FRANCHISE DISCLOSURE DOCUMENT

Franchisor:
The Sensory Club, Inc.
A Wisconsin Corporation

925 Genesee St. #180121
Delafield, WI 53018-9998
262-470-1128
Email:
brian@thesensoryclub.com
www.thesensoryclub.com

This Franchise Disclosure Document ("Disclosure Document") is for the sale of a Sensory Club "Franchise." The Sensory Club® Franchise purchaser ("Franchisee" or "you") will own and operate a health club offering a sensory gym and multi-sensory environment. You will provide these services to people of all disabilities with membership access to occupational therapy equipment, operating under the Marks and using the System.

The total investment necessary to begin operation of a Sensory Club franchise is from $150,800 to $207,800. This includes $33,500 for a single location franchise and $58,500 for an Area Franchise that must be paid to the Franchisor or an affiliate.

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 can 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 the Franchise Administration Department at 925 Genesee St. #180121, Delafield, WI 53018-9998.

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

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

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

ISSUANCE DATE: March 14, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees, if any. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 includes financial statements, if any. 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 EXIT business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an EXIT franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 risks 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 Wisconsin. Out-of-state mediation, arbitration and/or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate or litigate with the Franchisor in Wisconsin than in your own state.

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

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

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 in this Disclosure Document, "Franchisor," "Sensory Club," "we", "us," or "our" means THE SENSORY CLUB, INC., the Franchisor. "You" or "Franchisee" means the person who buys the Franchise.

Franchisor is Sensory Club, Inc., a Wisconsin Corporation incorporated in March 2017. Our principal offices are located at 925 Genesee St. #180121 Delafield, WI 53018-9998.

Brian Hall, 925 Genesee St. #180121 Delafield, WI 53018-9998, is authorized to receive service of process for Franchisor.

We do business under our trademark, The Sensory Club®.

We are in the business of selling Franchises and providing services to our franchisees consisting of the opportunity to own and operate a multi-sensory health club under The Sensory Club® trade names, trademarks and system of operating procedures. We have offered The Sensory Club® franchise since February, 2022. We have never offered franchises in other lines of business and have no other business activities. Terra Staffing Services, Inc. is an affiliate of Franchisor by virtue of common ownership (Brian W. Hall). Terra Staffing Services, Inc. operates in an unrelated industry.

We offer a Single Location Franchise or an Area Franchise for up to four (4) locations in a territory. If you purchase an Area Franchise, all of the locations that you open will operate under the same Franchise Agreement. The Area Franchise is described in Item 12 of this Disclosure Document.

Our prior business experience includes designing, opening and operating The Sensory Club® in Pewaukee, WI from 2016 until we sold that location in 2021.

The market for your services consists of the general public seeking a multi-sensory health club. The market is not well developed. Your services will be sold primarily to individuals with mental or physical disabilities. You will compete with physical therapy centers. The sale of the health club memberships is not seasonal.

You must comply with federal, state and local regulations concerning health and fitness clubs. These may include physical fitness facility statutes, zoning ordinances and public accommodation ordinances.

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.

ITEM 2
Business Experience

Brian Hall
President and Chief Executive Officer
Delafield, Wisconsin

Brian Hall has been the President and CEO of The Sensory Club, Inc. since he founded it in 2016. Brian is also the President of Terra Staffing Services, Inc., a temporary help and placement service located in Fort Atkinson, Wisconsin. He has been Terra's President since 1996.

Cate Goemans
Director of New Business Development
Delafield, Wisconsin

Cate has been the Director of New Business Development for The Sensory Club, Inc. since [Month] 2020. She worked as a Customer Service Manager for Langlois Vital Nutrition Center located in Brookfield, Wisconsin from 2016-2020. She worked as a Business Development Manager for Northlake C&D located in Seattle, Washington from 2014-2016.

ITEM 3
Litigation

There is no litigation that must be disclosed in this Item 3.

ITEM 4
Bankruptcy

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

ITEM 5
Initial Fees

Initial Fee: You shall pay us an initial fee in the amount set forth in the Franchise Agreement (Exhibit B), in a lump sum upon the execution of the Franchise Agreement. The fee is $25,000 for a Single Location Franchise and $50,000 for an Area Franchise for up to four (4) locations in a territory. If you purchase the Area Franchise, you must open at least 1 location. The initial fee is fully earned by us when paid and is not refundable. The initial fee will be imposed on all Franchisees subject to the Disclosure Document.

Equipment. Before you open your business, you must purchase equipment at a non-refundable cost of $8,500.00, plus freight, payable when you place your order.

Total Initial Fee and Equipment. The total of the foregoing is $33,500 for a Single Location Franchise and $58,500 for an Area Franchise.

ITEM 6
Other Fees

Name of Fee	Amount	Due Date	Remarks
Monthly Royalty Fee (See Note 1)	Waived the first 6 months from the opening date as defined in the Franchise Agreement. After which the royalty fee will be $200.00 per month or 5% of gross sales, whichever is greater. (See Note 2)	On or before the 15th of each month (See Note 2)	(See Note 3)
Training Fee	(See Note 4)	(See Note 4)	(See Note 4)
Supplemental/Additional Training	None Required	(See Note 4)	
Assignment Fee	$2,000.00	Prior to the assignment	You must pay this fee to us when you

Name of Fee	Amount	Due Date	Remarks
			assign or sell, directly or indirectly, your Franchise to any entity
Computer Software Fee (See Note 5)	$240.00-$260.00	Monthly	(See Note 5)
Late Fee	5% of Royalty Fee due after 5-day grace period.	On demand	Applies to any fee owed under the Franchise Agreement that is more than 5 days late.
Interest	12% per annum on any balance unpaid by more than 15 days	On demand	Payable on all overdue amounts

Notes:

1. All fees imposed by us are uniformly imposed and are payable to us. All fees are non-refundable.

2. The Monthly Royalty Fee shall commence the earlier of 6 months following the opening of your club or 6 months or 150 days from after the date you sign the Franchise Agreement, unless we otherwise agree in writing. You must open your club no later than 150 days from the date you sign the Franchise Agreement. Monthly Royalty Fees shall be paid by electronic funds transfer initiated by us from your bank account or in any other form that we require in accordance with the Franchise Agreement. In no event will the Monthly Royalty Fee be less than $200.00. You must execute and deliver preauthorized electronic funds transfer forms, or such other forms your bank requires, to authorize such payments from your bank account to us.

3. We will begin to advertise new locations on the website upon the opening of your Franchise to the general public or the expiration of 150 days from the execution of the Franchise Agreement, whichever occurs first.

4. We do not charge you any fee for the training program. You are required to attend mandatory training sessions totaling up to 7 hours at a time we designate and prior to the opening of your club. Training may be held at our corporate office or any other place we designate, including without limitation, other physical locations, online, or via phone. Your expenses and your personal transportation, and other incidental expenses, shall be paid by you. If you request additional training, we may charge you our then-current hourly rate (current rate is $100 per hour).

5. You must use Wellness Living software, or such other similar software as we determine from time-to-time, for booking, payments, scheduling and marketing management. The fee is a software license fee that is currently approximately $200 per month, and is subject to increase if Wellness Living increases its fees or otherwise alters its current fee structure. You must also purchase at least two licenses for Microsoft Office 365 applications (to include Word, Excel, Outlook, Teams, and all other basic Office 365 applications), which is currently $20-$30 per month per license, depending on features and add-ons.

ITEM 7
Estimated Initial Investment

Type of Expenditure	AMOUNT	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee	$25,000 - $50,000 (See Note 1)	(See Note 1)	(See Note 1)	Us
Travel and Living Expenses While Training (See Note 2 and Note 3)	$750 - $1,500	As Arranged	As Incurred	Independent Vendor
Real Estate and Improvements	$80,750 – $116,500 (See Note 4)	(See Note 4)	(See Note 4)	(See Note 4)
Furniture and Misc. Equipment (See Note 5)	$3,000 – $4,000	As Arranged	When Arranged	Independent Vendors
Supplies (See Note 6)	$2,800 – $3,300	As Arranged	As Incurred	Independent Vendors and Us
Computer	$1,500 – $2,000	As Arranged	When Arranged	Independent Vendors
Signs (See Note 7)	$500 – $5,000	As Arranged	When Arranged	Independent Vendors
Advertising (See Note 8)	$500 – $1,000	As Arranged	As Incurred	Independent Vendors
Deposits (See Note 9)	$500-$5,000	As Arranged	As Incurred	Independent Vendors
Insurance (See Note 10)	$1,500 – $2,000	As Arranged	When Arranged	Independent Vendors
Sensory Equipment (See Note 11)	$32,500-$40,000 (See Note 11)	As Arranged	On Delivery of Equipment	Us
Additional Funds – 3 Months (See Note 12)	$1,500 – $3,000	Cash	As Incurred	Various Payees
Estimated Range (See Note 13)	**$150,800 – $207,800**			

Notes:

1. See Item 5. Initial Franchise Fee of $25,000 for a Single Location Franchise or $50,000 for an Area Franchise of up to four (4) locations in a territory. You must pay the total amount of the Initial Franchise Fee upon the signing of the Franchise Agreement. All payments for the Initial Franchise Fee must be paid by a cashier's check, or any other method as required by us in accordance with the Franchise Agreement, payable to us in Delafield, WI. The Initial Franchise Fee is not refundable.

2. You should allow at least $750.00 for travel, lodging, food and other miscellaneous living expenses incurred during training. Your actual cost will vary, depending on the distance to be traveled, your method of travel, and your personal circumstances. You must pay these expenses.

3. You and/or the person managing your Franchise must satisfactorily complete one or more training sessions totaling up to 7 hours at our headquarters located in Delafield Wisconsin or any other place we designate, including without limitation, other physical locations, online, or via phone. Your expenses and your personal transportation, and other incidental expenses, shall be paid by you. There is no charge for the training.

4. You must lease or purchase the business premises for each Franchise location. Many variables exist to estimate the difference between buying and renting and your personal preference as to space and accessories. Rent will vary depending on factors such as size, condition and location of the leased premises. It is likely your location will be in a warehouse or industrial building location. We must approve each location site before you purchase a building or sign a lease and open the Franchise. In addition, real estate related costs will increase if you choose to, or are required to, open additional locations. See Item 12 below for details regarding expansion requirements.

5. You may purchase any type of furniture or miscellaneous items you prefer. You must also license the "Wellness Living" software for $200.00 per month and at least two licenses for Microsoft Office 365 applications (to include Word, Excel, Outlook, Teams, and all other basic Office 365 applications), which varies from $20-$30 per month per license, depending on features and add-ons.

6. Includes any supplies or materials you deem as necessary to operate efficiently, such as required in-house forms including, but not limited to: Member Agreements, Waivers, etc. This also includes a required onboarding package including internet listings, business cards, brochures, letterhead and envelopes.

7. Signage will depend on building codes in your area and what is allowed on the building. Illuminated vs Non-illuminated signs will affect cost greatly. All signage needs to be in the same color palette as The Sensory Club® logo, as approved by us.

8. You will want to advertise locally in the initial start-up phase, using brochures and promotional items, in addition to social media and other FREE platforms, to help establish name recognition in your locality. All materials utilized for marketing or advertising of your franchise must comply with our design standards set forth in the Operations Manual. Obtaining advertising and advertising materials that comply with our design standards set forth in the Operations Manual is solely your responsibility.

9. Includes security deposits, utility costs, incorporation fee, or any requirements by your locality as to any type of permits or licensing.

10. You will need to purchase and maintain in effect at all times during the term of the Franchise Agreement a policy or policies of insurance, naming us as an additional insured on the face of each policy, public liability in no less than the following amounts: Bodily Injury - $1,000,000 each person, $1,000,000 each accident, and Property Damage - $1,000,000 each accident. You must also purchase workers' compensation and automobile liability insurance as required by state law.

11. An Initial Start-Up Equipment Package ($8,500 plus freight, subject to market pricing fluctuations) is required to be purchased through the Franchisor. The Package will include enough equipment to open and operate the Franchise. Additional equipment may be purchased through Franchisor or on your own, subject to the requirements of the Franchise Agreement. You are also required to install a MSE ("Multi-Sensory Environment") room (estimated cost $15,000-$25,000 depending on room size).

12. We recommend that you have additional funds available during the start-up phase of your Franchise. These amounts are our estimates of the amount needed to cover your expenses for a 3-month period from the date you open for business that are not included in the table above. Your actual costs will vary according to your approach to the Franchise; your management skill, experience and business acumen; local economic conditions; the local market for the Franchise's services; the prevailing wage rate in your market; and competition and the rate of growth of your Franchise.

13. Franchisor or an affiliate of Franchisor does not finance any part of the Initial Investment.

There are no other direct or indirect payments to us for the purchase of the Franchise. None of the payments in this Table are refundable.

ITEM 8
Restrictions on Sources of Products and Services

You must purchase the Initial Start-Up Equipment Package and such sensory equipment and products from us or from a source we designate and require from time-to-time to keep your Franchise current within our system and to provide the maximum amount of quality in your Franchise. We will maintain, and update from time to time, a list of approved suppliers. If you wish to have a supplier designated as "approved," you may submit information about the supplier and its relevant products or services to us for review and we will notify you of approval or disapproval within sixty (60) days. There is no cost to evaluate an alternative supplier. We reserve the right to re-inspect the products or services of any approved supplier and revoke its approval if the service or product fails to meet our quality standards.

We may receive revenue or material consideration in the event we require you to purchase any additional equipment or products. Our revenue from the sale of required equipment would be based on an increase to the cost of manufacturing the equipment.

You must purchase a telephone and computer from independent vendors for the operation of your Franchise. You must purchase "Wellness Living" software for the operation of your business and at least two licenses for Microsoft Office 365 applications (to include Word, Excel, Outlook, Teams, and all other basic Office 365 applications). The cost of "Wellness Living" software is disclosed in Item 6, above. We may require you to purchase or acquire certain computer hardware and/or software, as we from time-to-time deem necessary for the operation of your Franchise within our system. We will assign you an email address during onboarding, which must be used for all communication purposes related to your franchise.

You must purchase a sign for your Franchise specifically approved by us that includes The Sensory Club® service mark. Our approval is based upon our desire to provide the public with consistency in the design and appearance of our service mark. All signage must be in the same color palette and design format as The Sensory Club® logo as approved by us.

In the year ending December 31, 2024, we derived approximately $9,000.00 of revenue from the sale of required equipment, supplies and products. This constitutes 8% of our total 2024 revenues. We do not have any purchasing or distribution cooperatives.

We estimate the required purchases described above are 1% to 5% of the cost to establish and operate a Sensory Club location.

No Franchisor officer owns an interest in any supplier.

Franchisor does not provide benefits to a Franchisee based upon the Franchisee's purchase of particular products or services or use of designated or approved suppliers.

ITEM 9
Franchisee's Obligations

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

Obligation	Section in Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	3.1	7 and 11
b. Pre-opening purchases/leases	9.8	7
c. Site development and other pre-opening requirements	3.1	7 and 11
d. Initial and ongoing training	9.9	11
e. Opening	3.1	6, 11, and 12
f. Fees	6, 7	5,6 and 7
g. Compliance with standards and policies/Operations Manual	8.8, 10.1	11
h. Trademarks and proprietary information	8.1	13 and 14
i. Restrictions of products/services offered	9	8 and 16
j. Warranty and customer service requirements	9.2, 10.1	11
k. Territorial development and sales quotas	3.1	5 and 12
l. Ongoing product/service purchases	9.8	8 and 16
m. Maintenance, appearance and remodeling requirements	10.1	11
n. Insurance	9.7	7 and 8
o. Advertising	8.1, 9.4	6 and 11
p. Indemnification	30	6, 13, and 14
q. Owner's participation/management/staffing	9.2	11 and 15
r. Records and reports	11	6
s. Inspections and audits	11	6 and 11
t. Transfer	18	17
u. Renewal	5.2	17
v. Post-termination obligations	17.1	17
w. Non-competition covenants	20	17
x. Dispute resolution	24.3	17

ITEM 10
Financing

We do not provide financing options, and do not guarantee your lease or any other financial obligations you may enter into in connection with your business.

ITEM 11
Franchisor's Assistance, Advertising, Computer Systems and Training

Except as disclosed below, we need not provide you with any assistance.

