FRANCHISE DISCLOSURE DOCUMENT

Upgrade Labs Franchise, Inc.
A Delaware Corporation
1742 Emerald Cove Circle
Cape Coral, Florida 33991
(305) 402-4882
www.upgradelabs.com

We offer qualified individuals and entities a franchise for the right to independently own and operate a distinctive business that operates under the UPGRADE LABS® mark and features certain products non-invasive treatments such as adaptive cardio, neurofeedback, pulsed electromagnetic field therapy, and many other technologies intended to supercharge clients' bodies, minds and spirits provided to clients in a spa-like setting (each an "Upgrade Labs Center" or "Center").

The total investment necessary to begin operation of a single Center ranges from $633,400 to $1,040,350. This includes $269,900 to $408,850 that must be paid to us or our affiliates. The total investment necessary to begin operation under an Area Development Agreement for two to five Centers ($65,000 per Center) ranges from $130,000 to $325,000. This includes $130,000 to $325,000 that must be paid to us.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact us at franchise@upgradelabs.com or (305) 402-4882.

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

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

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

Issuance Date: May 19, 2022

How to Use This Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails. If you are an entity, then each of your owners and, at our option, their respective spouses must sign such a document.

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

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

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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

To simplify the language of this Disclosure Document, the Franchisor is referred to in this Disclosure Document as "we," "us" or "our." We refer to the person interested in buying the franchise as "franchisee," "you" or "your." If you are a corporation, partnership, limited liability company or other entity, the terms "franchisee," "you" and "your" also refer to your owners.

The Franchisor

We are a Delaware corporation incorporated on April 16, 2021. Our principal business address is at 1742 Emerald Cove Circle, Cape Coral, Florida 33991, and our telephone number is (305) 402-4882. We only do business under our corporate name and our proprietary marks, including the mark UPGRADE LABS.

Upgrade Lab Centers operate under the mark UPGRADE LABS® and any other proprietary marks we designate in the future (the "Proprietary Marks"), and also operate utilizing our proprietary business system (the "System") described more fully below.

We first began offering franchises for the right to operate Upgrade Lab Centers as of July 29, 2021. We have never sold franchises in any other line of business and are not otherwise engaged in any other business activity. We have not conducted a business of the type to be operated by the Franchisee. As of the issuance date of this Disclosure Document, there are no franchised Upgrade Labs Centers in operation and our affiliates operate two Upgrade Labs Centers.

Our agents for service of process are listed in Exhibit A to this Disclosure Document.

Our Parent, Predecessors and Affiliates

We do not have any predecessors.

Our parent, Upgrade Labs Holdings, Inc. ("Holdings"), is a Delaware corporation formed on June 15, 2021 with an address at 5836 S 228th Street, Kent, Washington 98032. Holdings is our sole shareholder. Holdings does not own or operate any other businesses of the type being franchised and has never offered franchises in this or any other line of business.

Our affiliate Upgrade Labs, Inc. is a Delaware corporation incorporated on November 3, 2017 with a principal business address at 3110 Main Street, Suite 110, Santa Monica, California 90405-5353. Upgrade Labs, Inc. does business under the marks Upgrade Labs and Bullet Proof Labs. Upgrade Labs, Inc. operates two Upgrade Labs Centers. Upgrade Labs, Inc. has not offered franchises in this or any line of business nor offers products or services to our franchisees.

Our affiliate, Upgrade Labs Distribution, Inc. ("Distribution Co."), is a Delaware corporation incorporated on June 17, 2021 with an address at 5836 S 228th Street, Kent, Washington 98032. Distribution Co. is a designated supplier of certain equipment items and other products that our franchisees are required to purchase for use in their Centers. Distribution Co. does not own or operate any Upgrade Lab Centers and has never offered franchises in this or any other line of business.

Our affiliate, Upgrade Labs Products, Inc. ("Products Co."), is a Delaware corporation incorporated on June 17, 2021 with an address at 5836 S 228th Street, Kent, Washington 98032. Products Co. is a designated supplier of certain ongoing products and services that our franchisees are required to purchase for use in their Centers. Products Co. does not own or operate any Upgrade Lab Centers and has never offered franchises in this or any other line of business.

Our affiliate, Upgrade Labs IP, Inc. ("IP Holdings"), is a Delaware corporation with an address at 5836 S. 228th Street, Kent, Washington 98032. IP Holdings owns the Marks, confidential information, copyrights, and related intellectual property associated with the System, which it licenses to us for use in the System. IP Holdings does not own or operate any Upgrade Lab Centers and has never offered franchises in this or any other line of business.

Except as provided above in this Item, we do not have any affiliates or predecessors that must be disclosed in this Disclosure Document.

The Franchised Centers

We grant franchises for the right to independently own and operate a franchised Upgrade Labs Center (a "Franchised Center"). Clients have the option of purchasing a one-time visit or a multiple-visit package.

Franchised Centers will be authorized to provide state-of-the-art biohacking technology to the public, including but not limited to artificial intelligence adaptive cardio, cell trainer, legendary, and many other technologies. Franchised Centers are required to provide the foregoing services, along with any other services and products we authorize (collectively, the "Approved Products and Services"), with the highest level of customer service in a consistent, clean and friendly spa-like environment for your clients.

Franchised Centers operate using our Proprietary Marks and in accordance with our System, which includes our valuable knowhow, information, trade secrets, methods, confidential operations manual (the "Operations Manual") and other proprietary manuals (collectively, the "Manuals"), standards and specifications, sales techniques, merchandising, marketing, advertising, inventory management systems, marketing and sales programs, fixture and furniture selection, staffing guidelines and other research and development connected with the establishment and operation of a Center actively, the "System"), which we may modify from time to time as we deem appropriate in our sole discretion.

Franchised Centers will have between approximately 2,500 to 3,000 square feet of leased or owned space and will typically be located in retail shopping center or other high-traffic area. In order to own and operate a Franchised Center, you must enter into our current form of franchise agreement that is attached as Exhibit B to this Disclosure Document (the "Franchise Agreement"). If the franchisee is a business entity (for example, a corporation, partnership or limited liability company), then all of the individuals that have any type of ownership interest in the franchisee entity, as well as their spouses, must sign our form of personal guarantee (attached as an exhibit to the Franchise Agreement) where each owner agrees to be personally bound by, and personally guarantee the entity's obligations under, all terms of the Franchise Agreement (the "Personal Guarantee"). If the franchisee is an individual, then the franchisee's spouse will also be required to execute the Personal Guarantee.

Once we agree on the location of your Franchised Center (the "Premises"), we will designate a geographical area around the Premises where we will not own or operate, or license a third party the right to own or operate, an Upgrade Labs Center that utilizes the Proprietary Marks and System (your "Designated Territory").

You must designate one of your owners that we have approved to serve as your "Key Owner" who will be the person with whom we communicate and whom will have authority to bind you with respect to all financial, operational and legal matters related to your Franchised Center and your Franchise Agreement.

You also must appoint an individual who will be responsible for the day-to-day management of your Franchised Center that we have approved (the "Designated Manager").

Multi-Unit Offering

We also offer qualified parties the right to develop two or more Centers within a defined geographical area (each, a "Development Area") under our development agreement, which is attached to this disclosure document as Exhibit C (the "Development Agreement"). The Development Agreement will outline a schedule or defined period of time in which you must open and commence operating each Center (a "Development Schedule"). You must sign the Franchise Agreement (Exhibit B) for your first Center when you sign your Development Agreement. Thereafter, you will sign our then-current form of Franchise Agreement for each of the Centers that you open under the Development Schedule. Our then-current form of Franchise Agreement may differ from the version of Franchise Agreement attached to this disclosure document.

Market and Competition

The market for biohacking technology services is new and developing. You will compete with other treatment centers and other businesses providing forms of recovery, fitness and health wellness.

Industry-Specific Regulations

Most states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of wellness centers, including those that: (1) establish general standards, specifications and requirements for the construction, design and maintenance of the business premises; (2) regulate matters affecting the health, safety and welfare of your customers, such as restrictions on smoking and sanitation requirements; (3) set standards pertaining to employment matters, including discrimination and sexual harassment; (4) regulate matters affecting requirements for accommodating disabled persons, including the Americans with Disabilities Act; (5) set standards and requirements for fire safety and general emergency preparedness; and (6) data privacy.

The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA Patriot Act"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity.

You must consult with your own attorney to ensure that the laws of the state where your Franchised Center is located permits you to provide the Approved Products and Services from your Franchised Center.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: David Asprey

David Asprey the founder of the Upgrade Labs system and serves as our Chief Executive Officer, a position he has held since our incorporation. He also has served as the Chief Executive Officer of our parent Holdings, and our affiliates Distribution Co., Products. Co. and IP Holdings since their incorporation, and as the Chief Executive Officer of our affiliate Upgrade Labs, Inc. of Santa Monica, California since

November 2020. From December 2014 until March 2021, he served as the Chairman of the Board and Chief Executive Officer of Bulletproof 360, Inc. of Seattle, Washington. Since March 2014, he has served as the Chief Executive Officer of Homebiotic, Inc. of Kent, Washington. Since April 2015, he has served as the Chief Executive Officer of Bulletproof Media, Inc. of Kent, Washington. Since May 2016, he has served as the Chief Executive Officer of 40 years, Inc. of Kent, Washington. Since November 2016, he has served as the Chief Executive Officer of Biohacked, Inc. of Kent, Washington. Since May 2020, he has served as the Chief Executive Officer of Legendary Neurosciences, Inc., TrueLight, Inc. and Upgrade Events, Inc., all of Kent, Washington. Since March 2020, he has served as the Chief Executive Officer of BeProof, Inc. of Kent, Washington.

Vice President of Operations: Miranda Cameron

Miranda Cameron serves as our Vice President of Operations, a position she has held since our incorporation. Since July 2018, she has served as the Vice President of Operations for Upgrade Labs, Inc. of Santa Monica, California. From December 2017 until August 2018, she was the Director of Business Development at Zoom Tan of Naples, Florida. From August 2014 until December 2017, she served as the Regional Operations Manager of Bulletproof Media, Inc. of Seattle, Washington.

Director of Franchise Operations: Elie Medina

Elie Medina serves as our Director of Franchise Operations, a position she has held since our incorporation. From November 2019 until October of 2020, she served as the Manager of Family Medical of Davie, Florida. From July 2017 until August 2018, she served as the General Manager of Orangetheory Fitness Australia, located in Lane Cove, Australia. From August 2010 until June 2017, she served as the Senior International Operations Manager of Orangetheory Fitness of Boca Raton, Florida.

Director of Finance: Jack Hilliard

Jack Hilliard serves as our Director of Finance, a position he has held since our incorporation. Mr. Hilliard has served as the Director of Finance for Neurotech Forty, Inc. of Victoria, British Columbia since June 2020. He served as the Director of Finance for Highbury Asset Management of Victoria, British Columbia from October 2018 until June 2020. He served as the Vice President of Finance of Beanworks Solutions, Inc. of Victoria, British Columbia from December 2016 until September 2018.

