Program, the Cooperative Program Fund's other administrative costs, travel expenses of personnel while they are on Cooperative Program Fund business, meeting costs, overhead relating to Cooperative Program business, and other expenses that we incur in activities related to administering or directing the Cooperative Program, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Cooperative Program contributions. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Cooperative Program Funds. We will make available for your review any records showing payments to and expenses of any Cooperative Program in which you participate in April of each year at your request.

We do not currently have a franchisee advisory council or advertising council that advises us on advertising policies.

As of the date of this disclosure document, Co-ops have been formed in the following areas/regions: None as of the issuance date of this Disclosure Document.

Operations Manual:

The Table of Contents for the Operations Manual, current as of the date of this Disclosure Document is attached as is in Exhibit E. The Operations Manual has a total of 478pages.

Computer System:

You must obtain and use in your Studio one laptop computer, one printer, and one tablet computer (the "Computer System"). The Computer System will allow you to use web-based software applications, including the customer relationship management and scheduling program, to generate reports on the sales and expenses of the Studio, check in clients, and track progress reports, and currently costs between $1,848-$4,083. You may not use them for any purpose unrelated to your Studio. You may obtain the Computer System from any vendor so long as the Computer System meets our requirements, as set forth in the Operations Manual. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the Computer System. Neither we, nor any affiliate or third party, is obligated to provide ongoing maintenance, repairs, upgrades or updates for the Computer System. We currently do not require that you purchase a maintenance, repair, and upgrade or update service contract for the Computer System, but we reserve the right to do so in the future. If we choose to exercise this right in the future, there are no limitations on the cost and frequency of this obligation. The current annual cost of a service contract is about $0. (Franchise Agreement, Section 8.5)

You will purchase, install, and maintain the camera system specified by us, for security as well as quality control and training purposes. The camera system shall be accessible at all times by you and us, via web access. The estimated cost to install the camera system ranges from $594 to $2,039 or more. This cost can vary based on factors like the number of cameras, system complexity, and the size of the studio.. (Franchise Agreement, Section 6.10).

We will furnish you with a STRETCHMED® email address that you are required to use. You must use your STRETCHMED® email address on all business correspondence, as we will communicate

with you about all franchise-related matters through this account. We reserve the right to change the Computer System at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We have independent, unlimited access to the information generated by the computer system. We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing the Software License Agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities concerning, the software or technology. We, or our affiliates may charge you a monthly or other fee for any proprietary software or technology that we, or our affiliates license to you and for other maintenance, management, and support services that we, or our affiliates provide during the franchise term. The monthly computer, IT, software, and website management fee is estimated not to exceed $350 per month. Upgrades to either software, websites, or hardware will not exceed $1,000 per year. The IT Management and Consulting fee is $200/month.

You must comply with data protection laws and any data processing and data privacy policies in the Manual.

You will be required to use a web-based software application for Customer Relationship Management and Scheduling, to run your business. We, or a third party may provide this service and you will be charged a reasonable amount for the cost of service in addition to the Computer System and IT Management fees. We will have independent and full electronic access to the information generated and stored and contained in the point of sale or computer system or web-based software application; this information will ensure you are running your Studio properly. There are no contractual limitations on our right to access information about your Franchise Business. You agree that we have the right to retrieve all data and information from your Computer System, as we deem necessary.

You will be required to use QuickBooks Online pursuant to Franchisor's instruction, including but not limited to instructions regarding syncing your QuickBooks Online account or entities, as is required in the Franchise Agreement. (Franchise Agreement, Section 8.1)

ITEM 12: TERRITORY

You will be granted an Exclusive Territory within the Franchise Agreement. You will operate the Studio at a specific location within the Exclusive Territory that we must approve first. You may operate the Studio only at the approved premises and may not relocate the premises without our approval.

We will allow a reasonable relocation of your franchised business to a location within your exclusive Exclusive Territory. We will consider a relocation to be reasonable if we find that the demographics (as previously discussed in this Agreement) in the current location no longer support the operation of a Studio, or the lease at the current location has been terminated or reached its natural expiration. If we approve your relocation request, we retain the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection.

If you are in compliance with your Franchise Agreement and the Operations Manual, we may consider granting you the right to establish additional franchised outlets in your Exclusive Territory under further Franchise Agreements. We must approve the locations, which you propose to open additional Studios, but we are under no obligation to grant such approval.

We will describe your Exclusive Territory in a rider to your Franchise Agreement when you sign it. We will determine the size and boundaries of your Exclusive Territory at our discretion, based on factors such as population density, character of neighborhood, location and number of competing businesses and other factors. While there is no minimum Exclusive Territory size, we typically will define an Exclusive Territory to include a certain number of people (residents and/or workers). Your Exclusive Territory may be defined by 5-digit ZIP Codes, county or city boundaries, or fixed geographical boundaries such as rivers, streets, or highways, or may be identified by a map. When determining the Exclusive Territory, we generally use demographic statistics provided by the U.S. Census Bureau.

Except as limited below, and provided that you are in full compliance with the Franchise Agreement, we, and our affiliates will not operate or grant a franchise for the operation of another STRETCHMED® Studio at a location within your Exclusive Territory during the term of the Franchise Agreement. Except as expressly limited by the previous sentence, we and our affiliates retain all rights with respect to STRETCHMED® Studios, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

1. the right to establish and operate, and to grant to others the right to establish and operate similar businesses or any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside your Exclusive Territory under trademarks or service marks other than the STRETCHMED® Marks, and on any terms and conditions we deem appropriate;

2. the right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services that are identical or similar to and/or competitive with those provided at STRETCHMED® Studios, whether identified by the Marks or other Trademarks or Service Marks, through dissimilar channels of distribution (including the internet or similar electronic media) both inside and outside your Exclusive Territory and on any terms and conditions we deem appropriate;

3. the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside your Exclusive Territory under the Marks and on any terms and conditions we deem appropriate;

4. the right to operate, and to grant others the right to operate STRETCHMED® Studios located anywhere outside your Exclusive Territory under any terms and conditions we deem appropriate and regardless of proximity to the Studio, even if they compete with your Approved Location for members;

5. the right to operate and grant others the right to operate STRETCHMED® Studios at "non-traditional sites" within and outside your Exclusive Territory on any terms and conditions we deem appropriate. "Non-traditional sites" are sites that generate customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including military bases, shopping malls, airports, stadiums, major

industrial or office complexes, hotels, school campuses, train stations, travel plazas, toll roads, casinos, hospitals, and sports or entertainment venues;

6. the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at STRETCHMED® Studios, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Exclusive Territory); and

7. the right to be acquired (whether through acquisition of assets, ownership interests or otherwise regardless of the form of transaction), by a business providing products and services similar to those provided at STRETCHMED® Studios, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your Exclusive Territory.

We are not required to pay you if we exercise any of the rights specified above inside your Exclusive Territory.

Upon renewal or transfer of a franchise, the Exclusive Territory may be modified. Depending on the then-current demographics of the Exclusive Territory, and on our then-current standards for territories, if the Exclusive Territory is larger than our then-current standard Exclusive Territory, we may require you or the transferee to accept a renewal Exclusive Territory or a transfer Exclusive Territory smaller than the then-current Exclusive Territory.

You have no options, rights of first refusal, or similar rights to acquire additional franchises.

If an existing franchisee, or any of its affiliates, owners, members, managers, shareholders, partners, guarantors, or principals, seeks to acquire any additional franchise or expansion rights, we may require, as a condition of approval, that the you sign our then-current Franchise Agreement and related agreements. We may also require amendments, amendments and restatements, replacement agreements, guaranties, releases, or related agreements for your existing franchised businesses so those agreements conform to our then-current standards, requirements, and System requirements, to the extent permitted by applicable law.

Although we and our affiliates have the right to do so (as described above), we and our affiliates have not operated or franchised, and have no plans to operate or franchise other businesses selling or leasing similar products or services under different trademarks.

Continuation of your franchise or territorial rights does not depend on your achievement of a certain sales volume, market penetration, or other contingency.

We do not restrict you from soliciting or accepting orders from outside your Exclusive Territory, including using other channels of distribution, such as the Internet or direct marketing. However, you must obtain our written approval of all advertising and media prior to its use. You can accept business from another Exclusive Territory. You cannot solicit business in an Exclusive Territory where there is an open Studio occupied by another franchisee.

We may choose, in our sole discretion, to evaluate your Studio for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, surveillance camera monitoring, member comments/surveys, and secret shopper reports). You must meet minimum standards for cleanliness, equipment condition, repair and function, and customer service. Your employees, including independent contractors, must meet minimum standards for courteousness and customer service.

Internet Sales/Alternative Channels of Commerce

Any use of social media by you pertaining to the Studio must be conducted in a respectful and professional manner, and not linked to controversial, unethical, immoral, illegal or inappropriate content. At our request, you will promptly modify or remove any online communication pertaining to the Studio that does not comply with the Franchise Agreement or the Operations Manual. You are strictly prohibited from promoting your Franchised Business or using the Proprietary Marks without our prior written approval in any manner on the Internet, including social and networking websites such as Facebook, LinkedIn, Instagram, Pinterest, X, Groupon, TikTok, and/or YouTube.

ITEM 13: TRADEMARKS

We give you the right to use the trademark "STRETCHMED®," and other trade names, trademarks, service marks, trade dress and logos we currently use or which we may adopt or approve (the "Marks") in the Licensed Business free of charge as long as you have an active franchise agreement with us. You must follow our rules when you use the marks, which may change from time to time and will be updated in our Operations Manual. You may only use the marks exactly as we specify. You may not use any of the marks in connection with the offer or sale of any unauthorized product or service.

We have exclusive license rights to use the name and service mark "STRETCHMED®". You do not have the right to sublicense or otherwise give any third party permission to use any Mark (or any portion of any Mark). Any such permission must come directly from us. In addition, we have secured federal trademark registrations as follows:

MARK	REGISTRATION NUMBER	REGISTRATION DATE	REGISTER
STRETCH MED	6125552	August 11, 2020	PRINCIPAL
STRETCHMED®	6172564	October 13, 2020	PRINCIPAL

The Licensed Mark is owned by StretchMed Franchise, LLC. Trevor A. Caudle, Esq. has registered the Licensed Marks listed above on the Principal Register of the United States Patent and Trademark Office ("USPTO"). Required affidavits have been filed in connection with several of the registrations, as well as renewal filings for certain of these registrations.

You will not acquire any proprietary rights in the Licensed Marks by virtue of the license granted to you in the Franchise Agreement or otherwise. All goodwill established by your use of the Licensed Marks will inure to the sole and exclusive benefit of StretchMed Franchise LLC. You agree not to contest at any time either the validity, or StretchMed Franchise LLC's ownership, of any of the Licensed Marks. Any unauthorized use of the Licensed Marks by you will constitute an infringement of our and StretchMed Franchise LLC's rights in and to the Licensed Marks.

You must follow our rules when you use the Marks, including giving proper notices of STRETCHMED® and service mark registration and obtaining fictitious or assumed name registrations required by law. You may not use any Mark in your corporate or legal business name; with modifying words, terms, designs, or symbols (except for those we license to you); in selling any unauthorized services or products; or as part of any domain name, homepage, electronic address, or otherwise in connection with a website. "Website" means any part of the Internet (including social media platforms) used as a commercial computer network by the public, and any successor technology, whether now existing or developed after the date of your Franchise Agreement, that enables the public to purchase services or goods by means of electronic commerce.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks and there is no pending material federal or state court litigation regarding our rights in the trademark. We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, or of any mark that is confusingly similar to our Marks, and you may not communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any infringement, challenge, or claim. You must assist us in protecting and maintaining our interests in any litigation or USPTO or other proceeding. We will reimburse you for your costs of taking any action that we ask you to take.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Studio's signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute STRETCHMED® or service mark.

We will reimburse you for all damages and expenses that you incur in any STRETCHMED® infringement or unfair competition proceeding disputing your authorized use of any Mark under the Franchise Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any rights in, or licenses to, patents that are material to the franchise. We do not own

or claim any rights in any registered copyrights, but we claim copyright protection for the Operations Manual, advertising, and promotional materials, forms and other materials that we produce and give you for your use or for public dissemination, but we have not registered these materials. These materials are proprietary and confidential.

There are no currently effective adverse determinations of the USPTO, the Copyright Office (Library of Congress), or any court regarding the copyrighted materials. There are no agreements in effect that limit our right to use or allow others to use the copyrighted materials. We are not aware of any infringing uses of these materials that could materially affect your use of the materials in any state.

We need not protect or defend copyrights, although we intend to do so if it is in the system's best interests. You must notify us of any known infringements. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Operations Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes site selection criteria; training and operations materials; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating STRETCHMED® Studios; marketing and advertising programs for STRETCHMED® Studios; any computer software or similar technology that is proprietary to us or the system; knowledge of specifications for and suppliers of Operating Assets, Trade Secret Products, and other products and supplies; knowledge of the operating results and financial performance of STRETCHMED® Studios other than your Studio; and graphic designs and related intellectual property.

All ideas, concepts, techniques, or materials concerning a STRETCHMED® Studio, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item. You may not use our copyright, proprietary and/or confidential information in an unauthorized manner. You must take reasonable steps to prevent improper disclosure to others and use nondisclosure and non-competition agreements with those having access. We may regulate the form of agreement that you use and will be a third-party beneficiary of that agreement with independent enforcement rights. You may use the above materials, in the manner we approve, during the term of your Franchise Agreement. We reserve the right to modify or discontinue your use of these materials if we deem, in our reasonable discretion, that it is in the best interests of STRETCHMED®.

We may revise any of our copyrighted materials in our sole discretion and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

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

Under the Franchise Agreement, either you or your manager, who has completed the initial Training Program and has been approved by us, is responsible for direct, on-premises supervision of the Studio. We do not place limits on whom you can hire as an on-premises supervisor, nor do we recommend that on-premises supervision is better if done by you; we only require that the on-premises supervisor successfully complete Franchise School and receive our approval.

We have the right to require you (and any member of your immediate family or household), any holder of a legal or beneficial interest in you (if you are a legal entity), and any officer, director, executive, or Designated Manager, as well as any other individuals having access to Trade Secrets or other Confidential Information, to sign nondisclosure and non-competition agreements in a form attached to the Franchise Agreement. We will be a third-party beneficiary with the independent right to enforce the agreements.

Moreover, we also have the right to take and use photographs, audio and/or video of the Franchise Business or testimonials from customers of the Franchise Business for publicity and/or advertising purposes, without charge or compensation to you. The photographs, videos, and/or testimonials are our sole property. You acknowledge that we own all right, title and interest and any other rights, as permitted under applicable law, to these photos, audio and video recordings. You agree that we may use your and your Franchise Owners' names, likeness and voices in promoting the Franchise Businesses and the Business System. You consent and assign to us all right, title and interest to our use of these names, likenesses and voices. You will cooperate with us in obtaining these audio, video, photographs, testimonials, and the consent of any persons included in these materials.

You or your managing owner must devote full time on-premises efforts to the management and supervision of the Studio. You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance the Studio. System Standards may regulate the Studio's staffing levels; identify the Studio's personnel and employee qualifications, training, dress, and appearance. If you are a legal entity, you must appoint a majority shareholder, member, or partner (as applicable) to be your "Managing Owner," responsible for overseeing and supervising the Studio's operation. Full-time efforts shall be defined as working on premises in a full-time capacity and not being employed elsewhere.

If your managing owner is terminated or leaves his/her employment with you, you must designate a replacement for that person within 30 days after the employment of the previous employee ends. The replacement must be trained to our satisfaction as soon as practicable after hiring, which may require sending the replacement to our training program at your expense.

You must keep us informed at all times of the identity of any supervisory employees acting as managers of the Studio. Your managers need not have an equity interest in the Studio or you. We may regulate the form of agreement that you use and be a third-party beneficiary of that agreement with independent enforcement rights. You and your employees must not disclose our confidential information, except to the extent necessary in order to operate your Studio.

Prior to there being any change in your manager, you must provide us with advance written notice of

this change, and we must confirm that your proposed replacement manager meets our then-current standards and requirements, and successfully completes Franchise School training. If your Studio fails to meet or exceed our standards, we may state that your manager no longer meets our standards and requirements and must successfully complete Franchise School again.

If you are a corporation, limited liability company, or partnership, your owner(s) must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty" is included as "Attachment 5" contained in "Attachment 5" of the Franchise Agreement.

If you are an individual franchisee, your spouse must sign our Spousal Consent. If you are a corporation, limited liability company, or partnership, the spouse of each individual owner, member, manager, shareholder, partner, or other principal whom we require to execute the Franchise Agreement and/or Personal Guaranty must sign our Spousal Consent. Under the Spousal Consent, each such spouse may become personally bound by the guaranteed obligations and by certain in-term and post-term covenants and restrictions under the Franchise Agreement and related agreements, even though such spouse has no ownership interest in the business.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all approved items and perform all approved services that we periodically require for STRETCHMED® Studios. You may not offer or sell any products or perform any services that we have not authorized through prior written consent. Our System Standards may regulate required and/or authorized Items and Trade Secret Products; unauthorized and prohibited products, and services; purchase, storage, preparation, handling, and packaging procedures and techniques for Items and Trade Secret Products; and inventory requirements for Trade Secret Products and other products and supplies so that your Studio operates at full capacity. We may periodically change required and/or authorized Items and Trade Secret Products. There are no limits on our right to do so. You must refrain from any deviation from our standards and specifications without our written consent and must discontinue selling and offering for sale any services or products that we disapprove or discontinue. Franchisor has the right to change the types of authorized goods and services, and there are no limits on our right to make changes, or to require you to sell all goods or services which are authorized by us. If we modify the System, you may have to add or replace equipment, signs, and fixtures, and you may have to make improvements or modifications as necessary to maintain uniformity with our current standards and specifications. Furthermore, You must comply with the reciprocity, membership, and transfer programs we implement, as we periodically modify them. We do not generally limit the persons to whom you may sell memberships. However, we can impose minimum age restrictions and other requirements we deem appropriate, either for safety reasons, or to preserve the goodwill of our Marks for the benefit of all franchisees. Also, because our business model is based on the concept of local memberships, we do not allow you to solicit businesses or organizations for the sale of memberships that would enable persons to join your STRETCHMED® Studio when that is not the facility they would principally use.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section In Franchise Agreement	Summary
a. Length of the franchise term	Section 3	10 years from the effective date of the Franchise Agreement.
b. Renewal or extension of the term	Section 3	If you are in full compliance, you may acquire 2 successor franchise terms of 5 years each (for a total of 10 years).
c. Requirements for franchisee to renew or extend	Section 3	Franchisor is still offering franchises at the time of each Renewal Period; give us no less than six (6) months' or more than nine (9) months' notice prior to the end of the then current term; Franchisee must not be in default and comply with all provisions in the franchise agreement; maintain possession of Studio premises or find acceptable substitute premises; remodel Studio according to our then-current standards (regardless of cost);Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliate; sign a new franchise agreement, which may contain materially different terms from your current Franchise agreement; pay 50% of the then-current franchise fee; Franchisee and its employees shall successfully complete Franchisor's then-current qualification and training requirements; Franchisee delivers reasonable evidence demonstrating that Franchisee has the right to remain in possession of the Approved Location during the Renewal Period; sign a release (if law allows) which shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law, and other documents we use to grant franchises.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable

Provision	Section In Franchise Agreement	Summary
f. Termination by franchisor with cause	Section 17	If you are in default under the Franchise Agreement or any other agreement with us, or our affiliates, we may terminate your Franchise Agreement, as defined further below.
g. "Cause" defined – curable defaults	Section 17	You have 72 hours to cure health, or safety law violations; 10 days to cure monetary defaults; failure to maintain required insurance; operational defaults and other defaults not listed in (h) below.
h. "Cause" defined – non-curable defaults	Section 17	Loss of the lease where the business is located; failure to complete training; close or abandonment of the business for a period in excess of two (2) days unless otherwise approved; unapproved transfers; you commit any fraud or criminal acts or other misconduct or make any misrepresentation to us; conviction of a crime or felony; dishonest or unethical conduct; unauthorized use or disclosure of the Operations Manual or other confidential information; breach of non-compete provisions; misuse of our Marks or the goodwill associated with them; failure to pay taxes; understating Gross Sales; repeated defaults (even if cured); an assignment for the benefit of creditors; insolvency or bankruptcy, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.); appointment of a trustee or receiver; violation of any anti-terrorism law; death or incapacity; any other stated non-curable defaults.
i. Franchisee's obligations upon termination/ nonrenewal	Section 18	Your obligations include: stop operations of the Studio; stop using the Marks and items bearing the Marks; stop using the name "STRETCHMED®" in any form as part of your corporate name; assign any assumed names to Company; de-identify the premises from any confusingly similar decoration, design or other imitation of a Studio; stop advertising as a STRETCHMED® franchise; pay all sums owed; pay all damages and costs we incur in enforcing the termination provisions of the Franchise Agreement; return the Manual and other confidential information to us; return all signs to us; assign your telephone and facsimile numbers, electronic mail and internet addresses to us; sell to us, at our option, all assets of the Studio, including inventory, equipment, supplies and items bearing the Marks; and comply with the covenants not to compete.

Provision	Section In Franchise Agreement	Summary
j. Assignment of contract by franchisor	Section 16	No restriction on our right to assign; we may assign without your approval.
k. "Transfer" by franchisee – definition	Section 16	Includes transfer of Franchise Agreement, the Studio (or its profits, losses or capital appreciation), or the Studio's assets; and ownership, membership or partnership change; or transfer of majority control in you or your business.
l. Franchisor approval of transfer by franchisee	Section 16	No transfer without Franchisor's prior written consent which consent can be withheld, conditioned or delayed in the Franchisor's sole discretion.
m. Conditions for franchisor approval of transfer	Section 16	Transferee qualifies by meeting our then-current requirements as disclosed in the operations manual, which may be amended from time to time, signing a new franchise agreement and paying a transfer fee; Transferee is only granted the remaining Term under this Franchise Agreement; you pay us, our affiliates, and third party vendors all amounts due and submit all required reports; no default during 60-day period before transfer request or during period between request and transfer's proposed effective date; transferee (and its owners and affiliates) are not in a competitive business; training completed by transferee and its on-premises supervisor at transferee's expense; lease transferred; you sign a release in the form of Exhibit C to the Franchise Disclosure Document (subject to state law); we approve material terms of the transfer; you subordinate amounts due to you; you de-identify; you correct existing Studio deficiencies of which we notify you on punch list; and transferee agrees to upgrade and remodel Studio within specified time frame after transfer.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 16	We have the right to match any offer for your Studio or an ownership interest in your Studio.
o. Franchisor's option to purchase franchisee's business	Section 16, 17 & 18	Upon expiration or termination (for whatever cause), we have the right to enter and operate the Studio and assume your lease for the Studio premises, to assume all membership contracts, to assume all telephone numbers used in connection with your Studio, and to purchase or designate a third party to purchase all or any portion of the assets of your Studio, including

Provision	Section In Franchise Agreement	Summary
		equipment, fixtures, signs, furnishings and supplies, leasehold improvements and inventory. Qualified appraisers will determine the price of the above assets.
p. Death or disability of franchisee	Section 16	Your heirs and assigns may assume your rights, provided they meet the transfer requirements in section (s) above. In the alternative, your estate may sell your Studio, provided the estate complies with section (s) above. All of the above transfers must occur within six (6) months of your death or disability, and we may manage your Studio, at your cost, if there is no qualified manager in the interim. If your Studio is not transferred within six (6) months, we have the right to terminate your Franchise Agreement.
q. Non-competition covenants during the term or expiration of the franchise	Section 13	No diverting business; no ownership interest in, or performing services for, competitive business anywhere ("competitive business" means any business that derives more than 5% of its revenue from selling stretching services, or any business granting franchises or licenses to others to operate such a business); no interference with our employees or our franchisees' employees. Franchisee and its owners as well as all employees must sign non-competition and confidentiality covenants. Franchisee must undertake legal action to enforce the non-compete agreement against all of Franchisee's employees who are in breach of the non-compete agreement. In the event of a Studio transfer, the new Franchisee must undertake legal action to enforce the non-compete agreement the former Franchisee signs at the sale if the former Franchisee is in breach of the non-compete agreement.
r. Non-competition covenants after the term or expiration of the franchise	Section 13	No diverting business and no ownership interest in or performing services for a competitive business for 2 years at the Studio's location, within 8 miles of the Studio's location, or within 8 miles of any other STRETCHMED® Studio existing, under construction, or planned as of the date the Franchise Agreement expires or is terminated (same restrictions apply after transfer).
s. Modification of the agreement	Section 19	No modifications of Franchise Agreement without consent by all parties, but we may change our manuals, System Standards and authorized trademarks.

Provision	Section In Franchise Agreement	Summary
t. Integration/ merger clause	Section 19	Only the terms in the Franchise Agreement are binding (subject to state law). Any representations or promises outside the disclosure document and other agreements may not be enforceable.
u. Dispute Resolution by Arbitration or Mediation	Section 19	You must first submit all disputes and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place at our then-current headquarters. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation. The franchise agreement requires binding arbitration. The arbitration will occur in Puerto Rico with the costs being borne by each party being responsible for their own legal fees. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of Puerto Rico and federal laws (such as Business and Professions Code Section 20030.5). Except insofar as Franchisor elects to enforce this Agreement by judicial process, injunction, or specific performance, all disputes and claims arising out of the Franchise Agreement, the franchise relationship, or any disagreement on the fair market value of the assets of the Studio will be resolved by binding arbitration before a single arbitrator. Waiver of Jury Trial. You (and your owners) and we each irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either you (or your owner) or us.

Provision	Section In Franchise Agreement	Summary
v. Choice of forum	Section 19	Arbitration will be in the Commonwealth of Puerto Rico. Subject to arbitration requirements, any litigation must be brought in the United States District Court for the District of Puerto Rico, or the city where the corporate headquarters is then located, except as provided in the state-specific addendum. Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
w. Choice of Law	Section 19	Subject to the Federal Arbitration Act and other federal and state laws, Puerto Rico's law governs.

A provision in your franchise agreement that terminates the franchise upon your bankruptcy may not be Enforceable under Title 11, United States Code Section 101 *et seq.* Applicable state law may require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit D.

ITEM 18: PUBLIC FIGURES

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

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

BACKGROUND

As of December 31, 2025, there were 38 open and operating StretchMed Studios. Out of the 38 StretchMed Studios, only 29 have been fully open and operational for the whole calendar year. This historical unaudited financial performance representation includes a variety of performance data, including Gross Revenue, Operating Expenses, and Profit. We do not provide any data for company or affiliate-owned Studios. We have utilized different groups measured sharing similar characteristics to show the historical financial performance of the Studios. All the groups measured offer substantially the same products and services to the public. None of the Studios received services that

were not generally available to our franchisees, and substantially the same services will be offered to new franchisees.

Table 1. Average Gross Revenue For Studios Fully Operational for the 2025 Calendar Year

We sorted out 29 StretchMed Studios, ranked (highest to lowest) by the amount of Gross Revenue reported by these studios for the 2025 Calendar Year, into thirds. The chart below provides the average, median, and range (minimum and maximum) of Gross Revenue during the 2025 Calendar Year for each subset.

Table 1. Average Gross Revenue For Studios Fully Operational for the 2025 Calendar Year							
	Number of Qualified Studios	Average	Median	Minimum	Maximum	Number of Studios That Met or Exceed the Average	Percentage of Studios that Met or Exceed the Average
Top Third	10	$ 456,057	$ 453,406	$ 327,458	$ 572,049	4	40%
Middle Third	10	$ 256,451	$ 253,027	$ 217,797	$ 305,189	5	50%
Bottom Third	9	$ 181,027	$ 173,756	$ 137,477	$ 216,654	4	44%
Total	29	$ 301,873	$ 264,135	$ 137,477	$ 572,049	11	38%

Table 2. First Full Calendar Year Operating Expenses

Table 2 below presents historical operating expense information of studios in their first full calendar year of operations. Out of the 29 studios, only four (4) franchised StretchMed Studios provided their operating expense information. Further, these four (4) franchise StretchMed Studios are located in Massachusetts. The table reflects each studio's operating expenses during its first full calendar year of operations, based on reported data from the franchisee. The table shows the average operating expense categories and total operating expenses only.

Table 2. First Full Calendar Year Operating Expenses	
Description	Amount
Average Advertising & Marketing	$29,265
Average Franchise Expenses	$31,290
Average Payroll Expense	$156,437
Average Office & Supplies Expense	$4,129
Average Rent & Facility Expense	$52,279

Table 2. First Full Calendar Year Operating Expenses	
Average Transportation & Travel	$2,117
Average Bank & Credit Card Fees	$7,161
Average Insurance & Professional Services	$3,213
Average Other Expense	$1,541
Total Annual Average Operating Expense	$287,431
Average Monthly Operating Expense	$23,953

Table 3. Average Revenue, Expense and Profit For Studios Fully Operational for the Calendar Years 2022-2025

The table below presents the average, median, minimum, and maximum Revenue, Expenses, and Profit reported by three (3) StretchMed Studios for calendar years 2022 through 2025. These Studios have been in open, continuous and fully operational for the calendar years 2022 through 2025 and were the only Studios that provided the data used in this table. The table also shows the number and percentage of those reporting Studios that met or exceeded the average for each category.

Average Revenue, Expense, and Profit For Studios Fully Operational for the Calendar Years 2022-2025							
Category	**Number of Reporting Studios**	**Average**	**Median**	**Minimum**	**Maximum**	**Number of Studios That Met or Exceeded the Average**	**Percentage of Studios That Met or Exceeded the Average**
Average Revenue	3	$492,986	$546,737	$385,468	$546,753	2	67%
Average Expenses	3	$386,485	$411,692	$324,005	$423,758	2	67%
Average Profit	3	$105,964	$122,995	$61,463	$133,434	2	67%

Explanatory Notes to Item 19 Tables above:

1. The term "Gross Revenue" means the total revenue generated by a Studio in the given time period.
2. The Gross Revenue in the preceding tables were reported to us by each franchise owner, we did not independently audit or verify this information.
3. The Expenses information was reported to us by each franchise owner, we did not independently audit or verify this information.
4. Profit was calculated by subtracting Expenses from Gross Revenue, we did not independently audit or verify this information.
5. The figures contained herein do not account for interest on debt, any tax liability, amortization, or depreciation.

6. For each Calendar Year in the Measurement Period, "Average Year Gross Revenue Reported" was calculated by (a) taking the sum of all Yearly Gross Revenue generated by the franchised studios that completed the Operational Year, and (b) dividing that figure by the number of franchised Studios in that subset.
7. For each Operational Year, the "Median Reported" is determined by (a) taking the middle value reported amongst the franchised studios that were open for that Operational Year if the subset has an odd number of Studios, or (b) taking the average of the two (2) middle reported values from those franchised studios if there is an even number of Studios in the applicable subset.

Written substantiation for the unaudited financial performance representation will be made available to the prospective franchisee upon reasonable request. The Disclosed Studios have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.

The revenues and expense of your Studio will depend on many factors, we suggest you speak to your business advisors and/or current franchise owners regarding the financial aspects of the business. The revenues and expenses of your business will be directly affected by many factors, such as: (a) your Approved Territory's geographic location and population demographics; (b) advertising effectiveness based on market saturation; (c) whether you operate the business personally or hire a third party to serve as your Designated Manager; (d) your product and service pricing; (e) vendor prices on materials, supplies and inventory; (f) personnel salaries and benefits (life and health insurance, etc.); (g) insurance costs; (h) weather conditions; (i) ability to generate customers; (j) customer loyalty; (k) employment conditions in the market; and (l) the efforts you and your personnel put into your Franchised Business.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets, we also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Brian Cook at StretchMed Franchise, LLC 954 Avenida Ponce De Leon, Suite 205-PMB# 10076, San Juan, Puerto Rico 00907, or by telephone at 559-705-1192, or the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary for years 2023-2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	11	17	+6
	2024	17	31	+14
	2025	31	38	+7

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Affiliate Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	11	17	+6
	2024	17	31	+14
	2025	31	38	+7

Table No. 2
Transfers of Outlets From Franchisees to New Owners (other than Franchisor or Affiliate) For years 2023-2025

State	Year	Number of Transfers
FL	2023	0
	2024	0
	2025	1
MA	2023	1
	2024	0
	2025	3
PR	2023	1
	2024	0
	2025	0
TX	2023	0
	2024	1
	2025	0
TOTAL	2023	2
	2024	1
	2025	4

Table No. 3
Status of Franchised Outlets For Years 2023-2025

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at the End of the Year
CA	2023	0	0	0	0	0	0	0
	2024	0	3	0	0	0	0	3
	2025	3	1	0	0	0	2	2
CT	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
GA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
IN	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
MA	2023	10	4	0	0	0	1	13
	2024	13	4	0	0	0	0	17
	2025	17	3	0	0	0	0	20
MD	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	2	0	0	0	0	3
NJ	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
NV	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
OH	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
FL	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	1	0	0	0	2	1
PR	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
RI	2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at the End of the Year
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
SC	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
TX	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
TOTAL	2023	11	7	0	0	0	1	17
	2024	17	14	0	0	0	0	31
	2025	31	11	0	0	0	4	38

Table No. 4
Status of Company-Owned Outlets For years 2023-2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
CA	2023	0	0	0	0	0	0
	2024	0	1	0	0	1	0
	2025	0	0	0	0	0	0
TOTAL	2023	0	0	0	0	0	0
	2024	0	1	0	0	1	0
	2025	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2025

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlet in Next Fiscal Year
AR	2	0	0
CA	8	2	1
CT	5	2	0
DC	1	1	0

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlet in Next Fiscal Year
FL	6	1	1
IN	1	1	0
IL	0	0	0
MA	6	4	1
MD	4	3	0
NJ	2	1	0
NV	1	1	0
NY	0	0	0
PR	0	0	0
RI	1	1	0
SC	1	1	0
TX	2	0	0
TOTAL	**40**	**18**	**3**

A list of the names of all franchisees and the addresses and telephone numbers of their franchises will be provided in Exhibit H to this disclosure document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit H to this disclosure document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

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

There are no independent or trademark-specific franchisee organizations.