Pre-Opening Obligations:

Before you open your Franchise, we will provide the following assistance to you:

1. Designate your territory (Franchise Agreement, Exhibit B).
2. Approve or disapprove a site for your Franchise. This includes the initial site and each subsequent site for an Area Franchise. You must select your Franchise site, subject to our review and consent. You are responsible for site selection, including compliance with zoning, building and permitting requirements, and securing ownership of or a lease for the premises. In evaluating a proposed site, we consider such factors as competition and market analysis, proximity to other similar business and potential sources of customers, building suitability, traffic and transportation, the nature and extent of adjacent businesses, the comparative advantages of a particular market, and other factors. Franchise site must be within your Protected Territory (see ITEM 12 below).
3. If you have not selected an approved site, or the facility has not been completed and furnished in accordance with our specifications, within 150 days after you have signed the Franchise Agreement, we have the right to terminate the Franchise Agreement without refunding any part of the Initial Franchise Fee.
4. Advise as to methods of training staff to work in and assist in operating the Franchise.
5. Assist in the plan or club design showing the location of equipment for an efficient use of equipment and utilization of space for the Franchise.
6. Provide you with the initial start-up equipment package and manuals listed in the Franchise Agreement necessary to open and operate the Franchise. We do not provide installation services for the equipment.
7. Conduct one or more training sessions totaling up to 7 hours for you and/or your designated General Manager.
8. Advise you as to source of supply for equipment, services, supplies, products and materials.
9. Training may be held at our headquarters located in Delafield, Wisconsin or any other place we designate, including, other physical locations, online, or via phone. Your expenses and your personal transportation, and other incidental expenses associated with the training, shall be paid by you. It will be conducted by a Sensory Club instructor and will last up to 7 hours with no additional charge to the Franchisee. Training shall be held at a time designated by us. You and your designated manager are required to attend and complete the training to our satisfaction. We may require you and your designated manager to attend additional training necessary for the operations of your Franchise. Training classes are held, as needed, and within 90 days following your signing of the Franchise Agreement. You must attend the training until you complete it to our satisfaction. Training is done by Cate Goemans. She has over 10 years' experience in business development and has worked for us since 2020.

TRAINING PROGRAM

Subject	Hours of classroom training	Hours of on-the-job training	Location
Day-to-Day Operation	2.0	0	Delafield, WI
Use of the Wellness Living System	3.0	0	Delafield, WI
Cleaning	.5	0	Delafield, WI
Government Contracts	.5	0	Delafield, WI
Business Development	1.0	0	Delafield, WI

The Instructional Materials Consist of Operations Manual described below. The Manual includes a description of the equipment, signs, fixtures, opening inventory and supplies recommended for your franchise.

You can request on-site training and/or assistance at any time. We will provide it at our option, but the Franchise Agreement does not require us to provide it.

Though the time may vary, the typical length of time between the signing of the Franchise agreement and the opening of your Franchise is approximately 150 days. Factors which may affect this time period are the following: your completion of initial training; your ability to locate a building and obtain a lease and our approval of the location site; registration with state and/or local authorities for the opening of your Franchise; the delivery of your equipment; and the scheduling of your opening date.

Obligations After Opening:

1. We will assist you with promotions for use in your Franchise on The Sensory Club® website.
2. Advise you as to source of supply for equipment, services, supplies, products and materials.
3. At such time that The Sensory Club® grows to a number of franchises capable of supporting an annual meeting, we may conduct, to be held at a location to be determined at that time to cover additional training and assistance to you that we may deem proper and advisable. Attendance of at least one Franchisee owner will be required.
4. Franchisor will assist you in developing products or services you will offer to your customers; improving and developing the franchised business; establishing prices; establishing and using administrative, bookkeeping, accounting and inventory control procedures; and resolving operating problems encountered by you.

ADVERTISING

We will make available to you our standards relating to signs, letter heads, promotions, office designs and other similar materials. We are not required to spend any amount on advertising in your territory. Our advertising may be limited to our webpage. Currently there is no advertising council. You are not required to participate in a local or regional advertising cooperative nor are you required to participate in any advertising fund. Except for business cards, our tri-folded brochure, thank you note cards, free day pass, and promo pass, letterhead, small notepads, and large notepads which must be purchased directly from us in accordance with the standards set forth in the Operations Manual, you are responsible for creating and using your own advertising materials so long as the materials strictly comply with our design standards set forth in the Operations Manual.

Technology Requirements

You are required to have available in your Franchise the necessary computer hardware and software, including without limitation Microsoft Office 365 applications (to include Word, Excel, Outlook, Teams, and all other basic Office 365 applications), and the basic proficiencies in their use necessary to carry on business with us and your customers over the internet and online, as those terms are understood in the computer technology world, including the Wellness Living software, an active email address which shall, at all times, be provided to us. You are responsible for all communications we send to your e-mail address and Microsoft Teams inbox, and in order to ensure brand consistency and compliance, you must reply to all franchisor communications within 48 hours, and you must accommodate all Franchisor meeting requests within 7 days, unless the Franchisor agrees otherwise in writing. We estimate the cost of the computer hardware is between $1,500.00 and $2,000.00. The Wellness Living software license is $200.00 per month. You are responsible for upgrades to the computer hardware and software during the term of your Agreement, as we may require by notice to you from time to time. You are responsible for all communications we send to you to the e-mail address initially assigned to you during onboarding and your Microsoft Teams account. You are required to complete and send certain reports on the operation of your Franchise to us through our designated web site. In the event we approve a software program or an operating system for the operation of your Franchise, you must purchase and use the approved software program in the operation of your Franchise and purchase the necessary computer hardware to run the approved software program. Any software program or operating system will be used to record membership sales and provide us with this information along with membership information. We will have the right to access this information.

Operations Manual

The following is the table of contents of our Operations Manual as of the date of this Disclosure Document:

Topic	**Number of pages**
Introduction	2
Employee Practices	2
Organization	3
Onboarding	3
Processes & Procedures	40
Policies	5
Forms	45
Total Pages	**100**

To ensure uniformity in the Sensory Club system, Franchisee's compliance with the Operation's Manual is mandatory.

ITEM 12
Territory

We will grant you exclusive territorial rights to operate The Sensory Club® franchises in a designated area as specified in Schedule 2 of the Franchise Agreement. The minimum territory we will grant you will consist of a 5-mile radius from your location. The maximum territory we will grant will include up to two adjoining counties. The territory is based on municipal boundaries and an approximation of an area that includes at least 20,000 registered families with special needs. If such information is not readily available, the territory will have a population of not less than 500,000 people. If the population of registered families with special needs is greater than 200,000 in any one county in a proposed territory, then the territory

purchased will be limited to that county. You will operate from at least one (1) location in your territory at all times. In addition, if you purchase an Area Franchise, you must open additional locations, not to exceed four (4), within your territory as follows:

- If you operate one (1) location in the territory and it earns annual gross revenues of $250,000 or more in any fiscal year, then you must determine and obtain the Franchisor's approval for a second location within the territory within 30 days, and the second location must be open within 120 days, of the close of your fiscal year in which such gross revenues were earned;
- If you operate two locations in the territory and they earn combined annual gross revenues of $500,000 or more in any fiscal year, then you must determine and obtain the Franchisor's approval for a third location within the territory within 30 days, and the third location must be open within 120 days, of the close of your fiscal year in which such gross revenues were earned; and
- If you operate three locations in the territory and they earn combined annual gross revenues of $750,000 or more in any fiscal year, then you must determine and obtain the Franchisor's approval for a fourth location within the territory within 30 days, and the fourth location must be open 120 days, of the close of your fiscal year in which such gross revenues were attained.

If you are an Area Franchise, you may seek to expand to additional locations in the territory before the gross revenues above are earned, but you shall not exceed 4 locations in the territory at any given time.

Your customers may reside anywhere. Other Sensory Club Franchisees may sell to customers residing in your territory without compensation to you.

You must obtain our written consent before relocating within the territory. You receive exclusivity for the location of your club(s) within your territory, and other Sensory Club franchisees will not be granted a franchise in your exclusive territory. However, you may face competition from other Sensory Club franchisees in areas outside your territory, from clubs we own outside the territory, or from competitive third-party brands within your area or territory. Similarly, you may solicit customers from outside your territory. You may purchase additional territories for an additional franchise fee. Your exclusive rights to the territory may be terminated or modified by us if you fail to comply with the terms and conditions of the Franchise Agreement. There are no other circumstances that permit Sensory Club to modify your territorial rights. We reserve the right to use other channels of distribution or operate a company-owned unit under a different proprietary trademark or grant other franchises which sell or lease dissimilar products or services under a different proprietary trade name, trademark, service mark or other commercial symbol in your territory while your Franchise Agreement is in effect.

Each Sensory Club location must maintain the following minimum Hours of Operation:

Monday – Friday	9:00am – 7:00pm
Saturday	9:00am – 5:00pm
Sunday	Closed

Note: The club may be closed on federal and local holidays

Continuation of your area or territory does not depend upon the achievement of any sales volume, market penetration or other performance goal. There are no circumstances under which we will alter your area or territory without your written consent, unless you are in default under your Franchise Agreement.

ITEM 13
Trademarks

We grant you the right to operate a Franchise under the name The Sensory Club®. You may also use our future trademarks to operate your Franchise. By trademark we mean trade names, trademarks, service marks and logos designated by us to identify your Franchise. The principal trademark which we license to you appears on the cover of this Disclosure Document. In addition, we registered the following service mark on the United States Patent and Trademark Office principal register:

Description	Registration Number	Registration Date
The Sensory Club	88856764	04/01/2020

You must follow our rules when you use these marks. You cannot use a name or mark as part of a legal entity name or with modifying words, designs or symbols, except for those which we license to you. You may not use our registered marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

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

No agreements limit our right to use or license the use of our marks.

We have filed all required affidavits associated with our marks.

You must notify us immediately when you learn about an infringement of or challenge to your use of our marks. We will take the action we think appropriate. We will indemnify you or reimburse you for your liability and reasonable costs if there is a challenge to your authorized use of our marks provided you have notified us immediately after you learned of the challenge and cooperate with us in defending the challenge as required.

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

We do not know of any infringing uses that could materially affect your use of our marks.

ITEM 14
Patents, Copyrights and Proprietary Information

You do not receive the right to use an item covered by a patent or copyright, but you can use the proprietary information in our Confidential Operations Manual. Although we have not filed an application for a copyright registration for the Confidential Operations Manual, we claim a copyright and the information is proprietary. The use of this manual is limited only to you and your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate. We have the right to control any litigation involving any proprietary information. We will defend you for claims by a third party concerning your use of our proprietary information.

ITEM 15
Obligations to Participate in the Operation of the Franchise Business

As a Franchisee, you, or if you are an entity, your manager, must devote full time and best efforts to the franchise business. Your Franchise location(s) must be directly supervised by you or your manager "on premises" who has successfully completed our training program. The manager need not have an ownership interest in the Franchisee. Unless we consent otherwise in writing, the manager must sign a written agreement to conform with the covenants not to compete described in Item 17. You or any manager supervising your Franchise cannot have an interest or business relationship with any of our competitors.

ITEM 16
Restrictions on What the Franchisee May Sell

You must offer and sell only the goods and services which conform to our standards and specifications (see Item 8) exclusively to individuals with special needs and their families.

You must offer all goods and services that we designate as required for all franchisees.

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

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

ITEM 17
The Franchise Relationship

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

Provision	Section in Franchise or other Agreement	Summary
a. Length of the Franchise term	5.1	Term is 5 years
b. Renewal or extension of the term	5.2	If you renew your Franchise Agreement, you must sign a new Franchise Agreement for a term of 5 additional years and pay 10% of your original Franchise fee. You may be asked to sign a Franchise Agreement with materially different terms than your original Agreement, but the boundaries of the Territory will remain the same and the continuing Royalty Fee will not be greater than we impose on similarly situated renewing franchises.
c. Requirements for Franchisee to renew or extend	5.2	You must not be in default of current Franchise Agreement. You must give us 9

Provision	Section in Franchise or other Agreement	Summary
		months' written notice prior to the Agreement expiration as required by your current Franchise Agreement. You must sign new Franchise Agreement.
d. Termination by Franchisee	15	By mutual agreement with us, by sale of the Franchise, or if we open The Sensory Club® franchise in your exclusive territory, or upon our default after failing to cure as provided in the Franchise Agreement
e. Termination by Franchisor without cause	16.1	We may terminate the Franchise Agreement only if you default. The Franchise Agreement describes defaults throughout—please read it carefully.
f. Termination by Franchisor with cause	16.1	Cause means any breach of a material provision of the Franchise Agreement (including a Single Location Franchise and an Area Franchise).
g. "Cause" defined- curable defaults	16.1	Please see the applicable provisions in the Franchise Agreement. Cause, which is curable, is generally described as failure to pay any monetary obligation when due, failure to comply with any term of the Franchise Agreement, transfer of any interest in the Franchise Agreement without the prior written consent of us, and breach of any other agreement between you and us.
h. "Cause" defined- non-curable defaults.	6.2	Please see the applicable provisions in the Franchise Agreement. Termination after notice to you with no right to cure: (a) you do not open up a Franchise location office and commence business operations within 150 days following the effective date of your Franchise Agreement; (b) you abandon your Franchise office; (c) you or any guarantor of the Franchise Agreement files bankruptcy, insolvency, receivership or dissolution; or (d) you or any guarantor of the Franchise Agreement dies, becomes permanently disabled or dissolves.
i. Franchisee's obligations on termination/nonrenewal	17.1	Obligations include complete deidentification, payment of amounts due and no-compete covenants (as described in 'r', below)

Provision	Section in Franchise or other Agreement	Summary
j. Assignment of contract by Franchisor	18.1	No restriction on our right to assign.
k. "Transfer" by Franchisee - definition	18	Includes transfer of Franchise Agreement or assets or ownership change.
l. Franchisor's approval of transfer by Franchisee	18	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for Franchisor approval of transfer	18	You are not in default of the Franchise Agreement or any other agreement with us, Franchise transfer fee of $2,000 is paid, purchase agreement approved, payment of all debts owed by you associated with your business, training arranged for your transferee, release signed by you, copy of letter from certified public accountant acknowledging review of the transfer for the new franchisee and current agreement signed by new franchisee. You will also be bound by the no-compete covenant. See 'r' below.
n. Franchisor's right of first refusal to acquire Franchisee's business	Collateral Assignment of Lease	We have the option to match any offer for the purchase of your business. Franchisor has the right to take over a lease agreement should the franchisee want to close and we would like it to stay open.
o. Franchisor's option to purchase Franchisee's business	Not applicable	
p. Death or disability of Franchisee	18.4	Franchise must be assigned by estate to an approved buyer within 90 days. Treated like a Transfer (see 'k,' l' and 'm' above).
q. Non-competition covenants during the term of the Franchise	20.1	No involvement in competing business anywhere in the U. S., other than existing business, without our prior written consent
r. Non-competition covenants after the Franchise are terminated or expires	20.2	No competing business for 1 year within 10 miles of your location site or another The Sensory Club® franchise (including after assignment).
s. Modification of the Agreement	28	Fees are subject to change by Franchisor. Training materials are subject to change by Franchisor.
t. Integration/merger clause	28	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable.

Provision	Section in Franchise or other Agreement	Summary
u. Dispute resolution by arbitration or mediation	25.3	All disputes must be litigated in Wisconsin, unless local state law supersedes this provision.
v. Choice of forum	25.3	All disputes must be litigated in Wisconsin, unless local state law supersedes this provision.
w. Choice of law	25.3	Wisconsin law applies, unless local state law supersedes this provision.

ITEM 18
Public Figures

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

ITEM 19
Financial Performance Representations

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 Hall, 925 Genesee St. #180121, Delafield, WI 53018-9998, (262) 470-1128, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
Outlets and Franchisee Information

Table No. 1
Systemwide Outlet Summary

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchises	2022	2	4	+2
	2023	4	3	-1
	2024	3	4	+1
Company Owned	2022	1	0	-1
	2023	0	0	0
	2024	0	0	0
Total Outlets – Franchises	2022	3	4	+1
	2023	4	3	-1
	2024	3	4	+1

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)

State	Year	Number of Transfers
All	2022	0
	2023	0
	2024	0

Table No. 3
Status of Franchised Outlets

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
All	2022	2	2	0	0	0	0	4
	2023	4	0	1	0	0	0	3
	2024	3	1	0	0	0	0	4

Table No. 4
Status of Company-Owned Outlets

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Wisconsin	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
All other states	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table No. 5
Projected Openings
As of December 31, 2024

State	Franchise Agreements Signed but Club Not Open (1)	Projected Franchised New Clubs in the Next Fiscal Year	Projected Company Owned Openings in Next Fiscal Year
Colorado	0	1	0
Illinois	0	0	0
Michigan	0	0	0
Tennessee	1	1	0
Texas	0	1	0
Wisconsin	0	1	0
All other states	0	2	0

Exhibit E lists the names of all current Franchisees and the addresses and telephone numbers of their outlets as of December 31, 2024 and the names of all Franchisees who have signed a Franchise Agreement but did not have an open outlet as of December 31, 2024. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Sensory Club System. In some instances, current and former Franchisees sign provisions restricting their ability to speak openly about their experience with The Sensory Club. 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 Franchisee associations within The Sensory Club System.

ITEM 21
Financial Statements

The audited financial statements of Franchisor dated December 31, 2023, and December 31, 2024 are attached to this Disclosure Document as Exhibit A.

ITEM 22
Contracts

EXHIBIT B – Franchise Agreement

EXHIBIT C – Collateral Assignment of Lease

ITEM 23
Receipt

The Receipt is a separate document attached as Exhibit F (2 copies) of this Disclosure Document, acknowledging receipt of this Disclosure Document.

STATE ADDENDUM

STATE ADDENDUM

ADDENDUM TO THE SENSORY CLUB, INC.
FRANCHISE DISCLOSURE DOCUMENT
ILLINOIS

Illinois law governs the Franchise Agreement(s).