ITEM 3
LITIGATION

No litigation must be disclosed in this Item.

ITEM 4
BANKRUPTCY

On August 24, 2020, our affiliate, Upgrade Labs, Inc. filed a bankruptcy petition under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Central District of California, Los Angeles Division captioned In re: Upgrade Labs, Inc., Case No. 2:20-bk-15422-BB. On November 24, 2020, the bankruptcy court entered a discharge.

Except for the matter above, no bankruptcy information must be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

You must pay us a $65,000 initial franchise fee when you sign the Franchise Agreement for a Center ("Initial Franchise Fee"). The Initial Franchise Fee is uniform to all franchisees and deemed fully earned and non-refundable upon payment.

Initial Purchases

You must purchase from our affiliate Distribution Co. designated and required equipment, the cost of which we estimate ranges between $194,900 and $331,850.

Additionally, prior to opening your Center, you must purchase from our affiliate Product Co. an initial inventory of branded products and other supplies. We estimate the cost of these items to be approximately $10,000 to $12,000.

Development Fee

If we grant you the right to open multiple Centers under a Development Agreement, when you sign your Development Agreement you must pay us a one-time Development Fee in the amount of $65,0000 for each Center that you agree to open and operate. Your Development Fee will be deemed fully earned upon payment, and is not refundable under any circumstances. We will apply a credit in the amount of the Development Fee paid for each Center against the Initial Franchise Fee that is due under the Franchise Agreement for each Center.

All fees stated in this Item 5 are typically uniform for all new franchisees in the System, are fully earned when paid and are non-refundable.

ITEM 6
OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty[2]	6% of Gross Sales	Weekly on Wednesday for the sales week ending the immediately preceding Sunday.	Gross Sales are defined in Note 2 below.
National Brand Fund Contribution[3]	2% of Gross Sales	Weekly on Wednesday for the sales week ending the immediately preceding Sunday.	Contributions are paid directly to the Fund. See Item 11 for additional information regarding the Fund as well as your requirement to independently spend 5% of your monthly Gross Sales on local advertising and promotion.

Type of Fee[1]	Amount	Due Date	Remarks
Additional Training Fee[5]	Currently $500 per trainer per day or the current daily rate	As incurred prior to beginning of additional training	This fee is for additional people to attend the Franchise Training Program and any required additional and/or remedial training. See Item 11.
Audit Fee[4]	Underreported amount, plus interest and the costs and expenses of the audit	As incurred	Payable if an audit uncovers an understatement of Gross Sales by more than 2%.
Early Termination Damages	Average weekly royalty fees owed during one year period prior to termination multiplied by the lesser of 104 weeks or the number of weeks remaining in the term of the Franchise Agreement	Within 30 days of termination	Payable if we terminate the Franchise Agreement based on your default.
Equipment Subscription Fees	Then current fees, currently $500 per month.	Monthly (we may shift to weekly payments in the future)	This fee is payable to us for subscriptions fees for your equipment.
Franchise Conference	$500 - $1,000 per person	Within 60 days of the conference event	Attendance is required.
Indemnification	The amount of any claim, liability or loss we incur from your Franchised Center	As incurred	You must defend and indemnify us from all damages and claims relating to the operation of your Franchised Center.
Initial Training - Fee	$0 - $5,000	As incurred	The $5,000 training fee will be charged if the initial training attendee fails to pass the initial training and a second attendee must attend the initial training in place or if the franchisee must send another manager due to turnover reasons. This fee is based on a 5-day training.
Insufficient Funds Fee	$250 per incident	As incurred	Payable in the event that there are insufficient funds available to pay any amounts due to us via electronic funds transfer.

Type of Fee[1]	Amount	Due Date	Remarks
Insurance	Our costs incurred to obtain the required insurance (including any premium amounts paid); and our then-current administrative fee for securing the required insurance)	On demand	Payable only if you fail to procure and maintain insurance coverage and we procure the coverage for your Franchised Center.
Interest	18% per annum or highest rate allowed by law	As incurred	Interest is due from the date of nonpayment or underpayment.
Legal fees and expenses	Costs and expenses, including but not limited to attorneys' fees	As incurred	Payable if you fail to pay amounts when due or fail to comply in any way with the Franchise Agreement or Development Agreement.
Mystery Shopper Fee	Up to $250/month	As incurred	Then-current charge will be in the Manuals.
Reimbursement of Costs and Expenses[6]	Costs and expenses	As incurred	Payable if we incur costs to enforce the Franchise Agreement or Development Agreement.
Relocation Fee	25% of then-current initial franchise fee	As incurred	Payable if you request authorization to relocate your Franchised Center.
Renewal Fee	25% of the then-current initial franchise fee	Upon signing a then-current form of renewal franchise agreement	The Renewal Fee is paid to us, over and above any Royalties, Brand Fund or any other fees to which we are entitled.
Technology fee	Then-current fee, currently $850 per month	Monthly (we may shift to weekly payments in the future)	You will start paying this fee when you activate your ClubReady reservation and scheduling system prior to the start of presales. This fee is paid to us one month in advance for access to certain required technology that we prescribe and require from time to time for use in the operation of Centers. We may change this fee and the included products and services from time to time.

Type of Fee[1]	Amount	Due Date	Remarks
Supplier Evaluation Fee	You must pay our then-current supplier or non-approved product evaluation fee when submitting your request, which is currently $500, plus our actual costs and expenses incurred.	As incurred	You must provide us with the name, address and telephone number of the proposed supplier, a description of the item you wish to purchase, and the purchase price of the item, to the extent known.
Transfer Fee	$1,500 if transferring to an already approved transferee by us or if adding a new shareholder 75% of then current initial franchise fee if transferee is new to the Upgrade Labs brand 50% of then current franchise fee if to an already existing franchise owner	The transfer fee is paid upon application to transfer	The Transfer Fee is paid to us along with any third party broker fees that we incur in connection with your request to approve a transfer.

<u>Explanatory Notes</u>:

1. The table above provides recurring or isolated fees or payments that you must pay to us or our affiliates, or that we or our affiliates impose or collect in whole or in part on behalf of a third party or that you are required to spend by the Franchise Agreement. Unless otherwise noted, all fees and expenses described in this Item 6 are payable to us, are fully earned upon receipt by us and are nonrefundable. In some instances, we will waive or reduce some or all of these fees for particular franchisees. You must pay all fees and other amounts due to us and/or our affiliates under the Franchise Agreement through an electronic funds transfer program (the "EFT Program"), under which we automatically deduct all payments owed to us under the Franchise Agreement, or any other agreement between you and us or our affiliates, from the bank account you identify for use in connection with EFT Program (the "EFT Account"). You must deposit all revenues from operation of the Franchised Center into the EFT Account immediately upon receipt, including cash, checks, electronic and mobile payments, and credit card receipts.

2. "Gross Sales" is defined as the total revenue generated by your Franchised Center, including all revenue generated from the sale and provision of any and all Approved Products and Services at or through the Franchised Center and all proceeds from any business interruption insurance related to the non-operation of the Franchised Center, whether such revenues are evidenced by cash, check,

electronic or mobile payment, credit, charge, account, barter or exchange. "Gross Sales" does not include any sales tax and equivalent taxes that are collected by you for or on behalf of any governmental taxing authority and paid thereto, or the value of any allowance issued or granted to any client of the Franchised Center that is credited in good faith by you in full or partial satisfaction of the price of the Approved Products or Services. We have the right to modify our policies consistent with industry practices and applicable laws regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change.

3. We reserve the right to create a regional advertising cooperative and to require you to contribute to this advertising cooperative in our sole discretion. Any financial contributions made by you to the advertising cooperative may be credited against your Local Advertising Requirement, which is described in Item 11. Company-owned units may be active members of any cooperative and may possess voting power in accordance with the rules of the cooperative as we may determine in our sole discretion.

4. We have the right to conduct an audit of the books and records of the Franchised Center. If we do so, with an independent auditor or otherwise, and it is determined that you underestimated your Gross Sales in any report by 2% or less, then you must pay, within 15 days of written notice, the underreported amount plus interest. If it is determined that you underestimated your Gross Sales in any report by more than 2%, then you must pay, within 15 days of written notice, the underreported amount along with the cost of conducting the audit, including without limitation travel, lodging, meals, wages, expenses, accountant fees, attorneys' fees and interest. If you fail to provide any reports, supporting reports or other information as required and we conduct an audit of the books and records of the Franchised Center, you must pay within 15 days of written notice, the cost of conducting the audit, including without limitation, travel, lodging, meals, wages, expenses, accountant fees, attorneys' fees and interest.

5. Training for your Key Owner and Designated Manager is included in the Initial Franchise Fee. In our discretion, additional training may be provided to for additional owners or designated managers of the Franchised Center (subject to the availability of Franchisor's staff), if all are trained at the same time, or in conjunction with already scheduled training classes. We may require that you complete additional training as well. If we provide you with additional training, we reserve the right to charge you the training fees noted in the table. You are also responsible, at your own expense, to pay for all travel, room and board and wages for you and your employees during all training programs.

6. In addition to the requirement that you reimburse us for amounts of all other claims, liabilities or losses we incur from your Franchised Center, if we elect to enforce the terms of any Confidentiality and Non-Competition Agreement or the Franchise Agreement against any individual required to execute such agreement, you must reimburse us for our attorneys' fees, expert fees, court costs and all other expenses of litigation in connection with that enforcement.

All fees stated in this Item 6 are typically uniform for all new franchisees in the System, are fully earned when paid and are non-refundable.