ITEM 21: FINANCIAL STATEMENTS

Attached to this disclosure document, as Exhibit F is a copy of our audited financial statements for the years ended December 31, 2025, December 31, 2024 and December 31, 2023. The audits were conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS").

ITEM 22: CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

1.	Franchise Agreement	Exhibit B

ITEM 23: RECEIPT

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document as Exhibit I. It is not a binding contract. This is merely to verify that you have received this Franchise Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A
To The Franchise Disclosure Document

LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360

State	State Agency	Agent for Service of Process
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8211 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B
To The Franchise Disclosure Document

FRANCHISE AGREEMENT

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Attachment 2: Internet Advertising, Social Media and Telephone Account Agreement
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Attachment 8: Spousal Consent
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Attachment 10: Software Assignment Agreement

FRANCHISE AGREEMENT

In various places in this Franchise Agreement, you are asked, and required to initial certain sections to ensure that they have been fully discussed with you, you have read them, and they are fully understood and agreed to by you. Initialing those areas does not mean any other section of the agreement is less important, or less enforceable.

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered this _____ (the "Effective Date") between the franchisor StretchMed Franchise, LLC, a Puerto Rico limited liability company, with its principal address at 954 Ave Ponce de Leon, Suite 205-PMB 10076, San Juan, PR, 00907 (herein referred to as "we", "us", "our" or "Franchisor") and _____,

a(n) _____,

whose principal address is _____

referred to in this Agreement as ("you", "your" or "Franchisee").

RECITALS:

A. We have spent considerable time, effort and money to develop a unique, distinctive and comprehensive system for establishing and operating one-on-one assisted stretching under our trademark and service mark "STRETCHMED®" (the "System"). The System includes the logo and trademark STRETCHMED®, other trademarks, trade names and logos that we own (the "Names and Marks"). The System also includes the goodwill associated with the Names and Marks, business methods, forms, policies, trade secrets, specifications, operating and other standards, procedures, training and ongoing operational assistance, advertising and promotional programs, a distinctive interior and exterior design, trade dress, and color scheme, all of which we may improve, develop and alter from time to time. The System may be changed or modified by us, in our sole discretion, and you will agree to comply with the System as it may exist (including all operational policies, procedures, programs and plans set forth in the Operations Manual or otherwise in writing).

B. We operate and grant to qualified individuals the right to operate STRETCHMED® franchises using the System.

C. You desire to use the System at a location that you select and we approve ("Studio" or "Territory"). This Agreement does not grant you the right to own or operate additional STRETCHMED® Studios, nor are we required to sell you additional franchises or consent to your purchase of existing franchises.

D. You recognize the benefits to be derived from a license by us to use the System and you understand and acknowledge the importance of the System's high standards of quality, cleanliness, appearance, and service and the necessity of operating the Studio in conformity with the System.

E. You acknowledge that you received our Franchise Disclosure Document, including this Agreement and any exhibits or attachments, at our first personal meeting or at least fourteen (14) days prior to signing the Agreement or making payment to us in connection with the franchise sale, and had sufficient time to review the documents and evaluate the System prior to signing this Agreement or making a payment to us in connection with this sale.

F. You acknowledge that the only representations, warranties and obligations that you should rely upon are those specifically set forth in the Franchise Disclosure Document and this Agreement. You must not rely on, and the parties do not intend to be bound by, any statement or representation not contained herein. You acknowledge that you have read and understand this Agreement, the Attachments hereto, and any agreements relating thereto.

G. You represent that you have conducted an independent investigation of our business and System and recognize that the business venture contemplated by this Agreement involves business risks and you are able to bear such risks. Such risks include, but are not limited to, your ability as a business owner, competition, demographic patterns, consumer trends, economic conditions, and other risks that are not within your or our control and may be difficult to anticipate or identify. You further acknowledge that, at your option, you consulted with an attorney, accountant or professional advisor; or that you are satisfied with using your own personal knowledge, education and experience to evaluate this franchise offering.

H. We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business contemplated by this Agreement. You acknowledge that no employee, agent, or representative of ours, made any oral, written, or visual representation or projection to you of actual, average, projected or forecasted sales, earnings, profits, or likelihood of success, except as set forth in the Franchise Disclosure Document. You acknowledge that the only actual, average, projected or forecasted sales that you relied upon in making this decision, if any, were those disclosed in the Franchise Disclosure Document.

I. You acknowledge that we will not provide or designate locations for you, we will not provide financial assistance to you, and we have made no representation that we will buy back from you any products, supplies or equipment purchased by you in connection with the Studio, and that you are subject to all federal, state, and local laws pertaining to the franchise business.

J. You acknowledge that you are subject to all federal, state, and local laws pertaining to the franchise business.

AGREEMENT:

In consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties, intending to be legally bound, agree as follows:

1. FRANCHISE GRANT:

Subject to the provisions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, a franchise license to operate a STRETCHMED® Studio (the "Studio") in conformity with the System at the Location set forth on Attachment 6 to this Agreement (the "Approved Location"). You accept the license to franchise and agree to operate your Studio using the System and agree to use the System, including the Names and Marks, solely in connection therewith.

2. EXCLUSIVE TERRITORY

2.1. Exclusive Territory. The Exclusive Territory shall consist of the map or described area named in Attachment 6 to the Agreement. We will determine the size and boundaries of your Exclusive Territory at our discretion, based on factors such as population density, character of neighborhood, location and number of competing businesses and other factors. While there is no minimum Exclusive Territory size, we typically will define a Exclusive Territory to include a certain number of people (residents and/or workers). Your Exclusive Territory may be defined by 5-digit zip codes, county or city boundaries, or fixed geographical boundaries such as rivers, streets or highways, or may be identified by a map. When determining the Exclusive Territory, we generally use demographic statistics provided by the U.S. Census Bureau.

2.2. Site Selection Criteria and Timeframe. Unless otherwise agreed by us in writing, you must select a franchise location within the Exclusive Territory and receive our approval by the sooner of 180 days from signing this Agreement or 30 days from Franchisor's finding of a suitable location on your behalf (although Franchisor is under no obligation to do so) ("Approved Location"). We will give you our site selection criteria for finding your Approved Location. We will not locate the site, nor negotiate the purchase or lease of the site for you. However, we reserve the right to assist in locating a site for you to develop in a manner we deem appropriate and at our sole discretion. In the event we are able to find a location suitable for development by you, you must develop said location. Neither we, nor any affiliate, owns any premises that will be leased to you or any other franchisee. The site must meet our criteria for demographic characteristics; traffic patterns; availability of parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size (approximately 300-400 square feet for a 1-Table STRETCHMED® Studio; approximately 500-700 square feet for a 2-Table STRETCHMED® Studio; approximately 800-900 square feet for a 3-Table STRETCHMED® Studio; and approximately 1,000-1,200 square feet for a 4-Table STRETCHMED® Studio); appearance; visibility; and other physical and commercial characteristics that we deem appropriate in our criteria. We will approve or disapprove a location you propose within 30 business days after receiving your description of, and evidence confirming your favorable prospects for obtaining, the proposed site. Franchisor's acceptance of a site does not constitute a guarantee by Franchisor that the Studio will be profitable at that

site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the Approved Location, although we will not conduct site selection activities for you. You must submit photos of prospective site locations to us, which must meet our approval in order to become your Approved Location. Prior to purchasing or leasing a site, you must submit the sales agreement or lease agreement to Franchisor for approval. Franchisor's acceptance of a site may be contingent upon your lease or sales agreement containing certain provisions pertaining to Franchisor's rights under this Agreement.

Franchisee must use a real estate broker approved or designated by Franchisor for site identification, lease negotiation, and documentation. Franchisor may designate Everest CRE, LLC (or another affiliate) to act as the real estate broker for Franchisee's site selection and leasing activities. Franchisee agrees to fully cooperate with the designated broker during the site selection, negotiation, and lease execution process.

Franchisee acknowledges and agrees that Franchisor and its affiliates, including Everest CRE, LLC, may receive commissions, fees, or other compensation from third parties, including landlords, in connection with services provided to Franchisee, including but not limited to real estate brokerage services. Franchisee waives any conflict of interest arising from such arrangements and acknowledges that any such compensation is separate from Franchisee's obligations under this Agreement.

2.3. Cooperation Required. Franchisee shall cooperate reasonably with Franchisor to ensure that the various actions occur which are necessary to obtain acceptance by Franchisor of the Approved Location, including, but not limited to, adding franchise-specific language to any lease executed by Franchisee, which language shall be provided by Franchisor. Also, Franchisee shall furnish any pertinent information as may be reasonably requested by Franchisor regarding Franchisee's business and finances. We will approve or disapprove your Studio's lease. Approval may be conditioned upon your lease containing certain franchise-specific language, which we will provide to you and a Collateral Assignment of Lease (see Attachment 7).

Franchisee shall promptly, and in no event later than two (2) days after request, provide any financial statements, account reconciliations, schedules, supporting documentation, written certifications, balance confirmations, legal confirmations, questionnaires, and other information or documents requested by Franchisor or Franchisor's independent accountants or auditors in connection with Franchisor's annual audit, financial statement preparation, FDD preparation or renewal, registration filings, lender requests, or other compliance-related purposes. Failure to do so shall constitute a default under this Agreement.

2.4 Time frame for Opening the Studio. Once you have an Approved Location, you must submit your proposed floor plan to Franchisor for approval. Franchisor will assist Franchisee with the layout and design of the Studio, including location of walls, counters and the location of equipment and fixtures within two weeks following delivery of the floor plan to Franchisor for approval ("Approved Floor Plan"). The costs of leasehold improvements, signs, furniture and fixtures for building out a Studio are the responsibility of the Franchisee.

Franchisee shall complete the construction of the Studio in accordance with System specifications and the Approved Floor Plan provided to Franchisee and shall open the Studio for

business within two hundred and seventy (270) days from the date of execution of this Franchise Agreement (the "Opening Date"); provided, however, that Franchisee shall have the right to substitute a different site, if such different site is acceptable to Franchisor, within sixty days (60) days of execution of this Agreement, and, in any case, a lease for the selected site must be signed within one hundred eighty (180) days, of the execution of this agreement.

Provided that the Franchisee has made full and complete application for all building permits, licenses, and all other permits required to open a STRETCHMED® Studio, within sixty (60) days of the execution date of this Agreement, Franchisor may agree to grant up to three (3) thirty (30) day extensions to obtain all necessary permits if the delay was due to causes beyond the reasonable control of Franchisee, which approval will not be unreasonably withheld. Franchisee must submit documentation of the status of the application(s) ten (10) days prior to the date of each thirty (30) day extension requested. Upon the grant of such extension(s) by Franchisor**,** the Opening Date will be commensurately extended.

Should the Franchisee be unable to obtain all necessary permits and licenses during the stated period and extension time period or periods as a result of causes beyond the reasonable control of Franchisee (unless the requirement for the issuance of such permits and licenses is waived in writing by Franchisor), or fail to secure a premises and sign a lease within 180 days or 30 days from Franchisor's finding of a suitable location on your behalf, this Agreement shall be deemed terminated upon written notice from either Franchisee or Franchisor to the other, without the necessity of further action by either party or further documentation. Upon such termination, the Franchisor shall retain One Hundred Percent (100%) of the Franchise Fee as a Termination Fee.

During the term of this Agreement, the Approved Location shall be used exclusively for the purpose of operating a franchised STRETCHMED® Studio. In the event the building shall be damaged or destroyed by fire or other casualty, or be required to be repaired or reconstructed by any governmental authority, Franchisee shall commence the required repair or reconstruction of the building within ninety (90) days from the date of such casualty or notice of such governmental requirement (or such lesser period as shall be designated by such governmental requirement) and shall complete all required repair or reconstruction as soon as possible thereafter, in continuity, but in no event later than one hundred eighty (180) days from the date of such casualty or requirement of such governmental notice. The minimum acceptable appearance for the restored building will be that which existed just prior to the casualty; however, every effort should be made to have the restored building include the then-current system specifications of STRETCHMED®. If the building is substantially destroyed by fire or other casualty, Franchisee may, with Franchisor's agreement and upon payment of an amount equal to twenty five percent (25%) of all insurance proceeds as a consequence of such casualty to the Franchisor as a service fee, terminate this Agreement in lieu of Franchisee's reconstructing the building.

It is understood and agreed that, except as expressly provided herein, this franchise is non-exclusive and includes no right of Franchisee to sub franchise.

You may not open the Studio until: (1) we notify you in writing that the Studio meets our standards and specifications (you must send pictures, which will need to meet our approval before opening); (2) you complete pre-opening training to our satisfaction; (3) you pay the initial franchise fee and other amounts then due us; and (4) you give us certificates for all required

insurance policies; and (5) you have scheduled at least two hundred fifty (250) Free Intro Stretches. Subject to these conditions, you must open the Studio within 270 days after the Franchise Agreement's effective date. (Franchise Agreement – Section 2.5).

Franchisee shall not relocate the Approved Location without the express prior written consent of Franchisor**.** We will allow a reasonable relocation of your franchised business to a location within your Exclusive Territory. We will consider a relocation to be reasonable if we find that the demographics in the current location no longer support the operation of a Studio, or the lease at the current location has been terminated or reached its natural expiration.

If you are in compliance with your Franchise Agreement and the Operations Manual, we may consider granting you the right to establish additional franchised outlets in your Exclusive Territory under further Franchise Agreements. We must approve the locations which you propose to open additional Studios, but we are under no obligation to grant such approval.

Franchisor has no obligation to grant Franchisee or any related party any additional franchise or expansion rights. As a condition to approval of any additional franchise, Franchisor may require that Franchisee and all related parties: (a) be in full compliance with all agreements with Franchisor and its affiliates; (b) sign Franchisor's then-current franchise documents; (c) sign amendments, restatements, replacement agreements, guaranties, releases, and related documents for existing franchised businesses so those agreements conform to Franchisor's then-current requirements, standards, and System requirements; and (d) complete any upgrades, training, technology, image, or other compliance measures Franchisor then requires. Franchisor's agreement to consider and, if approved, grant the additional franchise constitutes sufficient consideration for such documents.

2.5 Our Rights Within Your Exclusive Territory. Except as limited below, and provided that you are in full compliance with the Franchise Agreement, we and our affiliates will not operate or grant a franchise for the operation of another STRETCHMED® Studio at a location within your Exclusive Territory during the term of the Franchise Agreement. Except as expressly limited by the previous sentence, we and our affiliates retain all rights with respect to STRETCHMED® Studios, the Marks, the System, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

a. the right to establish and operate, and to grant to others the right to establish and operate similar businesses or any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside your Exclusive Territory under trademarks or service marks other than the STRETCHMED® Marks and on any terms and conditions we deem appropriate;

b. the right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services that are identical or similar to and/or competitive with those provided at STRETCHMED® Studios, whether identified by the Marks or other Trademarks or Service Marks, through dissimilar channels of distribution (including grocery stores and the internet or similar electronic media) both inside and outside your Exclusive Territory and on any terms and conditions we deem

appropriate;

c. the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside your Exclusive Territory under the Marks and on any terms and conditions we deem appropriate;

d. the right to operate, and to grant others the right to operate STRETCHMED® Studios located anywhere outside your Exclusive Territory, under any terms and conditions we deem appropriate, regardless of proximity to your Approved Location, even if they compete with your Approved Location for members;

e. the right to operate and grant others the right to STRETCHMED® Studios at "non-traditional sites" within and outside your Exclusive Territory on any terms and conditions we deem appropriate. "Non-traditional sites" are sites that generate customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including military bases, shopping malls, airports, stadiums, major industrial or office complexes, hotels, school campuses, train stations, travel plazas, toll roads, casinos, hospitals, and sports or entertainment venues;

f. the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at STRETCHMED® Studios, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Exclusive Territory); and

g. the right to be acquired (whether through acquisition of assets, ownership interests or otherwise regardless of the form of transaction), by a business providing products and services similar to those provided at STRETCHMED® Studios, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your Exclusive Territory.

We are not required to pay you if we exercise any of the rights specified above inside your Exclusive Territory.

Upon renewal or transfer of a franchise, the Exclusive Territory may be modified. Depending on the then-current demographics of the Exclusive Territory, and on our then-current standards for territories, if the Exclusive Territory is larger than our then-current standard Exclusive Territory, we may require you or the transferee to accept a renewal Exclusive Territory or a transfer Exclusive Territory smaller than the then-current Exclusive Territory.

You have no options, rights of first refusal, or similar rights to acquire additional franchises.

Although we and our affiliates have the right to do so (as described above), we and our affiliates have not operated or franchised, and have no plans to operate or franchise, other businesses selling or leasing similar products or services under different trademarks.

Continuation of your franchise or territorial rights does not depend on your achievement of a certain sales volume, market penetration, or other contingency.

We do not restrict you from soliciting or accepting orders from outside your Exclusive Territory, including using other channels of distribution, such as the Internet or direct marketing. However, you must obtain our written approval of all advertising and media prior to its use. You can accept business from another Exclusive Territory. You cannot solicit business in a Exclusive Territory where there is an open Studio occupied by another franchisee.

3. TERM AND RENEWAL OF AGREEMENT

3.1 Initial Term. The term of this Agreement shall be for ten (10) years from the date of execution and acceptance by Franchisor of this Agreement (the "Effective Date"), subject to earlier termination as herein provided.

3.2 Renewal. Franchisee may, at its option, renew this Franchise for two (2) additional periods of five (5) years ("Renewal Periods"), provided all of the following conditions are met for each respective Renewal Period:

a. Franchisor is still offering franchises at the time of each Renewal Period;

b. Franchisee shall give the Franchisor written notice of its election to renew no less than six (6) months' notice or more than nine (9) months' notice prior to the end of the then current term;

c. Franchisee must not be in default under any provision of the Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisor and Franchisee, and Franchisee shall have complied with all the terms and conditions of all such agreements during the terms thereof;

d. Franchisee shall complete to Franchisor's satisfaction such maintenance and renovation of the Studio as Franchisor may reasonably require in writing in order to reflect the then-current standards associated with the System, including, without limitation, signage, equipment, furnishings, décor, etc.;

e. Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliate, and shall have timely met these obligations throughout the previous term;

f. Franchisee shall execute, before the renewal term, the Franchisor's then-current form of Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including higher fees and a modification of your Exclusive Territory. Franchisor shall charge Franchisee a renewal fee of 50% of the then-current franchise fee for us to consult you in a manner we deem appropriate and at our sole discretion, in identifying a new Exclusive Territory to open in, site selection, lease negotiation, updated studio design, floor plan and or architectural renderings,, updated marketing strategy, graphic design, social media, website landing page

development, advertising and public relations, to update a single studio under a franchise agreement. This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Renewal Franchise Fee is not refundable under any circumstance; Franchisee must also sign a release (if law allows) which shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law, and other documents we use to grant franchises

g. Franchisee and its employees shall successfully complete Franchisor's then-current qualification and training requirements;

h. Franchisee delivers reasonable evidence demonstrating that Franchisee has the right to remain in possession of the Approved Location during the Renewal Period; and

i. Franchisee must execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliate, and their respective officers, directors, agents and employees, if such release is not in conflict with any local, state or federal laws.

3.3 Franchisor's Refusal to Renew Franchisee. If the franchisee does not complete any of the foregoing renewal conditions or is in default of this agreement or any other agreement with Franchisor or its affiliates, Franchisor may refuse to renew this franchise agreement. In the event of non-renewal of the Franchise Agreement, the Franchisor shall have the absolute right to buy all the studio assets of the Franchisee valued at fair market at the time of acquisition. The Franchisor shall exercise said right within thirty (30) days upon notice to the Franchisee of its refusal to renew the franchise agreement.

3.4 Notice of Expiration Required By Law. If Franchisor does not give required notice prior to the expiration of the initial term, then this Agreement shall remain in effect on a month-to-month basis until Franchisee has received such required notice.

4. FRANCHISEE'S INITIAL INVESTMENT

The Franchisee's initial investment will vary depending upon the size of the Studio, its geographical location, leasehold improvements required, the number of Studios selected by the Franchisee, and other factors.

Franchisee hereby certifies that he or she has reviewed the estimated start-up costs detailed in the Franchise Disclosure Document and has sufficient cash resources available to meet said expenses. These start-up costs are in addition to the franchise fee.

5. FRANCHISEE'S INITIAL AND ONGOING FEES

5.1 Initial Franchise Fee. By executing this Agreement, Franchisee agrees to become a Franchisee and pay an initial franchise fee in the amount of Forty-Nine Thousand Five Hundred Dollars ($49,500) for a STRETCHMED® Franchise ("the "Initial Franchise Fee"), which is due upon signing of this Agreement and receipt of which is hereby acknowledged by Franchisor.

The Initial Franchise Fee shall be paid in a lump sum in U.S. funds and shall be deemed fully earned and nonrefundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others, and for us to consult with you in a manner we deem appropriate and at our sole discretion, in identifying a Exclusive Territory to open in, site selection,, pre-opening marketing strategy, graphic design, social media, website landing page development, advertising and public relations, establish a single studio under a franchise agreement. No termination, failure to open, failure to obtain an approved location, failure to complete training, or other event will entitle Franchisee to a refund of the Initial Franchise Fee, except only to the extent expressly required by applicable law or a state-specific addendum.

5.2 Base Service Fees. In addition to the Initial Franchise Fee described in Section 5.1 above, the following recurring or isolated payments are required to be made by the Franchisee. The Franchisee pays to Franchisor a Base Service Fee of Six Percent (6%) on total Gross Sales of the Franchised Business.

As used in this Agreement, "Gross Sales" shall include all revenue accrued from the sale of all products and performance of services in, at, upon, about, through or from the Studio, whether for cash or credit and regardless of collection in the case of credit, and income of every kind and nature related to the Studio including insurance proceeds and/or condemnation awards for loss of sales, profits or business; provided, however, that "Gross Sales" shall not include revenues from any sales taxes or other add on taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, (the retail value of any complimentary services or trade-outs from Gross Sales up to a maximum of 2% of Gross Sales in the aggregate), and the amount of cash refunds to, and coupons used by, customers provided such amounts have been included in gross sales. The sale and delivery of products and services away from the Studio is by written approval of Franchisor only. Should Franchisor approve such sales in writing; these sales will be included in computing Gross Sales.

The Service Fee is uniform as to all persons currently acquiring a Franchise, nonrefundable, and is not collected on behalf of nor paid to any third party. The Service Fee shall be payable by the Franchisee and actually available to the Franchisor when due. The Service Fee shall be due at any time within three (3) business days after the close of the business week.

Further, You and we acknowledge and agree that the Service Fee represents compensation paid by you to us for the guidance and assistance we provide and for the use of our Names and Marks, Confidential Information (as defined herein), know-how, and other intellectual property we allow you to use under the terms of this Agreement. The Service Fee does not represent payment for the referral of customers to you, and you acknowledge and agree that the services we offer to you and our other STRETCHMED® franchisees do not include the referral of customers.

For any interruption in the operation of your business (except for an interruption due to a remodel or refurbish of the business), you must continue to pay us, during such period of interruption, continuing Service fees based on the average monthly Service fees paid by you during the twelve (12) months immediately preceding the period of interruption. However, if (a)

this interruption is due to force majeure, (b) you have obtained the insurance coverage we require or reasonably recommend, and (c) you properly and timely submit all applicable insurance claims, the Service fees payable to us during this period of interruption will be based on the insurance payments, if any, you receive. Your insurance must also cover identity theft and theft of personal information, including the costs of notifying members whose information has been compromised.

5.3 Electronic Depository Transfer Account. Before a Studio opens, Franchisee must sign and deliver to Franchisor the "ACH Checking Account Deduction Document" or "ACH" (see Exhibit E) required to authorize the Franchisor to debit the Franchisee's business checking account (the "Electronic Depository Transfer Account" or "EDTA") automatically for the Service Fee payments and other fees when due to franchisor. Franchisor will debit the EDTA for the Service Fee and other fees on the applicable due date. Franchisor will debit the EDTA up to Five hundred dollars ($500.00) plus any applicable attorney fees for each notice of default we send to you for violations of the Franchise Agreement. Funds must be available in the EDTA for withdrawal. The Franchisor may require payment other than by automatic debit, and the Franchisee must comply with such payment instructions.

Any payment or report not actually received by, or available to, Franchisor on or before the specified date shall be deemed overdue. If any payment is overdue, in addition to the right to exercise all rights and remedies available to Franchisor under this Agreement, Franchisee shall pay Franchisor, in addition to the overdue amount, interest on such amount, from the date it was due until paid, at the lesser of the rate of eighteen (18%) percent per annum and the maximum rate allowed by the laws of the State in which Franchisee's business is located or any successor or substitute law (hereinafter the "Default Rate"), until paid in full. There is a Seventy-five-dollar ($75.00) charge per occurrence if you have insufficient funds in your ACH to cover a payment, or if you pay by check, the check is returned for insufficient funds. We reserve the right to require you to pay an administrative fee of $100 for each late payment or late report in connection with payment of all amounts due under your Franchise Agreement.

5.4 Advertising and Development Fund. We have established a formal Advertising and Development Fund (the "Fund") for advertising, marketing, and public relations programs and materials we deem appropriate. You must contribute to the Fund in amounts that we periodically require, which is currently up to 2% of weekly gross sales (See Item 6). We, STRETCHMED®, LLC, or our other affiliates that own STRETCHMED® locations will contribute to the Fund on the same basis as franchisees. We have the right to collect, for deposit into the Fund, any advertising, marketing, or similar allowances paid to us by suppliers who deal with STRETCHMED® Studios and with whom we have agreed that we will deposit these allowances.

We will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. We reserve the option of using an in-house advertising department and/or a national or regional advertising or creative agency. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce Website and/or related internet and social media strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; using advertising,

promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, job posting platforms such as Indeed.com, and marketing activities to attract STRETCHMED® customers and employees. In the event of employee recruitment, we will not maintain a database but will forward all applicants to your franchise location website landing page. We will not advise you in any manner on HR-related items. The Fund may advertise locally, regionally, and/or nationally in printed materials, on radio, television, on the Internet, and/or by any other media sources as we see fit in our sole discretion. The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for our general operating expenses. However, in our sole discretion, we may charge the fund a management fee and use the Fund to pay the reasonable salaries and benefits of personnel who manage and/or administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Fund contributions. We are currently managing the Fund but reserve the right to allocate this task to a third party. We currently charge the fund a five thousand ($5,000) dollar per month management fee.

The Fund is not our asset. The Fund also is not a trust. We have a contractual obligation to hold all Fund contributions for the benefit of the contributors and to use contributions only for their permitted purposes (described above). We have no fiduciary obligation to you for administering the Fund. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If not all of the advertising funds are spent in the year they accrue, we will carry the balance over into the next year. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises. We will prepare an annual, unaudited statement of Fund collections and expenses and give it to you upon written request in April of each year. We may have the Fund audited annually, at the Fund's expense, by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity when we think best. The successor entity will have all of the rights and duties described here.

The Fund is intended to maximize recognition of the Marks and patronage of STRETCHMED® Studios by employees and customers. Although we will try to use the Fund to develop advertising and marketing materials and programs that will benefit all STRETCHMED® Studios, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by STRETCHMED® Studios operating in that geographic area or that any STRETCHMED® Studio benefits directly or in proportion to its Fund contributions from the development of advertising and marketing materials or the placement of advertising. We may use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive,

settle, and compromise all claims by or against the Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund. The Fund materials may mention "Career & Franchise Opportunities Available", and brief statements about availability of information regarding the purchase of a STRETCHMED® franchise.

We may at any time defer or reduce a franchisee's Fund contributions and, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to franchisees, and to us and our affiliates, in proportion to their, and our, respective Fund contributions during the preceding 12-month period. We do not currently have a franchisee advisory council or advertising council that advises us on advertising policies.

5.5 Local Advertising Plan and Expenditures. In addition to your Fund contributions and your grand opening advertising obligation, you must spend at least two thousand five hundred dollars ($2,500) each month to advertise and promote your Studio. We may require you to increase your monthly local marketing spend up to $5,000 if your Studio has not achieved 80% utilization. Utilization is defined as all tables fully booked from 8:00 AM to 8:00 PM, seven (7) days a week. Once 80% utilization is achieved and maintain it for 90 days, you may reduce your local marketing spend to $1,500 per month. If utilization later falls below this threshold, we may again require increased marketing expenditures. Within 30 days after the end of each month, you must send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month. Your local advertising and promotion must follow our guidelines, which may change from time to time and use our approved suppliers. All advertising and promotional materials developed for your Studio must contain notices of our Website's domain name in the manner we designate. You may not develop, maintain, or authorize any Website or any web-related or mobile web material that mentions or describes you or the Studio or displays any of the Marks.

Each franchise location is required to have a photo and video shoot at their Studio no less than one (1) every six (6) months. Each Franchisee is required to provide a minimum of twelve (12) photos, three (3) customer video testimonials, one (1) employee video testimonial, and twelve (12) video reels per quarter. The cost of the photo and video shoot is approximately $3,000. The photo and video shoot must be done in accordance with the system laid out in the Operations Manual.

All advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. All independent advertising, promotion and marketing material for your Studio must also contain the language, "This location is Independently Owned and Operated by, [your company], a franchisee of StretchMed Franchise, LLC". Before you use any of the above material, you must send us or our designated agency for review samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written approval within 5 days after we or our designated agency receives the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved.

a. Presale Advertising. Franchisee shall expend in the amount of Ten Thousand Dollars ($10,000) per month for local advertisement two (2) months prior to the opening of the Studio.

b. Grand Opening Expenditures. Franchisee shall expend, prior to the beginning of the second month of operation of Franchisee's Studio, a minimum of Five Thousand Dollars ($5,000.00) for advertising and promotional items, which advertising and promotional items must be used during the first two months of operation of the Franchisee's Studio. Franchisor may advise Franchisee regarding the preparation and placement of such advertising and promotional items.

c. Content Manager. Franchisee shall pay up to Five Hundred Dollars ($500) per month to us and/or approved suppliers.

d. Social Media Management. Franchisee shall pay up to Five Hundred Dollars ($500) per month to us and/or approved suppliers.

e. Non-Compliance of Prohibition of Advertising on Daily Deal Sites. You will be charged $250 per day when you post promotions on daily deal sites in violation of the terms of this Franchise Agreement. This fee will be assessed until You demonstrate the promotion is completely removed, including from any search engines.

5.6 Cooperative Advertising Programs. We may designate an advertising coverage area ("ACA") – local or regional – in your designated market area ("DMA") in which two or more STRETCHMED® Studios are located, in order to seek to establish a cooperative advertising program ("Cooperative Program"). An ACA is the area covered by the particular advertising medium recognized in the industry. DMA is a recognized marketing medium by Arbitron. We will require all franchisees in the ACA to participate. Each STRETCHMED® Studio operating in the ACA will have one vote, including each Studio we or our affiliates operate.

If a Cooperative Program is established for your ACA, your Studio and each other Studio in the ACA (whether franchised or owned by us or an affiliate) must contribute up to 2% of Gross Sales to the Cooperative Program weekly. Any amounts you contribute to a Cooperative Program will count toward the $2,500 you are required to spend on local advertising each month. The funds will be used for advertising for customers and/or recruitment of employees and recruitment in your advertising coverage area and/or your designated market area. In the event of employee recruitment, we will not maintain a database but will forward all applicants to your franchise location website landing page. We will not advise you in any manner on HR-related items.

We have the power to form, change, dissolve, or merge any Cooperative Program. Cooperative Programs will not operate from any written governing documents. However, in the event Studios in the ACA cannot agree, we shall have final control over advertising decisions.

We are responsible for administering the Cooperative Program funds and reserve the right to allocate this task to a third-party advertising agency. We will account for the Cooperative

Program funds separately from our other funds and not use the Cooperative Program Funds for our general operating expenses. However, in our sole discretion, we may charge a management fee and use the Cooperative Program funds to pay the reasonable salaries and benefits of personnel who manage and/or administer Cooperative Program, the Cooperative Program Fund's other administrative costs, travel expenses of personnel while they are on Cooperative Program Fund business, meeting costs, overhead relating to Cooperative Program business, and other expenses that we incur in activities reasonably related to administering or directing the Cooperative Program, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Cooperative Program contributions. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Cooperative Program Funds. We will make available for your review any records showing payments to and expenses of any Cooperative Program in which you participate. We currently charge the fund a zero dollar ($0) per month management fee.

We do not currently have a franchisee advisory council or advertising council that advises us on advertising policies.

5.7 Mandatory Annual Convention. You must attend an annual meeting for all franchisees at a date, time and location we designate; we will not require attendance at the annual meeting for any more than 4 calendar days of the Annual Convention scheduled dates per year. The travel time of each Franchisees shall not be counted as an attendance during the annual meeting. You are responsible for all training expenses, including associated travel, living expenses and wages. We may charge a fee for the annual meeting, regardless of attendance. (See Item 6.) We reserve the right to require your managers to attend and/or any of your Therapists.

5.8 Customer Relationship Management and Scheduling Program. You must install and use the customer relationship management and scheduling program that we require. We or a third party may provide this service and you will be charged a reasonable amount for the cost of service in addition to the Computer System and IT Management fees. We will collect the monthly fee from you on behalf of the third party. We will have full access to the information stored and contained in this web-based software application; this information will ensure you are running your Studio properly. Then-current fee charged by our approved suppliers, which is currently $350/month, or $1,000 per year for upgrades.

5.9 Computer Systems and IT Management. We or a third party may charge you a fee for any proprietary software or technology that we, our affiliates or a third-party license to you and for other maintenance, management and support services that we or a third party might provide in the future. Then-current fee, which is currently $200/mo for maintenance and management services, and $1,000 per year for upgrades.