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

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois 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.

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

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.

FRANCHISOR
The Sensory Club, Inc.

By:_____

Date:_____

FRANCHISEE

_____
Name

_____
Name
Date:_____

EXHIBIT A
Financial Statements

EXHIBIT B
Franchise Agreement

FRANCHISE AGREEMENT

between

THE SENSORY CLUB, INC.
(FRANCHISOR)

and

[INSERT NAME]
(FRANCHISEE)

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FRANCHISE AGREEMENT

THIS AGREEMENT is entered into this _____ day of _____, 20___, by and between The Sensory Club, Inc., located at 925 Genesee St. #180121, Delafield, WI 53018-9998 ("Franchisor"), and **[insert name of entity or individual purchasing the franchise – same name as the cover page]**, ("Franchisee") whose address is **[insert address of individual or entity named above as Franchisee]**.

RECITALS

Sensory Club ("Franchisor" or "Sensory Club") owns the rights to a business franchise system ("System") for providing a high-quality health club offering a sensory gym and multi-sensory environment, has devised policies and techniques for the operation of the System, and has promoted the System and the name "Sensory Club" for the advantage of Sensory Club, and its Franchisees (collectively "Affiliates"). The distinguishing characteristics of the System and of the service provided, some of which constitute trade secrets, include, but are not limited to the following:

1. Common use and promotion of The Sensory Club® service mark and a color scheme associated with the service mark; and

2. Distinctive promotional materials used by Sensory Club and/or its Affiliates as part of the System; and

3. Supplies and other materials used in the health clubs of Sensory Club and/or its Affiliates as part of the System; and

4. Centralized advertising and referral services; and

5. Procedures for operation of the health club under the System, publicity and record keeping; and

6. A standardized uniform system for operation of the health club in accordance with Sensory Club's standards for quality, value, efficiency, and courtesy.

Franchisee desires to be franchised to use the System in its health club business and to become an Affiliate of Sensory Club in a national network of such businesses under the terms and conditions contained in this Agreement.

All parties acknowledge the importance of continuing goodwill toward the System, maintaining distinctive and high quality multi-sensory health club services, and performing this Agreement according to its terms.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement and for other good and valuable consideration, Franchisor and Franchisee agree as follows:

1. FRANCHISEE INFORMATION. Franchisee certifies the accuracy of the information contained in Exhibit 1 as of the date of this Agreement and agrees to immediately notify Franchisor of any changes in the information through the term of this Agreement.

2. GRANT OF FRANCHISE

2.1. Grant of Franchise. Franchisor grants to Franchisee, and Franchisee accepts, the right to use the federally registered service mark "Sensory Club" and such other Proprietary Marks (as defined in

Section 40 of this Agreement) as Franchisor may designate from time to time for the purpose of operating a multi-sensory health club exclusively for individuals with special needs and their families within the specific geographic area (the "Protected Territory") outlined in the Description of Protected Territory (Exhibit 2 of this Agreement) during the term of this Agreement, upon the terms and conditions of this Agreement and in accordance with guidelines established by Franchisor (the "Franchise"). This grant is conditioned upon (i) Franchisee not defaulting under this Agreement, and (ii) this Agreement not being terminated, canceled or abandoned. Franchisee will not open any other Sensory Club franchise in the Protected Territory. Franchisee does not have the right to Franchisor's sublicense any of its rights under this Agreement. Franchisee will not use the club location for any purposes other than the operation of a Sensory Club during the term of this Agreement.

2.2. Exclusivity

(A) So long as Franchisee is not in breach of this Agreement, Franchisor shall not establish another health club within the Protected Territory using the Proprietary Marks.

(B) In the Event of Default (which is not timely cured), then this Agreement shall automatically become non-exclusive and Franchisor, in addition to all of its other rights and remedies set forth in this Agreement, will have the right to own, operate, or sell franchises within the Protected Territory.

2.3. Conditions to Exclusivity. Franchisee is not prohibited from soliciting customers outside the Protected Territory. Likewise, other Sensory Club franchisees may solicit customers domiciled in the Protected Territory.

2.4. Single Franchise. Franchisee has no option, right of first refusal, or similar right to acquire a Sensory Club franchise for any other location, absent a written agreement with Franchisor.

2.5. Franchisee Business. Franchisee shall not directly or indirectly engage in any business or otherwise use the Proprietary Marks or any part of the System for any purpose or in any manner not contemplated in this Agreement, without the prior written consent of Franchisor. If Franchisee desires to offer any services other than those services that are part of the System (e.g., physical therapy services), such services may be offered through a separate legal entity but shall not be offered through Franchisee.

3. INITIAL CLUB; RELOCATION

3.1. Initial Club

(A) Franchisee shall cause a Sensory Club health club to be opened and operating within the Protected Territory within a period not to exceed one hundred and fifty (150) calendar days from the date of this Agreement. Franchisee shall select a desired location for its Sensory Club health club within its Protected Territory and shall submit the location to Franchisor for approval, which approval shall not be unreasonably withheld. Franchisor will notify Franchisee of its approval or disapproval within thirty (30) days of its receipt of the request for approval. Franchisee may not proceed to open and operate a Sensory Club health club, unless Franchisor has consented to the site. Franchisee is responsible for complying with all local ordinances and is responsible for obtaining all building permits and any other required permits. Franchisee must obtain and install all required equipment, signs, fixtures and supplies to furnish its health club. Franchisor will provide

Franchisee with assistance concerning site location for and evaluation of the club. Franchisee acknowledges that Franchisor's assistance in site location and acceptance of the premises does not constitute a representation or guarantee by Franchisor that the location will be a successful location for Franchisee's club.

(B) The Franchise health club shall contain a minimum of four thousand (4,000) square feet (leased or purchased), and shall be equipped with multi-sensory equipment, furniture, phones, and office equipment including computer and specific software necessary to conduct the Franchise in accordance with the System. If Franchisee has not selected a site, if Franchisee and Franchisor cannot agree on a site, or if Franchisee has not opened its club within one hundred fifty (150) days from the date of this Franchise Agreement, Franchisor may declare this Franchise Agreement null and void, without the return of any Initial Franchise Fee or other amounts paid to Franchisor or Franchisor.

(C) All costs associated with the acquisition, leasing and operation of the Franchise health club shall be the sole responsibility of Franchisee.

(D) Franchisee agrees to execute, at Franchisor's request, a Collateral Assignment of Lease for the premises, in the form attached to this Agreement as **Exhibit 3**.

3.2. Approval Needed for Relocation

(A) Franchisee may, at its sole cost and expense and upon written approval of Franchisor, which approval shall not be unreasonably withheld, relocate its Franchise health club, provided the new club is located within the Protected Territory and meets the minimum square footage and other requirements set forth in Section 3.1 above.

(B) Franchisee may not open a second location within the Protected Territory without prior written approval of Franchisor. A second location will be subject to all of the terms, fees, and royalties set forth in this Franchise Agreement.

4. COMPLIANCE DATE. The operation of the Franchise by Franchisee shall begin and Franchisee's club shall open no later than the "Compliance Date" of this Agreement. The Compliance Date of this Agreement is the ____ day of _____, 20___. **[INSERT DATE]** The Compliance Date must be within, and cannot exceed one hundred and fifty (150) days from the date of this Agreement.

5. TERM; RENEWAL

5.1. Initial Term. The term of this Agreement shall commence on the Compliance Date and, unless sooner terminated as provided in this Agreement, shall expire five (5) years after the Compliance Date (the "Expiration Date").

5.2. Renewal Terms. Franchisee shall have the option to renew this Agreement for subsequent five (5) year terms (each referred to as a "Renewal Term"), provided that Franchisee has complied with the following conditions:

(A) During the term of this Agreement or Renewal Term, as applicable, Franchisee has complied with all of the material terms and conditions of this Agreement and has complied with Sensory Club's operating and performance standards and procedures; and

(B) Franchisee has given Franchisor written notice at least six (6) months prior to the end of the term of this Agreement or Renewal Term, as applicable, of its intention to renew this Agreement; and

(C) Franchisee, on or before the first (1st) day of each Renewal Term, executes the then-current standard Franchise Agreement being offered to new Franchisees by the Franchisor; and

(D) All monetary obligations owed by Franchisee to Sensory Club have been timely paid or satisfied prior to the end of the term of this Agreement or Renewal Term, as applicable, and have been timely paid throughout the term of this Agreement; and

(E) Franchisee shall pay to Franchisor, on or before the first day of each Renewal Term, a Renewal Fee of ten percent (10%) of the then Initial Franchise Fee paid; and

(F) On or before the first (1st) day of each Renewal Term, Franchisee attends the training programs provided by Franchisor for renewing franchisees.

6. **INITIAL FEE**. Upon the execution of this Agreement, Franchisee shall pay Franchisor, by cashier's check or wire transfer, an initial fee of [insert franchise price] (the "Initial Fee"). The Initial Fee shall be fully earned by Franchisor upon the execution of this Agreement, and no portion of the Initial Fee shall be refundable. The grant of this franchise and the payment of the Initial Fee provide Franchisee no rights regarding such other licenses, franchises or additions to the Protected Territory. No rights or privileges under this Agreement shall exist until the Initial Fee is paid.

If initialed here:_____ This Agreement is for an Area Franchise, as defined in the Franchise Disclosure Document. Under an Area Franchise, Franchisee may open up to four (4) Sensory Club locations in the Protected Area. The cost for the Area Franchise is $50,000.00. If an Area Franchisee, Franchisee must open additional locations, not to exceed four, within the Protected Territory as follows:

(A) If Franchisee operates one location in the Protected Territory, and Franchisee earns annual gross revenues of $250,000 or more in any fiscal year, then Franchisee must determine and obtain the Franchisor's approval for a second location within the Protected Territory within 30 days, and the second location must be open within 120 days, of the close of Franchisee's fiscal year in which such gross revenues were earned;

(B) If Franchisee operates two locations in the Protected Territory, and Franchisee earns combined annual gross revenues of $500,000 or more in any fiscal year, then Franchisee must determine and obtain the Franchisor's approval for a third location within the Protected Territory within 30 days, and the third location must be open within 120 days, of the close of Franchisee's fiscal year in which such gross revenues were earned;

(C) If Franchisee operates three locations in the Protected Territory, and Franchisee earns combined annual gross revenues of $750,000 or more in any fiscal year, then Franchisee must determine and obtain the Franchisor's approval for a fourth location within the Protected Territory within 30 days, and the fourth location must be open within 120 days, of the close of Franchisee's fiscal year in which such gross revenues were earned;

If Franchisee is an Area Franchise, Franchisee may expand to additional locations in the Protected Territory before the gross revenues above are earned, but Franchisee shall not exceed 4 (four) locations in the Protected Territory at any given time.

7. ROYALTY FEES

7.1. Royalty Fee

(A) Franchisee shall pay Franchisor a monthly royalty fee of five percent (5%) of the gross revenues received by Franchisee during the month, but not less than two hundred dollars ($200.00). Payment of the royalty fee shall be made on the tenth (10th) day of the month (or the next business day following a holiday or weekend) for revenues received in the prior month.

(B) The monthly royalty fee shall be waived for the first six (6) months following the opening of the Franchise club or the Compliance Date, whichever is sooner.

(C) At Franchisor's request, Franchisee must promptly execute and deliver to Franchisor appropriate preauthorized electronic funds transfer forms (or such other instruments or drafts required by Franchisor's bank) payable against Franchisee's bank account, so that Franchisor may electronically collect the royalty fee due under this Section 7. Franchisor will electronically retrieve from Franchisee's bank account the monthly statement of gross sales on the fifth (5th) day of each month for the preceding month. On the tenth (10th) day of each month (or the next business day following a holiday or weekend), Franchisor will bill Franchisee and withdraw from Franchisee's bank account the amounts due either pursuant to Franchisee's report or Franchisor's estimate. For purposes of this Agreement, the term "gross sales" means the total amount of all revenues Franchisee receives from the sale of services and goods, whether by cash, check, credit card or any other form of payment, in connection with the franchised club, including proceeds from business interruption insurance policies, the sale of any promotional or premium items, gross sales shall not include:

(i) Sales tax collected from customers and paid to appropriate tax authorities;
(ii) The amount of refunds or allowances given to customer in good faith from Franchisee; and
(iii) Any amounts from coupon or discount programs that Franchisor approves for which Franchisee is not reimbursed.

7.2. Interest and Late Charges. Franchisee shall pay Franchisor interest at the annual rate equal to twelve percent (12%), on all amounts due under this Agreement that are more than fifteen (15) days late. Franchisee shall also pay Franchisor a late fee of five percent (5%) of the amount of the late payment, if a payment is more than five (5) days late.

7.3. When Fees Earned. All revenues received by Franchisee shall not be deemed earned by Franchisee or treated as Franchisee's property until Franchisee shall have paid to Franchisor all monies owing to Franchisor. Franchisee is and shall be liable to Franchisor for all monies received by Franchisee for the benefit of Franchisor.

7.4. **Set-Off**. Franchisor shall have a right to set off all sums due from Franchisee against all amounts due to Franchisee.

7.5. **Documentation**. All payments to Franchisor shall be accompanied by documentation demonstrating how the amount of payment was determined.

8. PROPRIETARY MARKS

8.1. Grant of Non-Exclusive License of Proprietary Marks to Franchisee

(A) Franchisor grants to Franchisee, and Franchisee accepts, a non-exclusive license to use the Proprietary Marks (as defined in Section 43), for the purpose of operating a Franchise pursuant to the terms and conditions of this Agreement, and for no other purpose. Franchisor and Franchisee agree that ownership, right and title to the Proprietary Marks, regardless of source, are automatically vested in and shall remain solely and exclusively the property of Sensory Club, and are provided to Franchisee by Franchisor in confidence. Franchisee agrees to keep all of the Proprietary Marks in confidence, not infringe on Sensory Club's rights in the Proprietary Marks, not use them in any manner unless expressly authorized by Sensory Club, and not disclose them without the prior written consent of Franchisor, except as provided in this Agreement. This license is contemporaneous and coterminous with this Agreement and is granted solely in the context of this Agreement. Franchisee shall only use the Proprietary Marks with the SM, TM or ® symbols and designations, as applicable.

(B) Franchisee understands and agrees that its license to use the Proprietary Marks is non-exclusive. Sensory Club in its sole discretion has the right to grant franchises or licenses to others and to license to others the right to use the Proprietary Marks in addition to those franchises and licenses already granted to other franchisees and Franchisors. Sensory Club may develop and license other marks in conjunction with systems other than the Sensory Club System, on any terms and conditions Sensory Club deems advisable.

(C) Franchisor retains the sole right to advertise the System on the internet and social media which may currently exist or that may exist at any time in the future ("Social Media"), and to create, operate, maintain and modify or discontinue the use of a website and/or Social Media using the Proprietary Marks. Franchisee may access Franchisor's website and/or Social Media. Except as Franchisor may authorize in writing, however, Franchisee may not:

(i) Link Franchisor's website and/or Social Media;

(ii) Create, operate, maintain, and modify a website and/or Social Media using the Proprietary Marks;

(iii) Conduct any business or offer to sell or promote through coupons or otherwise, any products or services associated with the club, the Proprietary Marks or the System on the internet and/or Social Media (or similar form of electronic communication); or

(iv) Create or register any internet domain name in connection with the Franchise club. Franchisee may not register, as internet domain names or Social Media

names, any of the Proprietary Marks now or hereinafter owned by Franchisor, or any abbreviation, acronym or variation of the Marks, or any other name that would be deemed confusingly similar.

Franchisee acknowledges that any "comments," "followers," "friends," "likes," and other interactions with Social Media users on Franchisee's Social Media accounts are the result of Franchisee's participation in the System and Franchisee's use of the Marks. Upon termination of this Agreement, Franchisee shall immediately assign and transfer all of Franchisee's Social Media accounts to Franchisor and shall provide Franchisor all passwords, access codes, and take all such other steps Franchisor requests to provide Franchisor full access and control of all of Franchisee's Social Media accounts.

8.2. Substitution; Modification. Sensory Club reserves the right to modify the System or any part of the System at any time, if Sensory Club, in its sole discretion, determines that the modification will be beneficial to the System, and as changed, it shall remain the System referred to in this Agreement. Any improvements in the System, including but not limited to advertisements, that may be developed or proposed by Franchisee, its employees or agents ("Improvements") shall become the sole and exclusive property of Sensory Club, who shall have the right to adopt and perfect them without compensation to Franchisee. At Sensory Club's request, Franchisee, or its employees or agents shall assign any and all rights in Improvements to Sensory Club.

8.3. Tender of Defense. If Franchisee is named as a defendant or party in any action involving the Proprietary Marks or System and if Franchisee is named as a defendant or party solely because the plaintiff or claimant is alleging that Franchisee does not have the right to use the Proprietary Marks or System, then Franchisee shall tender the defense of the action to Franchisor and Franchisor will defend Franchisee in the action provided Franchisee has tendered the action to Franchisor within seven (7) days after receiving service of the pleadings or the Summons and Complaint involving the action.