ITEM 7
ESTIMATED INITIAL INVESTMENT

TABLE NO. 1
YOUR ESTIMATED INITIAL INVESTMENT
FOR AN UPGRADE LABS CENTER UNDER A FRANCHISE AGREEMENT

Type of Expenditure	Low Amount	High Amount	Method of payment	When Due	To whom payment is to be made
Initial Franchise Fee[1]	$65,000	$65,000	Lump sum	Upon execution of the Franchise Agreement	Us
Leasehold improvements and Construction Costs[2]	$225,000	$425,000	Per contract terms	During construction and at completion	General contractor, landlord, suppliers
Furniture and Fixtures [3]	$20,000	$30,000	As incurred	Before opening	Approved Suppliers
Equipment[4]	$194,900	$331,850	Lump sum	Before opening	Our Affiliate
Signage (interior and exterior)[5]	$7,500	$18,000	As incurred	Before opening	Approved Suppliers
Computer, Software and POS[6]	$6,000	$8,000	Lump sum	Before opening	Approved suppliers
Opening Retail Inventory[7]	$10,000	$12,000	As incurred	Before opening	Our Affiliate
Lease, Utility & Security Deposits[8]	$12,000	$25,000	As incurred	Before opening	Landlord/ Utility companies
Insurance[9]	$3,000	$5,000	As arranged	Before opening	Approved Supplier
Pre-opening Travel Expense[10]	$5,000	$10,000	As incurred	Before opening	Airlines, hotels and third-party suppliers
Presale and Grand Opening Advertising[11]	$30,000	$40,000	As incurred	Before opening	Approved Supplier
Professional Fees (Legal/Accounting)[12]	$1,000	$2,500	As arranged	Before opening	Attorneys and Accountants
Business Permits, Licenses and Miscellaneous Opening Costs[13]	$1,000	$3,000	As incurred	Before opening	Licensing authorities
Opening Supplies[14]	$3,000	$5,000	As incurred	Before opening	Approved Suppliers
Additional Funds – 3 months [15]	$50,000	$60,000	As incurred	Before opening	Various
Total[(16)]	**$633,400**	**$1,040,350**			

Explanatory Notes:

1. Please see Item 5 for additional information about the Initial Franchise Fee.

2. This estimate is for the costs for the development of a Center with between 2,500 to 3,000 square feet of space. We have based our estimates on the historical experience of our affiliate. The difference in the low and the high improvement cost estimates is due to the difference in size of the location. These estimates do not include any financial contributions by a landlord. As in development of any business locations, there are many variables that may impact your overall costs including landlord contribution, the size of your location, rates for construction, personnel, freight, vendor pricing and taxes, overall costs and efficiencies in your market. Your cost for developing your location may be higher or lower than the estimates provided.

3. This estimate is for the purchase of required furniture and fixtures such as lounge area furniture, TVs, Automated External Defibrillator, first aid kit, trash cans and related items.

4. This estimate is for the purchase of the necessary equipment from suppliers to provide the Approved Products and Services from the Franchised Center, which do not include any transportation or assembly costs. The equipment must be purchased from our affiliate Distribution Co.

5. This estimate is for the costs to produce wall signage to be mounted to the outside of the Premises as well as all interior signage such as logo graphics for the windows of the Premises, where applicable, and various other elements of brand identification within the Premises, such as wall graphics. If your Premises requires an insert on any pylon, then you may incur higher costs.

6. This estimate is for the costs to obtain our required Computer System, as described in more detail in Item 11.

7. This estimate includes cost of mandatory start up kit for initial inventory of branded merchandise, which includes items such as shirts, hats, glasses, supplements, water bottles, and related items as we determine. These items must be purchased from our affiliate Products Co. See Items 5 and 8 for more details.

8. This estimate represents a three month deposit of rent. This estimate represents the utility deposits you will be required to pay for the Premises. A credit check may be required by the issuing company prior to the initiation of services, or a higher deposit required for first time customers, both of which may increase your costs. These costs will vary depending on the type of services required for the Premises and the municipality from which they are being contracted.

9. This estimate is for the cost to obtain the minimum required insurance. You should check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit. The cost of coverage will vary based upon the area in which your Center will be located, your experience with the insurance carrier, the loss experience of the carrier and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may want to carry. These figures are based on the average cost per year to insure our affiliate location.

10. This estimate is for the cost for your Key Owner and Designated Manager to attend the initial training program held in or near Los Angeles, California or our then current headquarters. We do not charge tuition for us to train these two people, but you will be responsible for all costs associated with attending the initial training program for you and your staff. Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expenses (food, transportation, etc.). This estimate does not include cost of labor. See item 11 for description of initial training program.

11. You must conduct a Presale and Grand Opening program we approve, with a minimum cost of $30,000 to $40,000, as determined by us. See Item 11.

12. These fees are representative of the costs for engagement of professionals such as attorneys and accountants for the initial review and advisories consistent with the start-up of a Franchised Center. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting your Franchised Center.

13. You are responsible for applying for, obtaining and maintaining all required permits and licenses necessary to operate your Center.

14. This figure is primarily for printing a start-up supplies, including order of stationery and business cards bearing the Proprietary Marks and a supply of office materials.

15. This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Center during the first three months after commencing operations. This estimate also includes such items as initial payroll and payroll taxes, Royalties, Fund Contributions (if any), additional advertising, marketing and/or promotional activities, repairs and maintenance, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, state tax and license fees, deposits and prepaid expenses (if applicable) and other miscellaneous items as offset by the revenue you take into the Franchised Center. This total amount is based upon the historical experience of our affiliate in operate Centers.

16. Costs paid to us are not refundable. Whether any costs paid to third parties are refundable will vary based on the practice in the area where your Center is located. You should inquire about the cancellation and refund policy prior to making a purchase. We do not provide any direct or indirect financing for the Initial Franchise Fee or other fees and costs paid to us or to third parties. If you meet the credit requirements determined by third party vendors, you may be able to obtain financing. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of the financial institutions from which you request a loan. We do not determine the terms and conditions of any financing and we do not provide any guarantees for any financing provided to you by third parties. This total amount is based upon the historical experience of our affiliate and information we have obtained relating to the construction of Centers that operate in a space between 2,500 to 3,000 square feet.

TABLE NO. 2
YOUR ESTIMATED INITIAL INVESTMENT
DEVELOPMENT AGREEMENT - TWO TO FIVE CENTERS

Type of Expenditure	Amount Low Estimate[1]	Amount High Estimate[1]	Method of Payment[1]	When Due	To whom payment is to be made
Development Fee[2]	$130,000	$325,000	Lump sum	Upon signing Development Agreement	Us
Total	$130,000	$325,000			

1. Amount and Method of Payment. Costs paid to us are not refundable, except as specifically described below. Whether any costs paid to third parties are refundable will vary based on the practice in the Development Area. We do not provide any direct or indirect financing for the Development Fee or other fees and costs paid to us or to third parties. If you meet the credit requirements determined by third party vendors, you may be able to obtain financing. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of the financial institutions from which you request a loan. We do not determine the terms and conditions of any financing and we do not provide any guarantees for any financing provided to you by third parties.

2. Development Fee. You will sign a Development Agreement to reserve a Development Area in which you will develop multiple franchised Centers under a Development Schedule. These amounts estimate that you will develop two to five Centers in the Development Area. Your estimated initial investment under the Development Agreement will vary depending on the number of Centers you develop within the Development Area. No part of this initial investment is refundable, although we will apply your Development Fee for each Center towards the Initial Franchise Fees owed under the Franchise Agreements that the Development Agreement covers.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Center in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing through our confidential Manuals and other proprietary guidelines and writings that we prepare for your use in connection with the Franchised Center and System. We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, and you will be solely responsible for costs associated with complying with any modifications to the System.

Approved Products and Services

You may only market, offer, sell and provide the Approved Products and Services at your Franchised Center in a manner that meets our System standards and specifications. We will provide you with a list of our then-current Approved Products and Services, along with their standards and specifications, as part of the Manuals or otherwise in writing (which may include digital communication) prior to the opening of your Franchised Center. We may update or modify this list in writing at any time, which would require you to market, offer, sell and provide the Approved Products and Services from the modified list.

If you wish to offer any product or service in your Franchised Center other than our Approved Products and Services, or use any item in connection with your Franchised Center that does not meet our System standards and specifications, then you must obtain our prior written approval as described more fully in this Item.

Approved Suppliers

We have the right to require you to purchase any items or services necessary to operate your Franchised Center from a supplier that we approve or designate (each, an "Approved Supplier"), which may include us or our affiliate(s), and we reserve the right to change the Approved Supplier at any time upon notice to you. We will provide you with a list of our Approved Suppliers in writing as part of the Manuals or otherwise in writing, and we may update or modify this list as we deem appropriate.

Our affiliate Distribution Co. is the exclusive supplier of all initial equipment items that our franchisees are required to purchase for use in their Franchised Centers.

Our affiliate Products, Co. is the exclusive supplier of the initial inventory as well as certain ongoing products and services that our franchisees are required to purchase for use in their Franchised Centers, including dietary supplements and products and inventory bearing the Proprietary Marks. We reserve the right to require you to use Approved Suppliers for site selection and other assistance related to securing an approved Premises.

We may develop proprietary products for use in your Franchised Center, including private-label products that bear our Proprietary Marks, and require you to purchase these items from us or our affiliates.

If you wish to purchase a product or service that we require you to purchase from an Approved Supplier from an alternate source, then you must obtain our prior written approval as outlined more fully in this Item. We may provide our standards and specifications for our Approved Products and Services directly to our Approved Suppliers, and may provide these standards and specifications to an alternative supplier you propose if: (1) we approve the supplier in writing as outlined more fully in this Item; and (2) the alternative supplier agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

Other than certain of our officers' interests in us, Distribution Co. and Products Co., neither we nor our officers have an ownership interest in any approved or designated suppliers. We reserve the right to designate us or any affiliate as an Approved Supplier with respect to any item you must purchase in connection with your Franchised Center in the future.

Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your "Required Purchases." We estimate that your Required Purchases will account for approximately 70% to 90% of your total costs incurred in establishing your Franchised Center, and approximately 30% to 35% of your ongoing costs to operate the Franchised Center after the initial start-up phase. Please be advised that these percentages do not include your lease payments you make in connection with your Premises.

We reserve the right to derive revenue from any of the purchases (items or services) that our System franchisees are required to make in connection with the Franchised Center. Neither we nor our parent or affiliates have generated any revenue from our franchisees' Required Purchases in the past fiscal year ending December 31, 2021.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (1) offer any products or services in connection with your Franchised Center that are not Approved Products and Services; or (2) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (1) using or offering the non-approved product or service in connection with your Franchised Center; or (2) purchasing from a non-approved supplier. You must pay our then-current supplier or non-approved product evaluation fee when submitting your request, which is currently $500, plus our actual costs and expenses incurred. We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any products you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products, and request that you reimburse our actual costs associated with the testing/inspection.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (but are not required to) make it available to you upon request. Each supplier that we approve of must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier. If we do not approve your request within the 30 days, then the request is deemed unapproved.

Purchasing Cooperatives and Right to Receive Compensation

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Upgrade Lab Centers in our System. If we do establish those types of alliances or programs, we may: (1) limit the number of approved suppliers with whom you may deal; (2) designate sources that you must use for some or all products, equipment and services; and (3) refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We and/or our affiliates may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other Franchised Centers in the System, such as rebates, commissions or other forms of compensation. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

We do not currently have a purchasing cooperative with any third-party vendors, but reserve the right to create purchasing cooperatives in the future.

Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

Advertising

All advertising and promotional materials and other items we designate must bear the Proprietary Marks in the form, color, location and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements we prescribe in the Manuals or otherwise. You must obtain our approval before you use any advertising and promotional materials or plans in connection with your Franchised Center if we have not prepared or approved them during the 12 months prior to the date of your proposed use.