5.10 Credit Card Processing Fee. You shall pay to Franchisor a 3% credit card processing fee for any payments made by you to Franchisor and/or any purchases made by you from Franchisor.

5.11 Sales Development Representative (SDR). We or a third party vendor may charge you a fee to cover the cost of an SDR vendor which will not exceed $1,200 per month. The Sales Development Representative ("SDR") shall be responsible for identifying potential customers, initiating contact, assessing and qualifying leads, and scheduling appointments with

qualified prospects. The SDR shall also be responsible for Customer Relationship Management ("CRM") activities, including, but not limited to, logging lead-related activities, tracking interactions with prospective clients, and ensuring that all records are accurately maintained and kept current within the Company's CRM system.

5.12 Studio Manager Training. Your Studio Manager is required to participate in a training program, which is estimated not to exceed $400mo, from an independent third party until your Studio reaches the minimum monthly sales level per studio model over a single entire quarter.

Studio Table Model	Minimum Monthly Sales Level
1-Table Studio Model	$20,000/mo
2-Table Studio Model	$35,000/mo
3-Table Studio Model	$50,000/mo
4-Table Studio Model	$65,000/mo

If your studio manager reaches these monthly sales levels over an entire quarter then this training is not required provided the monthly sales levels are achieved. If, afterwards, your monthly sales fall below these levels for any given month the studio manager will be required to rejoin the training.

5.13 Certified Stretch Therapist (CST™) Certification Fee. We or an approved supplier will charge you a CST Certification Fee amounting to $495 per therapist payable to us or an approved supplier before the start of the program to be held at our corporate headquarters in Puerto Rico or at any place designated by us. All staff stretching in any STRETCHMED® location, pop-up, or event, must be trained on the STRETCHMED® protocols, as well as have a degree, license, or certification in an exercise science related field. This includes managers. Training up a new stretch therapist to be proficient with the various protocols we use should take between 2 to 4 weeks.

In the event the designated manager will not stretch and/or is not qualified to be a CST, you must have an additional full-time staff member, who is qualified to be a CST, to attend the Training Program at our corporate headquarters in Puerto Rico or any other location we designate. We reserve the right to modify the CST Certification Fee upon 30 days' prior written notice.

On an annual basis, or at such other times as Franchisor may designate, Franchisor or an approved supplier may require Franchisee's Certified StretchMed Practitioners, Certified Stretch Therapists, therapists, managers, employees, contractors, and any other individuals who perform assisted stretching services or use STRETCHMED® protocols to complete recertification training, refresher training, testing, skills assessments, continuing education, or other training required by Franchisor. Franchisee must pay Franchisor's or the approved supplier's then-current CST Recertification Program Fee for each required participant, which is currently $95 per therapist, payable as incurred and before the start of the applicable program unless Franchisor

specifies otherwise. No individual may perform assisted stretching services or use STRETCHMED® protocols unless such individual satisfies Franchisor's then-current certification and recertification requirements. Failure to timely complete required recertification to Franchisor's satisfaction or pay the applicable fee constitutes a material breach of this Agreement.

5.14 Music Licensing. We may require that this amount be paid to our then-current Approved Supplier, which may be us or our affiliate, that determines to handle and manage these licenses for System franchises.

5.15 LOI and Lease Review Fee. We, or an approved third-party vendor, will review, assess and evaluate all documents relating to your proposed studio site, development, or operation that require Franchisor approval or consent under the Franchise Agreement, and will coordinate the Franchisor's written approval or consent as applicable. This includes, without limitation, letters of intent, leases, lease amendments, assignments, subleases, transfer agreements, collateral assignments of lease, site plans, floor plans, architectural and construction plans, signage plans, and other related or ancillary documents. Approval or consent is expressly contingent upon inclusion of the provisions and protections required by the Franchisor under the Franchise Agreement and the execution of a general release in a form prescribed by the Franchisor. We currently charge $1,500 for review of associated documents.

5.16 CAD Design and Virtual Rendering Fee. After you send us completed pre-construction forms and "as-built" drawings of the existing premises to be developed as your studio, we will prepare and send you a design plan for your studio that includes a floor plan, flooring specifications, ceiling specifications and renderings (including location of walls, retail displays, fixtures and equipment) (a "Studio Design").

Upon invoice, you must pay the Franchisor a non-refundable studio design fee in the amount of: (a) $1,000 for the Studio Design of your studio or for the Studio Design of your new studio in case of relocation; or (b) $500 if the Franchisor requires you to refurbish an existing studio. You must submit the final construction plans to us for approval. The limited purpose of our review is to verify the plans are consistent with our Studio Design and system standards. We do not review them for compliance with applicable Laws. We may require that you obtain our approval of your architect.

5.17 Initial Inventory and Build-out Package. The Initial Inventory and Build-Out Package includes the initial start-up inventory, furniture, fixtures, equipment, build-out materials, supplies, technology, and other opening-related items that we designate for the Franchised Business. You must purchase the Initial Inventory and Build-Out Package from us or our affiliate or an approved vendor before opening. The price charged for these items may include a markup over our, our affiliate, or our designated suppliers' cost, together with shipping, handling, coordination, and administrative charges, if applicable.

5.18 Late Development Fee. If Franchisee fails to open the Studio for business by the Opening Date or any other date required under this Agreement, Franchisee must pay Franchisor a late development fee of Five Thousand Dollars ($5,000). This fee is due immediately upon Franchisor's demand and is in addition to, and not in place of, any other rights or remedies available to Franchisor under this Agreement, including Franchisor's right to declare a default,

terminate this Agreement, or require Franchisee to complete development and opening obligations. Payment or acceptance of the Late Development Fee does not extend the Opening Date or waive any default unless Franchisor agrees in writing.

6. GENERAL OBLIGATIONS OF FRANCHISEE

6.1. Follow Operations Manual and Directives of Franchisor. Franchisee agrees that use of Franchisor's System and adherence to the Operations Manual (the "Manual"), and to Franchisor's standardized design and specifications for decor of the Studio and uniformity of equipment, layouts, signs, and other incidents of the Studio, are essential to the image and goodwill thereof. Franchisee shall cooperate and assist Franchisor with any customer or marketing research program, which Franchisor may institute from time to time. Franchisee's cooperation and assistance shall include, but not be limited to, the distribution, display and collection of customer comment cards, questionnaires, and similar items. In order to further protect the System and the goodwill associated therewith, Franchisee shall:

a. Operate the Studio and use the Operations Manual solely in the manner prescribed by Franchisor;

b. Comply with such requirements respecting any service mark, trade name (STRETCHMED®) or copyright protection and fictitious name registrations as Franchisor may, from time to time, direct;

c. Follow the methods of preparation, service, and presentation so as to conform to the System of Franchisor in effect from time to time;

d. Use only such supplies, equipment, products and services, and suppliers approved by Franchisor;

e. Sell from the Studio all products and services specified by Franchisor and not sell or offer for sale any other products without first obtaining the express approval of Franchisor, which shall be at the full discretion of the Franchisor, who shall have the sole right of decision in regards to all products to be sold in the Franchise Studio. Franchisor shall have the right to not approve any product for any reason whatsoever or for no reason whatsoever.

f. Discontinue selling or offering for sale or using any products for which Franchisor has, in its absolute discretion, withdrawn its approval, for any reason whatsoever or for no reason whatsoever.

g. Maintain in sufficient supply, and use at all times, only such products, materials, supplies, ingredients, methods of preparation and service, weight and dimensions of products served, standards of cleanliness, health and sanitation and methods of service as conform to Franchisor's System; and to refrain from deviating there from by using non-conforming or non-approved items or methods without Franchisor's prior written consent.

h. Purchase such equipment, supplies, or products as may be required by Franchisor, for the appropriate handling and selling of any services and products

that become approved for offering in the System.

i. Require the facilities to be kept clean with strong emphasis on the bathroom(s).

j. Require clean uniforms conforming to such specifications as to color, design, etc. as Franchisor may designate, from time to time, to be worn by all of Franchisee's employees at all times while in attendance at the Studio, and to cause all employees to present a clean, neat appearance and render competent and courteous service to customers, as may be further detailed in the Manual.

k. Permit Franchisor or its agents, at any reasonable time, to remove from the Studio samples of items without payment therefore, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's System. In addition to any other remedies under this Agreement, the Franchisor requires Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor.

l. Not to install or permit to be installed on or about the Studio premises, without Franchisor's prior written consent, any fixtures, furnishings, signs, equipment, or other improvements not previously approved by Franchisor.

m. Employ a sufficient number of employees and maintain sufficient inventories as necessary to operate the Studio at its maximum capacity as prescribed or approved by Franchisor and to comply with all applicable Laws with respect to such employees.

n. Not engage in any trade practice or other activity or sell any product or literature which Franchisor has not expressly approved.

If you in any way compromise the secure access to the online version of our Operations Manual, proprietary training videos including but not limited to allowing unauthorized users to access this material, you will be required to pay us liquidated damages in the amount of $10,000.

6.2. Operate Franchise Business Only. Franchisee shall use the System and the Names and Marks provided to Franchisee by Franchisor for the operation of the Studio and shall not use them in connection with any other line of business or any other activity. Neither Franchisee, nor any of its employees, may conduct any business at the Studio or in connection therewith, including representing STRETCHMED® at outside events or activities, other than that authorized pursuant to this Agreement, without the prior written approval of Franchisor. Neither Franchisee, nor any of its employees, may conduct any activity at the Studio or in connection therewith which is illegal, or which could result in damage to the System or the reputation and goodwill of Franchisor.

6.3. Comply With Laws. Franchisee shall comply with all federal, state and local laws and regulations. Franchisee shall obtain and at all times maintain any and all permits, certificates, or licenses necessary for full and proper operation of the Studio franchised under this Agreement. Franchisor's standards may exceed any and all of the requirements of said laws.

6.4. Maintain Confidentiality of Proprietary Information. Neither Franchisee nor

any of its partners, officers, directors, agents, or employees shall, except as required in the performance of the duties contemplated by this Agreement, disclose or use at any time, whether during the terms of this Agreement or thereafter, any information disclosed to or known by Franchisee or any such person as a result of this Agreement. Such information includes, but shall not be limited to, information conceived, originated, discovered, or developed by Franchisee or by any employee of Franchisee which is not generally known in the trade or industry about Franchisor's products, services, or licenses, including information relating to discoveries, ideas, manufacturing, purchasing, accounting, engineering, marketing, merchandising, selling or the System.

6.5. Maintain and Renovate Business. Franchisee shall at all times maintain the Studio in a clean, orderly condition and in first class repair and condition in accordance with all maintenance and operating standards set forth in the Manual or otherwise. Franchisee shall make, at Franchisee's expense, all additions, repairs, replacements improvements and alterations that may be deemed necessary by Franchisor so that the facilities, which are viewed by the public, will conform to the System's image, as may be prescribed by Franchisor from time to time. Franchisee shall undertake and complete such additions, repairs, replacements, improvements and alterations within the time and under the terms and conditions, which may be reasonably specified by Franchisor.

At Franchisor's request, which shall not be more often than once every three (3) years, Franchisee shall refurbish the entire Studio at its own expense, to conform to the building design, trade dress, color schemes, and presentation of Trademarks and service marks consistent with the Trademarks designated image, including, without limitation, remodeling, redecoration, and modifications to existing improvements, so as to conform to the then-current System.

If, after we notify you, you do not undertake efforts to correct deficiencies in the Studio's appearance, then we can undertake the repairs and you must reimburse us.

6.6. Maintain Competent Staff. Franchisor will create and make available to Franchisee and its employees training programs and other selected training materials as Franchisor deems appropriate. Franchisor, at its discretion, may make training programs and other training materials mandatory. Additional training programs may include, but not be limited to, webinars, video conference calls and in-person meetings that may be performed weekly, monthly, quarterly and annually, at a location we designate at our sole discretion Franchisee shall maintain a fully trained competent staff capable of rendering courteous quality service in a manner in keeping with the System set by Franchisor. Franchisor shall be permitted to charge a reasonable fee for any training made available or mandatory to Franchisee and its employees (see Item 6). Training at our designated location may mean our corporate office or another location that we designate that can accommodate the training program and all participants.

6.7. Open Studio Within Time Limit. Within one hundred eighty (180) days after execution of this Agreement, Franchisee must sign a lease for a Studio location. We will approve or disapprove your Studio's lease. Approval may be conditioned upon your lease containing certain franchise-specific language, which we will provide to you and a Collateral Assignment of Lease (see Attachment 7). Franchisee shall have obtained Franchisor's approval to open and shall have opened the Studio within nine (9) months of Execution of this Agreement. Time is of the essence. Franchisor's acceptance of a site does not constitute a guarantee by Franchisor that the Studio will be profitable at that site. Prior to opening, Franchisee shall complete to

Franchisor's satisfaction all preparations of the Studio, in accordance with the System, and as required by local governmental agencies, including the installation of fixtures, furnishings, and equipment and the acquisition of supplies and inventory.

6.8. Operate Studio in Strict Conformity to Requirements. Franchisee shall operate the Studio in strict conformity with such standards, techniques, and procedures as Franchisor may from time to time prescribe in the Operations Manual, which contains mandatory and suggested specifications, standards, operating procedures, and rules "System Standards", or otherwise in writing, and shall not deviate there from without Franchisor's prior written consent. Franchisee further agrees to offer its customers all products and services, which Franchisor may, from time to time, prescribe. Franchisee may offer its customers only those products and services, which Franchisor has expressly approved in writing to be offered in connection with the Studio's operations, and to discontinue offering any products or services which Franchisor may, in its sole discretion, disapprove in writing at any time.

To the extent System Standards, or other resources in the Manuals, address personnel or employment matters, those are not mandatory but are merely recommendations, suggestions or guidelines. System Standards do not include any mandatory requirements on your employee's wages, working conditions, hours, staffing levels, shift timing or other terms of employment, but may specify uniforms and appearance to meet brand standards.

6.9. Use Approved Supplies and Products.

i. Franchisee shall sell, serve, or otherwise dispense, only STRETCHMED® items and related products which have been approved for sale by Franchisor. The proprietary products listed in the operations manual are developed by Franchisor. The retail goods, which include bags, water bottles, t-shirts, etc., are a special product using the Names and Marks for STRETCHMED®. The "Proprietary Products" and "Retail Goods" developed by Franchisor are the only products and retail goods approved for use by Franchisee. The "Proprietary Products" and "Retail Goods" must be purchased by the Franchisee directly from Franchisor, unless Franchisor makes other arrangements, which shall be given to Franchisee in writing, such as an approved supplier that may purchase the products from the Franchisor and resell them to the Franchisee or may sell the products to Franchisee directly.

ii. To ensure the consistent high quality and uniformity of products sold by STRETCHMED® Studios, Franchisee shall purchase all equipment, inventory, and other supplies, products, and materials used in the operation of the Studio as Franchisor may specify from time to time, solely from suppliers who demonstrate to Franchisor's continuing satisfaction an ability to meet Franchisor's standards and specifications. In approving any supplier, Franchisor may consider factors such as the supplier's financial strength, quality control, consistency with products sold by approved suppliers, scalability, and capacity to supply Franchisee's needs promptly and reliably. All suppliers must be expressly approved in writing by Franchisor and not thereafter disapproved. Franchisor shall have the right to require, as a condition of its approval and review, that its representatives be permitted to inspect the facilities of any proposed supplier and

that the proposed item be delivered to Franchisor or its designee for testing. The cost of such inspection and testing shall be paid by Franchisee or supplier, and Franchisor shall not be liable for damage to or for the return of any sample. Franchisor reserves the right to re-inspect the facilities and to retest the product of any approved supplier and to revoke any approval if the supplier fails to continue to meet Franchisor's high standards.

iii. Franchisor reserves the right to require Franchisee to purchase designated proprietary items and products, and products bearing the Names and Marks, as specified in the Operations Manual from time to time, from Franchisor or its related or affiliated entities or from sources designated or approved by Franchisor, to the extent permitted by law.

iv. If you fail to make any payment when due to an approved supplier, or if we (in our reasonable discretion) determine that it is the most efficient method to remit payment to any supplier, We may also act as a pass-through for remitting payments to approved suppliers that we designate, in which case we would collect your supplier payments and remit payment to the approved supplier. We will not collect payments subject to a bona fide dispute, provided that you notify us of the dispute at least seven (7) days prior to the date of collection, or, if later, five (5) Business Days after you are informed of our collection. You hereby acknowledge that approved suppliers may regularly share your account information with us and you agree to facilitate your suppliers' sharing of information with us. We may request or direct your suppliers not to perform certain services or supply certain products if the requested products or services would violate our Operation Manual or applicable law.

v. Under limited, infrequent, emergency circumstances, we may purchase items on your behalf and you will be required to reimburse us for such purchases, provided that (i) such items are purchased on behalf of all similarly situated StretchMed Studio, including those owned by our Affiliates and us, and (ii) we determine that such purchase is reasonably necessary both in light of the current emergency and for you to operate the Studio.

We may periodically change required and/or authorized Items and Trade Secret Products. There are no limits on our right to do so. Furthermore, You must comply with the reciprocity, membership, and transfer programs we implement, as we periodically modify them. We do not generally limit the persons to whom you may sell memberships. However, we can impose minimum age restrictions and other requirements we deem appropriate, either for safety reasons, or to preserve the goodwill of our Marks for the benefit of all franchisees. Also, because our business model is based on the concept of local memberships, we do not allow you to solicit businesses or organizations for the sale of memberships that would enable persons to join your STRETCHMED® Studio when that is not the facility they would principally use.

6.10. Use Approved Equipment. In operating the Studio, Franchisee shall install equipment, signs, furnishings, supplies and fixtures in accordance with the System set by Franchisor, as delineated in the Operations Manual or otherwise in writing, and may be changed over time by Franchisor.

i. You will purchase, install and maintain the camera system specified by us, for security as well as quality control and training purposes. The camera system shall be accessible at all times by you and us, via web access. The estimated cost to install the camera system ranges from $594 to $2,039 or more. This cost can vary based on factors like the number of cameras, system complexity, and the size of the studio.. (Franchise Agreement, Section 6.10).

ii. You will purchase, install and maintain the phone recording system specified by us, for quality control and training purposes. The phone recording system shall be accessible at all times by you and us, via web access.

6.11. Full-Time Manager Required. Franchisee agree to maintain a competent, conscientious, trained staff, including one (1) fully trained, full-time Manager, and to take such steps as are necessary to ensure that its employees preserve good customer relations and follow Franchisor's System. If you are a legal entity, you must appoint a majority shareholder, member, or partner (as applicable) to be your "Managing Owner," responsible for overseeing and supervising the Studio's operation.

Under the Franchise Agreement, either you or your managing owner, who has completed Franchise School and been approved by us, is responsible for direct, on-premises supervision of the Studio. As the owner, you must devote full time efforts to the management and supervision of the Studio. You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance the Studio. Full time efforts shall be defined as working on premises in a full-time capacity and not being employed elsewhere.

You may hire an on-premises supervisor to act as Manager of the Studio to assist you with the everyday operation of the Studio. We do not place limits on whom you can hire as an on-premises supervisor, nor do we recommend that on-premises supervision is better if done by you; we only require that the on-premises supervisor successfully complete Franchise School and receive our approval. Please be advised that even if you choose to hire an on-premises supervisor, as owner you must still devote full time efforts to the management and supervision of the Studio. If you hire a manager to be your on-premises supervisor, he/she must sign a Confidentiality & Non-Disclosure Agreement, and a Non-Compete Agreement, that are subject to state law, attached as Exhibit G and Attachment 9, respectively.

You must keep us informed at all times of the identity of any supervisory employees acting as managers of the Studio. Your managers need not have an equity interest in the Studio or you, but all employees must sign non-competition and confidentiality covenants (attached as Attachment 9). We may regulate the form of agreement that you use and be a third-party beneficiary of that agreement with independent enforcement rights. You and your employees must not disclose our confidential information, except to the extent necessary in order to operate your Studio.

Prior to there being any change in your manager, you must provide us with advance written notice of this change, and we must confirm that your proposed replacement manager meets our then-current standards and requirements, and successfully completes Franchise School training. If your Studio fails to meet or exceed our standards, we may state that your manager

no longer meets our standards and requirements and must successfully complete Franchise School again.

6.12. Use Approved Signs. Franchisee shall purchase or lease, subject to local building codes and regulations, such Franchisor approved signs, so as to provide maximum displays of the Names and Marks of Franchisor. Franchisee acknowledges that such approved signs may be altered by Franchisor throughout the term of this Agreement, and Franchisee shall be required to update, at its sole cost and expense, its signage, so as to comply with the then-current System. The color, size, design and location of said signs shall be as specified and/or approved by Franchisor. Franchisee shall not place additional signs, posters or other décor items in, on or about the Approved Location without the prior written consent of Franchisor.

6.13. Use Approved Uniforms. Franchisee shall require its employees to wear uniforms while working at the Studio and such uniforms shall be of such design and color as Franchisor may prescribe from time to time, as set forth in the Operations Manual.

6.14. Maintain Regular Business Hours. Franchisee shall keep the Studio open and in normal operation, in accordance with the Operations Manual. Such minimum hours and days of operation may be changed as Franchisor may from time to time specify in the Operations Manual.

6.15. Maintain Uniform Operating Standards. Franchisee understands and acknowledges that every detail of the design and operation of the Studio is important to Franchisee, Franchisor and other franchisees in order to develop and maintain uniform operating standards, to increase brand recognition and the demand for the products and services sold by the Studio under the System, and to protect Franchisor's reputation and goodwill. Franchisee acknowledges that it will not deviate from the System, including operating standards, without Franchisor’s written approval.

In order to protect the reputation and goodwill of Franchisor and STRETCHMED®, and to maintain high standards of operation under Franchisor’s Proprietary Marks, Franchisee shall conduct its business in accordance with this Agreement and Operations Manual and Training and/or Checklist Manuals and/or Videos, described herein as the "Manuals" (one copy of which Franchisee shall acknowledge in writing upon receipt has been received on loan from Franchisor, or is available to Franchisee via the web-based application, for the term of this Agreement), other written directives which Franchisor may issue to Franchisee from time to time, whether or not such directives are made part of the Manuals, and any other manuals, videos, and materials created or approved for use in the operation of the Studio by Franchisor, from time to time.

Franchisee shall at all times treat the Manuals, any written directives of Franchisor, any business plans and specifications, and any other manuals created for or approved for use in the operation of the Studio, and any supplements thereto, and the information contained therein, in trust and as confidential information, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, distribute, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

The Manuals, written directives, other manuals and materials, and any other confidential

communications provided or approved by Franchisor, shall at all times remain the sole property of Franchisor and shall at all times be kept and maintained in a secure place on the Studio premises.

Franchisor may from time to time revise the contents of the Manuals and the contents of any other manuals and materials created or approved for use in the operation of the Studio, and Franchisee expressly agrees that each new or changed standard shall be deemed effective upon receipt by Franchisee or posting of the change on the web-based application, or as specified in such standard.

Franchisee shall at all times ensure that its copy of the Manuals is kept current and up to date; and, in the event of any dispute as to the contents of the Manuals, the master copy of the Manuals maintained by Franchisor at Franchisor's headquarters shall be controlling.

Any suggestions Franchisee may have concerning the improvement of products, equipment, uniforms, business facilities, service format and advertising are encouraged and shall be considered by Franchisor when adopting or modifying the standards, specifications and procedures for the System.

6.16. No Vending Machines Without Franchisor Approval. Jukeboxes, games of chance, video games, newspaper racks, children's rides, telephone booths, and cigarette, gum, candy, hand drying machines or other vending machines may not be installed in or at the Studio without the express written consent of Franchisor, and only then, in such manner as prescribed by Franchisor for all of its Franchisees.

6.17. Telephone Number of Business. Franchisee understands and agrees that the telephone number(s) for the Studio constitute a part of the System and is subject to the restrictions of this Agreement. Accordingly, Franchisee shall not change the telephone number(s) for the Studio without prior notice and written approval by Franchisor. Franchisee shall advertise and publicize the telephone number(s) for the Studio in the manner prescribed by Franchisor.

6.18. Disclose Discoveries and Ideas to Franchisor. Franchisee shall promptly disclose to Franchisor all discoveries, inventions or ideas, whether patentable or not, relating to Franchisor's business, which are conceived or made by Franchisee or any partner, officer, director, agent, or employee of Franchisee solely or jointly with others, during the term of this Agreement, whether or not Franchisor's facilities, materials, or personnel are utilized in the conception or making of such discoveries or ideas. Franchisee hereby acknowledges and agrees that all such discoveries, inventions or ideas are the exclusive property of Franchisor, and that Franchisor shall have no obligation to Franchisee with respect thereto. The purpose of this clause is to ensure that ideas for improvements to the System that may be generated by franchisees within the System will be distributed to the other franchisees as a benefit of belonging to the System.

All ideas, concepts, techniques, or materials concerning a STRETCHMED® Studio, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you assign ownership of that item, and all

related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item. You may not use our copyright, proprietary and/or confidential information in an unauthorized manner. You must take reasonable steps to prevent improper disclosure to others and use nondisclosure and non-competition agreements with those having access. We may regulate the form of agreement that you use and will be a third- party beneficiary of that agreement with independent enforcement rights. You may use the above materials, in the manner we approve, during the term of your Franchise Agreement. We reserve the right to modify or discontinue your use of these materials if we deem, in our reasonable discretion, that it is in the best interests of STRETCHMED®.

6.19. Permit Franchisor to Enter Studio. Franchisee shall permit Franchisor and its agents or representatives to enter the Studio at any reasonable time for the purpose of conducting inspections, shall cooperate fully with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request. Upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, franchisee shall take such steps as may be deemed necessary by Franchisor to immediately correct any deficiencies detected during such inspections. In the event Franchisee fails or refuses to correct immediately any deficiency detected during such inspection, Franchisor shall have the right to make or cause to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. The foregoing shall be in addition to any other remedies Franchisor may have pursuant to this Agreement.

Franchisee shall permit Franchisor to place in Franchisee's Studio, at Franchisor's expense, a display and / or information regarding Franchise opportunities.

6.20. Additional Requirements for Corporate Franchisee. If Franchisee is or becomes a corporation, limited or general partnership or other organization or entity, the following requirements shall apply:

i. Franchisee shall confine its activities to the establishment and operation of the Studio.

ii. Franchisee's Certificate or Articles of Incorporation and Bylaws (or comparable governing documents) shall at all times provide that its activities are confined exclusively to operation of the Studio and that the issuance, redemption, purchase for cancellation and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement. Franchisee shall furnish to Franchisor promptly upon request copies of Franchisee's Articles of Incorporation, Bylaws, and other governing documents, and any other documents Franchisor may reasonably request, and any amendments thereto, from time to time.

iii. Franchisee shall maintain a current list of all owners of record and beneficial owners of any class of voting stock of Franchisee and shall furnish such list to Franchisor upon request.

iv. Franchisee shall maintain stop transfer instructions against the transfer on its record of any equity securities (voting or otherwise) except in accordance with

the provisions of Section 17. All securities issued by Franchisee shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate or other evidence of ownership interest:

THE TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF A FRANCHISE AGREEMENT WITH StretchMed Franchise, LLC, DATED _____. REFERENCE IS MADE TO SAID AGREEMENT AND TO THE RESTRICTIVE PROVISIONS OF THE ARTICLES AND BYLAWS OF THIS CORPORATION OR LLC.

v. All shareholders, owners, members, and/or general partners of Franchisee shall jointly and severally guarantee Franchisee's performance hereunder and shall bind themselves to the terms of this Agreement, provided, however, that the requirements of this Section shall not apply to any Corporation or LLC registered under the Securities Exchange Act of 1934 (hereinafter known as a "Publicly-Held Corporation or LLC").

vi. If Franchisee is or becomes a partnership, Franchisee shall furnish Franchisor promptly upon request a copy of its partnership agreement and any other documents Franchisor may reasonably request, and any amendments thereto, from time to time.

vii. Franchisee shall maintain a current list of all general and limited partners and all owners of record and all beneficial owners of any class of voting stock of Franchisee and shall furnish the list to Franchisor promptly upon request, from time to time.

6.21. Site Selection and Construction. Franchisee assumes all costs, liability, expense, and responsibility for locating, obtaining, and developing a site for the Studio to be established under the Franchise Agreement and for constructing and equipping the Studio at such site. Franchisee shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to the Approved Location for the Studio unless such Approved Location has been approved by Franchisor, which approval shall be contingent upon the lease or sales agreement containing certain provisions ("Lease Contingencies") regarding Franchisor's rights, including but not limited to, (a) thirty (30) days prior written notice of any default there under specifying such default and the right (but with no obligation) of Franchisor to cure any such default within said period, and (b) approval of the Franchisor as an assignee of Franchisee's interest there under. The Lease Contingencies shall be provided to Franchisee in writing during the Site Selection process.

FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR's ACCEPTANCE OF A PROSPECTIVE SITE AND THE RENDERING OF ASSISTANCE IN THE SELECTION OF A SITE DOES NOT CONSTITUTE A REPRESENTATION, PROMISE, WARRANTY, OR GUARANTEE BY FRANCHISOR THAT A STRETCHMED® STUDIO OPERATED AT THAT SITE WILL BE PROFITABLE OR OTHERWISE SUCCESSFUL.

Before commencing the construction of the Studio, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

i. Franchisee shall submit a site plan to Franchisor, including a footprint of the proposed building, and architectural, and signage drawings for approval by Franchisor. Franchisee, at its option, may use any architect or engineer currently used by Franchisor or other franchisees to prepare detailed plans and specifications for the Construction of the Studio;

ii. Franchisee shall use an approved, qualified general contractor or construction supervisor to oversee the Construction of the Studio and completion of all improvements, and Franchisee shall submit to Franchisor a statement identifying the general contractor or construction supervisor;

iii. Franchisee shall obtain all licenses, permits and certifications required for lawful construction and operation of the Studio including, without limitation, building, zoning, access, parking, driveway access, sign permits and licenses, and shall certify in writing to Franchisor that all such permits, licenses and certifications have been obtained. Franchisee shall obtain all health, life safety, and other permits and licenses required for operation of the Studio and shall certify that all such permits and licenses have been obtained prior to the Opening Date; and

iv. Franchisee shall cause such construction to be performed only in accordance with the site plan, and plans and specifications, approved by Franchisor, and no changes will be made to said approved plans and specifications, or the design thereof, or any of the materials used therein, or to interior and exterior design and colors thereof, without the express written consent of Franchisor.

6.22. Training. Training will occur after you sign the Franchise Agreement and while you are developing the Studio. These training classes will be held at our Corporate Headquarters in San Juan, PR, virtually, or any location we designate. You and your employees must complete training before you may open your Studio.

We or an approved supplier will train you (or your managing owner) at our expense, before the Studio opens. Additional people beyond the first two (2) may attend initial training if you pay our then-current training charge for each additional person (See Item 6). Initial training is defined as training received prior to the Studio opening. In the event of a Studio transfer, we will offer training to one (1) new owner at our expense. If you require additional/future employees to attend initial training, you must pay our then current training charge for each additional person (See Item 6). Franchisee shall give Franchisor notice of new employees, who shall receive training within a reasonable amount of time at the discretion of Franchisor. You must also pay for all travel and living expenses that you and your employees incur and for your employees' wages and workers' compensation insurance while they train.

We or an approved supplier will provide about one (1) week of training (although the specific number of days depends on our opinion of your experience and needs and may be broken down at the sole discretion of STRETCHMED®) online, at our corporate headquarters, virtually, or another location we designate and/or at an operating STRETCHMED® Studio. If you (or your managing owner) or one of your manager-level employees cannot complete initial training to our satisfaction, we may terminate the Franchise Agreement.

Franchisee must have one fully trained, full-time Manager operating the Studio during the entire term of the Agreement unless Franchisee is acting as full-time Manager. Both the Franchisee and Franchisee's Manager must attend the training sessions. Any person subsequently employed, as a full-time manager of the Studio shall be required by Franchisor to complete the initial training program at Franchisee's expense. Satisfactory completion of all mandatory training sessions is required. Failure to do so shall result in a breach of this Agreement.

Franchisor may, at any time, discontinue Franchise School and/or decline to certify Franchisee and/or Franchisee's designated individual(s) who fail to demonstrate an understanding of the management training acceptable to Franchisor. If Franchisee or Franchisee's designated individual's Franchise School is discontinued by Franchisor, Franchisee shall have thirty (30) days to present an alternative acceptable candidate for Franchise School to Franchisor. If Franchisee's new candidate does not adequately complete Franchise School, then Franchisor has the option of terminating this Agreement. Franchisor shall provide instructors and training materials for all required training programs; and Franchisee or its employees shall be responsible for all other expenses incurred by Franchisee or its employees in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, wages and training videos.

Franchisor may, at its sole discretion, or an approved supplier provide mandatory additional training programs, seminars, as well as refresher courses to Franchisee and/or Franchisee's designated individual(s) from time to time, for which Franchisor or an approved supplier shall be permitted to charge a fee. Additional training programs may include, but not be limited to, webinars and in-person meetings that may be performed weekly, monthly, quarterly and annually.

Franchisor offers training at its designated location and currently charges $400 per day plus expenses, and $100 to $300 per webinar session. (See Item 6)

Franchisor offers training resources to assist franchisees at their Studio location. Franchisor shall be permitted to charge a fee for such training, currently $500/day plus travel expenses (see Item 6).

6.23. Assumed Name Certificate. Franchisee will promptly file and publish, in all states and counties in which Franchisee does business, a certificate of doing business under an assumed or fictitious name. Franchisee will indicate in each certificate that it is doing business as "STRETCHMED®" under a Franchise from Franchisor. Franchisee will furnish a certified copy of each certificate to Franchisor promptly after its filing.