8.4. Adverse Claims to Proprietary Marks; Infringements

(A) Franchisee shall promptly notify Franchisor of any claim, demand, or suit based upon or arising out of any attempt by any other person, firm, or corporation to use the Proprietary Marks, or any colorable variation of the Proprietary Marks. Franchisee agrees also to promptly notify Franchisor of any litigation instituted by any person, firm corporation, or governmental agency against Sensory Club or any franchisee, involving the Proprietary Marks.

(B) Franchisee shall promptly report all likely infringements of the Proprietary Marks to Franchisor and shall assist Franchisor in resolving conflicts, without reimbursement or remuneration. Franchisor will investigate likely infringements and will undertake such efforts to protect the Proprietary Marks as it deems reasonable and appropriate. Franchisor, at its sole option, may undertake the prosecution of any such infringements and shall bear all costs of any such prosecution, except as otherwise provided in this Agreement.

(C) If Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees, without reimbursement or remuneration, to execute any and all documents and to do such acts and things as, in the opinion of legal

counsel for Franchisor, may be reasonably necessary for Franchisee to assist in the defense or prosecution.

(D) Franchisee shall make every effort to protect, maintain and advance the trade name, service mark, and the System, and shall report imitations and infringements upon them.

8.5. Goodwill

(A) Franchisee acknowledges Sensory Club's claim to the exclusive right, title and interest to the Proprietary Marks and acknowledges that any and all goodwill associated with and identified with the Proprietary Marks, including any goodwill which may result from Franchisee's use of the Proprietary Marks, shall inure directly and exclusively to the benefit of Sensory Club. On the expiration or termination of this Agreement, no monetary value shall be assigned as attributable to or associated with Franchisee's activities as a Franchisee under the Proprietary Marks.

(B) Franchisee agrees not to make any disparaging remarks, comments or communications, whether oral or written, regarding Franchisor, or any of its respective officers or directors.

8.6. Incontestability. Franchisee shall not directly or indirectly contest or aid in the contesting of the validity or ownership of any of the Proprietary Marks, or take any action which might affect or prejudice Franchisor's rights in or to the Proprietary Marks. The foregoing agreement shall survive the termination of this Agreement.

8.7. Uniform Policies. In order to develop and maintain high and uniform standards of quality and service, and thus protect the reputation and goodwill of Sensory Club and all those involved in the System, Franchisee covenants (i) to adopt and use for the purposes expressed in this Agreement, at its own cost and expense, any changes in the Proprietary Marks or Operations Manual as if they were part of the System at the time this Agreement was executed; and (ii) to obtain advance written approval from Franchisor for the total appearance of the trade name and logo incorporating Franchisee's name or other identifying words.

8.8. Operations Manual and Sensory Club System

(A) In order to protect the reputation, goodwill and uniform standards of operation of the Sensory Club System, Franchisee shall conduct its operations and business in strict accordance with the Operations Manual as may from time to time be updated or amended by Sensory Club at its sole discretion. The then current Operations Manual will be provided to Franchisee as provided at Section 12.1 of this Agreement. The Operations Manual is on loan to Franchisee and shall remain the property of Franchisor. The Table of Contents to the current Operations Manual was provided to Franchisee prior to the execution of this Agreement.

(B) All information in the Operations Manual shall be deemed confidential and is disclosed to Franchisee only in the context of this Agreement, including the confidentiality requirements set forth in Section 20 of this Agreement. Franchisee shall at all times treat the Operations Manual and any other manuals created or approved for or used in the operation of Franchisee's business, and the information contained therein as confidential, and shall use all reasonable efforts to maintain the manuals and information as secret and confidential. Franchisee shall not at any time copy, duplicate, record or otherwise reproduce any of these materials, in whole or in part, except as may be otherwise

provided in the Operations Manual, and shall not make these materials available to any unauthorized person. Franchisee shall take all reasonable steps necessary to prevent the unauthorized disclosure of the confidential information, including requiring the execution of confidentiality statements by its Sales Representatives, employees, officers, directors, members and partners in such form as may be provided by Sensory Club or Franchisor.

(C) Sensory Club shall have the sole authority to change, add to, delete or modify the Proprietary Marks, Operations Manual or other parts of the System, and to do so from time to time. Franchisee shall, at its own expenses and within a reasonable time not to exceed fourteen (14) days after receipt of written notice, adopt and use any such changes, additions, deletions or modifications to the Proprietary Marks, Operations Manual or other parts of the System. Franchisee shall at all times ensure that its copy of the Operations Manual are kept current and up to date. In the event of any dispute as to the content of any Manual, the master copy of the Manual maintained by Sensory Club shall control.

9. OBLIGATIONS OF FRANCHISEE; QUALITY CONTROL

9.1. Compliance with Laws. Franchisee shall comply with all local, state, and federal laws, ordinances, rules and regulations, relating to Franchisee's business, including without limitation, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as applicable, and shall not engage in any activity or practice which results or could reasonably be anticipated to result in litigation or public criticism of Franchisee, Franchisor, or their respective businesses.

9.2. Conduct of Business

(A) At all times, Franchisee shall maintain high ethical standards in the conduct of its business, shall maintain its health club in a clean and orderly manner, and shall provide efficient, courteous and high-quality service to the public, of the same high quality and distinguishing characteristics as provided at Sensory Club's health clubs, so that the service operated under this Agreement will help to create and maintain goodwill among the public for the System.

(B) Franchisee, or if Franchisee is an entity, an officer, member, director, partner or other person named as the manager of record, shall devote substantially full time efforts to Franchisee's business to be pursued under this Agreement.

9.3. Franchisee's Trade Name; Legal Name

(A) Franchisee shall conduct its business under the trade name that includes the word "Sensory Club" (hereinafter "Trade Style name"). Franchisee shall obtain Franchisor's written approval of its Trade Style name, prior to making any commitments or records of such name. The words Sensory Club must be positioned at the beginning of the name. In no event shall such name contain any arbitrary, whimsical, invented or suggestive words or acronyms. Franchisee will file for a certificate of fictitious or assumed name in the manner required by applicable state law so as to notify the public that Franchisee is operating its Franchise as an independent business pursuant to this Agreement. Franchisee shall have no right to use or register the Trade Style name apart from the right granted under this Agreement, and all such rights shall cease upon the termination or expiration of this Agreement.

(B) The Trade Style name is the name under which the Franchisee shall conduct business, and shall be different than Franchisee's legal entity name. Franchisee's legal name shall **not** include the name "Sensory Club."

(C) Franchisee may not change the Trade Style name or the legal name without prior written consent of Franchisor, which shall not be unreasonably withheld.

(D) If Franchisee decides to advertise, promote, or otherwise conduct business by means of the Internet, Franchisee shall also utilize a domain name which includes the word "Sensory Club" and the Sensory Club Logo. Any such domain name must be approved by Franchisor in writing prior to Franchisee's use of it. All marketing shall be in accordance with the standards and guidelines provided in the Operations Manual.

(E) Neither the Trade Style name nor any domain name, application name or social media profile name may include the words "National, International, Canada, U.S., or North America," nor provide any indication that the Franchisee has the exclusive rights under this Agreement to more than the Protected Territory.

9.4. Written Materials; Advertising; Signs

(A) Franchisee shall feature in the operation of its health club service and in all materials and advertising, the distinguishing characteristics of the System in accordance with the Operations Manual (as defined in Section 40) or as contained in specific directives from Franchisor as may be issued from time to time.

(B) Franchisee shall include the following statement on Franchisee's web page, advertisements, exterior sign, letterhead, listing agreements and other printed materials: "each club independently owned and operated" or "Independent Member." Franchisee shall conspicuously display the statement on its web page and at a prominent location at the main entrance of its health club.

(C) Franchisee shall erect and maintain at its club premises an exterior sign in conformance with the local municipality's sign codes and Sensory Club's Operations Manual and quality control directives. Design specifications for Franchisee's sign must be approved by Franchisor prior to Franchisee making any commitment to any contractor to construct the sign and prior to display at the Franchise club.

(D) Sensory Club reserves the right to approve all of Franchisee's use of linking between Franchisee's websites pages and other websites, and Franchisee shall, within five (5) days of receipt of notice from Sensory Club, dismantle any such links if and as required by Sensory Club.

9.5. Goodwill. Franchisee shall use every reasonable means available to promote the use of the System on a national basis by the general public, and shall not permit the advertising of any other competing health club services within its club except that of other Sensory Club Franchisees.

9.6. Defense of Actions. Except as provided in Section 8.3, Franchisee shall assume sole and entire responsibility for fines, suits, proceedings, claims, or damages relating to its business whether asserted by a governmental authority or any other party, or any costs, expenses or liability by reason of any loss of life, or injuries and claimed injuries, sustained in connection with the

operation of its health service, and shall defend, indemnify and hold Sensory Club and Franchisor harmless from any and all claims, liability or expenses, including attorneys' fees, which Sensory Club may incur as a result of the conduct of Franchisee's business.

9.7. Insurance

(A) Franchisee shall maintain and keep in force, at its expense, such forms of insurance, including, but not limited to, general public liability insurance against claims for personal injury, death, or property damage with a general aggregate limit of not less than $1,000,000, errors and omissions insurance with a general aggregate limit of not less than $1,000,000 with such approved insurance companies as Franchisor and shall reasonably require Franchisee shall carry such additional amounts and forms of insurance which Franchisor shall reasonably deem prudent for a Franchisee to carry, should the circumstances or conditions so merit Franchisee carrying such amount and type of insurance, and provided such insurance is then customarily required and maintained by similar businesses. Franchisee shall cause its insurance agency to send directly to Franchisor, copies of all such polices which shall include Franchisor and all of its officers and directors as named insureds and such policies shall not be canceled, amended or modified, except on thirty (30) days written notice to Franchisor. Franchisee shall, prior to conducting business under this Agreement, cause its insurance agency to deliver directly to Franchisor, certificates of insurance evidencing that the insurance is in full force and effect. The insurance shall name Franchisor as additional insured.

(B) Franchisee and Franchisor waive all rights against each other for damages, to the extent covered by insurance.

9.8. Equipment. Franchisee shall purchase all equipment bearing The Sensory Club® trade name, trademark, service mark, color scheme, or related identifying materials, from Sensory Club or a source of supply suggested by Sensory Club or approved by Sensory Club within sixty (60) days after Franchisee submits information concerning the proposed supplier. Franchisee must purchase the "start-up" equipment package, as specified by Franchisor, prior to opening Franchisee's location. The cost for the start-up package is $8,500.00, plus freight. Franchisee shall at all times maintain all equipment in good condition, including without limitation, periodic repair and replacement of worn or damaged equipment from time-to-time consistent with System standards, so that the service operated under this Agreement will help to create and maintain goodwill among the public for the System.

9.9. Attendance of Initial Training Program. Franchisee, or the designated manager of the Franchise club shall, at Franchisee's own expense, prior to opening its club, attend and complete to Franchisor's satisfaction the next scheduled seven (7) hour franchisee training course conducted for franchisees at a predetermined location by Franchisor. The training course shall be offered approximately 30 to 60 days before the Franchise opening. There are no charges for the Franchisee's use of the training course or manuals for approved attendees from each Franchise. However, Franchisee is responsible for its travel, lodging, meals, and related expenses. Franchisee agrees to pay Sensory Club $500.00, if Franchisee signs up and fails to attend the training offered by Sensory Club, or if Franchisee cancels attendance at The Sensory Club® training course on less than thirty (30) days' prior notice to Sensory Club. If you do not complete the training to Franchisor's satisfaction, you must re-attend and complete the training.

9.10. **Convention Attendance**. Franchisee is required to attend the convention, if Franchisor holds an annual convention. The cost of all transportation, lodging, personal and other expenses for Franchisee at the annual Sensory Club Convention shall be born solely by Franchisee.

9.11. **Computer Information Systems**. Franchisee shall utilize computer hardware and software as required by Sensory Club, from time to time, including such proprietary computer software as Sensory Club may develop for use in connection with the Sensory Club System. Franchisee shall submit to Sensory Club and Franchisor such forms, reports, and records as specified and at the times indicated in this Agreement, in the Operations Manual and in other written communications from Franchisor. If no timeline is indicated, then submission must be completed and submitted within two (2) weeks. Sensory Club currently requires that Franchisee utilize Wellness Living software for booking, payments, class scheduling and marketing management. Franchisee shall also obtain and utilize Microsoft Office 365 applications (to include Word, Excel, Outlook, Teams, and all other basic Office 365 applications) to ensure compatibility and uniformity across the Sensory Club System. The Franchisee's email address assigned to Franchisee during onboarding shall be the sole email address utilized for all Franchisee email communications all of which must be sent by Franchisee utilizing Microsoft. In order to ensure brand consistency and franchise system compliance, Franchisee shall reply to all Franchisor communications within 48 hours, and Franchisee shall accommodate all Franchisor meeting requests during standard business hours within 7 days, unless the Franchisor agrees otherwise in writing. Franchisee is responsible for PCI (Payment Card Industry) compliance. Franchisee shall pay for the software required by Sensory Club.

Information made available to Sensory Club as a result of the utilization of the software by Franchisee will not be published without written authorization by Franchisee.

9.12. **Representations and Warranties**. Franchisee represents and warrants that Franchisee and its members, officers, directors and shareholders have been duly authorized to enter into this Agreement and that the execution and performance of this Agreement is not in violation or breach, or cause the violation or breach, of any agreement or covenant between them and any of them and any third party or the violation or breach of any order, decree or judgment of any court or administrative agency.

9.13. **Accurately Report Transactions**. Franchisee shall accurately report to Franchisor, all transactions upon which Franchisee receives revenues, including, by way of example and not limitation, memberships, rentals, and leases and shall timely remit and pay all fees due with respect to the revenues.

10. OPERATIONS MANUAL

10.1. **Compliance with Manual**. Franchisee shall strictly observe the most current rules of operation established by Franchisor as well as specific System standards and quality control directives issued from time to time by Franchisor. It is understood and agreed that such rules are an integral part of the System and that adherence to such rules by Franchisee is a material consideration for execution of this Agreement. Franchisee acknowledges and understands the importance of The Sensory Club® quality control program and shall adhere strictly to the quality control standards contained in the Operations Manual with operating procedures and quality control directives.

11. MAINTENANCE OF BOOKS; INSPECTION

11.1. **Financial Statements**. Within ninety (90) days after the close of Franchisee's fiscal year, as used for federal income tax purposes, Franchisee shall file with Franchisor a statement, showing the year-end balance sheet and the results of operations for the year including gross sales and revenues for the year, with a comparison to the prior year's balance sheet and results from operations. Franchisee shall also file with Franchisor any other reports as Franchisor may, from time to time, request. All statements shall be certified by Franchisee.

11.2. **Audit Rights**. Franchisor shall have the right to inspect and audit all of Franchisee's books, records, and procedures. Franchisee shall permit, and understands that it should expect, regular and frequent inspection at reasonable times, by agents or representatives of Franchisor of all books, records, procedures, and services of Franchisee in order to determine compliance with this Agreement. All discrepancies shall be paid within ten (10) days after the date Franchisee receives notice of such discrepancy. If any underpayment exceeds five percent (5%) of the amount due, then Franchisee shall pay all costs and expenses relating to the audit, including, but not limited to, travel, lodging, meals, attorneys', accountants' and other professional fees. All payments due pursuant to this section shall be subject to the interest charges provided in Section 7.2 above.

11.3. **Right of Entry and Inspection**. Sensory Club shall have the right at any reasonable time to enter Franchisee's place of business and to inspect, review and verify Franchisee's company, business and banking records in order to determine Franchisee's compliance with this Agreement, the truthfulness of all statements and disclosures to Franchisor, and for conformity with all standards, specifications, procedures and techniques of the Sensory Club System. Franchisee shall cooperate with the inspections, will render such assistance as may be requested, and will promptly remedy all deficiencies identified by Franchisor, whether or not they are identified in a formal notice of default or notice to cure.

12. OBLIGATIONS OF FRANCHISOR

12.1. **Initial Obligations**. Prior to the opening of the franchise business, Franchisor will make available to Franchisee, one (1) copy of Operations Manual, together with any amendments to the manual. The manual will include standard operating procedures and quality control directives designed to familiarize Franchisee with the System and better enable it to run an efficient club. The manual will also include requirements governing the use and specification of all logos, trademarks and other sales promotional materials.

12.2. **Continuing Obligations**

(A) During the operation of the franchise business, Franchisor shall make available to Franchisee, upon request, consulting services relating to the operation of its health club services business as Franchisor deems appropriate and necessary, upon such terms and conditions as the parties may agree.

(B) Franchisor shall encourage the use of the multi-sensory health club services by members of the public.

(C) Franchisor shall maintain reasonable supervision over Franchisee as often as Franchisor shall deem necessary, to assure compliance with the System and any supplemental quality control standards as established by Franchisor from time to time, and to provide guidance in the management and operations of Franchisee's club.

(D) Franchisor shall make available to Franchisee, the System's operating procedures, directives, and standards relating to signs, letterheads, sales promotions, office designs and other similar materials to the extent and in the manner that such materials are made available to it by Sensory Club or as are approved by Sensory Club.