Approved Location and Lease

You must obtain our approval of the Premises for your Franchised Center before you acquire the site. You must also obtain our approval of any contract of sale or lease for the Premises before you execute the contract or lease, and we may condition our approval of any such lease on you and your landlord's execution of our prescribed form of Addendum to Lease (attached as an exhibit to our current form of Franchise Agreement). You must also ensure that you comply with all of our System standards and specifications related to the build-out, remodeling and/or construction of your Franchised Center at the Premises.

Insurance

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. Our insurance obligations will be included in the Operations Manual and may be periodically updated. You must comply with any changed insurance requirements and are responsible for all premiums. You currently must have: (1) commercial general liability insurance with minimum limits of $1,000,000 per occurrence and $3,000,000 in the aggregate, and $1,000,000 in property rental insurance coverage on all furniture, fixtures, equipment, inventory and tenant improvements; (2) workers' compensation in the amounts required by state law; (3) employment practices liability coverage per claim and in the aggregate of $1,000,000; (4) employee benefits liability per claim and in the aggregate of $1,000,000; (5) product liability insurance of $1,000,000 per claim and $1,000,000 in the aggregate; (6) personal and advertising liability insurance of $1,000,000 per claim and $1,000,000 in the aggregate; (7) professional liability insurance in the amount of $1,000,000; (8) participant legal liability insurance in the amount of $1,000,000; (9) cyber liability coverage in the amount of $1,000,000; and (10) medical expense (for any one person) insurance in the amount of $5,000. All insurance policies must name us as an additional insured party and must contain a waiver of subrogation in our favor.

You must also carry the insurance required by your landlord and applicable law. Depending on your geographic location, you should consider disaster insurance for hurricanes, earthquakes and flooding. You should consult with an insurance advisor to decide the coverage that is best for you. We may change the amounts and types of coverage as we think best.

You must use an insurance company that is satisfactory to us and we may require you to use our designated insurance agency or insurer for this service. All insurance policies must be issued by an insurance company with a rating of A-VI or better as reported in the most recent edition of A.M. Best's Insurance reports. The cost of your insurance coverage will vary depending on the insurance carrier's charges, the terms of payment, and your insurance history. Your obligation to obtain and maintain the policies that we require, in the amounts specified, will not be limited in any way by reason of any insurance maintained by us, nor will your performance of that obligation relieve you of your liability under the indemnity provisions in the Franchise Agreement. If you fail to procure or maintain the insurance that we require, we may (but are not obligated to) obtain the required insurance and charge the cost of the insurance to you, plus a reasonable administrative fee.

Computer Hardware and Software

You must purchase any and all computer hardware, software and peripherals in accordance with our System standards and specifications. We may require you to purchase any of these items from one of our Approved

Suppliers, and we currently have an Approved Supplier in connection with the software you must use at your Franchised Center (and maintenance/support associated with this software). See Item 11 for more information about our Computer System.

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 Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	1.B., 1.D., 4.E., and 5.A.	1	Items 7, 8, 11, and 12
b.	Pre-opening purchases/leases	5.A., 5.C., 5.D., 5.E., 5.H., and 5.L.	Not Applicable	Items 7, 8, 11
c.	Site development and other pre-opening requirements	1.B., 5.D., 5.F., 5.H., and 5.L	5	Items 6, 7, 11
d.	Initial and ongoing training	Sections 4.A.-C., 5.N., and 5.O.	Not Applicable	Items 6, 11
e.	Opening	Section 5.D.	5 and Exhibit A	Items 7, 11
f.	Fees	Section 3	2	Items 5, 6, 7, 11
g.	Compliance with standards and policies/Confidential Operations Manual	Sections 5, 7	7 and 12	Items 6, 8, 11, 12, 16
h.	Trademarks and proprietary information	Section 6	7	Items 13, 14
i.	Restrictions on products/services offered	Sections 5.D., 5.F., 5.G., 5.H., 5.J., and 5.K.	Not Applicable	Items 8, 11, 16
j.	Warranty and customer service requirements	Section 5.S.	Not Applicable	Not Applicable
k.	Territorial development and sales quotas	Section 1.D.	1 and Exhibit A	Item 12
l.	Ongoing product/service purchases	Sections 5.F., 5.G., 5.H., 5.J., and 5.K.	Not Applicable	Items 8, 16
m.	Maintenance, appearance and remodeling requirements	Section 2.B. and 5.H.	Not Applicable	Items 8, 11
n.	Insurance	Sections 10.A. and 10.B.	Not Applicable	Items 6, 7, 11
o.	Advertising	Section 8	Not Applicable	Items 6, 8, 11
p.	Indemnification	Section 10.C.	12	Item 6
q.	Owner's participation/ management/staffing	Section 5.U.	Not Applicable	Item 15
r.	Records and reports	Sections 3.D. and 9	Not Applicable	Items 6, 11
s.	Inspections and audits	Section 4.K., 5.B., 5.D., 5.T., and 10.B.	Not applicable	Items 6, 11

	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
t.	Transfer	Section 12	9	Item 17
u.	Renewal	Section 2.B.	Not Applicable	Item 17
v.	Post-termination obligations	Sections 14.C. and 16	8	Item 17
w.	Non-competition covenants	Section 14	8	Item 17
x.	Dispute resolution	Sections 19 and 21	12	Item 17
y.	Personal Guaranty	Section 13.D.	Not Applicable	Item 15

ITEM 10
FINANCING

Neither we, nor our affiliates, or agents offer direct or indirect financing to franchisees, nor do we guarantee your obligations.

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

Except as listed below, Upgrade Labs Franchise, Inc. is not required to provide you with any assistance.

A. Pre-Opening Obligations

Prior to the opening of your Center, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. If you have entered into a Development Agreement, we will designate your Development Area where you will have the right to sign Franchise Agreements for each of your Franchised Centers at locations that we have approved. (Development Agreement, Section 1). Our then-current site selection requirements will apply to each Franchised Center you open.

2. We will provide site selection guidelines and assistance (as described more fully below in this Item 11), as we deem appropriate in our discretion, in connection with selecting the Premises for your Franchised Center. You will purchase or lease the Premises from independent third parties. We do not own or lease to you the Premises. We will also review, and subsequently approve/reject, any proposed lease or purchase agreement for each location that you propose as the Premises for any Franchised Center (Franchise Agreement, Sections 1.B. and 4.E.)

3. Once you secure the Premises that we approve for a Franchised Center, we will define your Designated Territory for that Franchised Center and include its boundaries in a Data Sheet attached as an exhibit to your Franchise Agreement (Franchise Agreement, Section 1.D.);

4. We will provide you with online access to, or otherwise loan you, one (1) copy of our confidential and proprietary Manuals. You must operate your Franchised Center in accordance with the Manuals and all applicable laws and regulations. The Manuals may be amended or modified by us to reflect changes in the System. You must keep the Manuals confidential and current, and you may not copy any part of the Manuals. You are required to keep a copy of the Manuals at your Premises, and if there is a dispute relating to the contents of the Manuals, then the master copy (that we maintain at our corporate

headquarters) will control. We reserve the right to disclose updates to the Manuals in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The table of contents for our Operations Manual as of the issuance date of this Disclosure Document is attached to this Disclosure Document as Exhibit G and the Operations Manual is a total of 230 pages (Franchise Agreement, Section 4.D.)

5. We will provide you with a list and written specifications of our Required Items (including any equipment, signs, fixtures, opening inventory, and supplies) as well as any Approved Suppliers (to the extent we have designated them), either as part of the Manuals or otherwise in writing. We do not deliver or install these items for you. (Franchise Agreement, Section 4.D.;

6. We will provide you with a sample layout and specifications for the proposed layout of your Premises as well as review and approve the proposed layout and design of your Premises, including the equipment, furniture and fixtures used in connection with your Franchised Center, as we deem appropriate and advisable in our discretion. (Franchise Agreement, Section 5.D.). We will provide you with guidance with conforming the premises to local ordinances, building codes, obtaining required permits, and consruction, remodeling, or décor for the premises, and hiring employees through the initial franchise training and adherence to our then-current Manuals that may be amended or modified by us to reflect changes in the System. (Franchise Agreement, Section 5.D., E., H., and O. and 4.D.).; and

7. We will provide your Key Owner and Designated Manager with our initial Franchise Training Program and Pre-Opening Sales Training. The Franchise Training Program and Pre-Opening Sales Training are designed to provide instruction and education on our System methods and techniques related to establishing and operating your Franchised Center. Your payment of the Initial Franchise Fee will cover the tuition for your Key Owner and Designated Manager to participate in the initial Franchise Training Program and Pre-Opening Sales Training. You are responsible for all costs and expenses your attendees incur in connection with attending or otherwise participating in training (including any travel, lodging, meals and other expenses associated with attending those portions of the program that are provided from our designated training facility in or near Los Angeles, California or other location we designate) (Franchise Agreement, Section 4.A).

TRAINING PROGRAM
INITIAL FRANCHISE TRAINING

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Introduction & Welcome	1	0	Los Angeles, CA or our then Corporate Headquarters
Upgrade Labs: Upgrading Humanity (Who we are & Why we do it)	1	0	Los Angeles, CA or our then Corporate Headquarters
Orientation: Getting Started	1	0	Los Angeles, CA or our then Corporate Headquarters
Your role as an Upgrade Labs Owner	1	0	Los Angeles, CA or our then Corporate Headquarters
Center Development Roadmap & Overview	1	0	Los Angeles, CA or our then Corporate Headquarters
Modalities Overview	2	0	Los Angeles, CA or our then Corporate Headquarters
Real Estate	1	0	Los Angeles, CA or our then Corporate Headquarters

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Design & Construction	1	0	Los Angeles, CA or our then Corporate Headquarters
Marketing	2	0	Los Angeles, CA or our then Corporate Headquarters
Retail	1	0	Los Angeles, CA or our then Corporate Headquarters
Teaser, Presales & Sales	4	0	Los Angeles, CA or our then Corporate Headquarters
Staff Recruiting, Hiring & Training	1	0	Los Angeles, CA or our then Corporate Headquarters
Intro to Center Management Software	1	0	Los Angeles, CA or our then Corporate Headquarters
Accounting & Royalties	1	0	Los Angeles, CA or our then Corporate Headquarters
Wrap Up and Q&A	1	0	Los Angeles, CA or our then Corporate Headquarters
TOTAL HOURS	**20**	0	

The initial Franchise Training Program is currently held in either Los Angeles, California or our then corporate headquarters. This initial training will last for approximately three days. In addition, you and attendees may be required to complete up to three days of online training in advance of in-person initial training. A full-pre-training checklist will be provided in the Manuals, which will be provided to you after you sign the Franchise Agreement. We reserve the right, in our sole discretion, to conduct the initial Franchise Training Program virtually.

PRE-OPENING SALES TRAINING

In addition to our initial Franchise Training Program, we will provide your Key Owner and Designated Manager with our Pre-Opening Sales Training, which consists of up to five days on-site/virtual training. Pre-Opening Sales Training is intended to assist you in marketing your Franchised Center in your local community to create brand awareness, drive traffic, leads and membership sales during the pre-opening period. Your Key Owner and Designated Manager must successfully complete our initial Pre-Opening Training to our satisfaction before your Franchised Center begins selling memberships. The details of our Pre-Opening Sales Training are set forth in the Chart below.