6.24. Customer Service Non-Compliance Fee. You will be charged up to $1,000 per incident if you fail to timely resolve customer service disputes after receiving notice of dispute such that Franchisor finds it necessary to intervene.

6.25. Relocation. Franchisee may not relocate the Studio from the Approved Location without Franchisor's prior written approval, which Franchisor may provide in its sole discretion. Franchisee agrees and acknowledges that: (i) it must pay Franchisor a $5,000 relocation fee at

the time Franchisee makes any relocation request; and (ii) Franchisor is not likely to approve any relocation request unless (a) due to extreme circumstances that are beyond Franchisee's control, and (b) Franchisee is in full compliance with this Agreement.

6.26. Miscellaneous. Franchisee shall give Franchisor advance written notice of Franchisee's intent to institute legal action against Franchisor, specifying the basis for such proposed action, and shall grant Franchisor thirty (30) days from receipt of said notice to cure the alleged act upon which such legal action is to be based.

7. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO INSURANCE

7.1. Overall Coverage Required. Franchisee shall procure, prior to opening the Studio, and shall maintain in full force and effect during the term of this Agreement at Franchisee's expense, an insurance policy or policies protecting Franchisor, and the officers, affiliates, directors, partners, and employees of both Franchisor and Franchisee against any loss, liability, personal injury, death, property damage, or expense whatsoever arising or occurring upon or in connection with operating the Studio. Franchisor shall be named as an additional insured on all such policies.

Prior to the opening of the Studio and thereafter at least thirty (30) days prior to the expiration of any such policy or policies, Franchisee shall deliver to STRETCHMED®, certificates of insurance evidencing the proper coverage with limits not less than those required hereunder. All certificates shall expressly provide that not less than thirty (30) days prior written notice shall be given to STRETCHMED® in the event of material alteration to termination, non-renewal, or cancellation of, the coverage evidenced by such certificates.

7.2. Insurance Carrier Must Be Approved by Franchisor. Such policy or policies shall be written by the insurance company approved by STRETCHMED® in accordance with standards and specifications set forth in the Manuals or otherwise in writing, from time to time, and shall include, at a minimum (except as additional coverages and higher policy limits may be specified by STRETCHMED® from time to time), the following initial minimum coverage:

i. **Commercial General Liability Insurance**, covering your day-to-day business operation and premises liability exposure with limits not less than the following:
   a. products-completed operations, contractual liability, personal and advertising injury, fire damage, medical expenses, including sexual abuse, sexual misconduct, and employment discrimination, having a combined single limit for bodily injury liability (including death) and property damage of $1,000,000 per occurrence and $2,000,000 in the aggregate (except for fire damage and medical expense coverage, which may have different limits of not less than $1,000,000 for one fire and $1,000,000 for one person, respectively), and Medical Payments coverage of not less than $2,000 per person; plus
   b. not less than $1,000,000 for, damage to rented premises, participant legal liability, professional liability, employee benefits liability (per employee) and $1,000,000 in aggregate for employee benefits liability; plus

c. non-owned automobile liability insurance and, if Franchisee owns, rents or identifies any vehicles with any Names and Marks or vehicles are used in connection with the operation of the Studio, automobile liability coverage for owned, non-owned, scheduled and hired vehicles having limits for bodily injuries of $1,000,000 per person and $1,000,000 per accident, and property damage limits of $100,000 per occurrence; plus

d. excess liability umbrella coverage for the general liability and automobile liability coverage in an amount of not less than $2,000,000 per occurrence and aggregate.

e. All such coverages shall be on an occurrence basis and shall provide for waivers of subrogation.

ii. **All-risk property insurance**, including theft and flood coverage (when applicable), written at replacement cost value covering the building, improvements, furniture, fixtures, equipment and inventory. Coverage shall be written in a value which will cover not less than eighty (80%) percent of the replacement cost of the building and one hundred (100%) percent of the replacement cost of the contents of the building. Such Property insurance shall include glass coverage with limits not less than $25,000, and signage coverage with limits not less than $10,000.

iii. **Workers' Compensation Insurance** as required by applicable law, and **Employer's Liability Insurance** with minimum limits of Five Hundred Thousand Dollars ($500,000) per accident, Five Hundred Thousand Dollars ($500,000) per employee for disease, and Five Hundred Thousand Dollars ($500,000) aggregate disease policy limit.

iv. **Business interruption and Extra expense insurance** of not less than $30,000 per month for loss of income and other expenses with a limit of not less than twelve (12) months of coverage.

v. **Employee Practices Liability Insurance** of not less than $250,000 per claim in the aggregate, with a retention not larger than $50,000, providing legal defense coverage for any claims brought by current or former employees, or anyone else alleging employment related torts, including wrongful acts committed by non-employees or specific to joint employer liability and wage and hour claims. Said policy shall also include Third Party Employment Practices Liability coverage.

Franchisee's obligation to obtain and maintain, or cause to be obtained and maintained, the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in this Agreement. We have the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances. We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of

coverage and the amounts of coverage, and you must comply with those changes.

7.3. No Limitations on Coverage. Franchisee's obligations to obtain and maintain the foregoing insurance policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in this Agreement. Franchisee may maintain such additional insurance as it, or its advisors, may consider it advisable.

7.4. Franchisee Must Provide Evidence of Coverage to Franchisor. Upon obtaining the insurance required by this Agreement and on each policy renewal date thereafter, Franchisee shall promptly submit evidence of satisfactory insurance and proof of payment to Franchisor, together with, upon request, copies of all policies and policy amendments and endorsements. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without giving at least thirty (30) days prior written notice to Franchisor. We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes.

7.5. Franchisor May Procure Insurance Coverage. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as described from time to time by the Operations Manual or otherwise in writing, Franchisor shall have the right and authority (but not obligation) to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice from Franchisor.

8. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO ACCOUNTING AND RECORDS

8.1. Bookkeeping, Accounting and Records. Franchisee shall maintain during the term of this Agreement and shall preserve for a minimum of three (3) years thereafter, full, complete accurate records of sales, closeout sheets, payroll, and accounts payable in accordance with the standard accounting system described by Franchisor in the Operations Manual or otherwise specified in writing. You must use QuickBooks Online. You will be provided with such an account. You must use the QuickBooks Online master chart of accounts feature. You are prohibited from amending or modifying this QuickBooks Online account. You are further required to choose a financial institution that permits any Franchisee bank account to sync directly to QuickBooks Online. Your records should disclose all transactions relating to or involving the operation of the Studio.

8.2. Franchisor's Right to Audit. Franchisor, or its designated agents, shall have the right, at all reasonable times, to examine and copy, at Franchisor’s expense, the books, records, and tax returns of Franchisee and the Studio. Franchisor shall also have the right, at any time, to have an independent audit made of the books of the Studio. If an inspection should reveal that any payments to Franchisor have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest on such amount from the date such amount was due until paid, at the Default Rate, calculated

on a daily basis. If an inspection discloses an understatement in any payment to Franchisor of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses relating to the inspection (including, without limitation, travel, lodging and wage expenses and reasonable accounting and legal costs), and you will be required to pay the marketing due on the amount of such understatement, plus late fees and interest, and, at Franchisor's discretion, submit audited financial statements prepared, at Franchisee' expense, by an independent certified public accountant satisfactory to Franchisor. If an inspection discloses an understatement in any payment to Franchisor of four percent (4%) or more, such act or omission shall constitute grounds for immediate termination of this Agreement, as set forth in Section 17 hereof. The foregoing remedies shall be in addition to any other remedies Franchisor may have pursuant to this Agreement and as provided at law and in equity. Franchisor reserves the right to request monthly financial statements.

8.3. Reporting of Gross Sales. Franchisee shall submit to Franchisor during the term of this Agreement, before the opening of the Studio, all documents required to establish an Electronic Depository Transfer Account (EDTA) through the Automated Clearing House (ACH). Franchisee must also purchase and install the approved Customer Relationship Management and Scheduling Program that we require. The EDTA and web-based software allows Franchisor to create its own sales reports for all Franchisee Studios and calculate service fees owed and deduct them out of the Franchisee's account on a weekly basis. Every Monday, a report will be generated for the previous week, Monday through Sunday, and Franchisor will then deduct such amounts that are owed by the Franchisee from the Franchisee's EDTA.

8.4. Disclosure of Financial Statements. Franchisee hereby grants permission to Franchisor to release to Franchisee's landlord, lenders or prospective landlords or lenders, any financial and operational information relating to Franchisee and/or the Studio; however, Franchisor has no reciprocal obligation to do so.

8.5. Computer System. You must obtain and use in your Studio a desktop computer and two tablet computers (the "Computer System"). The Computer System will allow you to use our web-based software application and the Customer Relationship Management and Scheduling Program, to generate reports on the sales and expenses of the Studio, and schedule and check in clients, and currently costs between $1,848-$4,083. You may obtain the Computer System from any vendor so long as the Computer System meets our requirements. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the Computer System. Neither we, nor any affiliate or third party, is obligated to provide ongoing maintenance, repairs, upgrades or updates for the Computer System. We currently do not require that you purchase a maintenance, repair, and upgrade or update service contract for the Computer System, but we reserve the right to do so in the future.

You will purchase, install and maintain the camera system specified by us, for security as well as quality control and training purposes. The camera system shall be accessible at all times by you and us, via web access. The estimated cost to install the camera system ranges from $594 to $2,039 or more. This cost can vary based on factors like the number of cameras, system complexity, and the size of the studio.. (Franchise Agreement, Section 6.10).

You will purchase, install and maintain the phone recording system specified by us, for quality control and training purposes. The phone recording system shall be accessible at all times

by you and us, via web access.

We will furnish you with a STRETCHMED® email address that you are required to use. You must use your STRETCHMED® email address on all business correspondence, as we will communicate with you about all franchise-related matters through this account.

We reserve the right to change the Computer System at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We have independent, unlimited access to the information generated by the computer system. We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing the Software License Agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities concerning, the software or technology. We or our affiliates may charge you a monthly or other fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance, management and support services that we or our affiliates provide during the franchise term. The monthly computer, IT, software, and website management then-current fee is $350 per month. Our then-current fee for Upgrades to either software or hardware is $1,000 per year.

You will be required to use a web-based software application for Customer Relationship Management and Scheduling, to run your business. We or a third party may provide this service and you will be charged a reasonable amount for the cost of service in addition to the Computer System and IT Management fees. We will have independent and full electronic access to the information generated and stored and contained in the point of sale or computer system or web-based software application; this information will ensure you are running your Studio properly. There are no contractual limitation on our right to access information about your Franchise Business. You agree that we have the right to retrieve all data and information from your Computer System, as we deem necessary.

9. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO USE OF NAMES AND MARKS

9.1 Names and Marks are owned by Franchisor. Franchisor warrants with respect to the proprietary Names and Marks that:

i. Franchisor owns the exclusive right to use the Names and Marks to establish STRETCHMED® Studios in the United States and Canada.

ii. Franchisor is taking and will take such steps as are reasonably necessary to preserve and protect the ownership and validity of such Names and Marks; and

iii. Franchisor will use and permit Franchisee and other franchisees to use the Names and Marks with the System and standards attendant thereto, which underlie the goodwill associated with and symbolized by the Names and Marks.

iv. Franchisee will not without prior written approval use the Names and Marks as part of any domain name, homepage, electronic address, or otherwise in connection with a website without prior written approval. “Website” means any

part of the Internet (including social media platforms) used as a commercial computer network by the public, and any successor technology, whether now existing or developed after the date of your Franchise Agreement, that enables the public to purchase services or goods by means of electronic commerce.

9.2. Franchisee is Licensed to Use Names and Marks. With respect to Franchisee's franchised use of the Names and Marks pursuant to this Agreement, Franchisee agrees that:

i. Franchisee shall use only the Names and Marks as are approved in writing by Franchisor for Franchisee's use, and shall use them only in the manner authorized and permitted by Franchisor, and that in any use whatsoever of the Names and Marks of Franchisor, that the Names and Marks are identified as being registered to or owned by Franchisor;

ii. Franchisee shall use the Names and Marks only in connection with the operation of the Studio and in advertising for the Studio conducted at or from the Approved Location;

iii. Franchisee shall use and display, as Franchisor may require in the operation of the Studio, a notice in the form approved by Franchisor indicating that Franchisee is a "Franchised Operator" under the System and that the Names and Marks are used by Franchisee under such Franchise;

iv. Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Studio under the Name and Mark "STRETCHMED®";

v. Franchisee's right to use the Names and Marks is limited to such usages as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights;

vi. Franchisee shall not use the Names and Marks to incur any obligations or indebtedness on behalf of Franchisor;

vii. Franchisee shall not use the Names and Marks or any part thereof as part of its corporate or other legal name; Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registration, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Names and Marks or to maintain their continued validity and enforceability;

viii. In the event any litigation involving the Names and Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor and shall cooperate fully with Franchisor in defending such litigation;

ix. During the term of this Agreement and any renewal hereof, Franchisee shall identify itself as the “Independent Owner and Operator” of the Studio in conjunction with any use of the Names and Marks, including, but not limited to, on invoices, order forms, receipts, and contracts, as well as at such conspicuous

locations on the premises of the Studio as Franchisor may designate in writing, including but not limited to, the front door of Franchisee's Studio. The form and content of such identification shall comply with standards set forth in the Operations Manual or otherwise designated in writing.

9.3. Franchisee Will Not Challenge Franchisor's Rights In Its Names and Marks.

Franchisee expressly understands and acknowledges that:

i. We have rights to use the Marks, including the right to sublicense the Marks to our franchisees to use in the operation of STRETCHMED® Studios. No other agreement limits our right to use or license the Marks;

ii. The Names and Marks are valid and serve to identify the System and those who are franchised under the System;

iii. Franchisee shall not directly or indirectly contest the validity or the ownership of the Names and Marks;

iv. Franchisee's use of the Names and Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Names and Marks, except the non-exclusive Franchise granted herein;

v. Any goodwill arising from Franchisee's use of the Names and Marks in its Studio under the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Names and Marks;

vi. Franchisor, in its sole judgment, reserves the right to modify, discontinue, or substitute different Names and Marks for the principal Mark(s) currently in use to identifying the System, the Studio and other franchised businesses operating there under, and franchisee at its own expense shall adopt the new principal Mark(s) and identify its Studio. Franchisor shall have not liability to Franchisee with respect to change of the Mark(s);

vii. Franchisee hereby agrees not to register or attempt to register the Names and Marks in Franchisee's name or that of any other firm, person, or corporation.

viii. The right and license of the Names and Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

1. To use the Names and itself in connection with selling products and services;

2. To grant other licenses for the Names and Marks, in addition to those licenses already granted to existing franchisees; and

3. To develop and establish other systems using similar Names and Marks, or any other proprietary marks, and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

ix. Franchisee understands and acknowledges that Franchisor has the unrestricted right to engage, directly or indirectly, through its employees, representatives, licensees, assigns, agents, and others, at wholesale, retail and otherwise, in the production, distribution and sale of products bearing the Names and Marks licensed hereunder or other names or marks, including without limitation, products included as part of the System. Franchisee shall not under any circumstances engage in any wholesale trade or sale of System products for resale, unless otherwise agreed to by Franchisor in writing.

9.4. Improper or Unauthorized Use of Trademarks. You may be charged a fee of $1,000 per day upon notice from Franchisor if you improperly or without authorization use Franchisor's Names and Marks.

9.5. Non-transferable/Non-assignable License. The license and all rights granted to Franchisee under this Section 9 are personal to Franchisee and are non-assignable and non-transferable, in whole or in part, without Franchisor's prior written consent in accordance with Section 16.

10. SPECIFIC OBLIGATIONS OF THE FRANCHISEE RELATING TO CONFIDENTIALITY OF PROPRIETARY INFORMATION

10.1. Franchisee Will Learn Proprietary Matters. Franchisee acknowledges that it will obtain knowledge of proprietary matters, techniques and business procedures of Franchisor that are necessary and essential to the operation of the Studio, without which information Franchisee could not effectively and efficiently operate such business, including, without limitation, knowledge regarding the System, the layout of the Studio and the Operations Manual. Franchisee further acknowledges that such proprietary information was not known to Franchisee prior to execution of this Agreement and that the methods of Franchisor are unique and novel to the System. As used herein, "Proprietary Information" shall mean confidential information concerning:

i. Persons, corporations or other entities, which are, have been or become Franchisees of the System and any investors therein;

ii. Persons, corporations or other entities, which are, have been or become customers of the Studio (e.g., client lists);

iii. The terms of and negotiations relating to past or current Franchise Agreements with respect to the System;

iv. The operating procedures of the System, including without limitation: distinctive management, bookkeeping and accounting systems and procedures, advertising, promotional and marketing methods, personnel hiring and training procedures,

the manufacturers, suppliers and uses of equipment, and lists of vendors and suppliers, and the sales model and exercise program;

v. The economic and financial characteristics of the System and Franchisees, including without limitation: pricing policies and schedules, profitability, earnings and losses, and capital and debt structures;

vi. The services and products offered to customers of Studios, including, without limitation, the scope of services performed, and services refused; and

vii. All documentation of the information listed in Sections 11 (a) i-vii hereof, including, without limitation, the Operations Manual. During the term of this Agreement and following the expiration or termination of this Agreement, Franchisee agrees not to divulge, directly or indirectly, any Proprietary Information, without the prior written consent of Franchisor. Nothing contained herein shall be construed so as to require Franchisor to divulge any secret processes, formulas, or the like.

10.2. Franchisee's Employees Will Not Disclose Proprietary Information. The Franchisee may disclose Proprietary Information only to such of its employees, agents and representatives, as must have access to it in order to operate the Studio. Franchisee shall obtain from each such employee, representative or agent, an agreement that such person shall not during the course of his employment, representation, or agency with Franchisee, or anytime thereafter, use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person, firm or corporation, any of the Proprietary Information of Franchisor.

10.3. Injunctive Relief is Available to Franchisor. Franchisee acknowledges that any failure to comply with the requirements of this Section 10 by Franchisee or its employees will cause Franchisor irreparable injury, and Franchisor shall be entitled to obtain specific performance of, or an injunction against any violation of, such requirements; Franchisee waives any requirements for the posting of any bond(s) relating thereto. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against, violation of requirements of this Section 10. The foregoing remedies shall be in addition to any other legal or equitable remedies, which Franchisor may have.

10.4. Franchisor's Patent Rights and Copyrights. Franchisor does not own rights in or to any patents that are material to the Franchise. However, Franchisor intends to obtain copyright protection for the Operations Manual and certain marketing, sales, and operations literature. Furthermore, Franchisor claims rights to certain trade secrets and confidential information as discussed above.

11. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO TAXES, PERMITS AND LAWSUITS

11.1. Franchisee Must Notify Franchisor of Lawsuits. Franchisee shall notify Franchisor in writing within five (5) days of notice of the commencement of any action, suit, or proceeding against Franchisee, and of the issuance of any inquiry, subpoena, order, writ,

injunction, award or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Studio, including, without limitation, any criminal action or proceedings brought by Franchisee against its employees, customers, or other persons.

11.2. Franchisee Must Comply With Laws. Franchisee shall, at Franchisee's expense, comply with all federal, state, and local laws, rules, regulations, and ordinances. Franchisee shall timely obtain and keep in force throughout the term of this Agreement all permits, certificates, and licenses necessary for the full and proper conduct of the Studio, including, without limitation, any required permits, business licenses, fictitious name registrations, sales tax permits, fire clearances, and any specific state-mandated bonds required for accepting pre-payments from clients or customers.

11.3. Franchisee Must Pay Taxes Promptly. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of any kind incurred by Franchisee in the conduct of the Studio. Franchisee shall pay Franchisor an amount equal to any sales tax, gross receipts tax or similar tax imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless tax is credited against income tax otherwise payable by Franchisor.

11.4. Franchisee May Contest Tax Assessments. In the event of any bona fide dispute as to any liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor to occur against the premises of the Studio, or any improvements thereon.

12. INDEMNIFICATION

TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS StretchMed Franchise, LLC,, AND ANY PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "STRETCHMED® INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S STRETCHMED® FRANCHISE, THE FRANCHISED BUSINESS, THE PRODUCTS, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO FRANCHISEE'S FRANCHISED BUSINESS, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES, REGARDLESS OF WHETHER THE ALLEGED INJURY OR LIABILITY IS CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT OR OMISSION OF THE STRETCHMED® INDEMNITEES. FRANCHISEE AGREES TO PAY FOR ALL THE STRETCHMED® INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT,

PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE STRETCHMED® INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE STRETCHMED® INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE STRETCHMED® INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE STRETCHMED® INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE STRETCHMED INDEMNITEES. FURTHERMORE, FRANCHISEE TO INDEMNIFY FRANCHISEE TO INDEMNIFY AND DEFEND THE FRANCHISOR FOR, CLAIMS ARISING FROM THE FRANCHISEE'S EMPLOYMENT AND PERSONNEL DECISIONS, INCLUDING ALLEGED MISCLASSIFICATION BY THE FRANCHISEE AND WAGE-AND-HOUR VIOLATIONS. IN ADDITION, THE FRANCHISEE IS REQUIRED TO NAME THE FRANCHISOR AS AN ADDITIONAL INSURED UNDER THE FRANCHISEE'S INSURANCE POLICIES.

I have read and understand Article 12 and agree to comply with its Sections.

Your Initials: _____ / _____

13. MISCELLANEOUS COVENANTS OF FRANCHISEE

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

13.2. Franchisee Will Not Compete Against Franchisor. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of Franchisor and the System. Subject to state law, all of Franchisee's employees must sign a Confidentiality & Non-Disclosure Agreement, and a Non-Compete Agreement attached as Exhibit G and Attachment 9, respectively. Further, Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, employ or seek to employ any person who is at that time employed by Franchisor or by any other STRETCHMED® franchisee or affiliate of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the

cause for termination, and continuing for two (2) years thereafter, either directly or indirectly for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, own, maintain, operate, engage in, be employed by, or have any interest in any stretching center, fitness center, health club, personal training Studio, or any other business concepts that compete with STRETCHMED® at the Studio location, within a eight (8) mile radius of the Studio location designated hereunder, or within a eight (8) mile radius of any other STRETCHMED® Studio in existence, under construction or planned as of the time of termination or expiration of this Agreement, as identified in the Franchise Disclosure Document of STRETCHMED® in effect as of the date of expiration or termination of this Agreement.

The above provisions include, but are not limited to:

1. Directly or indirectly competing with Franchisor, including starting any new business in competition with Franchisor or STRETCHMED®;
2. Assisting in starting any new business in competition with Franchisor or STRETCHMED®;
3. Assisting in any way, including but not limited to acting as an employee or franchisee, in any existing Competing Business which is in competition with Franchisor or STRETCHMED®;
4. Assisting any existing competing business in the design, development or enhancement of any existing competing business by adding or incorporating any methods, practices, designs, concepts, configurations, techniques, or principles that were utilized by Franchisor or STRETCHMED®**.** 'Competing Business' shall be defined herein as any business involved in the sale or servicing of same or similar products sold by Franchisor or STRETCHMED® Studios.
5. Soliciting franchisees or clients from Franchisor or any STRETCHMED® Studio, including but not limited to, soliciting or engaging in any activities outside of a STRETCHMED® Studio with STRETCHMED® clients**.**
6. Subject to state law, Franchisee must undertake legal action to enforce the non-compete agreement against all of Franchisee's employees who are in breach of the non-compete agreement. In the event of a Studio transfer, the new Franchisee must undertake legal action to enforce the non-compete agreement the former Franchisee signs at the sale if the former Franchisee is in breach of the non-compete agreement.

In the event an employee is uncertain as to the meaning of any provision of this section or its application to any particular information, item, or activity, Franchisee will inquire in writing to Franchisor, specifying any areas of uncertainty. Franchisor will respond in writing within a reasonable time, and will endeavor to clarify any areas of uncertainty, including such matters as whether it considers particular information to be in violation of this Agreement, and will explain any provision of this Agreement.

The obligations of the parties under this Agreement are unconditional and do not depend upon the performance of an agreement, duties, obligations, or outside this Agreement. Franchisor reserves the right, in its sole discretion, to limit the scope of any covenants in this Section 13.

13.3. Exception to Covenant Not to Compete. Section 13.2 hereof shall not apply to

ownership by Franchisee of less than a five percent (5%) beneficial interest in the outstanding equity securities of any Publicly Held Corporation.

13.4. Franchisee Will Not Divert Business. During the term of this Agreement and for a period of two (2) years following the expiration or termination of this Agreement, Franchisee covenants that it will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

i. Divert or attempt to divert business or customers of the Studio or any other STRETCHMED® Studio to any competitor by direct or indirect inducement or otherwise; or

ii. Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Names and Marks or the System or both; or

iii. Induce, directly or indirectly, any person who is at that time employed by Franchisor or by any other Franchisee of Franchisor, to leave his or her employment.

13.5. Franchisor Is Entitled to Injunctive Relief. Franchisee acknowledges that any failure to comply with the requirements of this Section 13 will cause Franchisor irreparable injury for which no adequate remedy at law is available and Franchisee hereby accordingly consents to the issuance by a court of competent jurisdiction of temporary, preliminary, and permanent injunctive relief, and to orders of specific performance and other equitable relief, as provided in Section 19.7, prohibiting any conduct by Franchisee in violation of the terms of this Section 13 and waives any requirement for the posting of any bond(s) relating thereto. Franchisor may further avail itself of any legal or equitable rights and remedies which it may have under the Agreement or otherwise.

13.6. Covenants Are Enforceable Independent of Claims. Franchisee expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section 13. Franchisee further agrees that Franchisor shall be entitled to set off any amounts owed by Franchisor to Franchisee against any loss or damage to Franchisor resulting from Franchisee's breach of this Section 13.

13.7. No Right of Set-Off. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 13. Franchisee agrees to pay all damages, costs, and expenses (including reasonable cost and attorney's fees under Section 19.10) incurred by Franchisor in connection with the enforcement of this Section 13.

13.8. Spousal Consent. Franchisee's spouse, or if Franchisee is a legal entity, the spouse of each individual owner, member, manager, shareholder, partner, or other principal whom Franchisor requires to execute this Agreement and/or the Personal Guaranty, shall execute a spousal consent in the form attached hereto as Attachment 8. By signing Attachment 8, each such spouse shall, to the fullest extent permitted by applicable law: (a) personally, absolutely, and unconditionally guarantee, without notice, demand, or presentment, the full and timely

payment and performance of all obligations of Franchisee and, where applicable, the related owner-guarantor, under this Agreement, Attachment 5, and all related agreements between Franchisee or its affiliates, on the one hand, and Franchisor or its affiliates, on the other hand; (b) agree to be personally bound by all in-term and post-term covenants, restrictions, and obligations under this Agreement and such related agreements, including without limitation confidentiality, noncompetition, nonsolicitation, transfer restrictions, dispute resolution provisions, injunctive-relief provisions, fee-shifting provisions, and post-termination obligations, as if such spouse were an original party thereto in his or her individual capacity; and (c) acknowledge that such spouse's obligations are in addition to, and not in lieu of, the obligations of any owner or guarantor under Attachment 5.

The obligations of each such spouse shall survive any transfer, expiration, termination, nonrenewal, assignment, amendment, divorce, remarriage, or subsequent marriage. In the event of a divorce and remarriage, or subsequent marriage, Franchisee, or if Franchisee is a legal entity, its owners, covenant and agree to provide Franchisor with a properly executed spousal consent, in the form prescribed by Franchisor, within ten (10) days after Franchisor's request or such earlier time as Franchisor may reasonably require.

I have read and understand Article 13 and agree to comply with its Sections.
Your Initials: _____ / _____

14. OBLIGATIONS OF THE FRANCHISOR: SUPERVISION, ASSISTANCE OR SERVICES

The Franchisor shall provide the Franchisee with the following assistance and services:

14.1. The Training Program

i. The Franchisor will provide an initial training program concerning the operation of the Studio consisting of approximately tenty-six (26 hours of training delivered at our Corporate HQ in San Juan, Puerto Rico, virtually, or any location we designate. Initial training is defined as training received prior to the Studio opening to the public. Training is generally offered during the first full week of every month if Franchisor elects do offer it in person. The exact days will be selected by Franchisor at the Franchisor's discretion. Franchisee (or, if Franchisee is a Corporation or LLC or partnership, a principal of Franchisee) and one (1) management personnel of Franchisee shall attend such training program at no charge to the Franchisee, if completed prior to Studio opening. If you require additional/future employees to attend initial training you must pay our then current training charge for each additional person. Franchisee shall be responsible for any travel, lodging, meal or other costs for the attendee(s) of the training program at the Franchisor's Home Office, or at such other location designated by Franchisor. In the event of a Studio transfer, we will offer training of one (1) new owner at our expense. Franchisee must have one fully trained, full- time Manager operating the Studio during the entire term of the Agreement unless Franchisee is acting as full-time Manager. Both the Franchisee and

Franchisee's Manager must attend the training sessions. Any person subsequently employed, as a full-time manager of the Studio shall be required by Franchisor to complete the initial training program at Franchisee's expense. Satisfactory completion of all mandatory training sessions is required. Failure to do so shall result in a breach of this Agreement.

ii. Franchisor shall provide such continuing advisory assistance to Franchisee in the operation, advertising and promotion of the Studio, as Franchisor deems advisable. Franchisor shall also provide refresher-training programs for Franchisee and to Franchisee's employees, as Franchisor deems appropriate. Franchisor shall be permitted to charge a reasonable fee for such continuing assistance, which is currently $100 - $300 per 1-2 hour webinar session, $400 per day plus expenses for training received at our location, or a location we designate, and $600 per day plus travel expenses for training at your Studio. Additional training programs may include, but not be limited to, video conference, teleconference, webinars and in-person meetings that may be performed weekly, monthly, quarterly and annually.

iii. The Franchisor may conduct additional seminars or other training programs for the benefit of the Franchisee. Franchisor reserves the right to make such additional seminars or other training mandatory for owners and managers. Additional training programs may include, but not be limited to, webinars and in-person meetings that may be performed weekly, monthly, quarterly and annually. Franchisor may charge a reasonable fee for such a seminar or program if it is deemed appropriate. Such fee shall be due and payable at the outset of the training, seminar, or program. Any and all traveling, living and other expenses incurred by anyone attending training shall be paid by Franchisee.

iv. Franchisee may make a reasonable request for training in addition to that specified above, and Franchisor shall provide such training, at Franchisee's expense, including without limitation, any travel, lodging, meals and other related costs.

v. Franchisee shall complete and/or shall cause its employees to complete, to Franchisor's satisfaction, such other additional training as Franchisor may reasonably require from time to time.

vi. Franchisor may provide such periodic individual or group advice, consultation and assistance, rendered by personal visit or telephone, or by newsletter or bulletins made available from time to time to all STRETCHMED® franchisees, as Franchisor may deem necessary or appropriate.

vii. Franchisor may, at its discretion, send one representative to your Studio after you open in order to provide operational support and additional training, evaluate the Studio, evaluate Franchisee and Franchisee's employees, and provide feedback.

14.2. **Approved Suppliers**. You must operate the Studio according to our System Standards. System Standards, as outlined in this agreement and other confidential materials, may regulate, among other things: the types, models, and brands of fixtures, furniture, equipment,

furnishings, and signs (collectively, "Operating Assets"); products, supplies and services you must use in operating the Studio; unauthorized and prohibited products, and services you must not use; inventory requirements; and designated and approved suppliers of Operating Assets, Trade Secret Products and other products, supplies and services.

In the case of Trade Secret Products, suppliers will be limited to us, our affiliates or other specified exclusive sources, and you must buy Trade Secret Products during the franchise term only from us, our affiliates or the other specified exclusive sources at the prices we and they decide to charge. We restrict your sources of Trade Secret Products in order to protect our trade secrets, assure quality, assure a reliable supply of products that meet our standards, achieve better terms of purchase and delivery service, control usage of the Names and Marks by third parties, and monitor the manufacture, packaging, processing, and sale of these items.

In the case of Operating Assets and items other than Trade Secret Products, suppliers could, at our option, be limited to us, our affiliates or other specified exclusive sources, in which case you would have to buy the Operating Assets and other items only from us, our affiliates or the other specified exclusive sources at the prices we or they decided to charge. We have the absolute right to limit the suppliers with whom you may deal.

We will identify all designated and approved suppliers in the Operations Manual or other written communications. You currently must buy all of Stretching Equipment, tables, business cards, stationary, misc. handouts, uniforms/apparel, promotional products, build out materials, advertising and marketing material, office furniture and supplies, Studio furniture and décor, and your Customer Relationship Management and Scheduling program from designated suppliers. You must also purchase specific products, e.g., the Computer System (see Item 11), without reference to specific suppliers. Any purchases from us and our affiliates, whether required or voluntary, may be at prices exceeding our costs. We may also purchase items in bulk and resell them to you at our cost plus a reasonable markup.

Under emergency circumstances, we may purchase items for you that we determine are necessary for you to operate your business. You must reimburse us for these purchases.

If you fail to make any payment when due to a designated supplier, or if we (in our reasonable discretion) determine that it is the most efficient method to remit payment to any supplier, we may act as a pass through by collecting payments (past due, current and future) for the specific product or service and remitting those payments to the supplier, who ultimately provides the product or the service to you. Products and services for which we may act as a pass through may include equipment, fixtures, goods, merchandise, inventory, marketing campaigns or materials, lending services, computer hardware and software, supplies, uniforms and other categories of products and services that you may purchase from designated suppliers. Although we do not currently do so, we and our affiliates may receive commissions or other consideration for acting as a pass through between you and any supplier.

If you want to use any item or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved or designated, you must first send us sufficient information, specifications, and samples so that we can determine whether the item or service complies with System Standards, or the supplier meets approved supplier criteria. We may charge you or the supplier our then-current fee in the amount of $500 per request plus any travel,

accommodations, and meal expenses incurred for each personnel who shall evaluate and determine within a reasonable time (generally no more than 30 days) whether or not the supplier is approved. We periodically will establish procedures for your requests and may limit the number of approved items, services or suppliers, as we think best.

Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited number of suppliers to obtain better prices and service, scalability in the franchise system, and/or a supplier's willingness to pay us or our affiliates for the right to do business with our system. Supplier approval might be temporary until we evaluate the supplier in more detail and our approval may be revoked at any time. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new supplier, product, or service.

14.3. Set Price Schedules. Franchisor shall set all prices for services, memberships, goods, products and the like, offered or sold at all STRETCHMED® Studios. Franchisor and Franchisee agree that any list or schedule of prices furnished to Franchisee by Franchisor is a set list of retail prices and that no prices for any such services, memberships, goods and products sold or offered at any STRETCHMED® Studio can deviate from said list or schedule, unless state law permits franchisee to do so.

14.4. Advertising and Promotion. The Franchisor shall develop and provide creative materials for local and regional advertising and make such advertising materials available to its Franchisees for publication or distribution in the Franchisee's market area at Franchisee's own expense. The Franchisor may be reimbursed for the creative and production costs for such items as billboard design, radio and video production, public relations campaigns, copy for newspaper, magazine advertisements, flyers and other promotional material. The Franchisor shall provide specific guidelines for advertising initiated by individual Franchisees and shall reserve the right to disapprove any advertising, which, in the Franchisor's opinion, is not in accordance with these guidelines. However, no approval shall be unreasonably withheld or denied. Immediately upon notification to do so, Franchisee shall discontinue any advertising that would, in the Franchisor's opinion, be detrimental.

14.5. Miscellaneous Obligations or Assistance.

i. Franchisor may provide Franchisee, from time to time, as Franchisor deems appropriate, such merchandising, marketing and other data and advice as may from time to time be developed by Franchisor and deemed by Franchisor to be helpful in the managing and operation of the Studio.

ii. Franchisor may, from time to time, provide to Franchisee, at Franchisee's expense, such advertising and promotional plans and materials for local advertising as described in Section 5.5 of this Agreement and may direct the discontinuance of such plans and materials, from time to time. All other advertising and promotional materials, which Franchisee proposes to use, must be reviewed and approved by Franchisor, pursuant to Section 5.5 hereof.

iii. Franchisor may provide such bulletins, brochures, manuals and reports, if any, as

may from time to time be published by or on behalf of Franchisor regarding its plans, policies, developments and activities. In addition, Franchisor may provide such communication concerning new developments; techniques and improvements, which Franchisor feels are relevant to the operation of the Studio.

iv. Franchisor shall loan you one copy of the Operations Manual, the current table of contents of which is in Exhibit E of the Franchise Disclosure Document, or give you access to our internal document sharing website to access the Operations Manual. If we agree to provide a hard copy of the Operations Manual and any part of the Operations Manual becomes lost or damaged, you must obtain a replacement copy from us. Cost of the replacement manual is $250, plus shipping costs. Franchisor shall also loan you other sample documents, such as marketing pieces and employee hiring documents. We may loan these to you by providing you with a username and password to our website, which will give you access to the manual and sample documents.

v. Franchisor shall provide the minimum requirements for the computer system with a web-based software program for accounting, cost control and inventory control. Franchisor or a third party may charge you for the cost of service for the web-based software application program.

vi. Franchisor shall seek to maintain the high standards of quality, appearance, and service of the System, and to that end shall conduct, as it deems advisable, inspections of the Studio franchised hereunder, and evaluations of the products sold, and services rendered therein. Inspections may be done by an independent, third-party consultant, or Secret Shopper, for which Franchisor may charge a reasonable fee, not to exceed $250.00 per inspection, not more than one (1) time per quarter, unless we determine you are not in compliance with our systems and standards, in that event, not more than 1 time per month.

vii. Franchisor is obligated to take any appropriate action to preserve the Names and Marks against unauthorized operations, which infringe on such Names and Marks.

viii. All obligations of Franchisor under this Agreement shall benefit only the Franchisee, and no other party is entitled to rely on, enforce, benefit from or obtain relief for breach of such obligations, either directly or by subrogation.

15. VARYING STANDARDS

Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole and absolute discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, population or trade area, existing business practices, or any other condition which Franchisor deems to be of importance to the successful operation of such Franchisee's business. Franchisee shall not have any right to complain about a variation from standard specifications and practices granted to any other

Franchisee and shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation.

16. SALE OF FRANCHISE

16.1. Assignment by Franchisee. This Agreement restricts Franchisee's right to assign the Agreement to a third party. Neither this Agreement, nor any of Franchisee's rights or privileges, shall be assigned, transferred, shared, redeemed or divided by operation of law or otherwise, in any manner, without the prior written consent of Franchisor. The Franchisor's written consent can be withheld, conditioned or delayed in the Franchisor's sole discretion, most especially if the assignment will have a negative impact in its system. "Assignment" shall include, but not be limited to, any transfer in interest in Franchisee, including the sale of stock, change in limited liability company membership interest, change in partnership, or any other transfer of interest in Franchisee, or any restructuring by the Franchisee. In granting any such consent, the Franchisor may impose reasonable conditions, including, without limitation, the following:

i. Franchisee must be in full compliance with the terms of this Franchise Agreement, including being paid in full on all fees due and payable to us or our affiliates;

ii. The proposed assignee (or its partners, managers, directors, officers, or controlling shareholders, if it is a corporation or partnership) must meet the then applicable standards of Franchisor as disclosed in the operations manual, which may be amended from time to time;

iii. The proposed assignee must not operate a franchise, license or other business offering services similar to those offered by the Studio;

iv. The assignee must execute and agree to be bound by the then current form of this Agreement, which form may contain provisions, which materially alter the rights or obligations of Franchisee under this Agreement;

v. Franchisor shall not charge such assignee an Initial Franchise Fee for the Franchise if the Studio is open but will charge existing Franchisee or transferee a transfer fee of Fifty Percent (50%) of the then current initial franchise fee charged by Franchisor, to consult assignee in a manner we deem appropriate and at our sole discretion, in marketing strategy, graphic design, social media, website landing page development, advertising and public relations, and we will offer training to one (1) new owner at our expense. This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Transfer Fee is not refundable under any circumstance. You must pay us for expenses we incur to evaluate a proposed transfer for any transfer that is not completed (See Item 6 for the amount of the Transfer Evaluation Fee). If our broker finds the buyer, you must reimburse us for all commissions we pay the broker

vi. Franchisee shall have substantially complied with all of the terms and provisions of this Agreement, any amendment hereof or successor hereto, or any other

agreements between the Franchisee and Franchisor, its subsidiaries or affiliates and, at the time of transfer, shall not be in default thereof;

vii. The transferor shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances;

viii. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as Franchisor may request) shall enter into a written assumption agreement, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement and/or any new franchise agreement, as hereinafter provided;

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

x. Transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as Franchisor may request) shall execute, for a term ending on the expiration date of this Agreement and with such renewal term, if any, as may be provided by this Agreement, the standard form franchise agreement then being offered to new System franchisees and such other ancillary agreements as Franchisor may require for the Studio, which agreements shall supersede this Agreement in all respects (with the exception of the length of the Agreement, as discussed above) and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage service fee rate, advertising contribution, and service charge for goods; provided; however, that the transferee shall not be required to pay an initial franchise fee;

xi. The transferee, at its expense, shall upgrade the Studio to conform to the then-current standards and specifications of the System and shall complete the upgrading and other requirements within the time specified by Franchisor;

xii. Franchisee shall remain liable for all of the obligations to Franchisor in connection with the Studio prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

xiii. Franchisee shall agree to remain obligated under the covenants against competition of this Agreement as if this Agreement had been terminated on the date of the transfer;

xiv. At the transferee's expense, the transferee and, if applicable, the transferee's designated individual manager shall complete any training programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require; and

xv. The transferee shall agree to a sublease or to a transfer and assignment, and assumption of the lease of the Studio site from the original franchisee and shall obtain the landlord's approval if required prior to any transfer or sublease, if applicable.

xvi. The transferee (including any owners in a corporation, members in a limited liability company, or partners in a general partnership), shall be required to execute a personal guaranty, in the form attached as Attachment 5, upon such transfer.

xvii. Transferee is only granted the remaining Term under this Franchise Agreement;

xviii. No default during 60-day period before transfer request or during period between request and transfer's proposed effective date;

16.2. Assignment by Franchisor. Franchisor has an unrestricted right to transfer or assign all or part of its rights or obligations under this Agreement to any assignee or other legal successor to the interests of Franchisor.

16.3. Transfer Upon Death or Mental Incapacity. Upon the death or mental incapacity of any person with an interest in the Studio, with Franchisor's approval, the executor, administrator, or personal representative of that person must transfer his/her interest to a third party approved by Franchisor within six (6) months after death or mental incapacity. These transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same restrictions and conditions as any inter vivos transfer. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions of this Agreement, the personal representative of the deceased Franchisee shall have a reasonable time to dispose of the deceased's interest in the Studio, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement.

Upon the death of the Principal, or in the event of any temporary or permanent mental or physical disability of the Principal, pending assignment (if permitted by Franchisor), a manager shall be employed for the operation of the Studio who has successfully completed Franchisor's training program to operate the Studio for the account of Franchisee. If after the death or disability of the Principal, the Studio is not being managed by such trained manager or such trained manager fails to adequately manage the Studio in accordance with this Agreement, Franchisor is authorized to appoint a manager to maintain the operation of the Studio until an approved assignee will be able to assume the management and operation of the Studio. Such manager shall be deemed an employee of the Franchisee. All funds from the operation of the Studio during the period of management by such appointed or approved manager shall be kept in a separate fund and all expenses of the Studio, including compensation of such manager, other costs and travel and living expenses of such appointed or approved manager (the "Management Expenses"), and any fees due and payable under this Agreement shall be charged to such fund.

As compensation for the management services provided, in addition to the Fees due hereunder, Franchisor shall charge such fund the full amount of the direct expenses incurred by Franchisor during such period of management for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee, the Principal or personal representative of the Principal, the Entity or any person or entity having an interest therein for any debts, losses or obligations incurred by the Studio, or to any creditor of Franchisee or the Principal during any period in which it is managed by a Franchisor appointed or approved manager.

16.4. Sale of Franchised Business. If the Franchisee (or its owners) desires to sell the Studio, or part or all of the ownership of the Studio, then Franchisor will reasonably assist Franchisee (or its owners) in connection therewith. If Franchisee (or its owners) shall obtain a bona fide written offer to purchase the Studio, or ownership, such offer shall be submitted promptly to Franchisor. For a period of thirty (30) days from the date of Franchisor's receipt of such offer, Franchisor shall have the right, exercisable by written notice to Franchisee (or its owners), to purchase the Studio, or such ownership, for the price and on the same terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer. To enable Franchisor to determine whether it will exercise its option, Franchisee and the seller shall provide such information and documentation, including financial statements, Franchisor may require. In the event that Franchisor elects to purchase said interest, closing on such purchase must occur within ninety (90) days from the date of notice to the Franchisee and seller of the election to purchase said Interest by Franchisor. Failure of Franchisor to exercise the option afforded by this Section shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 16, with respect to a proposed transfer of any Interest. Any subsequent change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of an initial offer.

If Franchisor does not exercise its right of first refusal, the bona fide written offer may be accepted by Franchisee or its owners, subject to the prior written approval of Franchisor. Franchisor may reasonably withhold its approval if it deems, in its sole discretion, that such transfer would not be in the best interests of either party, the Studio and/or STRETCHMED®. Factors in determining Franchisor's approval may include, but shall not be limited to, the proposed transferee's creditworthiness and financial strength, the proposed transferee's business experience, the proposed transferee's track record as a franchisee if proposed transferee owns other Studios, and whether the proposed sale price is deemed by Franchisor to be reasonable based on such considerations as the number of clients enrolled at the Studio, past performance of the Studio, the ability of the Studio's employees, if any, etc. In any event, all sales of the Studio must comply with Section 16.1 herein.

Franchisee understands that in no way can it sell its franchised business to anyone other than another approved STRETCHMED® Franchisee. Doing otherwise would be a default of this agreement and cause irreparable harm to the Franchisor, and Franchisee shall pay Franchisor liquidated damages in the amount equal to the sum of service fees paid to the Franchisor for the Sixty (60) months prior to the termination of this agreement, or One Hundred Thousand Dollars ($100,000.00), whichever is greater, provided, however exercise of this right shall not preclude Franchisor's right to seek injunctive relief as outlined in Section 19.7. Franchisee's payment to Franchisor would not be a penalty for breaching this Franchise Agreement, but rather a reasonable estimate of the losses Franchisor would incur in losing future service fees from this

location. Should Franchisor elect to enforce its right to liquidated damages under this Section, Franchisee's obligations to pay such damages would be in addition to Franchisee's obligations to (i) pay all amounts still owed to Franchisor, and (ii) adhere to Franchisees other post-termination obligations. Franchisor's right to payment of liquidated damages would be in addition to all other post-termination remedies available to Franchisor under the law.

I have read and understand Article 16 and agree to comply with its Sections.

Your Initials: _____ / _____

17. DEFAULT AND TERMINATION OF FRANCHISE AGREEMENT

17.1. Termination of Franchise by Franchisor With Notice. Franchisee acknowledges that the strict performance of all of the terms of this Agreement is necessary not only for protection of Franchisor, but also the protection of Franchisee and other franchisees of Franchisor. As a result, Franchisee therefore acknowledges and agrees that strict and exact performance by Franchisee of each of the covenants and conditions contained herein is a condition precedent to the continuation of this Agreement. If we give you ten (10) days written notice (or such longer period as applicable law may require) and you fail to correct the following defaults, then we may, at our option and without prejudice to any other right or remedies available to Franchisor under this Agreement or otherwise, terminate your Franchise Agreement:

1. Failing to pay any money you owe us, our Affiliates, Approved Suppliers, the landlord of the Approved Location, or any other amounts Franchisor may become liable for due to your action or omission;
2. Failing to obtain approval to open the Approved Location; and
3. Failure to acquire or maintain required insurance.

If we give you thirty (30) days written notice (or such longer period as applicable law may require) and you fail to correct the following defaults, then we may, at our option and without prejudice to any other right or remedies available to Franchisor under this Agreement or otherwise, terminate your Franchise Agreement:

1. Failing to substantially perform any of the terms and conditions of this Agreement not otherwise covered in Section 17.1 of this Agreement;
2. Failing to follow the System and Manuals, as they may be revised from time to time;
3. Loss of any license or permit necessary to operate the Studio;

All written notices, as required in this Section 17, shall specify the default and provide you with the amount of time in which to remedy the same. If you cure the default within the specified time, the notice will be void.

Notwithstanding the foregoing, Franchisee shall cure violations of health, safety, or sanitation laws within 72 hours from notice from Franchisor or the regulating authority that issues the notice.

17.2. Termination of Franchise by Franchisor Without Notice. Notwithstanding the foregoing, Franchisee shall be deemed to be in breach and Franchisor, at its option, may terminate this Agreement and all rights granted under it, without affording Franchisee notice and opportunity to cure the breach, effective immediately upon Franchisor notifying Franchisee in writing of such breach, if Franchisee does any of the following:

i. Abandons, surrenders, or takes material steps in abandoning the operation of the Studio or fails to continuously and actively operate the Studio for a period in excess of two (2) days, unless precluded from doing so by damage to the premises of the Studio due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Franchisee's reasonable control; or sells the assets or transfers control of the assets or operation of the Studio to someone other than an approved STRETCHMED® franchise owner.

ii. Gets evicted or defaults from the Approved Location;

iii. Consistently fails or refuses to submit when due any financial statement, tax return or schedule, or to pay when due the Base Service Fees, or any other payments due Franchisor or its affiliate;

iv. Operates the Studio in a manner that violates any federal, state, or local law, rule, regulation or ordinance;

v. Has made a material misrepresentation or omission on the application for the Franchise;

vi. Transfers, assigns, or sub franchises this Agreement without having the prior written consent of Franchisor, as set forth herein;

vii. Discloses or divulges the contents of the Manual or any other Proprietary Information provided to Franchisee by Franchisor;

viii. Repeatedly fails to substantially comply with any of the requirements imposed by this Agreement, whether or not cured after notice;

ix. Commits a breach of this Agreement or engages in any other activity, which has a material adverse effect on Franchisor or the Names and Marks;

x. Fails or refuses to comply with any provision of this Agreement or any other agreement between Franchisor and Franchisee relating to the Studio or the Franchise, and does not correct such failure or refusal within ten (10) days after written notice of such failure or refusal to comply is delivered to Franchisee, or such longer period as specified by Franchisor or as law may require;

xi. Is convicted of a crime or felony or has pleaded nolo contendere, or the legal equivalent, to a crime or felony or other offense that we believe is injurious to the System or the goodwill associated therewith;

xii. Engages in dishonest, fraudulent or unethical conduct, including the intentional

underreporting of gross sales;

xiii. Fails to discharge any valid lien placed against the property of the business;

xiv. Makes an assignment for the benefit of creditors or an admission of the Franchisee's inability to pay its obligations as they become due;

xv. Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, disposition, adjustment, liquidation, dissolution or similar release under any law, or admitting or failing to contest the material allegations of any such pleading filed against Franchisee, or is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of the assets of the Franchisee or the Studio, or the claims of creditors of Franchisee or the Studio are abated or subject to a moratorium under any laws.

xvi. Becomes insolvent or makes a general assignment for the benefit of creditors.

xvii. If a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee.

xviii. If a receiver or other custodian (permanent or temporary) of the Studio, Franchisee, or Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction or by private instrument or otherwise.

xix. If proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee.

xx. If a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved or is wound up.

xxi. If execution is levied against Franchisee's Studio or property or against any ownership interest in Franchisee.

xxii. If any real or personal property of Franchisee's Studio shall be sold after levy thereupon by any sheriff, marshal, or constable.

xxiii. If, in violation of the terms of this Agreement, Franchisee, its principals, representatives, agents or employees disclose or divulge the contents of the Manuals or other confidential information provided to Franchisee by Franchisor, or if Franchisee maintains false books or records, or submits any false reports to Franchisor.

xxiv. If any inspection of Franchisee's records discloses an understatement of payments due to Franchisor of four percent (4%) or more.

xxv. If Franchisee's alternate candidate for management training shall not adequately complete such management training program, after either Franchisee or

Franchisee's designated individual previously failed to complete adequately the management training.

xxvi. Failure to lease or purchase an Approved Location by the sooner of 180 days after the Franchise Agreement's effective date or 30 days from Franchisor's finding of a suitable location on your behalf (although Franchisor is under no obligation to do so);

xxvii. Failure to complete Initial Franchise Training to Franchisor's satisfaction;

xxviii. Death or incapacity of Franchisee;

xxix. Violation of any anti-terrorism laws;

xxx. Violation of the non-competition provisions contained in Section 14.

17.3. Waiver. Our waiver of any defaults does not constitute a waiver of any other defaults under this Agreement, nor does it prevent us from enforcing strict compliance with this Agreement.

17.4. Franchisor's Rights and Remedies in Addition to Termination.

i. If Franchisee shall be in default in the performance of any of its obligations or breach any term or condition of this Agreement, in addition to Franchisor's right to terminate this Agreement, and without limiting any other rights or remedies to which Franchisor may be entitled at law or in equity, Franchisor may, at its election, immediately or at any time thereafter, and without notice to Franchisee cure such default for the account of and on behalf of Franchisee including, without limitation, entering upon and taking possession of the Studio and to taking in the name of Franchisee, all other actions necessary to affect the provisions of this Agreement and any such entry or other action shall not be deemed a trespass or other illegal act, and Franchisor shall not be liable in any manner to Franchisee for so doing, and Franchisee shall pay the entire cost thereof to Franchisor on demand, including reasonable compensation to Franchisor for the management of the Studio.

ii. In the event of a premature termination of this Agreement, Franchisee shall pay Franchisor liquidated damages in an amount equal to the sum of the service fees paid to Franchisor for the thirty-six (36) months prior to the termination of this Agreement or fifty thousand dollars ($50,000) whichever is greater; provided, however exercise of this right shall not preclude Franchisor's right to seek injunctive relief as outlined in Section 19.7. Franchisee's payment to Franchisor would not be a penalty for breaching this Franchise Agreement, but rather a reasonable estimate of the losses Franchisor would incur in the event of the closure of Franchisee's franchised business. Should Franchisor elect to enforce its right to liquidated damages under this Section, Franchisee's obligations to pay such damages would be in addition to Franchisee's obligations to (i) pay all amounts still owed to Franchisor, and (ii) adhere to Franchisees other post-

termination obligations. Franchisor's right to payment of liquidated damages would be in addition to all other post-termination remedies available to Franchisor under the law.

iii. Franchisee understands that in no way can it sell its franchised business to anyone other than another approved STRETCHMED® Franchisee, in accordance with this Agreement and with Franchisor's prior written approval. Doing otherwise would be a default of this agreement and cause irreparable harm to the Franchisor, and Franchisee shall pay Franchisor liquidated damages in the amount equal to the sum of service fees paid to the Franchisor for the Sixty (60) months prior to the termination of this agreement, or One Hundred Thousand Dollars ($100,000.00), whichever is greater, provided, however exercise of this right shall not preclude Franchisor's right to seek injunctive relief as outlined in Section 19.7. Franchisee's payment to Franchisor would not be a penalty for breaching this Franchise Agreement, but rather a reasonable estimate of the losses Franchisor would incur in losing future service fees from this location. Should Franchisor elect to enforce its right to liquidated damages under this Section, Franchisee's obligations to pay such damages would be in addition to Franchisee's obligations to (i) pay all amounts still owed to Franchisor, and (ii) adhere to Franchisees other post-termination obligations. Franchisor's right to payment of liquidated damages would be in addition to all other post-termination remedies available to Franchisor under the law.

iv. The Franchisee understands that the Franchisor shall have exclusive right and ownership overall customer lists, records, and files within the Franchisee's possession, custody, or control, or found in each studio location owned by the Franchisee and that were obtained during the existence of this agreement. The Franchisor shall have unrestricted authority to contact any and all customers of each studio location at any given time and day in order to solicit their feedback, assessment, evaluation, and observation on the services provided by each studio location. In the event of termination, the Franchisee understands that the Franchisor can rightfully communicate with all of the customers of the franchise location regarding the termination and, if applicable, that the Exclusive Territory and/or assets are for sale.

v. The Franchisor shall have the absolute right to buy all the studio assets of the Franchisee valued at fair market at the time of acquisition. The Franchisor shall exercise said right within thirty (30) days upon expiration and/or termination of the franchise agreement and upon notice to the Franchisee of its decision to exercise said right.

17.5. Cross-Default. If Franchisee shall default under this or any other agreement with Franchisor or its affiliates, at the option of Franchisor, shall constitute a default under all such agreements.

I have read and understand Article 17 and agree to comply with its Sections.

Your Initials: _____ / _____

18. FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

18.1. Franchisee Shall Cease Using the System, Names and Marks. Franchisee agrees that, upon termination or expiration of this Agreement, Franchisee shall immediately and permanently cease to use the System in any manner whatsoever, including any confidential methods, procedures, descriptions of products, and techniques associated with Franchisor and the Names and Marks and any proprietary marks and distinctive forms, slogans, symbols, signs, logos or devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, stationery, forms, and any other articles, which display the Names and Marks. Franchisee shall comply with the covenant not to compete, including the non-solicitation of clients and employees, and the agreement to maintain the confidentiality of proprietary information.

18.2. Franchisee Shall Cease Operating Studio. Franchisee shall immediately cease to operate the Studio under this Agreement, and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former Franchisee of Franchisor. Franchisor shall have the right to enter the Studio premises and operate the business.

18.3. Franchisee May Not Adopt Confusingly Similar Names and Marks. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Names and Marks, either in connection with such other business or in the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's exclusive rights in and to the Names and Marks, and further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor or a former association or connection with Franchisor.

18.4. Franchisee Shall Cancel Assumed Names and Transfer Phone Numbers. Franchisee further agrees that upon termination or expiration of this Agreement, it will take such action that may be required to cancel all assumed names or equivalent registrations relating to its use of any Names or Marks and to notify the telephone company and listing agencies, including any website listings, of the termination or expiration of Franchisee's right to use any telephone number in any classified ad and any other telephone directory listings associated with the Names and Marks or with the Studio and to authorize transfer of same to Franchisor or transferee approved by Franchisor. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole rights to and interest in all telephone number and directory, or website, listings associated with any Names or Marks of the Studio. Franchisee further authorizes Franchisor, and hereby appoints Franchisor as its attorney in fact, to direct the telephone company and all listing agencies to transfer same to Franchisor, should Franchisee fail or refuse to do so, and the telephone company and all listing agencies may accept such direction in this Agreement as conclusive evidence of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer.

18.5. Franchisee Must Return Operations Manual and Other Materials. Franchisee further agrees that upon termination or expiration of this Agreement, it will immediately return to Franchisor all copies of the Operations Manual, training aids and any other manuals, checklists, or materials which have been loaned to it by Franchisor. Franchisee further agrees to turn over to Franchisor any other manuals, computer programs, software, customer lists, records, files, instructions, correspondence and brochures, and any and all other confidential and proprietary materials relating to the operation of the Studio in Franchisee's possession, custody, or control, and all copies thereof (all of which are acknowledged to be Franchisor's property), and only Franchisee's copy of this Agreement and any correspondence between the parties, and any other document, copies which Franchisee reasonably needs for compliance with any provision of law, may be retained by Franchisee.

18.6. Franchisor May Purchase Inventory and Equipment. Franchisor shall have the right (but not the obligation), exercisable by written notice delivered to Franchisee within thirty (30) days after the effective date of termination, expiration, or non-renewal, to purchase and acquire from Franchisee, in whole or in part, all property then located in, at, or about the Studio or otherwise used, held for use, or intended for use in connection with the operation of the Studio, whether owned, leased, financed, or otherwise possessed or controlled by Franchisee (collectively, the "Studio Assets"). Studio Assets include, without limitation: (i) all inventory, products, merchandise, and supplies; (ii) all furniture, fixtures, machinery, equipment, tools, computer systems, tablets, phones, POS systems, printers, networking equipment, and related hardware and software; (iii) all leasehold improvements and build-out items to the extent owned by Franchisee and transferable; (iv) all signs, décor, artwork, displays, uniforms, branded apparel, and promotional items; (v) all advertising, marketing, and sales materials (in any medium); and (vi) all items bearing or incorporating Franchisor's Names and Marks or otherwise identified with, used in, or associated with the System, regardless of whether such items were purchased from Franchisor, approved suppliers, or any other source.

The purchase price for the Studio Assets elected by Franchisor shall be the fair market value, determined as of the effective date of termination/expiration/non-renewal and reduced by (A) the amount of any valid, perfected liens, security interests, or other encumbrances affecting such Studio Assets and (B) the reasonable costs Franchisor incurs to remove, transport, store, refurbish, or dispose of the Studio Assets. If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and the determination of such appraiser shall be final and binding on the parties.

Franchisee shall cooperate fully with Franchisor in effecting the purchase, including by: (1) providing complete inventories and itemized lists of all Studio Assets; (2) delivering evidence of Franchisee's ownership and the absence (or payoff) of liens; (3) executing such bills of sale, assignments, and other transfer documents as Franchisor may reasonably require; and (4) making the Studio Assets available for inspection and pickup at the Studio at reasonable times. Franchisor may offset the purchase price and any appraisal costs, if any, against any amounts Franchisee owes Franchisor or its affiliates. Title to the Studio Assets purchased shall transfer to Franchisor upon payment (or offset) and execution of transfer documents, and Franchisee shall promptly surrender possession of such Studio Assets to Franchisor.

18.7. Franchisor May Assume the Lease for the Approved Location. Franchisor shall have the right (but not the obligation), to be exercised by notice of intent to do so within

thirty (30) days after termination or expiration, to assume the Lease for the Approved Location by an assignment of lease from Franchisee to Franchisor. Franchisee agrees to cooperate with Franchisor in executing such assignment and further authorizes Franchisor, and hereby appoints Franchisor as its attorney in fact, to execute such an assignment on Franchisee's behalf.

18.8. Franchisee Must Pay Monies Owed to Franchisor. Franchisee shall pay to Franchisor, within fifteen (15) days after the effective date of termination or expiration of this Agreement, such Base Service Fees, National Fund contributions, payments for inventory, equipment or merchandise, or any other sums owed to Franchisor by Franchisee, which are then unpaid. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable cost and attorney's fees under Section 19.10, incurred by Franchisor in obtaining injunctive or other relief for the enforcement of any provisions of Section 18.

18.9. Franchisee must refund members with any refund to which they are entitled. Franchisee acknowledges and agrees that Franchisee, and not Franchisor, is the sole seller of memberships and the sole contracting party with all Members of the Franchised Business. Franchisee shall be solely and exclusively responsible for all obligations arising under any membership, service, or client agreement entered into by Franchisee, including without limitation delivery of prepaid services, compliance with all applicable federal, state, and local laws (including health studio or consumer protection laws), cancellation rights, refunds, chargebacks, and resolution of Member disputes.

Upon expiration, termination, transfer, or other cessation of operations, Franchisee shall satisfy all outstanding Member obligations to the extent required by applicable law or the applicable Member agreement. Any refunds required shall be paid solely from Franchisee's funds. Franchisor shall have no obligation to fund, advance, guarantee, or reimburse any such amounts.

In connection with the termination of this Agreement or the expiration of this Agreement, Franchisor may contact members directly to notify them of the closing and/or de-branding of the Studio. Notwithstanding any notices we may send to members, you are solely responsible for compliance with any applicable laws related to notifying members in connection with the closing and/or debranding of the Studio and any associated refunds.

Franchisee shall indemnify, defend (with counsel reasonably acceptable to Franchisor), and hold harmless Franchisor and its affiliates, and their respective officers, directors, members, managers, shareholders, employees, and agents, from and against any and all claims, demands, investigations, actions, causes of action, damages, refunds, chargebacks, penalties, fines, losses, liabilities, costs, and expenses (including attorneys' fees and costs) arising out of or relating to: (i) any membership or client agreement entered into by Franchisee; (ii) prepaid fees or undelivered services; (iii) any alleged failure to provide refunds or honor cancellation rights; (iv) any violation of health studio, consumer protection, automatic renewal, or similar laws; or (v) any closure, suspension, or cessation of the Studio.

This indemnification obligation shall apply regardless of whether Franchisor elects to communicate with Members, facilitate refunds, assist with dispute resolution, or otherwise intervene for brand protection purposes, and shall survive expiration or termination of this Agreement.

I have read and understand Article 18 and agree to comply with its Sections.
Your Initials: _____ / _____

19. ENFORCEMENT, MEDIATION, ARBITRATION AND MISCELLANEOUS PROVISIONS

19.1. Franchisee May Not Withhold Payments Due Franchisor. Franchisee agrees that it will not withhold payments of any Base Service Fees or any other amounts of money owed to Franchisor for any reason, on grounds of alleged nonperformance by Franchisor of any obligation hereunder. All such claims by Franchisee shall, if not otherwise resolved by Franchisor and Franchisee, be submitted to arbitration as provided in this Agreement.

19.2. Severability and Substitution of Valid Provisions. All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder or requires the taking of some other action not required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof.

19.3. Mediation. We and you acknowledge that during the term of this Agreement disputes may arise between the parties, you must first submit all disputes arising out of the Franchise Agreement to our management, so both parties can make every effort to resolve the matter internally. If we cannot resolve the dispute, then we may require to try and resolve it through non-binding mediation. To facilitate such resolution, we and you agree that, prior to the filing of any judicial or arbitration proceeding, except injunctive and related relief as provided in Section 19, each party shall submit the dispute between them for non-binding mediation at our then-current headquarters. The mediation will be conducted by one (1) mediator, who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules. We and you agree that statements made by us, you or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation. If any dispute between the parties cannot be resolved through mediation within 45 days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 19.

Notwithstanding anything in this Agreement to the contrary, no mediation shall be a condition precedent to any judicial action, equitable proceeding, provisional remedy, or other court action brought by Franchisor. Franchisor may commence any lawsuit, action for damages, collection action, action for declaratory relief, action for specific performance, or action for temporary, preliminary, or permanent injunctive relief, with or without first seeking informal resolution or mediation.

19.4. Arbitration. Except as expressly provided in Section 19.7, and except insofar as Franchisor elects to enforce this Agreement by judicial process, injunction, or specific performance (as hereinabove provided), any and all disputes and claims relating to any provision hereof, any specification, standard or operating procedure, or any other obligation of Franchisee prescribed by Franchisor, or any obligation of Franchisor, or the breach thereof (including, without limitation, any specification, standard or operating procedure or any other obligation of Franchisee or Franchisor, which is illegal or otherwise unenforceable or voidable under any law, ordinance, or ruling) shall be settled by mandatory binding arbitration in San Juan, Puerto Rico, or if the corporate headquarters is no longer in Puerto Rico, the city where the corporate headquarters is then located, in accordance with the U.S. Arbitration Act, if applicable, and the Rules of the American Arbitration Association (in accordance with the rules relating to the arbitration of disputes arising from franchise and license agreements, if any, or otherwise in accordance with the general rules of commercial arbitration), provided that at the option of Franchisor or Franchisee the arbitrator shall be selected from a list of retired federal or state judges supplied by the American Arbitration Association (if obtainable, or otherwise in accordance with the customary procedures for selecting an arbitrator). The arbitrator shall allow discovery in accordance with the Federal Rules of Civil Procedure and may apply the sanctions relating to noncompliance with discovery orders therein provided. The arbitrator shall issue a written opinion explaining the reasons for his or her decision and award and the arbitrator shall have the right to award or include in the award the specific performance of this Agreement. Judgment upon the award of the arbitrator will be entered in any court having competent jurisdiction thereof or of the Franchisor or Franchisee. During the pendency of any arbitration proceeding hereunder, Franchisee and Franchisor shall fully perform their respective obligations pursuant to the terms and conditions of this Agreement. All arbitration proceedings will be individual proceedings between you and us and will not be conducted on a "class" basis, or include any other of our franchisees as named parties unless you and we each agree.