13. RELATIONSHIP OF PARTIES

13.1. Independent Contractor. Franchisee is and shall be an independent contractor, and nothing contained in this Agreement shall be construed to create a partnership, joint venture, employment or other relationship between parties. Neither Franchisor nor Franchisee shall act as an agent for the other or as guarantor or surety for the obligations of the other. Neither party shall be obligated for the debts or expenses of the other. Franchisee does not have the authority to bind or obligate Franchisor in any way by any promise or representation.

14. FORM OF OWNERSHIP

14.1. In General. Individuals desiring to do business as a corporation, partnership, or limited liability company shall submit to Franchisor in writing a statement including appropriate evidence of compliance with all of the requirements of this Section 14 as may be reasonably requested by Franchisor. Franchisor's written consent to operate as a business entity shall be promptly given in the event of compliance with the requirements below. Nothing in this Agreement shall be construed as permitting Franchisee to license the rights, duties and obligations contained in this Agreement to a corporation, partnership or limited liability company without assignment made in accordance with Section 18 of this Agreement. If this Agreement is owned equally by spouses, the spouses shall provide Franchisor a written statement at the time this Agreement is signed, signed by both spouses stating the name of the final decision maker.

14.2. Conditions of Entity Ownership. This Agreement is personal to the individual(s) signing as Franchisee. If Franchisee desires to do business as a corporation, partnership or limited liability company, Franchisor will give its written consent to the assignment of this Agreement to such entity only under the following terms and conditions:

(A) All individuals executing this Agreement shall remain personally liable for the performance of all obligations under this Agreement, irrespective of the formation of the entity and all equity holders of the assignee entity who have not signed this Agreement shall execute the Personal Guaranty in the form attached as **Exhibit 4**.

(B) The assignee entity must be legally authorized to do business in the state(s) where the Protected Territory is located and shall at all times maintain itself in good standing in the state(s).

(C) The assignee entity shall not be engaged in any business endeavor whatsoever other than that which is primarily concerned with ownership and operation of the franchise business as described in this Agreement.

(D) One of the individuals executing this Agreement must own or control at least fifty-one percent (51%) of the voting equity and, in the aggregate, at least fifty-one percent (51%) of all equity of the assignee entity, and retain ownership or control during the term of this Agreement.

(E) The following restrictions shall be conspicuously endorsed as a legend on each equity certificate, shall be indicated in the Bylaws, partnership agreement operating agreement, or other applicable governing document and shall be a part of any and all other agreements necessary in order to make the restrictions effective:

"The interest represented by this certificate is held subject to the terms and conditions of The Sensory Club® Franchise Agreement with The Sensory Club, Inc. and the company issuing this certificate. Any encumbrance, assignment or transfer of the interest is subject to all restrictions imposed by the Franchise Agreement."

(F) The capitalization of the assignee shall be approved in writing by Franchisor. Franchisor shall be provided with copies of the assignee's charter documents, organizational documents, organizational meeting minutes, "buy-sell" agreements, and any other relevant documents as may be requested by Franchisor.

(G) The assignee entity's legal name shall not contain any word, phrase or clause which is the same as, derivative of, or deceptively or confusingly similar to the trademarks, service marks, slogans, or trade names of Sensory Club Inc., including but not limited to "Sensory Club Inc." Furthermore, the assignee entity's legal name shall not contain any whimsical, suggestive, coined or arbitrarily spelled words or acronyms that might conceivably become known as service marks or trademarks or that might conceivably detract from or consequently denigrate the distinctiveness of The Sensory Club® marks.

15. TERMINATION BY FRANCHISEE. Franchisee shall have the right to terminate this Agreement upon not less than thirty (30) days written notice to Franchisor, if Franchisor is in default in the performance or observance of any agreement, covenant, provision or term contained in this Agreement and the default, which remains uncured for more than thirty (30) days after written notice of the default is given to Franchisor. Franchisee waives all claims to all damages except direct damages necessarily arising from the alleged default against which notice is given and which remains uncured.

16. TERMINATION BY FRANCHISOR

16.1. Events of Default

(A) Right to Cure. Set forth below are events of default which, upon their occurrence, shall give Franchisor the right to terminate this Agreement after notice to Franchisee and a right to cure as described in Section 16.2:

(i) Franchisee, any one or more of the equity holders of Franchisee, or any entity controlled by Franchisee or by one or more of the equity holders of Franchisee, fails to pay, when due, any of his, her, or its financial obligations to Franchisor, any one or more of Franchisor's equity holders, any creditor of Franchisee, or any creditor of any one or more of the equity holders of Franchisee, including but not limited to payments due under any promissory note executed by Franchisee pursuant to the terms of this Agreement.

(ii) Franchisee, any one or more of the equity holders of Franchisee, or any entity controlled by Franchisee or by one or more of the equity holders of Franchisee,

breaches any term of this Agreement; any other agreement granting a Sensory Club franchise; any rule, procedure, amendment, or supplement to this Agreement established by Franchisor or; any agreement or instrument entered into with a creditor to finance this or any other Sensory Club franchise.

(iii) Franchisee, directly or indirectly, sells, leases, assigns, transfers, conveys, gives away, pledges, mortgages or encumbers any interest in this Agreement, or in any way removes the franchise granted by this Agreement from the actual or legal supervision or control of Franchisee, or attempts to do any of same without the prior written consent of Franchisor; or if Franchisee is a corporation a partnership or other legal entity, if any equity interest in the entity is directly or indirectly assigned or transferred without the prior written consent of the Franchisor.

(iv) Franchisee, or any entity controlled by Franchisee or by one or more of the equity holders of Franchisee, breaches any requirement, obligation, term, or condition of any other Sensory Club franchise agreement between Franchisee, or any entity controlled by Franchisee or by one or more of the equity holders of Franchisee, and Franchisor.

(v) Franchisee breaches any requirement, obligation, term or condition of any other agreement between Franchisee and Franchisor.

(vi) Franchisee misuses escrow or trust funds.

(vii) Franchisee loses any license necessary to conduct the health club business pursuant to the Franchise being licensed under this Agreement.

(B) No Right to Cure. Set forth below are events of default which, upon their occurrence, shall give Franchisor the right to terminate this Agreement after notice to Franchisee and with no right to cure, as described in Section 16.2:

(i) Franchisee fails to open its club and commence business operations within one hundred and fifty (150) days of the date of this Agreement.

(ii) Franchisee voluntarily abandons the franchise by failing to operate the franchise in accordance with the terms of this Agreement, within the Protected Territory for a period of ten (10) consecutive days, or for twenty (20) days in any period of thirty (30) consecutive days, unless such failure is due to fire, flood, earthquake or similar cause beyond Franchisee's control.

(iii) Franchisee fails to comply with the provisions of this Agreement three (3) or more times, whether or not corrected after notice.

(iv) Franchisee or any of its equity holders, directors or officers are convicted of a felony or other crime that, in the reasonable judgment of Franchisor, impairs the goodwill associated with the Proprietary Marks.

(v) The filing of a voluntary or involuntary petition under any bankruptcy or insolvency law or a petition for the appointment of a receiver, or an assignment

for the benefit of creditors, if Franchisee or a guarantor of this Agreement is subject to the action.

(vi) Franchisee or a guarantor of this Agreement dies or becomes Permanently Disabled, or if Franchisee or a guarantor is a corporation, limited liability company or other entity other than an individual, such Franchise or guarantor dissolves.

16.2. Remedies

(A) (i) Upon the occurrence of any of the Events of Default described in Section 16.1(B) (except Section 16.1(A)(i)), Franchisor may terminate and cancel this Agreement upon thirty (30) days' prior written notice to Franchisee. The notice shall demand immediate cure of the Event(s) of Default and shall advise Franchisee that if the Event of Default specified in the notice is not cured within thirty (30) days after the date of the notice, all rights of Franchisee under this Agreement shall be cancelled and terminated without further notice.

(ii) Upon the occurrence of an Event of Default described in Section 16.1(A)(i), Franchisor may terminate and cancel this Agreement upon ten (10) days' prior written notice to Franchisee. The notice shall demand immediate cure of the Event of Default and advise Franchisee that if the Event of Default specified in the notice is not cured within ten (10) days, all rights of Franchisee under this Agreement shall be cancelled and terminated without further notice.

(iii) Upon the occurrence of any of the Events of Default described in Section 16.1 (B), or upon the occurrence of any default that cannot be cured, Franchisor may terminate and cancel this Agreement, without providing Franchisee any opportunity to cure, effective immediately upon notice to Franchisee.

(iv) If termination of this Agreement due to Franchisee's breach of this Agreement or due to the commencement with respect to one or more of Franchisee's bankruptcy or similar proceedings, or expiration of this Agreement is precluded by operation of the bankruptcy laws, then Franchisor may terminate this Agreement unless Franchisee immediately and fully compensates Franchisor for any such breach or provides Franchisor with adequate assurance of future performance of this agreement. For purposes of this paragraph, full compensation shall include full payment of any losses suffered by Franchisor due to Franchisee's actions or inaction, and adequate assurances or prompt and full compensation shall include, at a minimum, immediate presentation to Franchisor by Franchisee of an irrevocable letter of credit in an amount sufficient for full compensation of Franchisor (as defined above), issued to the account of Franchisee by a commercial bank, payable to Franchisor, at sight, within thirty (30) days from the date thereof, upon presentation of any affidavit signed by Franchisor stating that Franchisor is entitled to payment pursuant to this Agreement.

(B) Termination of this Agreement by Franchisor shall not terminate any monetary obligations owed by Franchisee to Franchisor. Termination of this Agreement by Franchisor shall not be an exclusive remedy and shall not in any way affect the rights of

Franchisor to receive, or collect fees or other amounts payable by Franchisee under this Agreement, to enforce the provisions of this Agreement against Franchisee, to sue for damages, seek and obtain *ex parte* injunctive relief, to pursue any other equitable remedy for breach of this Agreement by Franchisee or otherwise constitute a waiver of any of Franchisor's other rights upon the occurrence of an Event of Default. Franchisor shall not be obligated following any such termination or cancellation, to refund any amount previously paid by Franchisee under the terms of this Agreement.

(C) Notwithstanding the above, if Franchisee fails to correct an alleged breach of this Agreement within the applicable time period after receipt of written notice from Franchisor, Franchisor will also have the right, upon written notice to Franchisee, to: (1) terminate the territorial exclusivity of the Protected Territory; or (2) reduce the size of the Protected Territory.

(D) Nothing in this Section 16 will preclude Franchisor from seeking other remedies against Franchisee under state or federal laws or under this Agreement, including, but not limited to, recovery of attorneys' fees, punitive damages and injunctive relief.

16.3. Damages. If this Agreement is terminated by Franchisor pursuant to this Section 16, or if Franchisee breaches this Agreement by a wrongful termination of this Agreement, then Franchisor will be entitled to seek recovery from Franchisee for all of the damages that Franchisor sustained prior to the termination, or will sustain in the future as a result of Franchisee's breach of this Agreement. The actual damages that Franchisor would suffer for the loss of prospective fees and other amounts due under this Agreement would be difficult, if not impossible, to ascertain. Therefore, Franchisee agrees, in addition to all damages that Franchisor sustained prior to the date of termination, Franchisor shall be entitled to recover, for Franchisor and for Sensory Club, as liquidated damages and not as a penalty, an amount equal to the average monthly Fees paid to Franchisor for the twelve (12) month period immediately preceding the termination multiplied by the number of months remaining until the Expiration Date.

17. POST TERMINATION - RIGHTS AND OBLIGATIONS

17.1. Obligations upon Termination or Non-renewal. If this Agreement is terminated or not renewed:

(A) All provisions in this Agreement concerning obligations of Franchisee to Franchisor shall be deemed to survive the termination of this Agreement.

(B) All rights of Franchisee under this Agreement shall terminate and Franchisee shall immediately discontinue all use, imitation or duplication of all distinguishing characteristics of the System, including but not limited to, trade names, trademarks, service marks, membership marks, certification marks, copyrights, designs, slogans, logos, names, advertising copy or other printed or physical materials now or hereafter displayed, used or becoming a part of the System.

(C) Franchisee shall immediately cease and refrain from using the System, or any parts thereof, and Franchisee shall immediately cease and refrain from holding itself out to the public in any way as a member of or as a former member of the System or as a Franchisee, Affiliate or operator of the System.

(D) Franchisee shall immediately distinguish its operations from that of Franchisor, and of Sensory Club franchisees so as to avoid every possibility of any confusion to the public.

(E) Franchisee, at its expense, shall make or cause to be made such changes in signs, telephone numbers, buildings or structures as Franchisor may direct in order to distinguish Franchisee effectively from its former appearance and from other Sensory Club Affiliates. The changes shall include a complete change in the trade name from that under which Franchisee conducted its business while affiliated with the System. If Franchisee shall, upon request, fail or omit to make or cause to be made the changes within ten (10) days, then Franchisor shall have the right to enter upon the premises, without liability, and make, or cause to be made, the changes at the expense of Franchisee, which expenses shall be paid by Franchisee upon demand.

(F) Franchisee shall, at Franchisor's direction, file the appropriate forms to abandon and/or withdraw any assumed name certificate, to cease all activities with and claims to ownership of any trade or assumed name containing any Proprietary mark or to transfer the same to Franchisor, and/or to change the name of its corporation, partnership, or affiliate to eliminate any reference to the System.

(G) Franchisee shall immediately return to Franchisor all manuals, bulletins, instruction sheets, forms, marks, designs, signs, printed matter, and other material obtained by Franchisee under and pursuant to this Agreement, together with copies of the same that may have been made by Franchisee, or that are in its possession, custody or control.

(H) Franchisee shall immediately cause the local telephone company to change all of its telephone numbers and assign the numbers listed for the franchised club to Franchisor. If at the expiration of this Agreement, Franchisee has complied with all of its financial obligations to Franchisor and it is not otherwise in default, Franchisee shall not be obligated to comply with the provisions of this Subsection 17(H).

(I) Franchisee shall immediately execute all documents necessary to assign all of its Sensory Club related domain names, internet web sites, web pages, Social Media accounts, and e-mail addresses to Franchisor or its designee.

(J) Franchisee shall, for three (3) years following any termination or non-renewal of this Agreement, keep Franchisor advised of its current business and residence address and telephone numbers, as well as the business address and phone number of its employer, if any.

(K) Franchisee shall refrain from adopting or using in connection with, or in the name of, any subsequent business the term Sensory Club or any term confusingly similar to such term or any other term which may have the effect of creating confusion or question regarding his/her affiliation with the System.

18. TRANSFER

18.1. Transfer by Franchisor. This Agreement may be unilaterally transferred by Franchisor without the approval or consent of Franchisee.

18.2. **Personal Nature of Agreement**. The rights and duties set forth in this Franchise Agreement are personal to Franchisee, if an individual, and to the guarantors of this Agreement, and Franchisor has granted this franchise in reliance of Franchisee's and guarantor's representations as to its business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this franchise, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in this franchise shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in the Franchisee, the entity, if any, that controls the Franchisee or this Agreement, or all or a substantial portion of the assets of the franchise business ("Transfer") without prior written consent of Franchisor, as provided in Section 18.3 below. Any unauthorized Transfer, whether voluntary, involuntary, by operation of law or otherwise, or any attempt to do so, shall be deemed void and be grounds for termination of this Agreement by Franchisor.

18.3. **Consent to Transfer Conditions**. Franchisor will not unreasonably withhold its consent, which consent must be in writing, to any proposed Transfer, provided Franchisee and/or the transferee comply with the following, non-exclusive, conditions:

(A) Franchisee shall have fully complied with the provisions of this Agreement, curing all defaults and non- compliance under this Agreement and any other franchise agreements it may have with Franchisor; and

(B) Franchisee shall have paid fully all monies due Franchisor; and

(C) Franchisee shall submit to Franchisor current, accurate financial statements and other documents sufficient to enable Franchisor to determine and approve (in its discretion) the character, integrity, creditworthiness, business experience, reasonable net worth, professional credentials and ethical background of the proposed transferee; and

(D) Franchisee shall furnish Franchisor with copies of the transfer documents, in a form acceptable to Franchisor; and

(E) Franchisee shall provide both the proposed transferee and Franchisor complete financial information on the subject franchise required by the transferee; and

(F) Franchisee shall provide Franchisor, on the then current form prescribed by Franchisor, a full general release and waiver in favor of Franchisor and its affiliates; and

(G) Franchisee shall pay the transfer fee required under Section 18.5;

(H) The proposed transferee shall sign Franchisor's then current form of Guaranty of this Agreement; and

(I) The proposed transferee shall complete, or agree to complete, the training required under Section 9.9.

18.4. **Death or Permanent Disability**. Upon the death or permanent disability of Franchisee, if an individual, or of a guarantor of this Agreement, this Agreement, or guarantor's interest in the entity that owns or controls this Agreement, may be transferred or bequeathed by Franchisee or guarantor or his or her estate to any designated person or beneficiary approved by Franchisor.

However, the transfer to the designee or beneficiary will be subject to the applicable provisions of Section 18.3 of this Agreement. The disposition shall be completed within a reasonable time, not to exceed nine (9) months from the date of the death or permanent disability. Failure to so transfer the interest within the nine (9) month period shall constitute a breach of this Agreement.