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Introduction & Welcome	1	0	Onsite at your Franchised Center location or Virtually
Review Responsibilities, Expectations & Goal Setting	3	0	Onsite at your Franchised Center location or Virtually
What is Upgrade Labs?	2	0	Onsite at your Franchised Center location or Virtually
Presales Basics	5	0	Onsite at your Franchised Center location or Virtually

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Marketing, Lead Generation & Management	2	0	Onsite at your Franchised Center location or Virtually
Center Management Software	2	1	Onsite at your Franchised Center location or Virtually
Sales Training	5	2	Onsite at your Franchised Center location or Virtually
Setting up your Center for Presales Success	1	0	Onsite at your Franchised Center location or Virtually
Wrap Up and Q&A	1	0	Onsite at your Franchised Center location or Virtually
TOTAL HOURS	22	3	

We typically schedule training on an as-needed basis. The initial Franchise Training Program and Pre-Opening Sales Training are subject to change without notice to reflect updates in the materials, methods and Manuals, as well changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained. The Manuals will be the basis of our instructional material reinforced during hands-on training of both observation and visual instruction. Additional online training may be mandated prior to attending the initial Franchise Training Program and Pre-Opening Sales Training, which will be virtual/online and conducted from your home or office.

Your Key Owner and Designated Manager must successfully complete the initial Franchise Training Program within two months of signing your Franchise Agreement and Pre-Opening Sales Training must be completed no later than two months prior to the opening of your Franchised Center, unless we agree otherwise in writing. Failure by your required attendees to complete these portions of the initial Franchise Training Program and Pre-Opening Sales Training within this time period is grounds for terminating your Franchise Agreement (Franchise Agreement, Sections 4.A., 5.N. and 15.C.2).

The Initial Franchise Training Program and Pre-Opening Sales Training will be supervised by Elie Medina, whose has one year of training experience with us and seven years of training experience with other concepts. We reserve the right to appoint and substitute other individuals to assist in providing training, but all of our training personnel will have at least one year in the subject matters that they teach. We will loan you one copy of our proprietary instructional materials prior to or upon your attendance at our initial Franchise Training Program, which may include our Manuals and certain other instructional materials that we develop. You, or another person that successfully completes our initial Franchise Training Program, will be required to train all other personnel that work at your Franchised Center (Franchise Agreement, Section 5.N.)

If you wish to have more than two attendees attend the initial Franchise Training Program and Pre-Opening Sales Training, then we will train these individuals, subject to the availability of our training staff, at our corporate headquarters or any other location we may select, and we reserve the right to charge our then-current additional training fee, which is currently $500 per trainer per day. If your Key Owner, Designated Manager, or other permitted trainee fails to complete the initial Franchise Training Program and Pre-Opening Sales Training to our satisfaction, that person may re-attend or you may send a replacement to our next available initial Franchise Training Program and Pre-Opening Sales Training session, provided there is availability. We may charge our then-current additional training fee for these individuals to re-attend the initial Franchise Training Program and Pre-Opening Sales Training as well. In any event, you are solely responsible for all expenses incurred related to your and your employee’s attendance at our Initial Training

Program, including transportation to and from the training site, lodging, meals and employee wages (Franchise Agreement, Section 4.A.).

If you are developing multiple Franchised Centers under a Development Agreement, we will only provide the Initial Franchise Training Program and Pre-Opening Sales Training for your first Franchised Center. For your second Franchised Center, we will provide a prescribed training refresher course for your Key Owner and Designated Manager at least 30 days before the opening of the Franchised Center. You will be responsible for all expenses incurred in connection with attending this refresher training. Thereafter, you will be responsible for training your personnel who will manage and operate your Franchised Centers.

Center Launch Assistance

Prior to the soft opening of your Franchised Center, we will provide you with up to five days of on-site assistance at your Franchised Center following the completion of the initial Franchise Training Program and Pre-Opening Sales Training to our satisfaction. We expect to conduct the launch assistance prior to opening, which requires that you have completed the buildout and equipping of the Franchised Center, hired staff, and sell a minimum number of presale memberships which we determine for your Territory. At the conclusion of the on-site assistance, we will assess the following: (1) your pre-opening marketing and launch readiness; (2) your operations; (3) your initial staffing efforts; (4) merchandising/displays; (5) scheduling capabilities; and (6) payment processing. If approved, then you may open your Franchised Center for business, but if not approved, then we may require that you attend additional training, for which we reserve the right to charge our then-current additional training fee. (Franchise Agreement, Section 4.A.)

B. Site Selection

You must assume all costs, liabilities, expenses and responsibility for: (1) locating, obtaining and developing the Premises for your Franchised Center; and (2) constructing, equipping, remodeling and/or building out the Premises for use as a Franchised Center, all in accordance with our System standards and specifications. We may provide you with our current written site selection guidelines, to the extent such guidelines are in place, and any other site selection counseling and assistance we believe is advisable. Our guidelines for site selection may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location. We may then use these factors in determining the suitability of your proposed site for the Premises of your Franchised Center. We reserve the right to require you to use approved suppliers for site selection and other assistance related to securing an approved Premises (Franchise Agreement, Sections 4.E. and 5.A.).

If the site of the Premises has not been agreed at the time the Franchise Agreement is executed, we will designate a general marketing area (the “Site Selection Area”) on the Data Sheet attached to the Franchise Agreement wherein you must locate and secure the Premises. You will acknowledge and agree that: (1) you do not have any territorial rights within the Site Selection Area; (2) we may permit other new franchisees to search for the location of their franchised center within the same Site Selection Area that is assigned to you if we determine in our discretion that the Site Selection Area is large enough to contain additional franchises; and (3) potential locations for each franchised center, and resulting Designated Territories (as defined below), within the Site Selection Area will be reviewed and rejected/granted on a first-to-propose basis.

In deciding whether to approve a site, we may also consider, among other things: (1) demographic characteristics, traffic patterns, allowed design and building, parking, visibility, allowed signage, and the predominant character of the neighborhood surrounding the proposed site; (2) competition from other businesses selling similar products and services within the area and the proximity of the site to these businesses, as well as the nature of all other businesses in proximity to the proposed site; (3) zoning restrictions, soil and environmental issues, and other commercial characteristics; and (4) the size, appearance, and other physical characteristics of the proposed site.

We must also have the opportunity to review and approve/reject any lease or purchase agreement for proposed Premises before you enter into such an agreement. We may condition our approval on a number of conditions, including our prescribed form of Lease Addendum under which we will have the option, but not the obligation, to assume or renew the lease for the Premises upon the expiration or termination of the Franchise Agreement. (Franchise Agreement, Sections 4.E and 5.A.).

We will use reasonable efforts to approve or reject any proposed location (and corresponding lease/purchase agreement) within 30 days of the date you provide us with all requested materials and our then-current site application form. If we determine that an on-site evaluation is necessary, then you must: (1) submit to us, in the form we specify, a description of the site prior to our representative conducting its on-site evaluation, including evidence that the site satisfies our site selection guidelines and any other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site; and (2) reimburse us for the expenses incurred in connection with such an evaluation. If we do not provide our specific approval of a proposed location within this 30-day period, the proposed location will be deemed rejected. Our approval only means that the site meets our minimum requirements for a Franchised Center (Franchise Agreement, Section 4.E.).

You must secure the Premises that we approve within five months of executing your Franchise Agreement for that Franchised Center or we may terminate that Franchise Agreement` (Franchise Agreement, Section 5.A.).

C. Time to Open

Except as provided in this Item, you must open and commence operations of your Franchised Center within ten months of the date you execute your Franchise Agreement. We estimate that it will take approximately four to seven months to open your Franchised Center from the time you execute your Franchise Agreement. Your total timeframe may be shorter or longer depending on the time necessary to obtain an acceptable Premises, to obtain financing, to obtain the permits and licenses for the construction and operation of the Franchised Center, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Franchised Center, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Franchised Center, including purchasing any inventory or supplies needed prior to opening. If you do not open or operate your Franchised Center within this ten month period, then we may terminate your Franchise Agreement (Franchise Agreement, Section 5.D.)

If you have entered into a Development Agreement to open and operate multiple Franchised Centers, your Development Agreement will include a Development Schedule containing a deadline by which you must have each of your Franchised Centers open and operating. Your Development Schedule may depend on the number of Franchised Centers you are granted the right to open and operate. If you fail to open any Franchised Center within the appropriate time period outlined in the Development Agreement, we may terminate your Development Agreement. (Development Agreement, Section 5). You will not have any further development rights within the Development Area upon termination of your Development Agreement, except to continue operating the Franchised Centers that were already open and operating under a Franchise Agreement as of the termination date. We must approve of the Premises you choose for each Franchised Center you are required to open under the Development Agreement.

D. Post-Opening Obligations

After the opening of your Franchised Center, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. We may offer, and require your Key Operator and your Designated Manager to attend, additional training programs and/or refresher courses, as we deem necessary in our sole discretion. While you have the option to attend any additional training we offer, subject to the availability of our classes, we may require that your Key Owner and your Designated Manager attend up to five days of additional training each year at our headquarters or other location we designate. You will be required to pay our then-current additional training fee for any additional training you and your employees request to attend and any remedial training that we require. You will also be solely responsible for all expenses incurred in attending additional training (Franchise Agreement, Section 4.C.);

2. We may provide you with continuing consultation and advice, as we deem necessary in our sole discretion, regarding the management and operation of the Franchised Center. We may provide this assistance by telephone, intranet communication, video conference or any other communication channel, as we deem advisable and subject to the availability of our personnel. Certain of this advice and consultation may be provided based on certain reports, guest satisfaction surveys and other brand quality measurements we impose in connection with the operation of your Franchised Center, and such advice/consultation will be subject to your timely provision of any reports we require you to submit (Franchise Agreement, Section 4.G.);

3. We may also provide you with additional on-site assistance, subject to the availability of our field representatives and, upon our request, payment of our then-current additional training fee (Franchise Agreement, Section 4.G.);

4. We will approve or deny any advertising/marketing materials you wish to use in connection with your Franchised Center as described more fully below in this Item 11 under the heading "Advertising and Marketing" (Franchise Agreement, Section 4.H.);

5. We will approve or disapprove your requests to: (1) purchase and/or offer non-approved products or services in connection with the Franchised Center; and (2) make Required Purchases from suppliers other than our then-current Approved Suppliers (Franchise Agreement, Section 5.K.);

6. We may schedule and hold a franchise conference, as we deem advisable in our sole discretion, to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. In the event we schedule a conference, we may require you to attend for up to five consecutive or non-consecutive days each year. You will be responsible for the costs and expenses you incur in connection with any franchise conference (Franchise Agreement, Section 4.P.);