Notwithstanding anything to the contrary contained in Section 19, we have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. In that case, we and you agree to contemporaneously submit our dispute for arbitration on the merits according to this Section 19. The provisions of Section 19 will continue in full force and effect notwithstanding the termination or expiration of this Agreement and are intended to benefit and bind certain third-party non-signatories. Furthermore, Franchisor shall have the unrestricted right, in its sole discretion, to bring in any court of competent jurisdiction any action or proceeding against Franchisee and/or any guarantor arising out of or relating to this Agreement, the franchise relationship, the Studio, the System, the Operations Manual, or any other agreement between the parties, including, without limitation, claims for damages, unpaid fees, declaratory relief, specific performance, injunctive relief, enforcement of post-termination obligations, enforcement of restrictive covenants, collection, replevin, foreclosure of security interests, possession, transfer-related claims, audit and records claims, indemnification claims, and any other legal or equitable relief. No arbitration shall be a condition precedent to any such action by Franchisor.

19.5. Security Interest. To secure your performance under this Agreement and indebtedness for all sums due us or our affiliates, we shall have a lien upon, and you hereby grant us a first priority security interest in, the following collateral and any and all additions, accessions, and substitutions to or for it and the proceeds from all of the same: (a) all inventory now owned or after-acquired by you and the Franchise, including but not limited to all inventory and supplies transferred to or acquired by you in connection with this

Agreement; (b) all accounts of you and/or the Franchise now existing or subsequently arising, together with all interest in you and/or the Franchise, now existing or subsequently arising, together with all chattel paper, documents, and instruments relating to such accounts; (c) all contract rights of you and/or the Franchise, now existing or subsequently arising; (d) all general intangibles of you and/or the Franchise, now owned or existing, or after-acquired or subsequently arising; and (e) all assets used to operate the Franchise Business. You agree to execute such financing statements, instruments, and other documents, in a form satisfactory to us, that we deem necessary so that we may establish and maintain a valid security interest in and to these assets.

19.6. Rights of Parties Are Cumulative. The rights of Franchisor and Franchisee are cumulative, and the exercise or enforcement by Franchisor or Franchisee of any right or remedy shall not preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled by law to enforce by the provisions of this Agreement or of the Operations Manual.

19.7. Judicial Enforcement, Injunction and Specific Performance. Notwithstanding anything in this Agreement to the contrary, Franchisor may, in its sole discretion, enforce this Agreement and any related agreement by judicial process and may bring any action in court, without first submitting the matter to mediation or arbitration, including actions to: (i) terminate this Agreement; (ii) collect any amounts owed by Franchisee or any guarantor; (iii) recover damages for any breach of this Agreement, the Operations Manual, or any related agreement; (iv) enforce post-termination obligations, restrictive covenants, confidentiality obligations, and intellectual property rights; (v) obtain declaratory relief, injunctive relief, or specific performance; (vi) enforce any guaranty, security interest, lease, assignment, or other related agreement; and (vii) obtain any other legal or equitable relief available to Franchisor. Franchisee acknowledges that any breach or threatened breach of this Agreement may cause Franchisor irreparable harm for which monetary damages alone are inadequate, and Franchisor shall therefore be entitled to injunctive relief and specific performance, without bond. Franchisee waives any claim or defense that Franchisor must first mediate or arbitrate before filing suit or obtaining judicial relief.Franchisee agrees to pay to Franchisor an amount equal to the aggregate costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation, court costs, and other litigation expenses, travel and living expenses, and any damages incurred by Franchisor as a result of the breach of any provision of this Agreement. The rights and remedies in this Section are cumulative and in addition to all other rights and remedies available under this Agreement, any related agreement, applicable law, or equity. Further, Franchisee agrees to pay to Franchisor the costs and expenses recoverable under Section 19.10, together with any damages incurred by Franchisor as a result of the breach of any provision of this Agreement.

19.8. Construction. Any other agreements or instruments referred to herein or which relate to the purchase or lease by Franchisee from Franchisor of any fixtures, signs, equipment, merchandise, or the like, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor or Franchisee relating to the subject matter of this Agreement. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of those sections or paragraphs. The term "Franchisee" as used herein is applicable to one or more persons, a corporation or partnership, as the case may be, the singular usage includes the plural, and the

masculine and neuter usages include the other and the feminine. References to "Franchisee" applicable to an individual or individuals shall mean the principal owner or owners of the equity or operating control of Franchisee if Franchisee is a corporation or partnership.

19.9. Puerto Rico Law Applies. Except to the extent governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C., Section 1051 et. seq.) or the U.S. Arbitration Act, this Agreement shall be governed by the laws of the Commonwealth of Puerto Rico, and any judicial action shall be brought exclusively in the state or federal courts located in San Juan, Puerto Rico, or, if Franchisor's principal place of business is no longer in Puerto Rico, in the state or federal courts located where Franchisor then has its principal place of business. Franchisee irrevocably consents to the personal jurisdiction and venue of such courts and waives any objection based on improper venue, forum non conveniens, or lack of personal jurisdiction.

19.10. Costs and Attorney Fees. Franchisor will debit the EDTA up to Five hundred dollars ($500.00) for each notice of default Franchisor sends to you for violations of the Franchise Agreement. In addition to Franchisor's fees for default notices, if a claim for amounts owed by you to us or our Affiliates is asserted in any legal or arbitration proceeding or if either you or we are required to enforce this agreement in a judicial or arbitration proceeding, and we prevail, you will reimburse us for all reasonable costs and expenses actually incurred by us or our Affiliates, including, without limitation, reasonable accounting fees, attorney fees, paralegal fees, expert fees, arbitration fees, court costs, disbursement cost, discovery costs, investigation costs, travel and living expenses, and Internal Personnel Costs, whether incurred prior to, or in preparation for, or in contemplation of, the filing of written demand or claim, action, hearing or proceeding to enforce the obligations of the parties. For purposes of this Section 19.10, "Internal Personnel Costs" means the actual, documented cost to Franchisor or its Affiliates of time spent by their in-house counsel and other employees, agents, or contractors materially involved in the matter, including franchise support, operations, finance, compliance, or executive personnel, calculated on a reasonable hourly basis using the actual cost of salary or wages, employee benefits, payroll taxes, and directly allocable overhead; provided, however, that in no event shall the reimbursable hourly amount for any such person exceed Two Hundred Fifty Dollars ($250.00) per hour. Attorney fees will include, without limitation, reasonable legal fees charged by attorneys, paralegals, and other legal support personnel, and costs and disbursements, whether incurred prior to, or in preparation for, or in contemplation of, the filing of any written demand or claim, action, hearing, mediation, arbitration, bankruptcy matter, appeal, or proceeding to enforce the obligations of the parties.

19.11. Binding Effect. This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest.

19.12. There Are No Unwritten Agreements, Operations Manual and Other Manuals Subject to Change. This instrument contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect unless a subsequent modification in writing is signed by the parties hereto. However, the manuals may be amended at any time by Franchisor, and Franchisee shall adapt its methods or procedures to comply with the requirements thereof.

19.13. Entire Agreement. This Agreement, the documents referred to herein, and the attachments hereto, if any, constitute the entire, full, and complete Agreement between

Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. Except for those acts permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

19.14. Force Majeure. Except for monetary obligations hereunder, or as otherwise specifically provided in this Franchise Agreement, if either party to this Agreement shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement not the fault of such party, the performance of such act shall be excused for the period of the delay, but in no event to exceed ninety (90) days from the stated time periods as set forth in this Franchise Agreement.

19.15. Waiver of Jury Trial. YOU (AND YOUR OWNERS) AND WE EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER YOU (OR YOUR OWNER) OR US.

19.16. Waiver of Punitive Damages. EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY US, YOU AND YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST US, IN THE EVENT OF A DISPUTE BETWEEN US, YOU WILL BE LIMITED TO EQUITABLE RELIEF AND THE RECOVERY OF ANY ACTUAL DAMAGES HE, SHE OR IT SUSTAINS.

19.17. Limitation of Claims. EXCEPT FOR CLAIMS ARISING FROM YOUR NONPAYMENT OF AMOUNTS DUE UNDER THIS AGREEMENT, YOU AGREE THAT ANY AND ALL CLAIMS YOU MAY ASSERT AGAINST US ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP MUST BE BROUGHT BY YOU WITHIN ONE (1) YEAR FROM THE DATE YOU KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO SUCH CLAIMS. FAILURE TO INITIATE AN ARBITRATION PROCEEDING WITHIN THIS ONE-YEAR PERIOD WILL BAR YOU FROM PURSUING SUCH CLAIMS. THIS LIMITATION PERIOD DOES NOT APPLY TO CLAIMS WE MAY ASSERT AGAINST YOU.

19.18. No Recourse Against Nonparty Affiliates. All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to, this Agreement), may be made only against (and are those solely of) the entities that are expressly identified as parties in the preamble to this Agreement or their Permitted Transferees ("Contracting Parties"). No Person who is not a Contracting Party, including any director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of, and any financial advisor or lender to, any Contracting Party, or any director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of, and any financial advisor or lender to any, of the

foregoing ("Nonparty Affiliates"), shall have any liability (whether in contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach, and, to the maximum extent permitted by law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such Nonparty Affiliates. Without limiting the foregoing, to the maximum extent permitted by law, (a) each Contracting Party hereby waives and releases any and all rights, claims, demands, or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose liability of a Contracting Party on any Non-Party Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Non-Party Affiliate with respect to the performance of this Agreement or any representation or warranty made in, in connection with, or as an inducement to this Agreement.

19.19. Survival. The expiration, termination, non-renewal, transfer, assignment, abandonment, suspension, or other cessation of this Agreement shall not affect any provision of this Agreement which by its terms or nature is intended to survive, including all obligations relating to: (i) payment of any amounts due to Franchisor; (ii) indemnification; (iii) confidentiality, proprietary information, and trade secrets; (iv) use and protection of the Marks, System, customer data, telephone numbers, websites, social media accounts, and other proprietary or digital assets; (v) audit, reporting, recordkeeping, and access to books, records, computer systems, and data; (vi) restrictive covenants, non-solicitation, non-diversion, and other post-term restrictions; (vii) guaranties, security interests, assignments, and related agreements; (viii) dispute resolution, forum, venue, choice of law, injunctive relief, specific performance, and enforcement rights; and (ix) all obligations of Franchisee under Article 18 and any other post-termination or post-expiration obligations. All such provisions shall remain in full force and effect for the maximum period permitted by law.

I have read and understand Article 19 and agree to comply its Sections.

Your Initials: _____ / _____

20. APPROVALS AND WAIVERS

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefore, and such approval or consent shall be obtained in writing. As a condition to granting any approval or consent, the Franchisor may require the Franchisee to execute a general release, in a form prescribed by the Franchisor, releasing the Franchisor, its affiliates, and their respective officers, directors, agents, and employees from any and all claims arising prior to the date of the release, to the fullest extent permitted by applicable law.

Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or

suggestion to Franchisee or in connection with any consent, or by reason of any neglect, delay, or denial of any request, therefore.

No failure of Franchisor to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. Waiver by Franchisor of any particular default or breach by Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default or breach of the same, similar or different nature, nor shall any delay, forbearance, or omission, breach or default by Franchisor to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

21. INDEPENDENT CONTRACTOR

21.1. Franchisee is an Independent Contractor. During the term of this Agreement, and any renewals or extensions hereof, Franchisee shall hold itself out to the public as an independent contractor and independent business owner operating its Studio pursuant to a franchise from the Franchisor. Franchisee agree to take such affirmative action as may be necessary, including, without limitation, exhibiting multiple public notices of that fact, the content and display of which Franchisor shall have the right to specify. For example, notices stating that Franchisee's business is "Independently Owned and Operated by, [your company], a franchisee of StretchMed Franchise, LLC" shall be provided on letterhead, business cards, bank account names, bank checks, and signs at the Studio.

21.2. Franchisor Is Not In A Fiduciary Relationship With Franchisee. It is understood and agreed by the parties hereto that this Agreement does not establish a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever.

It is understood and agreed that nothing in this Agreement authorizes Franchisee, and Franchisee shall have no authority, to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to incur any debt or other obligation on behalf of Franchisor; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder or there under as a result of any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Studio or for any claim or judgment arising there from against Franchisee or Franchisor.

22. AUTHORITY

Franchisee or, if Franchisee is a corporation, limited liability company or partnership, the individuals executing this Agreement on behalf of such entity, warrant to Franchisor, both individually and in their capacities as owners, members, partners, officers, or whatever the case may be, that all parties having an interest in the entity have read and approved this Agreement, including the restrictions which this Agreement places upon their right to transfer their

respective interests in the partnership or corporation, as set forth in Section 16 herein.

23. NOTICES

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

Notices to Franchisor: **StretchMed Franchise, LLC**
954 Ave Ponce de Leon, Suite 205
PMB 10076, San Juan, PR, 00907

Notices to Franchisee: _____
NAME OF FRANCHISEE

_____
ADDRESS OF FRANCHISEE

24. ACKNOWLEDGMENTS.

Franchisee shall acknowledge the truthfulness of the statements contained in Attachment 1 hereto. Franchisee's acknowledgements are an inducement for us to enter into this Agreement. Franchisee shall immediately notify us, prior to acknowledgment, if any statement in Attachment 1 is incomplete or incorrect.

The parties hereto have executed this Franchise Agreement in triplicate the day and year first above written.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

ATTACHMENT 1
To The Franchise Agreement

PROSPECTIVE FRANCHISEE DISCLOSURE QUESTIONNAIRE & STATEMENT

The purpose of this Disclosure Addendum is to determine whether any statements or promises were made to you either directly or indirectly that were not authorized or that may be untrue, inaccurate, or misleading. Further this Addendum makes certain your understanding of the limitations on claims that may be made by you or your representative by reason of the offer and sale of the franchise and operation of your business.

Please review each of the following questions carefully and provide honest responses to each question.

1. Did you or your representative receive a copy of our Franchise Disclosure Document (and all exhibits and attachments) at least fourteen (14) calendar days prior to signing the Franchise Agreement? Fill in;
   Name: _____. [Yes/No]: _____.
   Name: _____. [Yes/No]: _____.
   If NO, please explain: _____
   _____
   _____

2. Have you carefully reviewed our Franchise Disclosure Document and Franchise Agreement? Fill in;
   Name: _____. [Yes/No]: _____.
   Name: _____. [Yes/No]: _____.
   If NO, please explain: _____
   _____
   _____

3. Did you understand all of the information contained in both the Franchise Disclosure Document and the Franchise Agreement? Fill in;
   Name: _____. [Yes/No]: _____.
   Name: _____. [Yes/No]: _____.
   If NO, please explain: _____
   _____
   _____

4. Was any oral, written, or visual claim or representation made to you, which contradicted the disclosures in the Franchise Disclosure Document? Fill in;
   Name: _____. [Yes/No]: _____.
   Name: _____. [Yes/No]: _____.
   If YES, please explain:_____
   _____

_____

5. Did any employee or other person acting on behalf of StretchMed Franchise, LLC make any statement or promise regarding the costs involved in operating a franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Fill in;
   Name: _____. [Yes/No]: _____.
   Name: _____. [Yes/No]: _____.
   If YES, please explain:_____
   _____
   _____

6. Except as stated in Item 19, did any employee or other person acting on behalf of StretchMed Franchise, LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any STRETCHMED® Franchise location or business, or the likelihood of success of your franchised business? Fill in;
   Name: _____. [Yes/No]: _____.
   Name: _____. [Yes/No]: _____.
   If YES, please explain:_____
   _____
   _____

7. Do you understand that the Franchise granted is for the right to develop an independently owned and operated STRETCHMED® Studio in a certain Protected Territory and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations, as we determine, outside your protected Territory? Fill in;
   Name: _____. [Yes/No]: _____.
   Name: _____. [Yes/No]: _____.
   If NO, please explain: _____
   _____
   _____

8. Do you understand that the Franchise Agreement and Franchise Disclosure Document contain the entire agreement between you and us concerning your STRETCHMED® Franchise rights, meaning any prior oral or written statements not set out in the Franchise Agreement or Franchise Disclosure Document will not be binding? Fill in;
   Name: _____. [Yes/No]: _____.
   Name: _____. [Yes/No]: _____.
   If NO, please explain: _____
   _____
   _____

9. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in the Franchise Agreement and that an injunction is an appropriate remedy to protect the interests of StretchMed Franchise, LLC if you violate the covenant(s)? Further, do you understand

that the term "you" for purposes of the non-compete covenants is defined broadly such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default, and termination of the Franchise Agreement? Fill in;
Name: _____. [Yes/No]: _____.
Name: _____. [Yes/No]: _____.
If NO, please explain: _____
_____
_____

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

NOTE: IF THE RECEIPT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS COMPLIANCE ADDENDUM.

Signed:_____	Signed: _____
Printed Name:_____	Printed Name: _____
Date:_____	Date:_____

ATTACHMENT 2
To The Franchise Agreement

INTERNET ADVERTISING, SOCIAL MEDIA, AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT (the "Agreement") is made and entered into this day of _____ (the "Effective Date") by and between StretchMed Franchise, LLC, a Puerto Rico limited liability company (the "Franchisor"), and _____ a(n) _____(the "Franchisee").

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for an upscale Stretching Studio business ("Franchise Agreement") which will allow Franchisee to conduct internet- based advertising, maintain social media accounts, and use telephone listings linked to the upscale Stretching Studio brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

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

1. Definitions

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

"Digital Assets" means all internet, electronic, mobile, social media, telecommunications, directory, advertising, listing, promotional, lead-generation, data, content, and account-related assets used in connection with the Franchised Business, the Marks, the Studio, or the System, whether now existing or later developed, including without limitation: domain names; subdomains; URLs; websites; webpages; landing pages; microsites; social media accounts, pages, handles, profiles, groups, channels, and usernames; Google Business Profiles; Apple Maps listings; review-site profiles; directory listings; online marketplace profiles; chat and messaging accounts; email marketing accounts; advertising accounts; business manager accounts; pixels, tags, and tracking tools; call tracking numbers; SMS and text messaging numbers; toll-free and local telephone numbers; voice-over-IP accounts; customer contact forms; lead forms; CRM-integrated pages; all photographs, videos, graphics, copy, creative, posts, reels, testimonials, comments, direct messages, leads, inquiries, account history, analytics, audiences, metadata, customer data to the extent permitted by applicable law, and all usernames, passwords, authentication credentials, recovery credentials, backup codes, and administrative rights associated with any of the foregoing.

2. Internet Advertising and Telephone Accounts

2.1 Interest in Websites, Social Media Accounts and Other Electronic Listings. Franchisee acknowledges and agrees that, as between Franchisor and Franchisee, Franchisor exclusively owns all right, title, and interest in and to all Digital Assets that use, display, incorporate, are associated with, or are used in connection with the Marks, the Franchised Business, the Studio, or the System, together with all goodwill associated therewith. To the extent any right, title, or interest in any Digital Asset is deemed to vest in Franchisee or any of its owners, employees, agents, contractors, or affiliates, such interest shall automatically be deemed assigned to Franchisor, and until such assignment is completed shall be held in trust by Franchisee solely for the benefit of Franchisor. Franchisee shall have no ownership interest in any such Digital Asset except the limited, revocable right to use the same during the term of the Franchise Agreement strictly in accordance with the Franchise Agreement, the Operations Manual, and Franchisor's written requirements.

2.2 Interest in Telephone Numbers and Listings. Franchisee acknowledges and agrees that, as between Franchisor and Franchisee, Franchisor exclusively owns all right, title, and interest in and to all telephone numbers, call-tracking numbers, SMS numbers, toll-free numbers, local numbers, telephone accounts, and all regular, classified, online, mobile, map-based, and other directory or listing profiles and records associated with the Franchised Business, the Studio, or the Marks (collectively, the "Telephone Listings"), together with all goodwill associated therewith. To the extent any such interest is deemed to vest in Franchisee or any other person acting on Franchisee's behalf, such interest shall automatically be deemed assigned to Franchisor, and until such assignment is completed shall be held in trust by Franchisee solely for the benefit of Franchisor.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media companies, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Electronic Advertising: (i) to transfer all of Franchisee's interest in such Electronic Advertising to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising or will take such other actions with respect to the Electronic Advertising as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in

Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee's interest in and to the Electronic Advertising to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Administrative Control During Term.** Throughout the term of the Franchise Agreement, Franchisee shall, upon Franchisor's request and in any event as required by Franchisor's policies from time to time: (a) cause Franchisor and/or its designee to be designated as owner, super-administrator, administrator, manager, or equivalent highest-level user on all Digital Assets and Telephone Listings; (b) ensure that all Digital Assets and Telephone Listings are established and maintained using Franchisor-approved business names, email addresses, telephone numbers, payment methods, recovery email addresses, recovery telephone numbers, and multifactor authentication methods; (c) refrain from using any personal email address, personal cell phone number, personal authentication application, or personal recovery credential of any owner, employee, vendor, or contractor as the sole or primary login, recovery, or verification method for any Digital Asset or Telephone Listing; and (d) promptly provide Franchisor with current and complete usernames, passwords, recovery credentials, authentication methods, backup codes, registrar information, and all other information necessary for

Franchisor to access and control all Digital Assets and Telephone Listings.

Franchisee shall not permit any advertising agency, marketing vendor, social media manager, content manager, SDR vendor, employee, contractor, or other third party to create, access, manage, or control any Digital Asset or Telephone Listing unless such party first agrees in writing, in form acceptable to Franchisor, that all such Digital Assets, Telephone Listings, content, data, and credentials are and shall remain the exclusive property of Franchisor and shall be turned over immediately to Franchisor upon request. Franchisee shall remain fully responsible for all acts and omissions of such third parties.

4. **Miscellaneous**

4.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

4.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

4.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

4.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

4.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

4.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

4.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

4.8 Governing Law. This Agreement shall be governed by and construed under the laws of the Commonwealth of Puerto Rico, without regard to the application of Puerto Rico conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

ATTACHMENT 3
To The Franchise Agreement

AUTHORIZATION AGREEMENT FOR DIRECT WITHDRAWALS (ACH DEBITS)

I (we) hereby authorize FRANCHISOR, hereinafter called COMPANY, to initiate debit entries and to initiate, if necessary, credit entries and adjustments for any credit entries in error to my (our) Checking account at the depository financial institution, hereinafter called DEPOSITORY, and to credit the same to such account. I (we) understand and authorize the COMPANY to debit outstanding or owed fees from my (our) Checking account. Including but not limited to fees associated with Continuing Service Fee payments, Fund contributions, other amounts due under the Franchise Agreement or for default violations, and for your purchases from us and our affiliates. I (we) understand that we will receive notification of such debits to our account if we provide a direct fax number or e-mail address below, or otherwise it shall be by ordinary mail. I (we) agree to reimburse the COMPANY for all costs or expenses it may incur if we do not have sufficient funds in the account on the date of the scheduled debit or on any future attempted debit of that amount. I (we) understand that our failure to have such necessary funds in the account on the scheduled due date is evidence of non-payment, and that the COMPANY may proceed to take any action it deems necessary to collect a debt due to our failure to pay or to have such sufficient funds on account for payment of the debt.

DEPOSITORY
NAME _____

CITY _____
ROUTING NO. _____ **ACCOUNT NO**. _____
****Attach a voided check for verification.**
I understand that this is a continuing authorization for the COMPANY to initiate debit transactions to my account listed above upon my written or verbal authorization. This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such a manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Franchisee Company Name _____

Authorized Signer(s)

_____ or _____
Signer 1 **Signer 2**

_____ _____
Printed Name **Printed Name**

Date_____
Fax No. _____
E-mail Address _____

ATTACHMENT 4
To The Franchise Agreement

MEMBERSHIP CONTRACT ASSIGNMENT AGREEMENT

THIS MEMBERSHIP CONTRACT ASSIGNMENT AGREEMENT by and between the Franchisee identified below ("**Franchisee**") and StretchMed Franchise, LLC (hereinafter the "STRETCHMED®").

BACKGROUND:

A. STRETCHMED® has developed and owns the proprietary system ("System") for the operation of a stretching Studio (the "Studio") under the trademark and logo STRETCHMED®;
B. Franchisee has been granted a franchise to operate a Studio, pursuant to a certain Franchise Agreement and in accordance with the System;
C. During the term of the franchise, Franchisee will be entering into membership contracts with Studio members permitting them access to the Studio facilities ("Membership Contracts"); and
D. As a condition to the execution of the Franchise Agreement, STRETCHMED® has required that Franchisee collaterally assign all of its right, title and interest in the Membership Contracts to STRETCHMED® in the event of expiration or termination of the Franchise Agreement;

AGREEMENT

In consideration of the foregoing, the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. In the event of expiration or termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the Center, Franchisee hereby sells, assigns, transfers and conveys to the STRETCHMED® all of its rights, title and interest in and to all Membership Contracts; provided, however, such Assignment will not be effective unless and until the Franchise Agreement has expired or is terminated in accordance with the provisions thereof and STRETCHMED® has delivered to Franchisee written notice of its acceptance of the assignment. In the event of such assignment, STRETCHMED® will assume no liability for monies owed or other liabilities relating to the Membership Contracts that have accrued prior to the effective date of the assignment.

2. Representation and Warranties of the Franchisee. Franchisee hereby represents, warrants and covenants to STRETCHMED® that:

(a) As of the effective date of the Assignment, all of Franchisee's obligations under the Memberships Contracts have been satisfied;
(b) As of the date hereof, Franchisee has full power and legal right to enter into, execute, deliver and perform this Agreement;
(c) This Agreement is a legal and binding obligation of Franchisee, enforceable in accordance with the terms hereof;
(d) The execution, delivery and performance of this Assignment does not conflict with,

violate, breach or constitute a default under any contract, agreement or instrument to which Franchisee is a party or by which Franchisee is bound, and no consent of nor approval by any third party is required in connection herewith; and

(e) Franchisee has the specific power to assign and transfer its right, title and interest in its Membership Contracts and Franchisee has obtained all necessary consents to this Assignment.

3. No Assumption of Liabilities. Franchisee acknowledges and agrees that Franchisor's exercise of rights under this Agreement shall not make Franchisor liable for any liabilities, obligations, refunds, claims, chargebacks, consumer complaints, taxes, penalties, regulatory violations, or other matters arising out of or relating to the Membership Contracts or the Studio before the effective date of Franchisor's assumption, all of which shall remain the sole responsibility of Franchisee. Franchisee shall indemnify, defend, and hold harmless Franchisor and its affiliates, and their respective officers, directors, managers, members, employees, agents, attorneys, successors, and assigns, from and against any and all such pre-effective-date matters.

4. Cancellation. Notwithstanding the foregoing, STRETCHMED® may, in its sole discretion and at any time prior to effectiveness of the assignment, declare this Agreement and the assignment contemplated hereunder null and void.

5. Miscellaneous. The validity, construction and performance of this Assignment is governed by the laws of the Commonwealth of Puerto Rico. All agreements, covenants, representations and warranties made herein will survive the execution hereof. All rights of STRETCHMED® inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the Effective Date of the Franchise Agreement.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

ATTACHMENT 5
To The Franchise Agreement

FRANCHISE AGREEMENT PERSONAL GUARANTY

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, and to induce StretchMed Franchise, LLC a Puerto Rico limited liability company (the "Franchisor") to enter into the above attached franchise agreement (the "Franchise Agreement"), with _____ (the "Franchisee") the undersigned (jointly and severally if more than one) absolutely, unconditionally, and irrevocably guarantee to StretchMed Franchise, LLC, its successors and assigns, the prompt payment and performance of any and all payments, indebtedness, obligations and liabilities of every kind or nature now or at any time hereafter owing to StretchMed Franchise, LLC by the Franchisee identified in the Franchise Agreement, whether directly or indirectly, and the prompt, full and faithful performance and discharge by Franchisee of each of the terms, conditions, representations, warranties and provisions on the part of Franchisee contained in the Franchise Agreement or any modification, extension, renewal or substitution thereof. The undersigned agrees that no extension, compromise, arrangement, alteration in time or method of payment, and no other act or omission by StretchMed Franchise, LLC shall release or relieve the undersigned with respect to this Guaranty.

The undersigned agree on demand to pay or reimburse StretchMed Franchise, LLC for all expenses, collection charges, and attorneys' fees, whether out of court or in litigation, including appeals in bankruptcy court proceedings incurred by StretchMed Franchise, LLC in endeavoring to collect, enforce or defend StretchMed Franchise, LLC's rights against Franchisee or under this Guaranty, with interest thereon subsequent to default at the highest lawful contract rate.

The undersigned waive (a) notice of demand, default, nonpayment, protest, any adverse change in Franchisee's financial condition, and all other notices to which Franchisee or the undersigned might otherwise be entitled, (b) StretchMed Franchise, LLC's granting of indulgences or extensions of terms of payment or performance, and (c) StretchMed Franchise, LLC releasing Franchisee, any guarantor or other person primarily or secondarily liable for failing to prosecute, collect or assert any remedies against any of them or against any collateral therein appertaining.

The undersigned agree that no delay or failure on StretchMed Franchise, LLC part in the exercise of any right or remedy against Franchisee or any of the undersigned shall operate as a waiver thereof, and no single or partial exercise by StretchMed Franchise, LLC of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies of the Franchisor under this Guaranty are cumulative and in addition to all other rights and remedies available under the Franchise Agreement, any related agreement, or applicable law or equity.

Each undersigned agrees that the obligations under this Guaranty are absolute, unconditional, and continuing, and shall not be subject to any defense, offset, setoff, deduction, recoupment, counterclaim, or reduction of any kind that Franchisee or any undersigned may have or assert against Franchisor, except to the extent prohibited by non-waivable applicable law.

This Guaranty shall remain in full force and effect notwithstanding any expiration, termination, nonrenewal, transfer, amendment, renewal, extension, or replacement of the Franchise Agreement or any related agreement, and notwithstanding any bankruptcy, insolvency, reorganization, receivership, assignment for the benefit of creditors, workout, or similar proceeding affecting Franchisee or any guarantor. If any payment or performance applied by Franchisor to any Guaranteed Obligation is thereafter rescinded, avoided, disgorged, recovered, returned, or required to be restored for any reason, including as a result of bankruptcy or insolvency proceedings, this Guaranty shall continue or be reinstated as though such payment or performance had never been made.

Each undersigned acknowledges and agrees that: (a) such undersigned has reviewed the Franchise Agreement and the related agreements, or had full opportunity to do so; (b) such undersigned will derive direct and indirect benefit from Franchisor's entering into the Franchise Agreement with Franchisee; (c) this Guaranty is a material inducement to Franchisor's entering into the Franchise Agreement and related agreements; and (d) such undersigned has full power and authority to execute and deliver this Guaranty and to perform his, her, or its obligations hereunder.

If Franchisee transfers the franchise or franchised business with Franchisor's approval, this Guaranty shall continue in full force and effect with respect to all Guaranteed Obligations arising or accruing before the effective date of such transfer and with respect to all Guaranteed Obligations that survive such transfer, including without limitation all post-term and restrictive covenant obligations, unless Franchisor expressly releases an undersigned in a written instrument signed by Franchisor. No approval by Franchisor of any transfer shall be deemed a release of any undersigned absent such express written release.

The undersigned agree that this Guaranty shall be fully assignable by StretchMed Franchise, LLC, without notice to or consent from any undersigned, and shall bind each of the undersigned, together with their heirs, legal representatives, successors and assigns directly, unconditionally, and primarily.

This Guaranty shall be governed by and construed in accordance with the laws governing the Franchise Agreement. Each undersigned agrees that all dispute resolution provisions, venue provisions, forum selection provisions, equitable relief provisions, and enforcement provisions contained in the Franchise Agreement are incorporated into this Guaranty by this reference as though fully set forth herein and shall apply to any dispute, claim, or proceeding arising out of or relating to this Guaranty, except to the extent prohibited by non-waivable applicable law.

If any provision of this Guaranty is held invalid or unenforceable, the remaining provisions shall remain in full force and effect to the fullest extent permitted by law. This Guaranty may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Dated this _____

Signature

Print Name

Signature

Print Name

ATTACHMENT 6
To The Franchise Agreement

APPROVED LOCATION, TERRITORY AND STATEMENT OF OWNERSHIP

1. Approved Location. The approved location under this agreement shall be

_____

2. Territory. The Territory under this agreement shall consist of the following zip code(s) and/or geographic area

_____

_____

3. Statement of Ownership.

Name	Percentage of Ownership
_____	_____
_____	_____
_____	_____

Attachment 7
To The Franchise Agreement

COLLATERAL ASSIGNMENT OF LEASE

KNOW ALL PERSONS BY THESE PRESENTS, that _____ ("Tenant"), in consideration of One Dollar ($1.00) and other good valuable consideration paid to it by StretchMed Franchise, LLC., with a principal place of business at 954 Ave Ponce de Leon, Suite 205- PMB 10076, SAN JUAN, PR, 00907 ("Assignee"), does hereby assign, transfer and set over unto Assignee all of its right, title and interest to and under a certain lease dated _____("Lease Agreement"), by and between _____ ("Landlord"), and Tenant, as tenant, covering the approximately _____ rentable square feet of floor area ("the demised premises") which premises are located on _____. This Collateral Assignment shall also include, to the fullest extent permitted by law, all amendments, renewals, extensions, guaranties, addenda, notices, options, rights of renewal, and all other rights and interests of Tenant arising under or relating to the Lease.