18.5. **Transfer Fee**. Franchisee must pay Franchisor a transfer fee. The transfer fee is an amount equal to $500.00, if any interest in Franchise, the entity, if any, that controls Franchisee or this Agreement or all or a substantial portion of the assets of the Franchise business are transferred. The transfer fee is nonrefundable even if, for any reason, the proposed Transfer does not occur.

No transfer fee shall be payable by Franchisee to Franchisor, if an individual Franchisee assigns his or her interest to a legal entity in accordance with Section 14.2 of this Agreement.

18.6. **Effect of Transfer**. In the event of any Transfer, the entire unpaid principal balance of all amounts due Franchisor, together with all accrued and unpaid interest at the time of Transfer, or other conveyance, shall become immediately due and payable in full without further notice or demand by Franchisor.

19. **CONFIDENTIAL INFORMATION**. Franchisee acknowledges that it has or will acquire knowledge of confidential matters, Trade Secrets (as defined by applicable state law, as the same may be subsequently amended), operational, accounting and quality control procedures, and other methods developed by Sensory Club through and in its System and that the unique and novel combination of "know how" and methods developed by Sensory Club and licensed to Franchisee by Franchisor, for the health club operation, are peculiar to Sensory Club ("Confidential Information"), which, for purposes of this Agreement, are owned by Sensory Club, and which are necessary and essential to the operation of the Franchise. Confidential Information shall not apply to information that Franchisee can document (a) is or becomes generally available to the public (through no improper action or inaction by Franchisee); (b) was in Franchisee's possession or known by Franchisee without any limitation on user or disclosure prior to receipt from Franchisor or Franchisor; (c) was rightfully disclosed to Franchisee by a third party without restrictions; or (d) as required by court order.

Franchisee agrees that Franchisee shall hold all Trade Secrets in strictest confidence, shall not use or disclose Trade Secrets at any time (except in the performance of this Agreement) until such time as the information ceases to be a Trade Secret through no fault of Franchisee, shall diligently protect any and all Trade Secrets against loss by inadvertent or unauthorized disclosure, and shall comply with guidelines established by Company for the purpose of protecting such information.

Franchisee agrees that, during the term of this Agreement and all renewals and extensions of this Agreement, and after termination, expiration, or non-renewal of this Agreement, Franchisee shall hold all Confidential Information that is not a Trade Secret in strictest confidence, shall not use or disclose such Confidential Information (except in the performance of this Agreement), shall diligently protect any and all Confidential Information against loss by inadvertent or unauthorized disclosure, and shall comply with guidelines established by Franchisor for the purpose of protecting the information.

20. **FRANCHISEE'S COVENANTS NOT TO COMPETE**

20.1. **In-Term Covenant Not to Compete**. Franchisee and Franchisee's shareholders, partners or members will not, during the term of this Agreement and all renewals and extension of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease,

franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any health club business, or other related business that is in any way competitive with or similar to the business conducted by Sensory Club or Sensory Club franchises, nor offer products or services that are offered by Sensory Club franchises.

20.2. **Post-Term Covenants**. Franchisee and Franchisee's shareholders, partners or members will not, for a period of one (1) year after the termination, assignment or expiration of this Agreement on their own account or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, limited liability company, partnership or corporation, directly or indirectly,

(A) own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any health club business, which is located in the geographic area licensed by Sensory Club **and** which operates substantially similar to franchisees in the Sensory Club System; or

(B) solicit or induce any person who is, at the time of termination or expiration of this Agreement, retained as an employee of any Sensory Club franchisee to stop serving as an employee for that party; or

(C) within the state where the Protected Territory is located, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in the business of selling, managing or servicing health club franchise organizations, irrespective of whether services are provided directly to the franchising operations or the System's franchisee's; or

(D) divert, or attempt to divert, any business or customer of a Sensory Club Franchisee, to any competitor; or

(E) do or perform any other act injurious or prejudicial to the goodwill associated with the Sensory Club System.

The parties expressly agree that the covenants contained in this section are each independent and are reasonable and necessary to protect Franchisor and other Sensory Club franchises if this Agreement expires or is terminated for any reason.

20.3. **Injunctive Relief**. Franchisee and Franchisee's shareholders, partners or members, agree that the provisions of this section are necessary to protect the legitimate business interests of Franchisor and other Sensory Club franchisees including, without limitation, prevention of damage to or loss of goodwill associated with the Proprietary Marks, prevention of the unauthorized dissemination of marketing, promotional and other confidential information to competitors of Sensory Club and other franchisees, protection of Sensory Club's trade secrets, and the integrity of the Sensory Club System, and the prevention of duplication of the System. Franchisee and Franchisee's shareholders, partners and members, as the case may be, also agree that damages alone cannot adequately compensate Franchisor if there is a violation of this section by Franchisee or Franchisee's shareholders, partners or members, and that injunctive relief against Franchisee, Franchisee's shareholders, partners or members is essential for the protection of Sensory Club, Franchisor and other franchisees. Franchisee and Franchisee's shareholders, partners or members, agree therefore, that if Franchisor alleges that Franchisee or Franchisee's shareholders, partners or members have breached or violated this section, then Franchisor will have the right

to obtain injunctive relief against Franchisee and/or Franchisee's shareholders, or the partners or members, in addition to all other remedies that may be available to Franchisor without the need to present evidence of irreparable injury. Franchisor will not be required to post a bond or other security in any action where Franchisor is seeking to enjoin Franchisee and/or Franchisee's shareholders, partners or members, from violating this section. In cases where Franchisor is granted *ex parte* injunctive relief against Franchisee and/or Franchisee's shareholders, partners or members, Franchisee will have the right to petition the court for a hearing on the merits at the earliest time convenient to the court.

20.4. **Severability**. It is the desire and intent of the parties to this Agreement, including Franchisee's shareholders, partners or members, that the provisions of this Section 20 be enforced to the fullest extent permissible under the laws and public policy applied in each jurisdiction in which enforcement is sought. Accordingly, if any part of this section is adjudicated to be invalid or unenforceable, then this section will be deemed amended to modify or delete that portion thus adjudicated to be invalid or unenforceable, such modification or deletion to apply only with respect to the operation of this section and the particular jurisdiction in which such adjudication is made. Further, to the extent any provision of this Section 20 is deemed unenforceable by virtue of its scope or limitation, the parties to this Agreement, including Franchisee and Franchisee's shareholders, partners or members, agree that the scope and limitation provisions will, nevertheless, be enforceable to the fullest extent permissible under the laws and public policies applied in such jurisdiction where enforcement is sought.

21. **NOTICES**. All notices, requests, demands and other communications required or permitted under this Agreement or applicable law shall be in writing and, unless a specific method of delivery is required by applicable law, may be delivered by in-person delivery; private courier, such as UPS or FED EX; certified or priority U.S. Mail; or e-mail transmission. Notice shall be deemed sufficiently given, if served in any manner specified in this Section 21. Any notice sent by private courier or U.S. mail shall be effective as of the time it is delivered to the private courier or deposited in the mail, postage prepaid. Notices transmitted by e-mail transmission shall be deemed delivered upon transmission. The parties' addresses noted in this Agreement or, if more recent, in the records of the party sending the notice, shall be the recipient's address for delivery or mailing of notices. Either party may, by written notice to the other, specify a different address for notice.

22. **WAIVER**. No terms of this Agreement shall be held to have been waived by any act or knowledge of either party to this Agreement, or its employees, except by instrument in writing duly executed by Franchisor and Franchisee. If at any time either party shall waive its rights upon any breach of any of the provisions of this Agreement, then the waiver is not to be construed as a continuing waiver of other breaches of the same or other provisions of the Agreement.

23. **TIME OF THE ESSENCE**. Time is of the essence in the performance of this Agreement and each and every provision in this Agreement.

24. **GOVERNING LAW; STATE MODIFICATIONS**

24.1. **Governing Law**. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 et seq.), this Agreement and the relationship between Franchisor and Franchisee will be governed by the laws of the state in which the Protected Territory is located. If the Protected Territory contains more than one (1) state, then this Agreement and the relationship between Franchisor and Franchisee will be governed by the laws of the state in which

Franchisee's principal place of business is located, as indicated on the cover page of this Agreement. The provisions of this Agreement which conflict with or are inconsistent with applicable governing law will be superseded and/or modified by such applicable law only to the extent such provisions are inconsistent. All other provisions of this Agreement will be enforceable as originally made and entered into upon the execution of this Agreement by Franchisee and Franchisor.

24.2. State Modifications

(A) CALIFORNIA. If this Agreement is governed by the laws of the State of California, then the covenant not to compete upon termination or expiration of this Agreement contained in Section 21 may be unenforceable, except in certain circumstances provided by law.

(B) ILLINOIS. If this Agreement is governed by the laws of the State of Illinois, then any provision of this Agreement which designates jurisdiction or venue outside of the State of Illinois is void.

(C) INDIANA. If this Agreement is governed by the laws of the State of Indiana, then: (1) the geographical limitation contained in Section 21 will be limited to within the Protected Territory; (2) Section 21 which states Franchisor is entitled to injunctive relief may be inapplicable; rather, Franchisor is entitled to seek injunctive relief; (3) notwithstanding any provisions of this Agreement to the contrary, a court of competent jurisdiction will determine (a) whether damages alone can adequately compensate Franchisor if there is a violation by Franchisee, Franchisee's shareholders or the partners or members, as the case may be, and (b) whether Franchisor will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by Franchisor against Franchisee, Franchisee's shareholders or the partners or members, as the case may be.

(D) MARYLAND. If this Agreement is governed by the laws of the State of Maryland, then the releases from liability and waivers described in Md. Comar 02.02.08.16L may be prohibited in this Agreement.

(E) MINNESOTA. If this Agreement is governed by the laws of the State of Minnesota, then: (1) Section 16 will be amended to require that in the event Franchisor provides the Franchisee with written notice that Franchisee has breached this Agreement, such written notice will be provided to Franchisee at least ninety (90) days prior to the date this Agreement is terminated by the Franchisor, and Franchisee will have sixty (60) days after receipt of such written notice within which to correct the breach specified in the written notice; (2) notwithstanding any provision of this Agreement to the contrary, a court of competent jurisdiction will determine whether Franchisor will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by Franchisor against Franchisee, Franchisee's shareholders or the partners or members, as the case may be; and (3) Franchisor will protect Franchisee's right to use the Proprietary Marks and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding use of the Proprietary Marks.

(F) NORTH DAKOTA. If this Agreement is governed by the laws of the State of North Dakota, then: (1) Section 16 of this Agreement will be amended to require that, in the event the Franchisor provides Franchisee with written notice that Franchisee has breached this Agreement, Franchisee will have thirty (30) days after receipt of such written notice within which to correct the breach;

and (2) the covenant not to compete upon termination or expiration of this Agreement contained in Section 21 may be unenforceable, except in certain circumstances provided by law.

(G) SOUTH DAKOTA. If this Agreement is governed by the laws of the State of South Dakota, then: (1) Section 16 of this Agreement will be amended to require that, in the event Franchisor provides Franchisee with written notice that Franchisee has breached this Agreement, Franchisee will have thirty (30) days after receipt of such written notice within which to correct the breach; (2) the covenant not to compete upon termination or expiration of this Agreement contained in Section 21 may be unenforceable, except in certain circumstances provided by law; (3) any provision of this Agreement which designates jurisdiction or venue outside of the State of South Dakota is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota; and (4) pursuant to SDCL § 37-5B, any acknowledgment provision, disclaimer or integration clause or other provision having a similar effect in this Agreement will not negate or act to remove from judicial review any statement, misrepresentation or action that violates Chapter 37-5B or a rule or order under Chapter 37-5B.

(H) WISCONSIN. If this Agreement is governed by the laws of the State of Wisconsin, then the provision of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of this Agreement.

24.3. Jurisdiction; Venue. Any cause of action, claim, suit or demand allegedly arising from or related to this Agreement or the relationship of the parties must be brought in the state or federal court located in the county or district encompassing the Franchisor's offices or headquarters. Both parties irrevocably submit themselves to, and consent to, the exclusive jurisdiction of these courts. The provisions of this section shall survive termination of this Agreement. Franchisee is aware of the business purposes and needs underlying the language of this section, and with a complete understanding of this section, agrees to be bound by it.

24.4. WAIVER OF JURY TRIAL. **THE PARTIES AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTER-CLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES WHICH ARISES OUT OF ANY DISPUTE BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO, ANY ALLEGED BREACH OF, OR DEFAULT IN THE PERFORMANCE OF, ANY OF THE TERMS, COVENANTS OR CONDITIONS OF THIS AGREEMENT.**

24.5. Limitation of Liability. Franchisor and its affiliates and subsidiaries, and their respective officers, directors, employees, agents and servants shall not be liable to Franchisee, under any circumstance, or due to any event, for any consequential, punitive or indirect damages, including, without limitation, loss of profit, loss of use, or business stoppage. Franchisor and its affiliates and subsidiaries; and their respective officers, directors, employees, agents and servants shall not be liable for any actions or inactions of Franchisee.

25. BINDING EFFECT. This Agreement and the franchise hereby granted shall inure to the benefit of and be binding upon Franchisor, its successors and assigns and upon Franchisee, its successors and assigns, and shall be enforceable at law or equity by specific performance, injunction or otherwise.

26. PAYMENT OF EXPENSES UPON DEFAULT. Should Franchisor employ an attorney to enforce any of the provisions of this Agreement, or to protect its interests in any manner arising from any breach of this Agreement by Franchisee, or to collect damages for the breach of this Agreement, or to prosecute or

defend any suit or proceeding resulting from this Agreement, Franchisee agrees to pay Franchisor all costs, charges, expenses and attorneys' fees expended or incurred by Franchisor.

27. **ENTIRE AGREEMENT AND AMENDMENTS**. This Agreement which includes the documents referred to in it and the Exhibits attached to it, constitutes the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter contained in it. This Agreement supersedes any and all prior negotiations, understanding, representations and agreements. Nothing in this or any related agreement, however, is intended to disclaim the representations made in the Franchise Disclosure Document furnished to Franchisee. Subsequent to the execution of this Agreement, Franchisor and Franchisee may not modify or supplement this Agreement except by a written document executed by both parties.

28. **RELEASE OF PRIOR CLAIMS**. By executing this Agreement, Franchisee, individually and on behalf of Franchisee's heirs, legal representatives, successors, and assigns, and each assignee of this Agreement by accepting assignment of the same, hereby forever releases and discharges Franchisor, and its respective officers, directors, employees, agents and servants, and their subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under any franchise agreement or any other agreement between the parties and executed prior to the date of this Agreement including but not limited to any and all claims, whether presently known or unknown, suspected or unsuspected.

29. **LIMITATION OF ACTIONS**. Any claim, demand, or cause of action based on any provision of this Agreement shall be barred unless raised within two (2) years of the occurrence, with the exception of those provisions pertaining to the payment of fees, the requirement to maintain insurance, and the indemnification and hold harmless provisions.

30. **INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

(A) Franchisor and Franchisee intend by this Agreement to establish the relationship of Franchisor and Franchisee. This Agreement does not constitute either party an agent, legal representative, joint venture, partner, employee, or servant of the other party for any purpose whatsoever. Franchisee shall be an independent contractor and is no way authorized and shall not make any contract, agreement, warranty, or representation on behalf of Franchisor or create any obligation, express or implied, on behalf of Franchisor.

(B) Under no circumstances shall either party be liable for any act, omission, contract, debt, or other obligation of the other party. Franchisee shall indemnify and hold Franchisor, and its officers, directors, employees, and officials harmless against any such claim and the cost (including reasonable attorneys' fees) of responding to, defending, settling or paying each such claim arising, directly or indirectly, from, as a result of, or in connection with Franchisee's operation of the Franchisee's business during and after the term of this Agreement. This indemnification shall specifically include claims from franchisees relating to all services which Franchisee has agreed or subsequently agrees or undertakes to perform on Franchisor's behalf. Franchisor shall indemnify and save Franchisee harmless against any claim arising, directly or indirectly, from or as a result of Franchisor's acts, omissions, contracts, debts, or obligations, and against the cost of defending against any such claim.

31. **REASONABLE CONSENT; TIMELINESS**. Whenever this Agreement may require the consent or approval of either party, such consent or approval shall not be unreasonably withheld. Response to requests of approval shall be given within a reasonable period of time.

32. **FRANCHISOR'S RIGHT TO OPERATE**. Upon an Event of Default (unless cured in a timely manner), expiration or termination of this Agreement for whatever reason, Franchisor shall have the right to immediately establish, operate or franchise a Sensory Club franchise anywhere within the Protected Territory.

33. **POWER OF ATTORNEY**. Upon the expiration or termination of this Agreement for any reason, Franchisor may, if Franchisee does not do so, execute in Franchisee's name and on its behalf all documents necessary in Franchisor's judgment to end and cause the discontinuance of Franchisee's use of the trade name, copyrights and other Proprietary Marks.