7. We will display the contact information of your Franchised Center on the website that we or our designee maintains to advertise and promote Upgrade Lab Centers and our Proprietary Marks, provided you are in compliance with the terms of your Franchise Agreement. Please see below in this Item 11 under the heading "Advertising and Marketing" for further information (Franchise Agreement, Sections 4.I. and 8.G.);

8. We will, if and when established, administer and maintain the Fund for the benefit of the System (Franchise Agreement, Sections 4.L. and 8.E.);

9. We may, as we deem appropriate in our discretion, establish and maintain a website portal that will be accessible by our franchisees, which may be used for purposes of (1) providing updates, supplements and supplemental information that will constitute part of one or more Manual, (2) providing webinars and other training, including portions of our Initial Training Program, (3) providing advertising templates or other marketing/promotional materials, as well as information related thereto, and (4) otherwise communicate with our franchisees regarding the brand, System and/or specific operational/promotional aspects of a Franchised Center (collectively, the "Upgrade Labs Team Site") (Franchise Agreement, Section 4.D.);

10. We may conduct, as we deem advisable in our sole discretion, inspections of the Premises and audits of the Franchised Center and your operations generally to ensure compliance with our System standards and specifications. We may also prepare written reports outlining any recommended or required changes or improvements in the operations of your Franchised Center, as we deem appropriate in our sole discretion, and detail any deficiencies that become evident as a result of any inspection or audit (Franchise Agreement, Section 4.K.);

11. We may supplement, revise or otherwise modify the Manuals and/or the Upgrade Labs Team Site (if and when created) as we deem necessary or prudent in our sole discretion, which may, among other things, provide new operations concepts and ideas. We may provide you with these updates through various mediums, including mail, e-mail and our System-wide intranet (Franchise Agreement, Section 1.G.); and

12. We may: (1) research new treatment services, products and equipment and methods of doing business and provide you with information we have developed as a result of this research, as we deem appropriate in our sole discretion; and (2) create and develop additional products and services to be offered or provided as Approved Products and Services at System Centers.

E. Advertising

All advertising and promotion that you use in connection with your Franchised Center must be approved by us and conform to the standards and requirements that we specify. We reserve the right to designate an Approved Supplier from which you must purchase advertising materials and/or services that we designate. We may make available to you from time to time, at your expense, certain promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. You will be required to purchase and display any signage in certain parts of your Franchised Center that have high visibility for purposes of notifying customers and prospective customers of seasonal specials/promotions regarding our Approved Products and Services (Franchise Agreement, Section 8.A.).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to use to us for our prior written approval at least 20 days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 15 days of the date we receive the materials from you. If you do not receive our written approval during that time period, however, the proposed materials are deemed disapproved and you may not use such materials. Once approved, you may use the proposed materials for a period of 90 days, unless we: (1) prescribe a different time period for use; or (2) require you to discontinue using the previously-approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time (Franchise Agreement, Section 8.B.). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Designated Territory.

Local Advertising Requirement. Upgrade Lab Centers advertise primarily through local direct mail, community involvement, newspaper and magazine advertisements. We expect that you will follow the same pattern. We require that franchisees spend at least 5% of their monthly Gross Sales on local advertising and promotions (the "Local Advertising Requirement"). As another means of advertising, you must ensure that the Franchised Center is listed in appropriate Internet-based telephone directories that we designate. You must ensure that your Franchised Center has a dedicated telephone line that is not used for any other purpose. (Franchise Agreement, Section 8.D.) We reserve the right to designate an Approved Supplier from which you must purchase advertising materials and/or services that we designate that you will use as part of your Local Advertising Requirement. We also reserve the right to request proof of such expenditures by providing you with notice of such request.

In addition to your Local Advertising Requirement, you may wish to use Social Media Platforms (defined as web-based platforms such as Facebook, Instagram, Twitter, TikTok, LinkedIn, Pinterest, YouTube, blogs and other networking and sharing sites) or use "Social Media Materials" (defined as any material on any Social Media Platform that makes use of our Proprietary Marks, name, brand, products or your Franchised Center whether created by us, you or a third-party). You may not use a Social Media Platform or Social Media Materials without our prior written approval. Your expenditures toward Social Media Platforms and Social Media Materials will not count towards your required Local Advertising Requirement unless the expenditure relates to the placement of advertisements. (Franchise Agreement, Section 8.H.)

Grand Opening Advertising. In addition to the Local Advertising Requirement, you will be required to expend a minimum of $30,000 in connection with the opening of the Franchised Center for the period between 30 days prior to opening and 60 days after opening. We must approve your plan for Grand Opening Advertising prior to its use (Franchise Agreement, Section 8.C.).

National Brand Fund. We will establish the Fund for the benefit of the System and the Upgrade Labs brand generally when our first Franchise Center opens for business. We currently require that you contribute to this Fund at the same time and same manner that we collect your Royalty Fee in an amount equal to 2% of the Gross Sales of your Franchised Center during the preceding Business Week.

We will administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System. We will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing (Franchise Agreement, Section 8.E.).

We will account for the Fund contributions separately from our other funds and not use the Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. The Fund is not our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises, except that we may use/display the phrase "Franchises Available" on any and all advertising/marketing that is covered by the Fund. We may incorporate the Fund or operate it through a separate entity if we deem appropriate. Our affiliate-owned Upgrade Lab Centers will contribute to the Fund a comparable manner that Franchised Centers are required to contribute. (Franchise Agreement, Section 8.E.).

We are not required to spend any of your Fund Contributions in the Designated Territory you are granted under your Franchise Agreement, and we will provide you with an unaudited accounting of the Fund within 120 days after our fiscal year end (upon your written request). We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. If we do not spend all Fund Contributions in a given year, we may rollover any excess contributions into the Fund for use during the following year. We will have the right to modify or discontinue the Fund, as we deem appropriate in our sole discretion (Franchise Agreement, Section 8.E.).

We did not collect or expend any Fund contributions in our last fiscal year.

Advertising Council. We have not established an advertising council (the "Advertising Council"), but we may do so in the future. If we establish an Advertising Council, it will serve in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund. At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. We will have the right to modify or dissolve the Advertising Council (if created) at any time (Franchise Agreement, Section 8.F.).

Regional Advertising Cooperatives. We reserve the right to establish regional advertising cooperatives ("Cooperatives") that are comprised of a geographical market area that contain two or more Upgrade Labs Centers (whether a Franchised Center or affiliate-owned) (each a "Cooperative"). If we assign your Franchised Center to a Cooperative we establish, you must work with the other Center owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the Centers within the geographical boundaries of the Cooperative.

Cooperative Participation and Contributions. If an association of Center franchise owners is established in a geographic area in which your Center is located (the "Cooperative"), you must join and actively participate in it. We will determine the area and membership of the Cooperative by criteria that we establish, in our sole discretion. We will determine whether a Cooperative should be formed for your market. You must contribute to the Cooperative such amounts as are determined from time to time by it. We will not set the amount of those contributions and there is no limit. Your local advertising requirement may be reduced by the amount that you contribute to any Cooperative, up to the amount of your local advertising requirement. The Cooperative will adopt its own rules, regulations and procedures, which you must follow. However, the rules, regulations and procedures of the Cooperative must be approved by us. We reserve the right to require that the Cooperative prepare annual financial statements. We also reserve the right to audit any accounts or funds collected by the Cooperative. All advertising to be utilized by the Cooperative must not be used until we have reviewed and approved it. We also have the right to participate in any meetings of the Cooperative and its members. Your failure to timely contribute the amounts required by the Cooperative would constitute a material breach of the provisions of your Franchise Agreement. Our affiliates outlets will not be required to participate in any Cooperative.

We have not established any Cooperatives as of the issuance date of this Disclosure Document (Franchise Agreement, Section 8.I.).

F. Computer System

You must obtain, maintain, and use the Computer System that we specify periodically in the Manuals to (i) enter and track purchase orders and receipts, sessions and attendance, and customer information, (ii) update inventory, (iii) enter and manage your customer's contact information, (iv) generate sales reports and analysis relating to the Center, and (iv) provide other services relating to the operation of the Center.

We have the right to specify or require that you use certain brands, types, makes, and/or models of computer hardware and software in connection with the Franchised Center that meets our System specifications, including (1) an all-in-one printer/scanner/copier/fax machine; (2) high-speed Internet connection; (3) two Apple iPad tablets; (4) two iMacs; (5) one laptop; (6) cloud-based management system for scheduling, marketing and credit card processing from our Approved Supplier; (7) accounting software from our Approved Supplier; and (8) a credit card processing system (collectively, the "Computer System"). We may also require you to use designated software in connection with the Computer System and Franchised Center (the "Required Software").

We must approve of all of the hardware to be used as a part of your Computer System before it is used in connection with your Franchised Center, and none of the foregoing hardware may be used for any other purpose other than operating your Franchised Center. You will also need to maintain Internet access via DSL or cable broadband connection.

If you already have computer hardware and/or software that meet our then-current standards for a Computer System and/or Required Software, then you may use these items in connection with your Franchised Center provided you obtain our approval. Otherwise, we estimate the costs to purchase our current Computer System to be approximately between $6,000 and $8,000. You must keep your Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as we direct from time to time in writing. We estimate that you will spend approximately $3,000 annually on maintenance and support contracts for your Computer System, which includes (1) the software license for any Required Software (see Items 6 and 8 of this Disclosure Document), and (2) any upgrades to the Computer System. Neither we nor any of our affiliates are required to provide ongoing maintenance, repairs, upgrades or updates to the computer hardware or software.

We may require that: (1) you comply with our standards and specifications for Internet access and speed; and (2) the Computer System be programmed to automatically transmit data and reports about the operation of the Franchised Center to us. We will also have the right to, at any time without notice, electronically and independently connect with your Computer System to monitor or retrieve data stored on the Computer System (or for any other purpose we deem necessary). There are no contractual limitations on our right to access the information and data on any component of your Computer System. We may also require you to use a Computer System and/or related software that is administered through us and provides us with automatic access to all data and reports that might be created by such Computer System and/or software.

You are also required to participate in any System-wide area computer network, intranet system, or extranet system that we implement, and may be required to use such networks or system to, among other things: (1) submit your reports due under the Franchise Agreement to us online; (2) view and print portions of the Manuals; (3) download approved local advertising materials; (4) communicate with us and other System franchisees; and (5) complete certain components of any ongoing training we designate. (Franchise Agreement, Section 5.L.)

You must take all necessary steps, including but not limited to those related to visibility and management of the Franchised Center's network, that are necessary to ensure that the Franchised Center is compliant with all Payment Card Industry Date Security Standards (PCI DSS) requirements, as such standards may be revised and modified by the PCI Security Standards Council (see www.pcisecuritystandards.org). (Franchise Agreement, Sections 5.V.).