This Collateral Assignment is given as security for the full, faithful, and punctual performance of all obligations owed or to be owed by Tenant to Assignee pursuant to a Franchise Agreement between Tenant, as the Franchisee, and Assignee, as the Franchisor, and dated _____, together with all attachments, amendments, renewals, extensions, transfers, substitutions, assumptions, related agreements, and all other obligations owed by Tenant or its affiliates to Assignee or its affiliates in connection with the franchised business (the "Obligations").

Nothing herein contained shall alter, affect or impair any of the terms, covenants, or conditions contained in the lease.

Notwithstanding this Collateral Assignment, the Tenant shall be entitled to remain in possession of the demised premises subject to the provisions of the lease and to have all the benefit of and to be subject to all the obligations under the lease on the part of the Tenant to be performed and observed unless and until there be a default of the Obligations which default shall continue beyond any applicable curative period. Upon any such default whatsoever and notice thereof given by Assignee to Tenant and to Landlord, which notice shall be conclusive of all facts recited therein, Assignee shall thereafter be entitled, at its option, to immediate possession of the lease and the demised premises without being taken, or deemed to be guilty, of any manner of trespass and without prejudice to any remedies which might otherwise be used to enforce any breaches of the Obligations and Assignee shall have all the benefits of the tenant under the lease and shall be subject to the provisions of the lease and all the obligations under the lease on the part of the tenant thereunder to be performed and observed.

Assignee agrees that it may, within thirty (30) days after the giving of said notice or demand to take possession of the demised premises, seek out a replacement tenant acceptable to Landlord, (which acceptance will not be unreasonably withheld or delayed) which replacement tenant shall promptly take possession of the demised premises and assume all of the rights and obligations of Tenant under the lease. Such replacement tenant shall execute such documents requested by Landlord in order to give effect thereto including, without limitation, an agreement assigning the lease to the replacement tenant and a personal guaranty of the obligations of the tenant under the lease. Landlord shall

reasonably cooperate with Assignee and its employees, brokers, agents, consultants, attorneys, prospective replacement tenants, and other designees in connection with inspection, evaluation, showing, transfer, assignment, subleasing, or re-leasing of the Demised Premises.

Landlord agrees to immediately give Assignee notice of any default of Tenant under said lease, and Assignee shall have the same period to cure said default as is granted to Tenant under said lease. If Tenant fails to make any payment when due, Landlord shall immediately notify the Assignee in writing and shall take all necessary steps to enforce the Lease, including, but not limited to, issuing a notice of default to the Tenant in accordance with the Lease terms. Assignee may pay and expend such sums of money as Assignee, in its sole discretion deems necessary for any such purpose, and Tenant hereby agrees to pay to Assignee, immediately and without demand, all such sums so paid and expended by Assignee. All sums so paid and expended by Assignee and the interest thereon shall be added to and be part of the Obligations of Tenant.

Tenant shall not, without Assignee's prior written consent, amend, modify, surrender, terminate, extend, renew, shorten, expand, relocate, settle any dispute under, waive any right under, or otherwise alter the Lease, nor consent to any landlord recapture, relocation, or early termination right, nor enter into any side letter or other arrangement affecting the Lease.

Assignee further agrees that in exercising its rights hereunder, Assignee or its replacement tenant shall cause a minimum of interference with the business of Landlord or any other tenant of the shopping center of which the demised premises are a part.

Tenant covenants and agrees that, notwithstanding the assignment of the lease to the replacement tenant or the taking possession by Assignee or replacement tenant of the demised premises pursuant hereto, or the termination of the lease pursuant to its terms or as otherwise set forth herein, Tenant shall nevertheless remain liable to Assignee and Landlord for all damages and expenses including, without limitation, reasonable attorneys' fees incurred by Assignee and Landlord in connection with such taking. This Agreement shall be governed by the laws of the Commonwealth of Puerto Rico, and the venue shall lie in San Juan, Puerto Rico, or the venue where Franchisor then has its principal place of business. In the event of a dispute between the assignee and the Landlord, the prevailing party shall be awarded reasonable attorneys' fees and any damages incurred as a result of the breach of any provision of this Agreement.

Landlord's consent hereto shall not be deemed a consent to any further assignment or subletting of the demised premises without the written consent of Landlord and shall not operate to relieve Tenant from liability under the lease.

This Collateral Assignment shall remain in full force and effect throughout the initial lease term and any extensions, renewals, amendments, restatements, modifications, replacements, and holdover periods. It shall not be terminated without the written consent of the assignee. This Collateral Assignment of Lease, and all covenants, obligations, rights, and remedies contained herein, shall be binding upon and shall inure to the benefit of the Tenant, Landlord, and Assignee, and their respective successors, assigns, and transferees, including without limitation any successor landlord or successor tenant or any replacement tenant approved under this agreement. No assignment or transfer of interest under the Lease or this Collateral Assignment shall relieve the assignor of its obligations without the prior written consent of Assignee, and all such successors and assigns shall be bound by the terms hereof as if they were original parties hereto.

IN WITNESS WHEREOF, Tenant, Assignee and Landlord have caused this Collateral Assignment of Lease to be executed as a sealed instrument made effective as of the day and year of the Lease Agreement.

TENANT:

By: _____
Print Name: _____
Its: _____

LANDLORD:

By: _____
Print Name: _____
Its: _____

ASSIGNEE: StretchMed Franchise, LLC

By: _____
Print Name: Brian R. Cook
Its: Manager

ATTACHMENT 8
To The Franchise Agreement

SPOUSAL CONSENT

NOTE: EACH SPOUSE OF FRANCHISEE, OR IF FRANCHISEE IS A LEGAL ENTITY, THE SPOUSE OF EACH OWNER OR FRANCHISEE, MUST SIGN THIS SPOUSAL CONSENT.

The individual(s) listed below represents to StretchMed Franchise, LLC., ("Company") that each is the spouse of the individual(s) who have signed a Franchise Agreement with the Company dated _____.

In Consideration of the grant by the **Company** to Franchisee under the Franchise Agreement, each of the individual spouses listed below agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them: (a) must be firmly bound by all of the terms, provisions and conditions of the Franchise Agreement; (b) personally, absolutely, and unconditionally guarantee the full and timely performance by Franchisee of all of the Franchisee's obligations under the Franchise Agreement, including, without limitation, any of the Franchisee's indebtedness arising under or by virtue of the Franchise Agreement; (c) agree to be bound by the in-term and post-term covenants of the Franchise Agreement and related agreements; (d) acknowledges and agrees that this Spousal Consent and Agreement is in addition to, and not in lieu of, the Personal Guaranty executed by the owner-guarantor under Attachment 5; (e) agrees that the existence of any claim, setoff, defense, or counterclaim of Franchisee or the undersigned against the Company shall not constitute a defense to the enforcement of this Spousal Consent and Agreement or the restrictive covenants and other obligations referenced herein, to the fullest extent permitted by applicable law; and (f) agrees that this Spousal Consent and Agreement shall survive the transfer, expiration, termination, nonrenewal, amendment, extension, renewal, assignment, divorce, remarriage, or subsequent marriage relating to the Franchise Agreement, and that the undersigned shall execute such further documents as the Company may reasonably require to confirm or continue the effectiveness of this Spousal Consent and Agreement

FRANCHISEE: _____

SPOUSAL CONSENTING PARTIES:

By: _____, individually
Name: _____, individually
Address: _____
_____

By: _____, individually
Name: _____, individually
Address: _____
_____

ATTACHMENT 9
To The Franchise Agreement

Note: SUBJECT TO STATE LAW. The following non-compete is for the State of Massachusetts. If you are opening a franchise outside of Massachusetts, please consult with your attorney regarding a non-compete agreement (if applicable) that is in compliance with the laws of your state.

EMPLOYEE COVENANT NOT TO COMPETE

In consideration for an employment relationship and other goods and valuable consideration offered by _____**,** an independently owned and operated business doing business as STRETCHMED® ("Employer") referred to herein as ("STRETCHMED®") located at _____ I, _____ ("I"; or "Employee," whichever your relationship to Employer), hereby enter into this Agreement and agree as follows:

1. **Covenant Not to Compete**: During the period that I am with Employer, I will not directly or indirectly engage in, become employed by, or render services, advice, or assistance to any Competing Business. In addition, for a period of one (1) year following termination, conclusion or cessation of the employment relationship with Employer for any reason whatsoever, and within a 8-mile radius of the STRETCHMED® location I was employed at, I will not directly or indirectly: Start any new business in competition with STRETCHMED®; Assist in starting any new business in competition with STRETCHMED®; Assist in any way, including but not limited to acting as a franchisee or an employee, in any existing Competing Business which is in competition with STRETCHMED®; Assist any existing competing business in the design, development or enhancement of any existing competing business by adding or incorporating any methods, practices, designs, concepts, configurations, techniques, or principles that were utilized by STRETCHMED®. Further, I on behalf of myself or on behalf of any other person, firm or corporation will not directly or indirectly solicit franchisees or clients or prospective clients from Franchisor or any STRETCHMED® Studio, including but not limited to, soliciting or engaging in any activities outside of a STRETCHMED® Studio with STRETCHMED® clients. This includes direct and indirect interactions through all forms of social media. In the event an employee breaches his or her fiduciary duty to the business or steals from the employer, the above noncompete will last two (2) years following termination.

   'Competing Business' shall be defined herein as any business involved in the sale or servicing of same or similar products sold by STRETCHMED®.

2. **Mutual Consideration**: The parties agree that this Agreement is supported by adequate and mutually agreed consideration, which may include employment, continued employment, specialized training, access to confidential information and customer relationships, and any additional consideration expressly described in a written offer letter or other signed writing. Further, Employer and Employee both agree that the employee will receive $100 during the period of non-competition as mutually-agreed upon consideration.

3. **Requests for Clarification**: In the event that I am uncertain as to the meaning of any provision of this Agreement or its application to any particular information, item, or activity, I will

inquire in writing to the Employer, specifying any areas of uncertainty. Employer will respond in writing within a reasonable time, and will endeavor to clarify any areas of uncertainty, including such matters as whether it considers particular information to be in violation of this Agreement, and will explain any provision of this Agreement.

4. **Notice to Subsequent Employers:** For a period of one (1) year after termination, conclusion or cessation of employment with Employer for any reason whatsoever, or for a period of two (2) years after termination in the event employee breaches his or her fiduciary duty to the business or steals from the employer, Employee will inform any new employer before accepting employment of the terms of this Agreement. Furthermore, in the event of a breach of this agreement, Employer shall be permitted to inform any new employer of this agreement, and further employment provided by the new employer, would be a breach of this agreement.

5. **Obligations Unconditional**: The obligations of the parties under this Agreement are unconditional and do not depend upon the performance of an agreement, duties, obligations, or outside this Agreement.

6. **Remedies**: I understand that if I breach any of the provisions of this Agreement, Employer, in addition to any other rights, remedies, or damages available at law or in equity, shall be entitled: (a) 20% of all compensation employees have received; (b) to injunctive relief enjoining and restraining any such breach. I acknowledge that Employer would not have an adequate remedy at law for the breach or the threatened breach of any of the provisions of this Agreement and consent to the enforcement of this Agreement by Employer by means of a temporary or permanent injunction issued by any court of competent jurisdiction, without the posting of any bond or security by enjoining or restraining any violation or threatened violation of any of the provisions of this Agreement. Employer's right to injunctive relief is in addition to all other rights and claims of action that Employer may have, in law or in equity, including, without limitation, the right to assert a claim against the appropriate parties for the damages resulting from such breach; and (c) in addition to any other award of damages to which Employer may be entitled, I will be responsible for all costs and expenses, including attorney's fees, incurred by Employer, its successors and assigns as a consequence of any such breach.

   As used herein, costs and attorney's fees include any costs and attorney's fees in any appellate proceedings. Further, in the event legal action is commenced with respect to any of the provisions of this Agreement, the one and two-year respective periods described in paragraphs one (1) and four (4) above shall run from the date of any Final Judicial Determination of such legal action. 'Final Judicial Determination' shall mean the day on which the time for appeal from a final judgment in such legal action expires or, if an appeal be taken, the day on which a final determination of the appellate proceeding occurs.

7. **Assignment**: Employer may, in its sole discretion, assign this Agreement or its rights under this Agreement to any parent, affiliate, shareholder, or successor of Employer, or to any person or entity that purchases substantially all the assets of Employer, or to StretchMed Franchise, LLC. I may not transfer or assign this Agreement or any of my rights or obligations under this Agreement.

8. **Binding Effect and Benefit**: This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal and personal representative, successors, and

permitted assigns.

9. **Governing Law**: This Agreement shall in all respects be governed by and interpreted, construed, and enforced in accordance with the laws of the State of Massachusetts.

10. **Venue**: The venue for any and all legal action in any way related to this Agreement shall be the Commonwealth of Massachusetts.

11. **Severability**: Every provision of this Agreement shall be construed, to the extent possible, so as to be valid and enforceable. If any provision of this Agreement so construed is held by a court of competent jurisdiction to be valid, illegal, or otherwise unenforceable, such provision shall be deemed severed from this Agreement, and all other provisions shall remain in full force and effect.

12. **At Will Employment**: This Agreement constitutes no guarantee by the Employer of continued employment or compensation of the Employee. It is expressly understood and agreed that the Employee's employment with Employer shall be terminable at will.

13. **Protection of Legitimate Business Interests**: I hereby agree that Employer has unique systems of marketing, sales, and overall business operations which enable it to generate a substantial number of product sales and in addition foster community goodwill. I agree that these unique systems constitute trade secrets owned by or licenses to Employer and protected by state and federal laws. I further agree that without this Agreement, I will gain an unfair advantage in future competition with Employer. Finally, I agree that the execution of the Agreement and enforcement of this Agreement and enforcement thereof is reasonable relating to the protection of these legitimate business interests.

14. **Third Party Right of Enforcement**. I acknowledge and agree that I am signing this Agreement for the benefit of Employer and also for the limited benefit of StretchMed Franchise, LLC, its affiliates, successors, and assigns, solely with respect to the protection and enforcement of confidential information, proprietary rights, restrictive covenants, and related remedies under this Agreement. Employer, and each such party shall be an intended third-party beneficiary of this Agreement for those limited purposes and, shall have the right to enforce this Agreement directly against me for those purposes only.

    I acknowledge and agree that I am employed or engaged solely by Employer, and not by StretchMed Franchise, LLC or any of its affiliates. Employer is an independently owned and operated business, and is solely responsible for all decisions relating to hiring, firing, discipline, supervision, scheduling, compensation, payroll, benefits, leave, workplace safety, classification, evaluation, and all other terms and conditions of my employment or engagement. Nothing in this Agreement, the Franchise Agreement, the Operations Manual, any system standards, any training, or any communication from StretchMed Franchise, LLC shall be construed to create any employment, agency, partnership, joint venture, fiduciary, or other similar relationship between me and StretchMed Franchise, LLC.

15. **Entire Agreement**: This Agreement sets forth the entire Agreement and understanding between the undersigned parties regarding the subject matter hereof and supersedes all prior agreements and understandings regarding the same subject matter. This Agreement may be

modified or amended only by a document duly executed by both of the undersigned parties.

I CERTIFY THAT I HAVE RECEIVED THIS AGREEMENT BEFORE A FORMAL OFFER OF EMPLOYMENT WAS MADE, OR AT LEAST 10 BUSINESS DAYS BEFORE I BEGAN WORK.

I ALSO CERTIFY THAT I HAVE READ AND UNDERSTAND ALL OF THE PROVISIONS OF THE ABOVE AGREEMENT AND HAD THE OPPORTUNITY TO HAVE MY ATTORNEY REVIEW IT.

I UNDERSTAND I AM BEING PAID 20% MORE PER YEAR THAN OTHERWISE TO HONOR THIS AGREEMENT.

Dated this_____

Signature of Employee _____

Printed Name _____

Employee Address _____

City, State, Zip _____

ATTACHMENT 10
To The Franchise Agreement

SOFTWARE ASSIGNMENT AGREEMENT

THIS SOFTWARE ASSIGNMENT AGREEMENT by and between the Franchisee identified below ("**Franchisee**") and StretchMed Franchise, LLC (hereinafter the "STRETCHMED®").

BACKGROUND

A. **STRETCHMED®** has developed and owns the proprietary system ("System") for the operation of a stretching Studio (the "Studio") under the trademark and logo STRETCHMED®;

B. Franchisee has been granted a franchise to operate a Studio, pursuant to a certain Franchise Agreement and in accordance with the System;

C. During the term of the franchise, Franchisee will be entering into software contracts with various vendors, including but not limited to, Stripe, Momence, Google Suite ("Software Vendors") to operate the studio; and

D. As a condition to the execution of the Franchise Agreement, STRETCHMED® has required that Franchisee collaterally assign all of its right, title and interest in the various softwares to STRETCHMED® in the event of expiration or termination of the Franchise Agreement

AGREEMENT

In consideration of the foregoing, the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. "Software Assets" means all of Franchisee's right, title, and interest, whether now existing or hereafter arising, in and to all software and technology contracts, subscriptions, licenses, accounts, portals, platforms, merchant processing accounts, web-based software applications, email domains and accounts, payment processing relationships, CRM systems, scheduling systems, calendars, communication systems, user profiles, administrative rights, billing rights, usernames, passwords, authentication credentials, recovery credentials, access codes, integrations, API keys, reports, exports, customer data, logs, analytics, templates, histories, and all other rights or interests relating to any software, technology, or platform used in connection with the Studio or the Franchised Business, in each case to the fullest extent permitted by applicable law.

2. Assignment. In the event of expiration or termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the Center, Franchisee hereby sells, assigns, transfers and conveys to the STRETCHMED® all of its rights, title and interest in and to all "Software Assets"; provided, however, such Assignment will not be effective unless and until the Franchise Agreement has expired or is terminated in accordance with the provisions thereof and STRETCHMED® has delivered to Franchisee written notice of its acceptance of the assignment. In the event of such assignment, STRETCHMED® will assume no liability for monies

owed or other liabilities relating to the softwares that have accrued prior to the effective date of the assignment.

3. Representation and Warranties of the Franchisee. Franchisee hereby represents, warrants and covenants to STRETCHMED® that:

(a) As of the effective date of the Assignment, all of Franchisee's obligations under the Memberships Contracts have been satisfied;

(b) As of the date hereof, Franchisee has full power and legal right to enter into, execute, deliver and perform this Agreement;

(c) This Agreement is a legal and binding obligation of Franchisee, enforceable in accordance with the terms hereof;

(d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which Franchisee is a party or by which Franchisee is bound, and no consent of nor approval by any third party is required in connection herewith;

(e) Franchisee has the specific power to assign and transfer its right, title and interest in the Software Assets and Franchisee has obtained all necessary consents to this Assignment;

(f) the Software Assets are free and clear of liens, security interests, assignments, and encumbrances other than rights granted to Franchisor; and

(g) Franchisee shall not, without Franchisor's prior written consent, amend, terminate, surrender, transfer, impair, or voluntarily discontinue any material Software Asset or materially alter any Software Vendor relationship required for operation of the Studio.

4. Administrative Control During the Term. Throughout the term of the Franchise Agreement, Franchisee shall, upon Franchisor's request and in any event as required by Franchisor's policies from time to time: (a) maintain the Software Assets in good standing and in compliance with the Franchise Agreement, vendor requirements, and Franchisor's standards; (b) ensure that Franchisor and/or its designee has administrator-level or equivalent access to all Software Assets that Franchisor designates, to the fullest extent permitted by vendor terms and applicable law; (c) establish and maintain the Software Assets using Franchisor-approved business names, email addresses, telephone numbers, billing contacts, payment methods, recovery methods, and authentication settings; and (d) refrain from changing ownership, administrator rights, billing contacts, recovery credentials, or authentication methods for any Software Assets in a manner that limits or impairs Franchisor's access, oversight, transition rights, or operational continuity.

5. No Assumption of Liabilities. Franchisee acknowledges and agrees that Franchisor's exercise of rights under this Agreement shall not make Franchisor liable for any liabilities, obligations, fees, penalties, taxes, claims, refunds, chargebacks, data breaches, compliance failures, or other matters arising out of or relating to the softwares before the effective date of Franchisor's assumption of any software, all of which shall remain the sole responsibility of Franchisee. Franchisee shall indemnify, defend, and hold harmless Franchisor and its affiliates, and their respective officers, directors, managers, members, employees, agents, attorneys, successors, and assigns, from and against any and all such pre-effective-date matters.

6. Cancellation. Notwithstanding the foregoing, STRETCHMED® may, in its sole discretion and at any time prior to effectiveness of the assignment, declare this Agreement and the assignment contemplated hereunder null and void Miscellaneous. The validity, construction and performance of this Assignment is governed by the laws of the Commonwealth of Puerto Rico. All agreements, covenants, representations and warranties made herein will survive the execution hereof. All rights of STRETCHMED® inure to its benefit and to the benefit of its successors and assigns.

7. Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, nonperformance, breach, or Franchisor's enforcement of this Agreement, which costs and expenses Franchisee shall pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it shall indemnify, defend, and hold harmless Franchisor and its affiliates, and their directors, officers, shareholders, partners, members, employees, agents, attorneys, successors, and assigns, from and against any and all losses, damages, claims, debts, demands, penalties, liabilities, costs, and expenses that are related to or based upon this Agreement, the Software Assets, or Franchisee's use, misuse, impairment, transition, or failure to maintain the Software Assets.

8. Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

9. Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, affiliates, managers, owners, agents, and persons acting on Franchisee's behalf as if they had duly executed this Agreement, and shall inure to the benefit of Franchisor and its affiliates, successors, assigns, purchasers, managers, designees, and approved transferees.

10. Survival. This Agreement shall survive the expiration, transfer, termination, or nonrenewal of the Franchise Agreement. All agreements, covenants, representations, warranties, assignments, indemnities, powers of attorney, and obligations made herein will survive the execution hereof.

11. Governing Law. The validity, construction, and performance of this Agreement shall be governed by and construed under the laws of the Commonwealth of Puerto Rico, without regard to the application of Puerto Rico conflict of law rules.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the Effective Date of the Franchise Agreement.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

By:_____
Name:_____
Title:

EXHIBIT C
To The Franchise Disclosure Document

SAMPLE FORM OF GENERAL RELEASE

This is a General Release executed on _____ by _____ a(n) _____ having its principal address _____ (hereinafter "Franchisee") and _____ , an individual (hereinafter "Guarantor")

Recitals:
Franchisee entered into a Franchise Agreement, and any counterparts thereto, for the operation by Franchisee of a "STRETCHMED®" Franchised Business located at _____ (hereinafter "The Premises"). The franchise agreement is dated _____. In consideration of Franchisor's processing and approval of _____, the Franchise Agreement provides that Franchisee must sign this General Release as a condition to such_____. All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guarantee.

Franchisee Release in Favor of Franchisor. Therefore, for the valuable consideration of the mutual benefits to be derived by the parties from the making of this agreement, and intending to be legally bound, Franchisee and Guarantor on behalf of its heirs, legal representatives, successors, and assigns, agents, and attorneys (collectively, the "Franchisee Releasing Parties") hereby compromises, settles, waives, releases, and discharges, with prejudice, the Franchisor and its affiliates, successors and assigns, and their respective past and present employees, officers, directors, legal counsel, financial advisors and consultants, representatives, and agents (collectively, "the Franchisor Released Parties") from any and all claims, rights, causes of action, protests, suits, disputes, obligations, debts, demands, agreements, promises, liabilities, controversies, costs, expenses, fees, and damages of any kind (collectively, "Claims") (i) arising by any means including, but not limited to, Claims by way of subrogation, assignment, reimbursement, operation of law, or otherwise, and (ii) arising out of events, occurrences, actions, or failure to act preceding the date of this Agreement, and (iii) relating to or in any way connected with past action by Franchisor under the Franchise Agreements, including in the term "Claims" all matters, whether known or unknown, accrued or not accrued, foreseen or unforeseen, matured or not matured. The provisions of this paragraph include but are not limited in their scope to Claims for breach of contract or any Claims arising out of the Contract and Claims sounding in tort, including Claims for injury of any kind, whether intentional or negligent, and further include but are not limited to, Claims for the negligence of any of the Franchisor Released Parties and Claims that may be asserted under any federal or state statute or regulation that relate in any way to the business of the Franchise Business or Franchisor's actions or omissions with respect to the Franchise Territory. The Franchisee Releasing Parties expressly agree not to at any time sue, protest, initiate, institute, or assist in the instituting of any proceeding, grievance, suit, or investigation before any court or other governmental authority or before any arbitration tribunal that is related to any Claim that is released by this Agreement or to otherwise assert any released Claim against any of the Franchisor Released Parties. The Franchisee Releasing Parties covenant, represent and warrant that they have not sold, assigned, pledged, transferred, or otherwise disposed of any right, title, or interest lien, security interest, or claim into or with respect to any of the

released Claims they or any of them may have against any of the Franchisor Released Parties.

Further Assurances. In the event that at any time after the execution of this Agreement any further action shall be necessary or desirable to carry out the purposes of this Agreement, each of the parties shall take such further action and shall execute and deliver such further instruments and documents, as any party may reasonably request of the other, at the sole cost and expense of the requesting party.

Miscellaneous Provisions. This Agreement binds and inures to the benefit of the parties and their respective heirs, legal representatives, successors, and assigns. This Agreement may be executed in more than one counterpart, not all of which need be signed by all parties, each of which shall be deemed an original but all of which taken together shall constitute one and the same agreement. A photocopy or other reproduction of this Agreement shall be admissible as evidence in any legal proceedings as an original. Puerto Rico law shall govern this Agreement. No amendment to this Agreement shall be valid unless the same shall be reduced to writing and signed by all parties. Each party shall bear its own legal expenses incurred in the preparation of this Agreement, including legal expenses. Franchisee and Guarantor waives any right or benefit which Franchisee or Guarantor may have under section 1542 of the California Civil Code or any equivalent law or statute of any other state. Section 1542 of the California Civil Code reads as follows:

> "Section 1542. A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Franchisee and Guarantor acknowledge that they may hereafter discover facts different from or in addition to those they now know or believe to be true, but nevertheless intend by this Release to fully, finally, and forever settle and release all released claims, whether known or unknown, suspected or unsuspected, except as expressly excluded in this Agreement.

This General Release shall be interpreted and enforced to the fullest extent permitted by applicable law. If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under any applicable law or public policy, such provision shall be deemed modified to the minimum extent necessary to make it valid, legal, and enforceable (or, if such modification is not permitted, severed), and the remaining provisions shall remain in full force and effect. The invalidity or unenforceability of any provision in any jurisdiction shall not affect the validity or enforceability of that provision in any other jurisdiction.

Franchisee and each Guarantors acknowledge and agree that: (a) they have carefully read and fully understand this Agreement; (b) they have had the opportunity to consult with independent legal counsel; (c) they are executing this Agreement voluntarily, without duress or coercion; and (d) no promises or representations other than those expressly stated in this Agreement were made to induce them to sign.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

Franchisee: _____

By: _____
Its: _____

By: _____
Its: _____

Guarantor: _____

By: _____, Individually

Guarantor: _____

By: _____, Individually

EXHIBIT D
To The Franchise Disclosure Document

MULTI-STATE ADDENDA

ARKANSAS ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Arkansas:

Any provision of the Agreement that would require you, at the time you enter into the Agreement, to assent to a release, assignment, novation, waiver, or estoppel which would relieve any person from liability imposed by the Arkansas Franchise Practices Act is void to the extent that the provision violates applicable law.

FRANCHISEE:
_____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

FRANCHISOR:
StretchMed Franchise, LLC

By: _____
Name: Brian Cook
Title: President

CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of California:

1. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law. .

2. To the extent that Sections of the Agreement would otherwise violate California law, these sections are amended by providing that all litigation by or between you and us, involving a Development Business in the State of California, which arises directly or indirectly from the Agreement will be commenced and maintained in the state courts of California or the United States District Court for California, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

3. The Franchisor, and/or any person listed in Item 2 of the FDD is not 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 persons from membership in such association or exchange.

4. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document.

5. Our website has not been reviewed or approved by the California 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.

6. Item 17 of the FDD shall be supplemented to include the following:

> California Business and Professions Code sections 20000 through 20043 (the Franchise Relations Act) 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. In particular, Business and Professions Code section 20010 voids a waiver of your rights under the Franchise Relations Act.
>
> The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).
>
> The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under

California law.

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

The Franchise Agreement requires binding arbitration. The arbitration will occur at San Juan, Puerto Rico, or if the corporate headquarters is no longer in Puerto Rico, the city where the corporate headquarters is then located with the costs being borne by each party being responsible for their own legal fees. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of the Commonwealth of Puerto Rico. This provision may not be enforceable under California law. You may want to consult an attorney to understand the impact of out-of-state governing law on the Franchise Agreement.

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).

7. Section 31125 of the California Corporation Code requires us to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

8. Late Fees: The highest interest rate allowed by law in California is 10% annually.

9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

10. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

CONNECTICUT ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Connecticut:

1. The following provision will be added to the Agreement Agent for Service of Process. Our agent in Connecticut authorized to receive service of process is Connecticut Banking Commissioner, 260 Constitution Plaza, Hartford, Connecticut 06103-1800.

2. Under the Agreement, we will lend you one copy of the Manual within 15 days after we sign the Agreement. We are not required to deliver any other items, equipment, supplies or operational guidelines to you prior to your beginning operation of your Development Business.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

HAWAII ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Hawaii:

1. Any provision of the Agreement that requires you, at the time you enter into the Agreement, to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by Hawaii Franchise Investment Law is deleted from the Agreement.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

Illinois law governs the Franchise Agreement.

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

Your rights upon Termination and Non-Renewal of an agreement are ste forth in Section 19 and 20 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.

In conformance with the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements, adopted September 18, 2022 and effective January 1, 2023, add the following to each Illinois addenda:

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

You may not open your STRETCHMED® franchise until you have scheduled at two hundred fifty (250) Free Intro Stretches.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

INDIANA ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the offering circular, the Agreement, or State of Incorporation law, if these provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as including any material breach of the Agreement, will supersede the provisions of the Agreement to the extent it may be inconsistent with this prohibition.

3. Any provision in the Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that the provision violates this law.

4. The Agreement will be modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Agreement:

No Limitation on Litigation. Notwithstanding the foregoing provisions of any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any the contractual provision violates the Indiana Deceptive Franchise Practices Law.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

IOWA ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Iowa:

1. Any provision in the Agreement which would result in your waiver of any rights under Iowa Business Opportunity Promotions Law before or at the time of signing the Agreement is void to the extent that the provision violates this law.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

LOUISIANA ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Louisiana:

1. Any condition, stipulation or provision in the Agreement which would result in your waiver of any rights established by Louisiana law is void to the extent that the condition, stipulation or provision violates this law.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT

Despite anything to the contrary in the Agreement, the following provisions will apply to all franchises offered and sold in the State of Maryland:

Section 3(b) of the Franchise Agreement is amended by adding: any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Section 17(b) of the Franchise Agreement is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. Seq.).

Section 19(g) of the Franchise Agreement is amended by adding: any claims arising under the Maryland Franchise Registration and Disclosure Law may be brought in the State of Maryland. All claims arising under the Maryland Franchise Registration Disclosure Law must be brought within 3 years after the grant of the franchise.

Section 19(k) of the Franchise Agreement the integration clause/entire agreement is amended to clarify that nothing in the Agreement or in any related agreements is intended to disclaim the representations we made in the franchise disclosure document.

All representations in the Franchise Agreement requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to, nor shall they act as, a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that the contractual provision violates this law.

2. Minnesota Statute § 80C.21 and Minnesota 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 of the jurisdiction. Any provision in the Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Agreement relating to exclusive mediation.

3. The following language will appear in the Agreement.

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, This Agreement will not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

4. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 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 Agreement.

We will protect your rights under this Agreement to use the Marks, or indemnify you from any loss, costs or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Agreement and the System standards.

FRANCHISEE:	**FRANCHISOR:**
_____	StretchMed Franchise, LLC
By:_____	By:_____
Name:_____	Name: Brian Cook
Title:_____	Title: President

MISSOURI ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Missouri:

1. Termination provisions contained in the Agreement will afford you 90 days written notice in advance of any termination, except that 90 days' notice is not required for termination as a result of your criminal misconduct, fraud, abandonment, bankruptcy, insolvency, or giving a "no account" or "insufficient funds" check to us.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

NEBRASKA ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Nebraska:

1. No release language set forth in the Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Nebraska.

2. No language set forth in the Agreement will operate to restrict the sale of any equity or debenture issue or the transfer of any securities of any franchise or in any way prevent or attempt to prevent the transfer, sale or issuance of shares of stock or debentures to employees, personnel of the franchisee, or heirs of the principal owner, so long as basic financial requirements of the franchisor are complied with and any sale, transfer or issuance does not have the effect of accomplishing a sale of the franchise.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

NEW JERSEY ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises subject to the New Jersey Franchise Practices Act:

1. No release language set forth in the Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of New Jersey.

2. No language set forth in the Agreement will operate to restrict the sale of any equity or debenture issue or the transfer of any securities of a franchise or in any way prevent or attempt to prevent the transfer, sale or issuance of shares of stock or debentures to employees, personnel of the franchise, or heir of the principal owner, so long as basic financial requirements of the franchisor are complied with and any sale, transfer or issuance does not have the effect of accomplishing a sale of the franchise.

3. Any term or condition which may directly or indirectly violate the New Jersey Franchise Practices Act is deleted from the Agreement.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of New York:

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR 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 THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies 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.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(s), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(aa), titled "Choice of forum," and Item 17(bb), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

6. Franchise Questionnaires and Acknowledgements - No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

NORTH CAROLINA ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of North Carolina:

1. Agent for Service of Process. Our agent in the state of North Carolina authorized to receive service of process is the North Carolina Secretary of State, 2 South Salisbury Street, Old Revenue Complex, Raleigh, North Carolina 27601.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

NORTH DAKOTA ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of North Dakota:

1. Covenants not to compete upon termination or expiration of the Agreement are subject to Section 9-08-06, N.D.C.C., and may be generally unenforceable in the State of North Dakota.