34. **ASSIGNMENT OF FRANCHISE AGREEMENTS UPON EXPIRATION OR TERMINATION**. Upon expiration or termination of this Agreement for whatever reason, at Franchisor's request, Franchisee shall immediately assign to Franchisor all of its right, title, and interest in and to Franchise Agreements and Approved Supplier Agreements which have been entered into by Franchisee within the Protected Territory. In the event that Franchisee shall fail to execute individual assignments of the Franchise Agreements and Approved Supplier Agreements to Franchisor promptly upon expiration or termination of this Agreement, the parties agree that the provisions of this section shall in such instance be deemed to constitute an absolute assignment by Franchisee of all of its right, title, and interest in each such Sensory Club Franchise Agreement and Approved Supplier Agreement to Franchisor or its designee.

35. **INJUNCTIVE RELIEF**. Franchisor will be entitled to seek the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to: (i) the Proprietary Marks and the Sensory Club System; (ii) the obligations of Franchisee upon termination or expiration of this Agreement; (iii) assignment of this Agreement or ownership interests of Franchisee; (iv) the covenants not to compete; (v) confidentiality; or (vi) any act or omission by Franchisee, Franchisee's employees or Franchisee's agents that: (1) constitutes a violation of any applicable law, ordinance or regulation; (2) is dishonest or misleading; or (3) may impair the goodwill associated with the Proprietary Marks and the Sensory Club System. Franchisee agrees that any violations will cause serious, irreparable injury to the Sensory Club System that cannot be compensated for by money damages and that the provisions of this section are necessary to protect the legitimate business interests of Sensory Club and Franchisor and other franchisees including, without limitation, prevention of damage to or loss of goodwill associated with the Proprietary Marks, prevention of the unauthorized dissemination of marketing, promotional and other confidential information to competitors of Sensory Club and other franchisees, protection of Sensory Club's trade secrets, and the integrity of the Sensory Club System, and the prevention of duplication of the System. Franchisee will indemnify the Franchisor for all costs that it incurs in any such proceedings including, without limitation, reasonable attorneys' fees, expert witness fees, costs of investigation, court costs, accounting fees, travel and living expenses, and all other related costs incurred by Franchisor. Franchisor will be entitled to obtain injunctive relief against Franchisee enforcing the foregoing provisions without the need to present evidence of irreparable injury and without the posting of any bond or security.

36. **EXECUTORY CONTRACT**. The parties agree that this Agreement shall be construed as an executory contract.

37. **HEADINGS**. Paragraph or subparagraph headings are for reference purposes only and shall not in any way modify or limit the statements contained in any paragraph or subparagraph. All words in this Agreement shall be deemed to include any number or gender as the context or sense of this Agreement requires.

38. **JOINT AND SEVERAL LIABILITY**. If the Franchisee consists of more than one (1) individual, more than one (1) entity or a combination of individuals and entities, then the liability of all such individuals and entities under this Agreement will be deemed to be joint and several. If there are any guarantors to this Agreement, then the liability of each guarantor shall be joint and several with each other and with the Franchisee.

39. **NO ORAL MODIFICATION**. No oral modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made except by a written agreement subscribed to by authorized signatories of the Franchisor and Franchisee.

40. **DEFINITIONS**. In addition to the definitions set forth throughout this Agreement, the words and phrases set forth below shall have the following meanings:

(A) *Agreement*: "Agreement" or "this Agreement" means this Franchise Agreement executed between Franchisor and Franchisee.

(B) *Approved Supplier*: "Approved Supplier" means any supplier or vendor of various goods and/or services that are required or permitted to be utilized by Franchisee in the operation of the Franchise, which supplier or vendor has been approved by Franchisor and has signed Sensory Club's Approved Supplier Agreement or a Limited Supplier Agreement.

(C) *Sensory Club System*: "Sensory Club System" or "System" means the composite of elements designed to enable all Sensory Club franchisees and Franchisors within the system to benefit from brand name identification in market competition, and includes Franchisor, the network of all Franchisors; the network of all franchisees and all health clubs of franchisees; the Operations Manual; the Proprietary Marks; national and local advertising programs promoting Sensory Club System and Proprietary Marks; the training and other programs and meetings, written and other materials, standards, specifications, methods, techniques and procedures utilized in operating a Franchisor business or a franchise health club; and such other elements as Sensory Club may, from time to time, designate as additions or modifications to the Sensory Club System.

(D) *Franchise Agreement*: "Franchise Agreement" means that agreement between Franchisor and Franchisee, which grants to Franchisee the right to use and be a part of the Sensory Club System, as amended from time to time.

(E) *Opened for Business*: Franchisee shall be deemed to be "Opened for Business" at such time as Franchisee is operating the business franchised by this Agreement by making use of any of The Sensory Club® marks licensed hereunder in any media, on business cards, by telephone, or by transacting any business under their Sensory Club trademark or by maintaining a health club within the Protected Territory.

(F) *Operations Manual*: "Operations Manual" means The Sensory Club® manual containing standards, specifications, policies, procedures, and operating requirements, and other communications concerning the operation and functioning of the Sensory Club System which shall be issued by Sensory Club from time to time. The Operations Manual may be added, amended, replaced, consolidated, or terminated from time to time at the exclusive option of Sensory Club.

(G) *Permanent Disability or Permanently Disabled*: "Permanent Disability" or "Permanently Disabled" means a mental or physical disability which precludes the individual from performing material and substantial duties of his or her employment, as reasonably determined by Franchisor. Payment of benefits for Permanent Disability under a disability insurance policy shall be conclusive as to the existence of the Permanent Disability, although such payments are not required in order to establish Permanent Disability for purposes of this Agreement.

(H) *Proprietary Marks*: "Proprietary Marks" means the trade names, trademarks, service marks, logos, emblems, and signs, including improvements and modifications, which are adopted and used by Sensory Club as part of the Sensory Club System which are designated as confidential, and confidential programs, materials, and information which are part of the System.

(I) *Protected Territory*: The geographical area as shown on Exhibit 2 attached hereto within which Franchisee has the sole right to establish a health club using The Sensory Club® name and the System in accordance with the guidelines established by Franchisor.

41. STATEMENTS, QUESTIONNAIRES AND ACKNOWLEDGMENTS. 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.

42. COUNTERPARTS. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one instrument. Execution and delivery of this Agreement by exchange of electronically scanned and e-mailed copies bearing the signature or electronic signature of a party shall constitute a valid and binding execution and delivery of this Agreement by the party. Electronically scanned copies shall constitute enforceable original documents.

(*Signature page follows*)

The parties have executed this Agreement as of the day and year first above written.

Witness

_____
Signature Print Name

Date: _____

The Sensory Club, Inc., Franchisor

_____
Signature Print Name

Date: _____

[individual or entity as page 1], Franchisee

_____
Signature Print Name

Date: _____

_____
Signature Print Name

Date: _____

(*Signature page to Franchise Agreement*)

FRANCHISEE ACKNOWLEDGMENTS

Franchisee acknowledges it received a copy of the Franchise Disclosure Document at least 14 days prior to today.

[individual or entity as page 1], Franchisee

By:_____
Signature of individual or authorized officer

_____
Print Name

Date:_____

4904-6248-2984

STATE ADDENDUM

ADDENDUM TO THE SENSORY CLUB, INC.
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

Illinois law governs the Franchise Agreement(s).

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

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois 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.

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

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.

FRANCHISOR
The Sensory Club, Inc.

By:_____

Date:_____

FRANCHISEE

_____
Name

_____
Name
Date:_____

EXHIBIT 1
FRANCHISE INFORMATION

1. **Entity Name:** _____

2. **EIN (Business Number):** _____

3. **Type of Organization (*e.g.*, corporation, partnership, LLC, LLP):** _____

4. **Trade Name:** **The Sensory Club®** _____

5. **State of Organization:** _____

6. **Fiscal Year End:** _____

7. **Principal Business Office:**

_____
Street Address

_____ ( )_____
City State Zip Code Phone

Email _____

8. **Location of Business Records (if different):**

_____
Street Address

_____ ( )_____
City State Zip Code Phone

9. **Principal Officers and Directors and Shareholders**

Name	**Title**	**Ownership Percentage**	**Initials**
_____	_____	_____	_____
_____	_____	_____	_____

Franchisees hereby confirm the accuracy and validity of the ownership breakdown as indicated above for the entity for which the Franchise Agreement is under.

If franchisee is an entity, Regional Owner has been or will be provided with the articles of incorporation/organization as well as evidence of the ownership breakdown in either the form of share certificates or the resolution page.

Franchisor Signature: _____

10. Authorized Domain Name: _____

[Domain name must not be all-encompassing and cannot depict Franchise as owning more territory than is spelled out in the contract or that Franchise represents the Franchise. If in doubt, clarify with Sensory Club before approving any domain names.]

EXHIBIT 2
DESCRIPTION OF PROTECTED TERRITORY

EXHIBIT 3
GUARANTY AND AGREEMENT TO BE BOUND BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT

For good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally ("Guarantor" whether one or more) guarantee payment of all amounts and the performance of the covenants, terms and conditions in the Franchise Agreement dated **[insert date from page 1** The Sensory Club, Inc. by and between **[insert information from page 1]** as Franchisor ("Franchisor") and **[insert information from page 1]** as Franchisee ("Franchisee") (the "Franchise Agreement"), to be paid, kept and performed by Franchisee.

Guarantor agrees to be bound by each and every condition and term contained in the Franchise Agreement and agree that this Guaranty should be construed as though the undersigned and each of them executed an Agreement containing the identical terms and conditions of the Franchise Agreement, including, but not limited to, the covenant not to compete provisions contained in Section 20 of the Franchise Agreement.

Guarantor guarantees payment of all amounts due Sensory Club or any of its subsidiaries or affiliates.

The provisions, covenants, and conditions of this Guaranty will inure to the benefit of the successors and assigns of Franchisor.

Guarantor's obligations under this Guaranty shall be binding upon Guarantor and its respective successors and assigns and shall remain in full force and effect irrespective of:

1. The validity or enforceability of the Franchise Agreement;
2. Any failure or lack of diligence in collection of any amounts due under the terms of the Franchise Agreement;
3. The acceptance of any security or other guaranty, the extension of any credit or amendments, modifications, consents or waivers with respect to the Franchise Agreement;
4. Any defense that the Franchisee or any other person or entity might have by reason of any action in bankruptcy or other statutory or common law proceedings for debtor relief by Franchisee or any other Guarantor;
5. Any legal or equitable principle of marshaling or other rule of law requiring a creditor to proceed against specific property, apply proceeds in a particular manner or otherwise exercise remedies so as to preserve the several estates of joint obligors or common debtors; and
6. Any act or failure to act with regard to the Franchise Agreement which might vary the risk of the undersigned.

Franchisor shall have no obligation to resort in any manner or form for payment from Franchisee or to any other person, firm or entity, their properties or assets or to any security, property or other rights or remedies whatsoever and Franchisor shall have the right to enforce this Guaranty irrespective of whether or not proceedings or steps are pending seeking to resort to or realization on or upon any of the foregoing remedies.

Guarantor agrees to pay Franchisor and its respective subsidiaries and affiliates, upon demand, all legal and other costs, expenses and fees at any time paid or incurred by each of them in endeavoring to collect any amounts due pursuant to the Franchise Agreement or to realize upon this Guaranty or to enforce any right under the Franchise Agreement or this Guaranty. This Guaranty is a guaranty of performance and payment and not a guaranty of collection.

In the presence of:

_____
Signature of Witness

_____
Print Name of Witness

[Add additional signature lines for guarantors as necessary. All equity holders of the corporate or other entity or all individuals (if the agreement is being purchased by individuals must sign the personal guaranty.]

GUARANTOR

By: _____

_____
Address

_____
City/State/Zip Code

_____
Telephone

EXHIBIT 4
COLLATERAL ASSIGNMENT OF LEASE

4904-6248-2984

COLLATERAL ASSIGNMENT OF LEASE

This **COLLATERAL ASSIGNMENT OF LEASE** (this "Assignment") is made as of the _____ day of 20____, by [insert], a _____ ("Franchisee"), [insert], a _____ ("Landlord"), for the benefit of The Sensory Club, Inc., a Wisconsin corporation ("Franchisor").

RECITALS

A. Franchisee is the tenant of the property located at [insert], _____ (the "Premises") pursuant to that certain lease dated [insert] by and between Franchisee and [insert Landlord's name], a copy which is attached to this Assignment as Exhibit A (the "Lease").

B. As a condition of extending a franchise to Franchisee, in addition to the execution and delivery of the Franchise Agreement dated [insert] by and between Franchisee and Franchisor and the other franchise documents (collectively, the "Franchise Documents"), Franchisor requires that Franchisee execute and deliver this Assignment to Franchisor to also secure all of Franchisee's debts, obligations, and liabilities under the Franchise Documents (the "Obligations").

NOW, **THEREFORE**, in consideration of the Recitals, and as security for the Obligations of the Franchisee under the Franchise Documents, the parties agree as follows:

1. **Assignment**. Franchisee absolutely and unconditionally assigns to Franchisor, its successors and assigns, all of Franchisee's right, title, and leasehold interest in the Premises under the Lease, and Franchisor accepts the assignment. Landlord consents to the assignment.

2. **Rights of Franchisee In Absence of Default**. In the absence of any default under the Lease and any of the Franchise Documents, Franchisee shall have the right to occupy exclusively, retain, use, and enjoy the Premises.

3. **Rights of Franchisor Upon Default**. In the event of any default under the Lease or any of the Franchise Documents, Franchisor may, at its option, without notice to or demand on Franchisee do any or all of the following:

(i) Enter and take possession of the Premises and continue in Franchisee's stead all activities conducted by Franchisee as tenant, under or, permitted under, the Lease;

(ii) Sublease the Premises or assign the Lease to another party upon notice to Landlord, provided that the party agrees in writing to comply with the terms and conditions of the Lease; and

(iii) Cure any default of Franchisee under the Lease within the applicable right to cure period(s) as set forth in the Lease, if any.

4. **Notice of Default by Landlord**. Landlord shall give prompt notice to Franchisor, in writing, of any default by Franchisee under the Lease and specify the nature of the default and the applicable right to cure period, if any.

5. **Modification of Lease**. Franchisee will not, without the prior written consent of Franchisor:

(i) Cancel, modify, terminate or surrender the Lease;

(ii) Surrender or assign any option to extend or renew the term of the Lease; or

(iii) Enter into a sublease for any portion of the Premises.

6. **Franchisee's Representations and Warranties**. Franchisee represents and warrants, as of the date of this Assignment, that: (i) Franchisee has not previously assigned or pledged the Lease or an interest in the Lease; (ii) Franchisee is not in default and is not aware of any event that, but for the passage of time or the giving of notice or both, would constitute a default under the Lease; and (iii) the Lease provided to Franchisor is a true, correct and complete copy of the Lease.

7. **Landlord's Representations and Warranties**. Landlord represents and warrants, as of the date of this Assignment, that: (i) the Lease is in full force and effect and valid and binding in accordance with its terms and is the entire agreement between Landlord and Franchisee with respect to the lease of the Premises; (ii) Landlord is not aware of any default under the Lease or any event that, but for the passage of time or the giving of notice or both, would constitute a default under the Lease; and (iii) Landlord is the owner and holder of the lessor's interest under the Lease.

8. **Right to Inspect**. Franchisee and Landlord each agree that Franchisor, through its authorized representatives, may enter upon the Premises at any time and from time to time during the term of the Lease.

9. **Limitation of Franchisor's Liability**. Franchisor shall not be obligated to perform or discharge, nor does the Franchisor undertake to perform or discharge any obligation, duty or liability of the Franchisee under the Lease by reason of this Assignment or the exercise of any rights or remedies under this Assignment. Franchisee shall indemnify, defend (using counsel reasonably satisfactory to the Franchisor) and hold the Franchisor harmless from and against any and all liability, loss or damage which the Franchisor may incur under the Lease by reason of this Assignment, the exercise of rights or remedies under this Assignment, or any alleged undertakings on its part to perform or discharge any obligation, duty, or liability under the Lease. Should the Franchisor incur any liability, loss or damage under the Lease by reason of this Assignment, or in the defense of any claim or demand, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured by this Assignment and shall become immediately due and payable by the Franchisee upon Franchisor's demand.

10. **Successor and Assigns**. Franchisor may assign its rights under this Assignment. This Agreement shall be binding on Landlord, Franchisee and their respective successors and permitted assigns, including any subsequent owner of the Premises.

11. **Notices**. All notices pursuant to this Assignment shall be made in writing in accordance with the terms of the Lease, with notice to Franchisor at the following address:

The Sensory Club, Inc.
Attention: Brian Hall, President
925 Genesee Street, #180121
Delafield, WI 53018-9998

12. **Counterparts**. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original, and all of which taken together shall be deemed to be one and the same

instrument. A signed or electronically signed copy of this Assignment may be delivered by email, facsimile, .pdf., or any other form of electronic transmission, and shall be deemed to have the same legal effect as delivery of an original executed copy of this Assignment.

(*Signature page follows*)

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first written above.