G. Website and Internet Use

Except as approved in advance in writing by us and otherwise described in this Item, you must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Center, including any profile on Social Media Platform. Any such Internet website or presence is considered "advertising" and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more of the above presences on the Internet, you must: (1) establish and operate your World Wide Web or Internet site in accordance with System standards and any other policies we designate in the Manuals or otherwise in writing from time to time; and (2) utilize any templates that we provide to you to create and/or modify such site(s) (Franchise Agreement, Section 8.G.)

We have the right to establish and maintain a website, that may, without limitation, promote the Proprietary Marks and/or the System (the "Website"), including the contact information of your Franchised Center. We agree to establish an interior page on our corporate website to display the Premises and contact information associated with the Franchised Center for so long as (1) the Franchised Center is open and actively operating, and (2) the Franchise Agreement governing that Franchised Center is not subject to termination (Franchise Agreement, Section 4.I.).We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Center as we deem necessary or appropriate in the best interest of the System (Franchise Agreement, Section 8.G.). We (or our affiliate) are the sole registrant of the Internet domain name www.upgradelabs.com, as well as any other Internet domain names that we or our affiliates register in the future. You must not register any Internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

ITEM 12
TERRITORY

Premises and Relocation

You may only operate your Franchised Center from the Premises we approve. Once we agree on the Premises, we will designate it on the Data Sheet attached to your Franchise Agreement.

You may not relocate your Franchised Center without our written consent, which we will not unreasonably withhold provided: (1) the new location is located within your Designated Territory and meets our then-current criteria for the Premises; and (2) you pay a relocation fee in the amount of twenty-five percent of our then-current initial franchise fee. When considering a request for relocation, we may take into account the desirability of the proposed new location, its distance from other and future-planned franchised locations, the traffic patterns, security, cost, and the demographics of the area, as well as any other related factors we deem appropriate.

Franchise Agreement: Designated Territory

Once you have secured the Premises of your Center, we will define the Designated Territory on the Data Sheet attached to your Franchise Agreement.

Your Designated Territory will typically be an area with a population of 100,000 individuals. The size of your Designated Territory may vary from other System franchisees based on the location and demographics surrounding your Premises.

The boundaries of your Designated Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Data Sheet. The sources we use to determine the daytime population within your Designated Territory will be publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

Subject to our reserved rights that are outlined below, during the term of your Franchise Agreement, we will not open or operate, or license a third party the right to open or operate, any other Center utilizing the Proprietary Marks and System within your Designated Territory. Your Designated Territory cannot be modified except by mutual written agreement signed by both parties.

Limitations on Soliciting and Other Activities Outside of Your Designated Territory; Revenue Sharing

There are no territorial restrictions from accepting business from customers that reside/work or are otherwise based outside of your Designated Territory if these customers contact you and/or visit your Franchised Center. You may solicit prospective customers outside of your Designated Territory, provided (1) these prospective customers do not reside within the territory granted to another franchisee or Center and (2) you obtain our prior written consent. You may not use alternative channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to make any sales inside or outside of your Designated Territory.

Development Agreement: Development Area

If you are granted the right to open multiple Franchised Centers under our form of Development Agreement, then we will provide you with a Development Area upon execution of the Development Agreement. The size of your Development Area will substantially vary from other System developers based on the number of Franchised Centers we grant you the right to open and operate and the location and demographics of the general area where we mutually agree you will be opening these Centers. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to Exhibit A to your Development Agreement.

Each Franchised Center you timely open and commence operating under a Franchise Agreement will be operated from a distinct Premises located within the Development Area and within its own Designated Territory that we will define once the Premises for that Franchised Center has been approved.

Subject to our reserved rights that are outlined below, we will not own or operate, or license a third party the right to own or operate, a Center within the Development Area during the term of the Development Agreement.

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

Upon the expiration or termination of your Development Agreement, your territorial rights within the Development Area will be terminated, except that each Franchised Center that you have opened and are continuously operating as of the date of such occurrence will continue to retain the territorial rights within their respective Designated Territories that were granted under the Franchise Agreement(s) you entered into for those Franchised Center(s).

Reserved Rights

We and our affiliates reserve the exclusive right to conduct the following activities under the Franchise Agreement and/or Development Agreement as applicable: (1) establish and operate, and license any third party the right to establish and operate, other Centers using the Proprietary Marks and System at any location outside of the Designated Territory (and Development Area if applicable); (2) market, offer and sell products and services that are similar to the products and services offered by your Franchised Center under a different trademark or trademarks at any location, within or outside the Designated Territory (and Development Area if applicable); (3) use the Proprietary Marks and System and other such marks designated by us to distribute the Approved Products and/or Services in any alternative channel of distribution, within or outside the Designated Territory (and Development Area if applicable) (including the Internet, mail order, catalog sales, toll-free numbers, traditional retail outlets, wholesale stores, etc.); (4) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Services (but under different marks), within or outside your Designated Territory (and Development Area if applicable); (5) establish and operate, and license any other party the right to establish and operate Centers in "Non-Traditional Sites" including, but not limited to, amusement parks, military bases, college campuses, hospitals, airports, sports arenas and stadia and any other kind of captive venue, train stations, travel plazas, toll roads and casinos, both within or outside your Designated Territory (and Development Area if applicable); and (6) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited by the Franchise Agreement (and Development Agreement if applicable).

The Franchise Agreement and Development Agreement do not grant you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our affiliates, our parent, or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders (via alternate channels of distribution) within your Designated Territory or Development Area.

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

Additional Disclosures

The Franchise Agreement does not provide you with any right or option to open and operate additional Franchised Centers. Regardless, each Franchised Center you are granted the right to open and operate must be governed by its own specific form of Franchise Agreement.

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. Neither we nor our affiliates have established, or presently intend to establish, other franchised or company-owned businesses that sell our Approved Products and Services under a different trade name or trademark, but we reserve the right to do so in the future without your consent.

ITEM 13
TRADEMARKS

We grant you a limited, non-exclusive license to use our primary mark UPGRADE LABS® and certain other Proprietary Marks in connection with the operation of your Franchised Center only at your Premises and within your Designated Territory, provided you use these Proprietary Marks as outlined in your Franchise Agreement and our Manuals. You do not obtain any additional rights to use any of our Proprietary Marks under any Development Agreement you enter into.

Our affiliate, Upgrade Labs IP, Inc. is the current owner of a registration for the following Proprietary Mark on the Principal Register of the United States Patent and Trademark Office ("USPTO") and have filed all required affidavits with respect to the Mark and no registrations have been renewed:

Mark	Registration Number	Registration Date
UPGRADE LABS	5,866,259	September 24, 2019

We have entered into a license agreement with our affiliate Upgrade Labs IP, Inc. under which we were granted a perpetual, worldwide license to use, and sublicense third parties the right to use, the Proprietary Marks in connection with the System (the "License Agreement"). Other than this License Agreement, there are no agreements in effect that significantly limit our right to use, or license the use of, the Proprietary Marks that are material to the franchise. In the event this License Agreement is terminated, your rights to use the Proprietary Marks will not be materially altered.

You must strictly comply with our standards, specifications, rules, requirements, and instructions regarding the use of the Proprietary Marks. The goodwill associated with our Proprietary Marks will remain our exclusive property, and you will receive no tangible benefit from our goodwill, except from the operation or possible sale of the Franchised Center during the term of the Franchise Agreement. Any increase in the goodwill associated with our Proprietary Marks during the term of the Franchise Agreement will benefit us. All rights to use our Proprietary Marks will automatically revert to us without cost and without the execution or delivery of any documents, upon the expiration or termination of your Franchise Agreement.

As of the issuance date of this Disclosure Document, there is no litigation pending arising out of our Proprietary Marks, and we are not aware of any superior rights in, or infringing uses of, our Proprietary Marks that could materially affect your right to use these marks. Presently, there are not any effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, province, territory, or region, or any court adverse to our rights in the Proprietary Marks, nor are there any pending infringement, opposition or cancellation proceedings, or any material litigation, involving the Proprietary Marks.

You may not use all or any portion of our Proprietary Marks as part of your company name and, without our prior written consent, as part of your trade name or "d/b/a". You may not modify the Proprietary Marks with words, designs or symbols, except those that we license to you. You may not use our Proprietary Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. During the term of the Franchise Agreement and continuing after the expiration or termination of the Franchise Agreement, neither you nor any of your owners and managers will, directly or indirectly, contest, challenge or assist in the contesting or challenging of, our right, title, ownership, or interest in our Proprietary Marks, trade secrets, methods, procedures, and advertising techniques that are part of our System, or contest our sole right to register, use, or license others to use, our Proprietary Marks, trade secrets, methods, procedures, advertising techniques, and any other mark or name that incorporates the term "Upgrade Labs" or any similar phrase.

You must immediately notify us, in writing, if you become aware of any unauthorized use of our Proprietary Marks or other proprietary information, and you must permit us to participate in any litigation involving you and our Proprietary Marks. We will take the action we think appropriate. We will indemnify, defend and hold you harmless in connection with any third-party claims that are brought against you that arise solely out of your authorized use of any Proprietary Marks in the manner we prescribe, provided you immediately notify us of the proceeding (within three days) and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel, unless we approve of your use of such counsel in writing prior to you engaging counsel. We will not reimburse you for disputes where we challenge your use of our Proprietary Marks.

You must modify or discontinue using any of the Proprietary Marks, and add new names, designs, logos or commercial symbols to the Proprietary Marks as we instruct. We may, at our sole discretion, impose changes whenever we believe the change is advisable. We do not have to compensate you for any costs you incur to make the changes we require. You will receive written notice of any change, and will be given a reasonable time to conform to our directions (including changing signage, marketing displays, trade dress and other advertising), at your sole expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or copyrights or pending patent or copyright applications that are material to the franchise. We do, however, claim common law copyright and trade secret protection for several aspects of the System including our Manuals, training materials, advertising, and business materials.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of such unauthorized use. We may revise our System and any of our copyrighted materials in our discretion, and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

During the term of the Franchise Agreement, you will receive information which we consider trade secrets and confidential information. You may not, during the term of the Franchise Agreement or any time after that, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any of these trade secrets, copyrighted materials, methods and other techniques and know-how concerning the operation of the Franchised Center (the "Confidential Information"). You may divulge such Confidential Information only to your employees who must have access to it in order to perform their employment obligations.

You must adopt and implement all reasonable procedures as we may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. You must ensure and require that all of your officers, agents, directors, owners and their spouses or relationship partners, trustees, beneficiaries, partners, employees, and independent contractors who may obtain or who are likely to obtain knowledge concerning the Confidential Information sign our then-current form of Confidentiality and Non-Competition Agreement that is attached to the Franchise Agreement as an exhibit. Under this agreement, these individuals agree that they will maintain the confidentiality of information they receive in connection with their employment and restrict their right to work for a competitor while they are employed by you.

This confidentiality agreement will identify us as a third-party beneficiary to the agreement and will give us independent enforcement rights.