2. To the extent the Agreement would otherwise violate North Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a Development Business operating in the State of North Dakota, will be commenced and maintained, at our election, in the state courts of North Dakota or the United States District Court for North Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

3. North Dakota law applies to this transaction and supersedes any conflicting provisions of the Agreement or State of Incorporation law.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

RHODE ISLAND ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Rhode Island:

1. To the extent the Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us, involving a Development Business operating in the State of Rhode Island, will be commenced and maintained, at our election, in the state courts of Rhode Island or the United States District Court for Rhode Island, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

SOUTH CAROLINA ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of South Carolina:

1. Agent for Service of Process. Our agent in South Carolina authorized to receive service of process is the South Carolina Secretary of State, 1205 Pendleton Street, Suite 525, Columbia, SC 29201.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

SOUTH DAKOTA ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of South Dakota:

1. Covenants not to compete upon termination or expiration of the Agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law.

2. Franchise registration, employment, covenants not to compete and other matters of local concern will be governed by the laws of the State of South Dakota. As to contractual and all other matters, the Agreement will be and remain subject to the construction, enforcement and interpretation of the laws of the State of State of Incorporation.

3. To the extent that the Agreement would otherwise violate South Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a Development Business operating in the State of South Dakota, will be commenced and maintained, at our election, in the state courts of South Dakota or the United States District Court for South Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

4. Termination provisions covering breach of the Agreement, failure to meet performance and quality standards, and failure to make payments contained in the Agreement will afford you 30 days written notice with an opportunity to cure said default prior to termination.

5. REGISTRATION OF THIS FRANCHISE DOES NOT CONSTITUTE APPROVAL OR RECOMMENDATION OF THE FRANCHISE BY THE DIRECTOR.

6. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

No statement, questionnaire, or acknowledgment signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any Franchisor, Franchise Seller, or other person action on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:
_____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

FRANCHISOR:
StretchMed Franchise, LLC

By: _____
Name: Brian Cook
Title: President

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the franchisor, including areas of termination and renewal of your franchise. There may also be court decisions, which supersede the franchise agreement in your relationship with the franchisor, including areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration shall be either the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of the rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those, which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting the transfer.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

WISCONSIN ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. The Wisconsin Fair Dealership Law, Chapter 135, Stats. supersedes any provisions of the Agreement that are inconsistent with that law.

IN WITNESS WHEREOF, the parties hereto have duly signed this document as of the Effective Date of the Franchise Agreement between the parties.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
StretchMed Franchise, LLC

By:_____
Name: Brian Cook
Title: President

EXHIBIT E
To The Franchise Disclosure Document

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STRETCHMED®

OPERATIONS MANUAL

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To The Franchise Disclosure Document

FINANCIAL STATEMENTS

STRETCHMED FRANCHISE, LLC

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025, 2024 AND 2023

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Gwynn CPAs

INDEPENDENT AUDITORS' REPORT

To the Member of
StretchMed Franchise, LLC

Opinion

We have audited the financial statements of StretchMed Franchise, LLC, which comprise the balance sheets as of December 31, 2025, 2024 and 2023, and the related statements of operations and changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of StretchMed Franchise, LLC as of December 31, 2025, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of StretchMed Franchise, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 StretchMed Franchise, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial 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 StretchMed Franchise, 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 StretchMed Franchise, 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.

Gwym CPAs

Dallas, Texas
April 7, 2026

STRETCHMED FRANCHISE, LLC
BALANCE SHEETS
DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	$ 297,746	$ 72,141	$ 52,636
Accounts receivable, net	111,664	95,375	9,184
Prepaid expenses	10,759	10,977	5,736
Total Current Assets	420,169	178,493	67,556
Property and Equipment, net	4,500	-	-
Due from Affiliates	481,832	565,025	465,723
Operating Lease Right-of-Use Asset, net	111,879	150,616	187,796
Other Assets	3,640	6,240	6,240
Total Assets	$ 1,022,020	$ 900,374	$ 727,315
LIABILITIES AND MEMBER'S EQUITY			
Current Liabilities			
Accounts payable	$ 4,842	$ 14,533	$ 30,655
Accrued liabilities	406	9,556	21,610
Deferred revenue, current	167,228	305,758	254,474
Operating lease liability, current	40,825	37,833	35,003
Total Current Liabilities	213,301	367,680	341,742
Long-term Liabilities			
Deferred revenue, less current portion	497,701	232,839	132,296
Operating lease liability, less current portion	75,000	115,825	153,659
Total Long-term Liabilities	572,701	348,664	285,955
Total Liabilities	786,002	716,344	627,697
Member's Equity	236,018	184,030	99,618
Total Liabilities and Member's Equity	$ 1,022,020	$ 900,374	$ 727,315

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

STRETCHMED FRANCHISE, LLC
STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Revenues			
Franchise fees	$ 349,499	$ 519,235	$ 208,993
Franchise royalty fees	1,257,026	626,189	407,110
Other income	202,483	178,442	68,628
Total Revenues	1,809,008	1,323,866	684,731
Cost of Goods Sold	398,239	110,520	72,647
Gross Profit	1,410,769	1,213,346	612,084
Operating Expenses			
Professional fees	300,583	251,278	262,949
Salaries and wages	115,200	149,730	126,725
Advertising and marketing	203,820	191,059	110,077
Operating lease cost	71,171	81,838	23,565
Other	156,168	252,776	135,418
Total Operating Expenses	846,942	926,681	658,734
Net Income (Loss)	563,827	286,665	(46,650)
MEMBER'S EQUITY AT BEGINNING OF YEAR	184,030	99,618	432,646
DISTRIBUTIONS	(511,839)	(202,253)	(286,378)
MEMBER'S EQUITY AT END OF YEAR	$ 236,018	$ 184,030	$ 99,618

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

STRETCHMED FRANCHISE, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Cash Flows from Operating Activities			
Net income (loss)	$ 563,827	$ 286,665	$ (46,650)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	540	-	-
Noncash lease expense	38,737	37,180	12,067
Change in operating assets and liabilities:			
Accounts receivable	(16,289)	(86,191)	16,036
Prepaid expenses	218	(5,241)	(4,066)
Other assets	2,600	-	(6,240)
Accounts payable	(9,691)	(16,122)	20,860
Accrued liabilities	(9,150)	(12,054)	1,078
Deferred revenue	126,332	151,827	289,727
Operating lease liability	(37,833)	(35,004)	(11,201)
Net cash provided by operating activities	659,291	321,060	271,611
Cash Flows from Investing Activities			
Purchases of property and equipment	(5,040)	-	-
Due from affiliates	83,193	(99,302)	38,425
Net cash provided by (used in) investing activities	78,153	(99,302)	38,425
Cash Flows from Financing Activities			
Distributions	(511,839)	(202,253)	(286,378)
Net cash used in financing activities	(511,839)	(202,253)	(286,378)
Net Change in Cash and Cash Equivalents	225,605	19,505	23,658
Cash and Cash Equivalents, Beginning of Year	72,141	52,636	28,978
Cash and Cash Equivalents, End of Year	$ 297,746	$ 72,141	$ 52,636
Supplemental Disclosures:			
Cash paid for interest	$ -	$ -	$ -
Cash paid for income taxes	$ 9,118	$ 10,142	$ 12,000
Non-cash Investing and Financing Transactions:			
Right-of-Use assets obtained in exchange for lease obligations	$ -	$ -	$ 199,863

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

NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS

StretchMed Franchise, LLC, formerly StretchMed Franchise, Inc., (the "Company") is a Puerto Rico, Limited Liability Company formed on April 1, 2020, with headquarters in San Juan, Puerto Rico. The Company's planned principal operations are to offer, sell and service franchises for the establishment and operation of studios offering one-on-one assisted stretching under the STRETCHMED trademark. The Company has the following franchises in operation as of December 31:

	2025	2024	2023
Retail	38	31	16
Satellite	-	3	8
Total	38	34	24

In 2023, the Company discontinued the sale of satellite franchise locations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The accompanying financial statements are presented in accordance with accounting principles generally accepted by the United States of America ("GAAP").

Use of Estimates
The preparation of financial statements in conformity with GAAP 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 periods. Actual results could differ from those estimates.

Cash Equivalents
The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. At times, cash and cash equivalents held at a financial institution may be in excess of the Federal Deposit Insurance Corporation coverage limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable
Accounts receivable primarily represent royalties due less estimates made for credit losses. Management determines the allowance for credit losses by reviewing and identifying troubled accounts on a monthly basis and by using historical experience applied to an aging of account balances. The Company also considers broader factors in evaluating the sufficiency of its allowances, including the length of time receivables are past due, macroeconomic conditions, significant one-time events, and historical experience. When the Company determines that there are accounts receivable that are uncollectible, they are written off against the allowance. The Company estimated no allowance for expected credit losses for the years ended December 31, 2025, 2024 and 2023.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets over seven years. The cost and related accumulated depreciation of property and equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is reported as current period income or expense. The costs of repairs and maintenance are expensed as incurred.

Revenue Recognition

The Company's revenues are comprised of franchise revenues, which consist primarily of royalties and initial and successor franchise fees, and other income.

The Company's primary performance obligation under the franchise license is granting certain rights to use the Company's intellectual property, and all other services the Company provides under the franchise agreement, other than pre-opening services, are highly interrelated, not distinct within the contract, and therefore accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" as a single performance obligation, which is satisfied by granting certain rights to use our intellectual property over the term of each franchise agreement. Revenue from the franchise license is recognized on a straight-line basis over the term of the respective franchise agreement.

Pre-opening services provided to a franchisee are distinct from the franchise license and are recognized as revenue upon opening of the franchise. The Company has elected the FASB's practical expedient related to pre-opening activities and does not analyze each separate activity as its own distinct performance obligation.

When a franchise agreement is terminated voluntarily by the franchisee or due to the default of the franchisee, the Company recognizes the remaining initial franchise fee as revenue earned, as no further performance obligation needs to be satisfied and the initial franchise fee is not refundable per the franchise agreement.

Royalties are calculated as a percentage of franchise monthly dues over the term of the franchise agreement. The Company's franchise royalties represent sales-based royalties that are related entirely to the performance obligation under the franchise agreement and are recognized as franchise sales occur. The Company also collects a monthly fee for marketing services which is also based on a percentage of the franchisees' monthly gross revenues and is recognized monthly over the contract term.

Other income consists of consulting and training services performed on behalf of franchisees in addition to pre-opening services included in the initial franchise fee. Revenue is recognized as these services are performed.

Advertising Expense

Advertising costs are expensed as incurred and are classified under operating expenses. Advertising expense for the years ended December 31, 2025, 2024 and 2023 were $203,820, $191,059 and $110,077, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company is a limited liability company and is not required to pay federal income tax. Accordingly, no federal income tax expense has been recorded in the financial statements. The Company's federal taxable income or loss has been included in the member's respective income tax return. The Company is subject to state income taxes as applicable.

The Company applies ASC 740-10, "Income Taxes" in establishing standards for accounting for uncertain tax positions. The Company evaluates uncertain tax positions with the presumption of audit detection and applies a "more likely than not" standard to evaluate the recognition of tax benefits or provisions. ASC 740-10 applies a two-step process to determine the amount of tax benefits or provisions to record in the financial statements. First, the Company determines whether any amount may be recognized and then determines how much of a tax benefit or provision should be recognized. As of December 31, 2025, the Company has no uncertain tax positions.

Reclassification

Certain amounts reported in the 2024 and 2023 financial statements have been reclassified to conform with the 2025 presentation. Reclassification adjustments did not affect total member's equity or net income (loss).

NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of December 31:

	2025	2024	2023
Equipment	$ 5,040	$ -	$ -
Less accumulated depreciation	(540)	-	-
Total Property and Equipment, net	$ 4,500	$ -	$ -

Depreciation expense associated with property and equipment amounted to $540, $-0- and $-0- for the years ended December 31, 2025, 2024 and 2023, respectively.

NOTE 4 – RELATED PARTY TRANSACTIONS

At times, the Company pays for expenses that are incurred by affiliated entities (through common ownership). Such amounts which have not been reimbursed to the Company are due on demand and are recorded on the accompanying balance sheets as due from affiliates.

NOTE 5 – REVENUE

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	2025	2024	2023
Performance obligations satisfied at a point in time	$1,793,093	$1,315,289	$681,297
Performance obligations satisfied over time	15,915	8,577	3,434
Total Revenues	$1,809,008	$1,323,866	$684,731

Revenue from performance obligations satisfied at a point in time consists of royalties, pre-opening services, and other revenue. These services are provided to U.S. and Puerto Rico based franchisee-owned stores.

Revenue from performance obligations satisfied over time consist of the franchise license by granting certain rights to use the Company's intellectual property. These services are provided to U.S. and Puerto Rico based franchisee-owned stores.

NOTE 6 – LEASES

During 2023, the Company entered an operating lease primarily for office facilities which contains renewal options and escalation clauses that are factored into the determination of lease payments when appropriate. The Company's lease term is through August 2028.

The components of lease expense included in the Company's statement of operations for the year ended December 31, 2025, 2024 and 2023 include:

	2025	2024	2023
Operating lease expense	$ 44,597	$ 44,597	$ 14,866
Short-term lease expense	-	7,994	-
Variable lease expense	26,574	29,247	8,699
Total lease expense	$ 71,171	$ 81,838	$ 23,565

The Company has elected the short-term lease recognition and measurement exemption for leases that, as of the commencement date, have a lease term of 12 months or less. The Company recognizes these short-term lease payments in profit or loss on a straight-line basis over the lease term. Variable lease costs are primarily related to payments made to the lessor for maintenance, utilities, insurance and taxes.

NOTE 6 – LEASES (CONTINUED)

Maturities of operating lease liability was as follows as of December 31, 2025:

Year Ending December 31,	
2026	$ 45,003
2027	46,353
2028	31,514
Total minimum lease payments	122,870
Less imputed interest	(7,045)
Present value of operating lease liability	115,825
Less current portion of operating lease liability	(40,825)
Total long-term operating lease liability	$ 75,000

The weighted-average remaining lease term related to the Company's operating lease liability as of December 31, 2025 was 2.7 years. The weighted-average discount rate related to the Company's operating lease liability as of December 31, 2025 was 4.29%.

NOTE 7 – SUBSEQUENT EVENTS

The Company evaluated all material events or transactions that occurred after December 31, 2025 through April 7, 2026, the date these financial statements were available to be issued, and determined that there were no additional events or transactions which would impact these financial statements.

EXHIBIT G
To The Franchise Disclosure Document

CONFIDENTIALITY & NON-DISCLOSURE AGREEMENT

This Confidentiality Agreement ("Agreement") is entered into effective this _____, by and between StretchMed Franchise, LLC (the "Company") on behalf of its successors, assigns and affiliates, and _____, (the "Recipient").

It is understood and agreed to that the Company and the Recipient would like to, or already have, exchange certain non-public, confidential, and/or proprietary information belonging to the Company and/or its subsidiaries and affiliated entities. To ensure the protection of such information and in consideration of the agreement to exchange such information, and/or in consideration of allowing Recipient to transfer or otherwise sell its respective franchise, or for any other consideration duly recognized by both parties herein, the parties agree as follows:

Recipient agrees that all information disclosed by the Company, including that of all its subsidiaries and affiliates, to the Recipient, including any such information disclosed prior to the date of this Agreement, and including, without limitation, information acquired by Recipient in writing, orally, or by inspection of Company documents, manuals, memorandums, and any other written material, relating to, without limitation, the Company's standards, methods, procedures and specifications of the System, including the System Standards and contents of the Operations Manual, stretching protocols, routines, and techniques, model, prototypes, samples, data, trade secrets, know-how, actual and anticipated research, developments, products, services, concepts, ideas, customers, personnel, markets, marketing plans, distribution methods, financial information, and any other material or information, whether oral, written, electronic, etc., that: (1) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other person who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy, shall be considered "Confidential Information," regardless of whether such information was designated as "Confidential Information" at the time of its disclosure.

Information will be deemed not Confidential Information if (1) it becomes publicly known through no fault of the Company, its agents, employees, or representatives, and (2) it is acquired on a non-confidential basis from a third party, not in breach of an obligation of secrecy to the Company. The burden of proving that information or skills and experience are not Confidential Information shall be on the party asserting such exclusion.

Recipient agrees to (i) use the Confidential Information solely for the purpose of evaluating potential business and investment relationships with Company and/or for the sole benefit of STRETCHMED®; (ii) use all possible means to maintain the Confidential Information in strict confidence, and at the very least, use those measures that it employs for the protection of its own confidential information, and in no event less than a reasonable degree of care; (iii) disclose Confidential Information only to Recipient's employees who are required to have the information for the benefit of STRETCHMED®; (iv) to immediately notify Company in writing of any

unauthorized use or disclosure of the Confidential Information; (v) in the event of selling a business, recipient will not disclose any details of the transaction, recipient can only state that they sold the business for personal reasons.

Recipient agrees that before disclosing any Confidential Information to any person(s) permitted to receive it, Recipient will inform such person(s) of the confidential nature of the Confidential Information and require such person(s) to agree to be bound by the terms of this Agreement as if a party hereto. Recipient shall be responsible for any failure to comply with the terms of this Agreement by any person or entity to whom the Recipient discloses Confidential Information. Recipient will take all commercially reasonable measures to restrain all parties to whom Recipient has disclosed Confidential Information from unauthorized disclosure or use of any Confidential Information.

Recipient shall not copy any Confidential Information, nor export or otherwise transmit, directly or indirectly, any Confidential Information. This prohibition includes but is not limited to, selling, licensing, or otherwise exploiting, directly or indirectly, any product or services which embody or are derived from Confidential Information. Recipient further agrees not to remove, overprint, or deface any notice of copyright, trademark, logo, or other notices of ownership from any Confidential Information.

Recipient agrees that they shall refrain from making any untrue or derogatory statements concerning the Company and their present and former officers, employees, shareholders, directors, agents, attorneys, servants, franchisees, representatives, successors and assigns.

Recipient hereby acknowledges, understands, and agrees that all Confidential Information and all of the Company's copyright, trademarks, patents, patent applications and other proprietary rights, including any all enhancements, modifications, improvements, and derivatives of the Confidential Information (defined below), remain the property of the Company and no license or other rights in the Confidential Information or such trademarks are granted hereby, except as expressly provided. For the purposes of this Agreement, "Derivatives" shall mean: (a) for copyright or copyrighted material, any translation, abridgment, revision, or other form in which existing Confidential Information may be recast, transformed, adapted; (b) for patentable or patented Confidential Information, any improvement thereon; and (c) for Confidential Information protected by trade secret, any material derived from such existing trade secret. Recipient hereby does and will assign to the Company all of Recipient's rights, title in interest and interest in and to the Derivatives.

This Agreement does not constitute a joint venture or other such business agreement. All information is provided "as is" and without any warranty, express, implied, or otherwise, regarding its accuracy or performance, and the Company shall have no liability to you or any other person resulting from your use of the Confidential Information. Recipient understands that the Company is not directly or indirectly its employer and that the Company's right is solely to protect its Confidential Information.

Recipient agrees to return to Company immediately upon the Company's written request all documents and other tangible objects containing or representing the Confidential Information, including all copies thereof which are in the possession of Recipient, including but not limited to, all Confidential Information as defined above. With respect to Confidential Information stored in electronic form, Recipient shall delete all such Confidential Information from its system and shall

confirm in a signed writing that all Confidential Information has been deleted. Notwithstanding the return or deletion of any Confidential Information, Recipient will continue to hold the contents of all Confidential Information in confidence.

Recipient hereby acknowledges that unauthorized disclosure or use of Confidential Information could cause irreparable harm and significant injury, which may be difficult to ascertain. Accordingly, Recipient agrees that the Company shall have the right to seek and obtain immediate injunctive relief from breaches of this Agreement and any other equitable relief which the court deems necessary in order to prevent irreparable injury, all without the requirement that bond be posted, in addition to any other rights and remedies it may have, including, but not limited to, Company's attorney's fees for any legal action taken by Company.

Recipient's obligations hereunder shall survive any termination, regardless of the cause of the termination, or expiration of this Agreement until such time as all Confidential Information disclosed hereunder becomes publicly known and made generally available through no action or inaction of Recipient.

In addition to, but not in place of, the provisions stated in this Agreement, should the Recipient breach any part of this Agreement, he/she agrees to pay the sum of One Hundred Thousand Dollars ($100,000.00) as liquidated damages to the Company. Recipient agrees that liquidated damages are appropriate for any such breach inasmuch as actual damages cannot be readily calculated, and the amount of the liquidated damages is fair and reasonable under the circumstances herein and irreparable harm to the Company would occur if this Agreement were breached in whole or in part.

Recipient further agrees to indemnify, defend, and hold harmless the Company and its subsidiaries, and affiliates, and their respective members, owners, directors, officers, managers, employees and agents with respect to any and all suits, proceedings, assessments, losses, damages, claims, costs, and expenses resulting or arising from any failure by the Recipient or any party to whom Recipient disclosed Confidential Information to comply with the terms of this Agreement.

This Agreement shall bind and inure to the benefit of the parties hereto and their successors and assigns, except that Confidential Information and the rights and obligations under this Agreement may not be assigned by Recipient without prior written approval of the Company. This document contains the entire Agreement between the parties with respect to the subject matter hereof, and may not be amended, nor any obligations waived, except by a writing signed by both parties hereto. Any failure to enforce any provision of this Agreement shall not constitute a waiver thereof or of any other provision. This Agreement shall be governed by the laws of the Commonwealth of Puerto Rico, and the venue shall lie in Puerto Rico, or the venue where the Company then has its principal place of business for any action or proceeding brought to enforce the terms of this Agreement or adjudicate any dispute arising out of this Agreement.

To the extent that any part of this Agreement is held unenforceable by law, the parties agree that the remainder of the Agreement remains in full force and effect and the unenforceable provision shall be modified to the limited extent required to permit enforcement of the Agreement as a whole.

If applicable, in addition to the above provisions, Recipient agrees that any details regarding the operation of its Franchised Business in _____, including details surrounding the sale of the Franchises Business, is considered Confidential Information, and therefore will be held in strict confidence. Recipient and Company agrees that Recipient may acknowledge that they owned the Exclusive Territory therein providing the dates of ownership and that the Exclusive Territory was sold for "personal reasons". Recipient hereby agrees that all other details regarding the operation of its territories and/or the sale of its Exclusive Territory is Confidential Information, the release of which would be harmful to Company and allow Company to seek damages, as previously discussed. The Company itself or through a third party reserves the right to contact the Recipient to ensure confidentiality is being upheld, please be advised this communication may be recorded.

This Agreement does not supersede or modify any prior written agreements previously entered into by and between the parties, and does not relieve the parties to their respective obligations under such prior agreements.

This Agreement may be signed in counterparts, each of which, when taken together, shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

WHEREFORE, the parties acknowledge that they have read and understand this Agreement and voluntarily accept the duties and obligations set forth herein.

UNDERSTOOD AND AGREED:

_____ By: _____, Individually
Printed Name Signature

_____

_____
Address

EXHIBIT H
To The Franchise Disclosure Document

LIST OF CURRENT FRANCHISEES
(As of December 31, 2025)

Franchisee	Address	City	State	Zip	Phone Number
Danielle and Hassan Huntley, and Michael Buono	1344 SE Benton St.	Bentonville	AR	72712	(479) 480-4360
Carlos Nazario, Vanessa Pino	140 N Artsakh	Glendale	CA	91206	(747) 200-5526
Tanya O'Coyne	7606 Girard Ave., Unit 103	La Jolla	CA	92037	(619) 485-0580
Tania Quiñones-Alade	44 Olive St.	New Haven	CT	06511	(203) 293-0273
Luis Oyola & Itza Acevedo	1425 W Granada Blvd	Ormond Beach	FL	32174	(386) 456-4952
Jennifer Sabina	1155 S. Dale Mabry Hwy	South Tampa	FL	33629	(813) 344-5192
Amy Tibbetts	6958 22nd Ave N,	St. Petersburg	FL	33710	(727) 288-2887
Ridwan Jimoh	1100 Hammond Drive Atlanta, Suite 150	Atlanta	GA	30328	(770) 322-4995
Michael Miller & Madeline Briere	14550 Clay Terrace Blvd, Suite 160	Carmel	IN	46032	(317) 210-3664
Lucio Paolini and Jagmeet Singh	28 Chestnut St.	Andover	MA	01810	(978) 606-2105
Lucio Paolini and Jagmeet Singh	801 Massachusetts Avenue	Arlington	MA	02476	(781) 205-9873
Lucio Paolini and Jagmeet Singh	438 Common Street	Belmont	MA	02478	(617) 721-8681
Kenneth Sutton	316 Newbury Street, Suite 21	Boston	MA	02115	(415) 226-6942
Toan Do	300 Grove St., Unit 160 (Tedeschi Plaza)	Braintree	MA	02184	(781) 205-9788
Valery Veglia & Andrew Dubrowski	37 Harvard St	Brookline	MA	02445	(617) 221-6284
Lucio Paolini and Jagmeet Singh	425 Massachusetts Ave	Cambridge	MA	02139	(857) 201-0326
Dennis Mezheritskiy	19 Main Street	Concord	MA	01742	(978) 539-0007
Bonnie & Jamie Levy	1740 Massachusetts Ave	Lexington	MA	02421	(617) 997-9934
Donella Brown	58D Apex Drive	Marlborough	MA	01752	(508) 205-9026
Lucio Paolini and Jagmeet Singh	27 Revere Beach Parkway	Medford	MA	02155	(781) 577-6078
Bonnie & Jamie Levy	1093 Great Plain Ave	Needham	MA	02492	(617) 997-9934

Bonnie & Jamie Levy	821 Beacon St.	Newton Center	MA	02459	(617) 997-9934
Nick and Aimee Welch	410 Boston Post Rd	Sudbury	MA	01776	(978) 579-4203
Bonnie & Jamie Levy	85 Central St.	Wellesley	MA	02482	(617) 997-9934
Priya Prabakar	174 Littleton Road	Westford	MA	01886	(978) 212-9073
Nick and Aimee Welch	450 Boston Rd.	Weston	MA	02493	(401) 216-7068
Jennifer & Mark Brissette	9 Thompson St	Winchester	MA	01890	(781) 205-0801
Colin Gibbons	2101 SOMERVILLE RD. #140	Annapolis	MD	21401	(443) 603-1220
Mark Cuviello	1539 Postal Rd.	Chester	MD	21619	(301) 284-0582
Colin Gibbons	2646 Brandermill Blvd.	Gambrills	MD	21054	(301) 569-2728
Parth Bhatt, Palak Vyas & Vipul Vyas	1108 Washington St	Hoboken	NJ	07030	(201) 208-2838
Vishal Sharma, Ashley Anand	5515 Camino Al Norte, Suite 106	North Las Vegas	NV	89031	(702) 483-1476
Joan Long	27600 Chagrin Blvd., Suite 100	Woodmere	OH	44122	(216) 202-0634
Edgar A. Rodriguez and Ginette Garcia-Soldevila	City View Plaza, 48, PR-165	Guaynabo	PR	00968	(939) 545-1403
Jakari Griffith	530 Main St	East Greenwich	RI	02818	(401) 285-0337
Amy Roemmich , Todd Roemmich	330 Scuffletown Rd	Simpsonville	SC	29681	(864) 689-5711
Ashraf Pasha	17400 Spring Cypress, Suite 120	Cypress	TX	77429	(713) 659-9553
Joseph and Jacqueline Giordano	970 Parker Square	Flower Mound	TX	75028	(972) 380-5492

LIST OF SIGNED FRANCHISEES THAT HAVE NOT YET OPENED

(As of December 31, 2025)

Name	City	State	Contact Number
Danielle & Hassan Huntley Michael Buono	Fayetteville	AR	479-480-4360
Danielle & Hassan Huntley Michael Buono	Rogers	AR	479-480-4360
Mayank Verma	Eastridge San Jose	CA	408-307-8489
Lyndan & Vanessa Coleman	Los Angeles	CA	661-210-5579
Dom Clarence Papa	Martinez	CA	724 -557-2911
Gaurav Malik	McKee San Jose	CA	646-591-5145
Dom Clarence Papa	Napa	CA	707-200-7642
Prabh Singh	San Ramon	CA	510-599-8669
Mayank Verma	Saratoga	CA	408-307-8489

Prabh Singh	Walnut Creek	CA	510-599-8669
Tania Quiñones-Alade	Madison	CT	203-927-6681
Tania Quiñones-Alade	North Haven	CT	203-927-6681
Tania Quiñones-Alade	Madison	CT	203-927-6681
Tania Quiñones-Alade	Old Saybrook	CT	203-927-6681
Milagros Mae B. Villarosa	Stamford	CT	929-488 - 3983
Andrea Plowright	Washington	DC	703-268-1489
Carlos Pablo Klinsky, Elvio Castedo, Thomas Klinksy, Andrés Nuñez, Victoria Struni & Nicole Guardia	Boca Raton	FL	591-709-60696
Amy Tibbetts	Sarasota County South	FL	727-207-1539
Amy Tibbetts	Sarasota County North	FL	727-207-1539
Amy Tibbetts	Manatee County	FL	727-207-1539
Amy Tibbetts	Feather Sound	FL	727-207-1539
Jennifer Sabina	Tampa	FL	813-445-5815
Michael Miller Madeline Briere	Fishers	IN	317-210-3664
Valery Veglia & Andrew Dubrowski	Chestnut Hill	MA	617-221-6284
Toan Do, Thuy Ann Truong & Kevin Luong	Quincy	MA	617-792-4519
Nicholas Ferrara	Franklin	MA	508-542-8182
Bonnie & Jamie Levy	Newtonville	MA	617-997-9934
David Simon	West Roxbury	MA	617-504-3163
Donella Brown	Westborough	MA	781-205-0801
Mark Cuviello	Easton	MD	301-412-3007
Colin Gibbons	Ellicott City	MD	443-472-6816
Scott & Staci Gilreath	Germantown	MD	410-227-8608
Scott & Staci Gilreath	Rockville	MD	410-227-8608
Derrick Huggins	Holmdel	NJ	914-912-1352
Derrick Huggins	Montclair	NJ	914-912-1352
Vishal Sharma Ashley Anand	Las Vegas	NV	510-366-8307
Jakari Griffith	Barrington	RI	617-710-7661
Todd and Amy Roemmich	Greenville	SC	864-430-8527

Anthony Hadfield	Coppell	TX	601-291-1732
Anthony Hadfield	Southlake	TX	601-291-1732

TRANSFERRED FRANCHISES
(As of December 31, 2025)

During the last fiscal year, four (4) franchisee transferred their Exclusive Territories to another franchisee.

Transferor	City	State	Zip Code	Phone Number
Curtis Britton & Katherine Britton	Andover	MA	01810	978-430-6261
Cameron Cook	Westford	MA	01886	781-467-9283
Marc Brissette & Jennifer Brissette	Winchester	MA	01890	774-328-0391
Jennifer Sabina	Tampa	FL	33626	239-677-6694

FRANCHISEES WHO HAVE LEFT THE SYSTEM
(As of December 31, 2025)

During the last fiscal year, three (3) franchisees left the system.

Transferor	City	State	Zip Code	Phone Number
Curtis Britton & Katherine Britton	Andover	MA	01810	978-430-6261
Cameron Cook	Westford	MA	01886	781-467-9283
Marc Brissette & Jennifer Brissette	Winchester	MA	01890	774-328-0391

State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registrations in the following states having franchise disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I
To The Franchise Disclosure Document

RECEIPTS

If StretchMed Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, it or an affiliate in connection with the proposed franchise sale.

New York, Oklahoma, and Rhode Island require that this disclosure document be given to you at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement, or other agreement, or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon, and Wisconsin require that this disclosure document be given to you at least 10 business days before the execution of any binding franchise agreement, or other agreement or the payment of any consideration, whichever occurs first.

If StretchMed Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

BRIAN COOK			
954 Avenida Ponce De Leon Suite 205- PMB# 10076 San Juan, Puerto Rico, 00907 (559) 705-1192	954 Avenida Ponce De Leon Suite 205- PMB# 10076 San Juan, Puerto Rico, 00907 (559) 705-1192	954 Avenida Ponce De Leon Suite 205- PMB# 10076 San Juan, Puerto Rico, 00907 (559) 705-1192	954 Avenida Ponce De Leon Suite 205- PMB# 10076 San Juan, Puerto Rico, 00907 (559) 705-1192

Issuance Date: April 30, 2026, as amended May 5, 2026
I received a Franchise Disclosure Document dated April 30, 2026, as amended May 5, 2026, that included the following Exhibits:

EXHIBIT A:	List of State Administrators & Agents for Service of Process
EXHIBIT B:	Franchise Agreement & Related Exhibits
EXHIBIT C:	Form of General Release
EXHIBIT D:	State Specific Addenda
EXHIBIT E:	Table of Contents of Operations Manual
EXHIBIT F:	Financial Statements of StretchMed Franchise, LLC
EXHIBIT G:	Confidentiality & Non-Disclosure Agreement
EXHIBIT H:	List of Franchisees and Franchisees That Left Our System
EXHIBIT I:	Receipts

Date Received: _____

_____
(Signature of recipient)

_____
(Printed name of recipient)

Please return signed receipt to StretchMed Franchise, LLC
954 Ave Ponce de Leon, Suite 205
PMB 10076, SAN JUAN, PR, 00907

EXHIBIT I
To The Franchise Disclosure Document

RECEIPTS

If StretchMed Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, it or an affiliate in connection with the proposed franchise sale.

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EXHIBIT I:	Receipts

Date Received: _____

_____
(Signature of recipient)

_____
(Printed name of recipient)

KEEP FOR YOUR RECORDS