FRANCHISEE:
[Insert], a _____

By: _____

Name: _____

Its: _____

FRANCHISOR:
The Sensory Club, Inc., a Wisconsin Corporation

By: _____

Name: _____

Its: _____

LANDLORD:
[Insert], a _____

By: _____

Name: _____

Its: _____

(*Signature Page to Collateral Assignment of Lease*)

4903-2840-3237

EXHIBIT A

Lease

EXHIBIT C
Collateral Assignment of Lease

COLLATERAL ASSIGNMENT OF LEASE

This **COLLATERAL ASSIGNMENT OF LEASE** (this "Assignment") is made as of the _____ day of 20____, by [insert], a _____ ("Franchisee"), [insert], a _____ ("Landlord"), for the benefit of The Sensory Club, Inc., a Wisconsin corporation ("Franchisor").

RECITALS

A. Franchisee is the tenant of the property located at [insert], _____ (the "Premises") pursuant to that certain lease dated [insert] by and between Franchisee and [insert Landlord's name], a copy which is attached to this Assignment as Exhibit A (the "Lease").

B. As a condition of extending a franchise to Franchisee, in addition to the execution and delivery of the Franchise Agreement dated [insert] by and between Franchisee and Franchisor and the other franchise documents (collectively, the "Franchise Documents"), Franchisor requires that Franchisee execute and deliver this Assignment to Franchisor to also secure all of Franchisee's debts, obligations, and liabilities under the Franchise Documents (the "Obligations").

NOW, **THEREFORE**, in consideration of the Recitals, and as security for the Obligations of the Franchisee under the Franchise Documents, the parties agree as follows:

1. **Assignment**. Franchisee absolutely and unconditionally assigns to Franchisor, its successors and assigns, all of Franchisee's right, title, and leasehold interest in the Premises under the Lease, and Franchisor accepts the assignment. Landlord consents to the assignment.

2. **Rights of Franchisee In Absence of Default**. In the absence of any default under the Lease and any of the Franchise Documents, Franchisee shall have the right to occupy exclusively, retain, use, and enjoy the Premises.

3. **Rights of Franchisor Upon Default**. In the event of any default under the Lease or any of the Franchise Documents, Franchisor may, at its option, without notice to or demand on Franchisee do any or all of the following:

(i) Enter and take possession of the Premises and continue in Franchisee's stead all activities conducted by Franchisee as tenant, under or, permitted under, the Lease;

(ii) Sublease the Premises or assign the Lease to another party upon notice to Landlord, provided that the party agrees in writing to comply with the terms and conditions of the Lease; and

(iii) Cure any default of Franchisee under the Lease within the applicable right to cure period(s) as set forth in the Lease, if any.

4. **Notice of Default by Landlord**. Landlord shall give prompt notice to Franchisor, in writing, of any default by Franchisee under the Lease and specify the nature of the default and the applicable right to cure period, if any.

5. **Modification of Lease**. Franchisee will not, without the prior written consent of Franchisor:

(i) Cancel, modify, terminate or surrender the Lease;

(ii) Surrender or assign any option to extend or renew the term of the Lease; or

(iii) Enter into a sublease for any portion of the Premises.

6. **Franchisee's Representations and Warranties**. Franchisee represents and warrants, as of the date of this Assignment, that: (i) Franchisee has not previously assigned or pledged the Lease or an interest in the Lease; (ii) Franchisee is not in default and is not aware of any event that, but for the passage of time or the giving of notice or both, would constitute a default under the Lease; and (iii) the Lease provided to Franchisor is a true, correct and complete copy of the Lease.

7. **Landlord's Representations and Warranties**. Landlord represents and warrants, as of the date of this Assignment, that: (i) the Lease is in full force and effect and valid and binding in accordance with its terms and is the entire agreement between Landlord and Franchisee with respect to the lease of the Premises; (ii) Landlord is not aware of any default under the Lease or any event that, but for the passage of time or the giving of notice or both, would constitute a default under the Lease; and (iii) Landlord is the owner and holder of the lessor's interest under the Lease.

8. **Right to Inspect**. Franchisee and Landlord each agree that Franchisor, through its authorized representatives, may enter upon the Premises at any time and from time to time during the term of the Lease.

9. **Limitation of Franchisor's Liability**. Franchisor shall not be obligated to perform or discharge, nor does the Franchisor undertake to perform or discharge any obligation, duty or liability of the Franchisee under the Lease by reason of this Assignment or the exercise of any rights or remedies under this Assignment. Franchisee shall indemnify, defend (using counsel reasonably satisfactory to the Franchisor) and hold the Franchisor harmless from and against any and all liability, loss or damage which the Franchisor may incur under the Lease by reason of this Assignment, the exercise of rights or remedies under this Assignment, or any alleged undertakings on its part to perform or discharge any obligation, duty, or liability under the Lease. Should the Franchisor incur any liability, loss or damage under the Lease by reason of this Assignment, or in the defense of any claim or demand, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured by this Assignment and shall become immediately due and payable by the Franchisee upon Franchisor's demand.

10. **Successor and Assigns**. Franchisor may assign its rights under this Assignment. This Agreement shall be binding on Landlord, Franchisee and their respective successors and permitted assigns, including any subsequent owner of the Premises.

11. **Notices**. All notices pursuant to this Assignment shall be made in writing in accordance with the terms of the Lease, with notice to Franchisor at the following address:

The Sensory Club, Inc.
Attention: Brian Hall, President
925 Genesee Street, #180121
Delafield, WI 53018-9998

12. **Counterparts**. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original, and all of which taken together shall be deemed to be one and the same

instrument. A signed or electronically signed copy of this Assignment may be delivered by email, facsimile, .pdf., or any other form of electronic transmission, and shall be deemed to have the same legal effect as delivery of an original executed copy of this Assignment.

(*Signature page follows*)

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first written above.

FRANCHISEE:
[Insert], a _____

By: _____

Name: _____

Its: _____

FRANCHISOR:
The Sensory Club, Inc., a Wisconsin Corporation

By: _____

Name: _____

Its: _____

LANDLORD:
[Insert], a _____

By: _____

Name: _____

Its: _____

(*Signature Page to Collateral Assignment of Lease*)

4903-2840-3237

EXHIBIT A

Lease

COLLATERAL ASSIGNMENT OF LEASE

This **COLLATERAL ASSIGNMENT OF LEASE** (this "Assignment") is made as of the _____ day of 20____, by [insert], a _____ ("Franchisee"), [insert], a _____ ("Landlord"), for the benefit of The Sensory Club, Inc., a Wisconsin corporation ("Franchisor").

RECITALS

A. Franchisee is the tenant of the property located at [insert], _____ (the "Premises") pursuant to that certain lease dated [insert] by and between Franchisee and [insert Landlord's name], a copy which is attached to this Assignment as Exhibit A (the "Lease").

B. As a condition of extending a franchise to Franchisee, in addition to the execution and delivery of the Franchise Agreement dated [insert] by and between Franchisee and Franchisor and the other franchise documents (collectively, the "Franchise Documents"), Franchisor requires that Franchisee execute and deliver this Assignment to Franchisor to also secure all of Franchisee's debts, obligations, and liabilities under the Franchise Documents (the "Obligations").

NOW, **THEREFORE**, in consideration of the Recitals, and as security for the Obligations of the Franchisee under the Franchise Documents, the parties agree as follows:

1. **Assignment**. Franchisee absolutely and unconditionally assigns to Franchisor, its successors and assigns, all of Franchisee's right, title, and leasehold interest in the Premises under the Lease, and Franchisor accepts the assignment. Landlord consents to the assignment.

2. **Rights of Franchisee In Absence of Default**. In the absence of any default under the Lease and any of the Franchise Documents, Franchisee shall have the right to occupy exclusively, retain, use, and enjoy the Premises.

3. **Rights of Franchisor Upon Default**. In the event of any default under the Lease or any of the Franchise Documents, Franchisor may, at its option, without notice to or demand on Franchisee do any or all of the following:

(i) Enter and take possession of the Premises and continue in Franchisee's stead all activities conducted by Franchisee as tenant, under or, permitted under, the Lease;

(ii) Sublease the Premises or assign the Lease to another party upon notice to Landlord, provided that the party agrees in writing to comply with the terms and conditions of the Lease; and

(iii) Cure any default of Franchisee under the Lease within the applicable right to cure period(s) as set forth in the Lease, if any.

4. **Notice of Default by Landlord**. Landlord shall give prompt notice to Franchisor, in writing, of any default by Franchisee under the Lease and specify the nature of the default and the applicable right to cure period, if any.

5. **Modification of Lease**. Franchisee will not, without the prior written consent of Franchisor:

(i) Cancel, modify, terminate or surrender the Lease;

(ii) Surrender or assign any option to extend or renew the term of the Lease; or

(iii) Enter into a sublease for any portion of the Premises.

6. **Franchisee's Representations and Warranties**. Franchisee represents and warrants, as of the date of this Assignment, that: (i) Franchisee has not previously assigned or pledged the Lease or an interest in the Lease; (ii) Franchisee is not in default and is not aware of any event that, but for the passage of time or the giving of notice or both, would constitute a default under the Lease; and (iii) the Lease provided to Franchisor is a true, correct and complete copy of the Lease.

7. **Landlord's Representations and Warranties**. Landlord represents and warrants, as of the date of this Assignment, that: (i) the Lease is in full force and effect and valid and binding in accordance with its terms and is the entire agreement between Landlord and Franchisee with respect to the lease of the Premises; (ii) Landlord is not aware of any default under the Lease or any event that, but for the passage of time or the giving of notice or both, would constitute a default under the Lease; and (iii) Landlord is the owner and holder of the lessor's interest under the Lease.

8. **Right to Inspect**. Franchisee and Landlord each agree that Franchisor, through its authorized representatives, may enter upon the Premises at any time and from time to time during the term of the Lease.

9. **Limitation of Franchisor's Liability**. Franchisor shall not be obligated to perform or discharge, nor does the Franchisor undertake to perform or discharge any obligation, duty or liability of the Franchisee under the Lease by reason of this Assignment or the exercise of any rights or remedies under this Assignment. Franchisee shall indemnify, defend (using counsel reasonably satisfactory to the Franchisor) and hold the Franchisor harmless from and against any and all liability, loss or damage which the Franchisor may incur under the Lease by reason of this Assignment, the exercise of rights or remedies under this Assignment, or any alleged undertakings on its part to perform or discharge any obligation, duty, or liability under the Lease. Should the Franchisor incur any liability, loss or damage under the Lease by reason of this Assignment, or in the defense of any claim or demand, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured by this Assignment and shall become immediately due and payable by the Franchisee upon Franchisor's demand.

10. **Successor and Assigns**. Franchisor may assign its rights under this Assignment. This Agreement shall be binding on Landlord, Franchisee and their respective successors and permitted assigns, including any subsequent owner of the Premises.

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Attention: Brian Hall, President
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instrument. A signed or electronically signed copy of this Assignment may be delivered by email, facsimile, .pdf., or any other form of electronic transmission, and shall be deemed to have the same legal effect as delivery of an original executed copy of this Assignment.

(*Signature page follows*)

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first written above.

FRANCHISEE:
[Insert], a _____

By: _____

Name: _____

Its: _____

FRANCHISOR:
The Sensory Club, Inc., a Wisconsin Corporation

By: _____

Name: _____

Its: _____

LANDLORD:
[Insert], a _____

By: _____

Name: _____

Its: _____

(*Signature Page to Collateral Assignment of Lease*)

4903-2840-3237

EXHIBIT A

Lease

EXHIBIT D
State Franchise Administrators

STATE FRANCHISE ADMINISTRATORS

State	State Administrator	Agent for Service of Process
California	California Department of Financial Protection and Innovation	Department of Financial Protection and Innovation Commissioner of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (866) 275-2677
Hawaii	Hawaii Commissioner of Securities, Department of Commerce & Consumer Affairs, Business Registration Division, Securities Compliance Branch	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
Illinois	Illinois Franchise Bureau, Office of the Attorney General	Attorney General of Illinois Franchise Bureau 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Indiana Securities Division/Franchise Section	Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681
Maryland	Maryland, Office of the Attorney General, Securities Division	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 (410) 576-7042
Michigan	Michigan Attorney General's Office, Consumer Protection Division, Franchise Section	Michigan Department of Labor & Economic Growth Commercial Services & Corporations Bureau 611 West Ottawa Street Lansing, Michigan 48909 (517) 373-7117
Minnesota	Minnesota Commissioner of Commerce	Minnesota Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law, Investor Protection Bureau	Secretary of State 99 Washington Avenue Albany, NY 12231 (212) 416-8236

STATE FRANCHISE ADMINISTRATORS

State	State Administrator	Agent for Service of Process
North Dakota	North Dakota Securities Department	North Dakota Securities Commissioner State of North Dakota 600 East Blvd. Ave., Fifth Floor Bismarck, ND 58505 (701) 328-4712
Oregon	Oregon Department of Consumer and Business Services	Director of the Department of Consumer and Business Services 350 Winter Street NE P.O. Box 14480 Salem, OR 97309-0405 (503) 378-4100
Rhode Island	Department of Business Regulation, Securities Division	Director Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9527
South Dakota	South Dakota Division of Insurance, Securities Regulation	Director, Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501-3185 (605) 773-3563
Virginia	State Corporation Commission, Division of Securities and Retail Franchising	Clerk, State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9672
Washington	Washington Department of Financial Institutions, Securities Division	Administrator of Securities Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760
Wisconsin	Wisconsin Department of Financial Institutions, Securities and Franchise Registration, Wisconsin Securities Commission	Administrator, Division of Securities Department of Financial Institutions Division of Securities 345 West Washington Street, 4th Floor Madison, WI 53703 (608) 266-3364

4872-8833-9118

EXHIBIT E
Franchisee Information

CURRENT FRANCHISEES (CONFIRM)

Dustin Walsh and Christeen Leal
4301 S. Federal Blvd.
Suite 102-103
Englewood CO
720.353.4044

Nepta, LLC
Azza Hassan, Managing Director
11066 Pecan Park Blvd D-417
Cedar Park, TX 78613

Kevin & Kamy VanAacken
W238 N1690 Rockwood Dr.
Suite 500
Pewaukee, WI 53188
262.269.5200

Scott Ross and Tammy Ross
976 American Drive, Suite 8
Neenah, WI 54956
920-840-2645

FRANCHISEES WHO HAVE SIGNED A FRANCHISE AGREEMENT BUT DID NOT OPEN AN OUTLET AS OF DECEMBER 31, 2024

Kenneshia Downing

TERMINATED FRANCHISEES

Ian & Faith Ainsworth
3863 Norrie Dr.
Unit 2
Green Bay, WI 54229
920.646.2582

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Wisconsin	Pending
Illinois	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 F
RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If The Sensory Club, Inc. offers you a Franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, The Sensory Club, Inc. or an affiliate in connection with the proposed Franchise sale.

If The Sensory Club, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit D.

The Franchisor is The Sensory Club, Inc., 925 Genesee St. #180121, Delafield, WI 53018-9998. Its telephone number is (262) 470-1128.

The issuance date of the Disclosure Document is March 14, 2025.

The name, address and telephone number of each Franchise seller offering the Franchise is as follows:

Brian Hall
The Sensory Club, Inc.
925 Genesee St. #180121
Delafield, WI 53018-9998
(262) 470-1128

I received the Disclosure Document dated March 14, 2025 that included the following Exhibits:

STATE ADDENDUM, IF ANY

EXHIBIT A	-	FINANCIAL STATEMENTS
EXHIBIT B	-	FRANCHISE AGREEMENT
EXHIBIT C	-	COLLATERAL ASSIGNMENT OF LEASE
EXHIBIT D	-	STATE FRANCHISE ADMINISTRATORS
EXHIBIT E	-	FRANCHISEE INFORMATION
EXHIBIT F	-	RECEIPTS

THIS RECEIPT MUST BE SIGNED BY AN OFFICER OF THE CORPORATION, THE GENERAL PARTNERS OF A PARTNERSHIP, THE MEMBERS OF A LIMITED LIABILITY COMPANY OR ANY INDIVIDUAL RECEIVING A COPY OF THE DISCLOSURE DOCUMENT.

PROSPECTIVE FRANCHISEE:

_____

(Print or Type Name of Person, Corporation, Partnership or Limited Liability Company)

Date	Name	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please return the signed Receipt either by signing, dating and mailing to The Sensory Club, Inc., 925 Genesee St. #180121, Delafield, WI 53018-9998 or by scanning and e-mailing a copy of the signed and dated Receipt to brian@thesensoryclub.com.

RECEIPT
(DUPLICATE)

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If The Sensory Club, Inc. offers you a Franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, The Sensory Club, Inc. or an affiliate in connection with the proposed Franchise sale.

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PROSPECTIVE FRANCHISEE:

_____

(Print or Type Name of Person, Corporation, Partnership or Limited Liability Company)

Date	Name	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please return the signed Receipt either by signing, dating and mailing to The Sensory Club, Inc., 925 Genesee St. #180121, Delafield, WI 53018-9998 or by scanning and e-mailing a copy of the signed and dated Receipt to brian@thesensoryclub.com.

4898-8901-6359