The Franchise Agreement provides that if you, your employees, or principals develop any new inventions, discoveries, and improvements in the operation or promotion of any Franchised Center, you will promptly notify us and provide us with all necessary related information, without compensation. Any new concept, process or improvement will become our sole intellectual property. Whenever requested to do so by us, you must execute any and all applications, assignments, or other instruments that we may deem necessary to apply for and obtain intellectual property protection or to otherwise protect our interest therein.

You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your principals will irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that these provisions in the Franchise Agreement are found to be invalid or otherwise unenforceable, you and your principals will grant to us a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent the Franchise Agreement, directly or indirectly infringe on your rights to the new concepts.

We may revise any of our copyrighted materials at our discretion, and may require that you cease using any outdated item or portion of the Manuals.

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

Your Key Owner must personally participate and manage the day-to-day operations of your Franchised Center, but your Designated Manager that you hire may manage daily operations with our approval. Your Key Owner and your Designated Manager must complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities). We will not unreasonably withhold our approval of any Designated Manager you propose, provided the Designated Manager has completed our Initial Training Program and otherwise demonstrated that he/she has a good handle on our System standards and specifications for daily operations of an Upgrade Labs Center. If the franchisee is a business entity, we do not require the Designated Manager to own an interest in the entity, but the Designated Manager must sign our prescribed form of Confidentiality and Non-Competition Agreement.

Your Franchised Center must, at all times, be managed and staffed with at least one individual who has successfully completed our Initial Training Program. In the event that you operate more than one Franchised Center, you must have a properly trained Designated Manager at each Center that you own and operate. You must keep us informed at all times of the identity of any personnel acting as Designated Manager, and obtain our approval before substituting a new Designated Manager at any of your locations.

It is important to note that we are not your employer and that you will have the right to control all decisions related to recruiting, hiring or firing any personnel, including any specialized/licensed personnel that must be independently licensed to perform certain of the Approved Services at your Centers. Please note that nothing in this Disclosure Document or any agreement you enter into with us will create any type of employer or joint employer relationship between (1) you and/or your personnel, and (2) us.

Your owners and their spouses will also be required to sign form of personal guaranty attached to the Franchise Agreement as an Exhibit.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only offer the Approved Products and Services that we expressly authorize through your Franchised Center, and must only offer these products and services at the Premises and in the manner prescribed in your Franchise Agreement and our Manuals. We may supplement, revise and/or modify our Approved Products and Services as we deem appropriate from time to time, as well as our System standards and specifications associated with the provision of these products/services. These changes will be outlined in our Manuals or otherwise in writing, and there are no contractual limitations on our right to make these types of changes. We may permit you to offer products and/or services in addition to the Approved Products and Services, provided that you have obtained our prior written approval.

If we discontinue any Approved Product or Service offered by the Franchised Center, then you must cease offering or selling such product/service within a reasonable time, unless such product/service represents a health or safety hazard (in which case you must immediately comply upon receipt of notice from us). You may not use the Premises of your Franchised Center for any other business purpose other than the operation of your Franchised Center.

There are no territorial restrictions from accepting business from customers that reside/work or are otherwise based outside of your Designated Territory if these customers contact you and/or visit your Franchised Center. You may solicit prospective customers outside of your Designated Territory, provided (1) these prospective customers do not reside within the territory granted to another franchisee or Center and (2) you obtain our prior written consent.

You are not obligated to sell all goods and services the we offer except as described in Item 8 of this Disclosure Document.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Term of the Franchise	Section 2.A.	The initial term is for 10 years commencing on the date we sign your Franchise Agreement.
b.	Renewal or extension of the term	Section 2.B.	You have the right to be considered for three additional, consecutive 5-year terms.
c.	Requirements for franchisee to renew or extend	Section 3.B.	In order to renew (which means renewing your franchise relationship with us), you must: (1) not have any uncured material defaults; (2) not have received more than 3 notices of material default within the 12-

	Provision	Section in Franchise Agreement	Summary
			month period preceding the renewal request date or renewal date; (3) execute our then-current form of franchise agreement, the terms of which may materially differ from the terms of the original franchise agreement; (4) pay a renewal fee of 25% of our then current initial franchise fee; (5) attend prescribed refresher training courses; (6) execute a general release; (7) have participated in all of our procedures, promotions and other activities required by us; and (8) agree to refurbish the Premises as necessary.
d.	Termination by franchisee	Not Applicable	Not Applicable
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with "cause"	Section 15	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 Chart. Termination of a Development Agreement will not result in a termination of your Franchise Agreement.
g.	"Cause" defined – curable defaults	Sections 15.B.10, 15.B.13, and 15.B.15 Section 15.B.14 Section 15.B.12 Section 15.C.	You must cure all monetary defaults under your Franchise Agreement within 10 days of being provided with notice by us, as well as the following defaults: failure to offer only those Approved Products and Services that we authorize; any purchase of any non-approved item or service for use in connection with the Franchised Center; failure to purchase any Required Item from the appropriate Approved Suppliers; failure to pay any amount owed to us, our affiliates and/or any Approved Supplier; and failure to obtain/maintain any required permits or licensed. You must cure any failure to comply with any law or regulation applicable to the operation of the Franchised Center within 15 days' notice. You must cure any failure to provide us with access to the Computer System and/or registers at the Franchised Center within 24 hours' notice. Except as provided above and those defaults listed in (h.) of this Item 17 Chart, you must cure all other defaults and violations of any provision of your Franchise Agreement or any other agreement with us or our affiliates within 30 days of being provided with notice of your default(s).
h.	"Cause" defined - defaults which cannot be cured	Section 15.A.	Your Franchise Agreement may be terminated automatically and without notice from us if: (1) you become insolvent or make a general assignment for the

	Provision	Section in Franchise Agreement	Summary
			benefit of creditors; (2) a bankruptcy petition if filed by or against you and not dismissed within 30 days; (3) a bill in equity or appointment of receivership is filed in connection with you or the Franchised Center; (4) a receiver or custodian of your assets of property is appointed; (5) a final judgment in the amount of $10,000 or more is entered against you and not satisfied within 60 days (or longer period if we consent); or (6) you attempt to make an invalid transfer in violation of Section 13 of your Franchise Agreement.
		Section 15.B.	Your Franchise Agreement may be terminated by us upon written notice and no opportunity to cure if: (1) you commit any fraud or misrepresentation in connection with your Franchised Center; (2) you or other required attendees fail to timely complete our Initial Training Program; (3) you receive three or more notices to cure the same or similar defaults under Section 15.C. of your Franchise Agreement in any 12-month period (whether or not subsequently cured); (4) you violate any in-term restrictive covenants; (5) you misuse the Proprietary Marks, Confidential Information or other confidential information provided to you; (6) misuse an proprietary software that might be developed; (7) you fail to cure any default under any other agreement you have with us or our affiliates or any Approved Supplier within the appropriate cure period; (8) you default under your lease for the Premises and fail to timely cure; (9) you fail to open and commence operations within the required time period; (10) you abandon your Franchised Center; (11) you are convicted of a felony or any other crime of moral turpitude or offense that will adversely affect the System; (12) you take any property of the Franchised Center for personal use; (13) there are insufficient funds in your EFT Account on three or more occasions in any 12-month period;(14) or if you commit repeated violations of any applicable law.

	Provision	Section in Franchise Agreement	Summary
i.	Franchisee's obligations on termination/non-renewal	Section 16	Upon termination or early expiration of the Franchise Agreement, your obligations include: (1) ceasing doing business in a form or manner that may give the general public the impression that you are operating a Franchised Center; (2) return of the Manuals of any other Confidential Information to us and pay us any outstanding amounts due to us; (3) cancel or, at our option, assigning us all telephone/facsimile numbers and domain names (if permitted) used in connection with the Franchised Center (as well as all related listings) to us or our designee and providing us with all customer information, lists and membership agreements; (4) immediately discontinuing the use of the Proprietary Marks and trade dress; (5) complying with all post-term restrictive covenants; and (6) providing us with written confirmation of compliance with these obligations within 30 days.
j.	Assignment of contract by franchisor	Section 12.G.	There are no restrictions on our right to assign.
k.	"Transfer" by franchisee – defined	Sections 12.A. and 12.C.	Includes any transfer of Franchise Agreement, assets of the Franchised Center, or ownership change in you (as the franchisee).
l.	Franchisor approval of transfer by franchisee	Section 12.A.	We must approve all transfers, but we will not unreasonably withhold our approval if you meet our conditions.
m.	Conditions for franchisor approval of transfer	Section 12.E.	We have the right to impose the following conditions on any transfer by you: (1) all of your obligations under the Franchise Agreement have been satisfied; (2) you must cure all existing defaults under the Franchise Agreement; (3) you must execute a general release in our favor (as well as related parties); (4) you or the transferee must provide us with the executed purchase agreement, and transferee must assume all of your obligations under the Franchise Agreement; (5) the new franchisee must meet our then-current qualifications and criteria for a new franchisee; (6) transferee must execute our then-current form of franchise agreement; (7) transferee must pay our Transfer Fee and successfully complete our Initial Training Program; (8) you must comply with all post-term obligations; (9) transferee must obtain or maintain all necessary permits and licenses; (10) lessors, as necessary, must consent to the assignment of the lease; (11) transfer must be made in compliance with all laws; (12) the purchase price and other terms of the assignment must not be so burdensome as to impair the transferee's success; (13) you must request that we provide our then-current

	Provision	Section in Franchise Agreement	Summary
			Franchise Disclosure Document to the transferee; and (14) we have the right to disclose any information pertaining to you or the Franchised Center to a prospective transferee.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 12.D.	Except in certain circumstances (death/disability or transfer from individual franchisee to business entity), you must provide us with a period of 30 days to match any third-party *bona fide* offer to purchase any interest in the Franchise Agreement or Franchised Center. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o.	Franchisor's option to purchase franchisee's business	16.H.	We have the right, but not the obligation, to purchase all or any portion of the assets of your Franchised Center upon expiration/termination of your Franchise Agreement at the net depreciated book value.
p.	Death or disability of franchisee	Section 12.B.	You will have a period of 180 days to transfer ownership interests of a deceased or disabled owner to the surviving owners (or to a new owner if the deceased or disabled owner is the last or sole owner). During this 180-day period, we may step in and operate the Franchised Center on your behalf and pay ourselves a reasonable amount to reimburse our costs associated with this operation on your behalf. We are not under any obligation to step in and operate your business during this period.
q.	Non-competition covenants during the term of the franchise	Section 14.A.	Subject to applicable state law, neither you nor your owners, guarantors, Designated Managers, nor any spouse or immediate family member of you, your owners, guarantors, or Designated Managers, may: (1) own, operate, or otherwise be involved with, a Competing Business (as defined in the Franchise Agreement); or (2) divert, or attempt to divert, any prospective customer to a Competing Business.
r.	Non- competition covenants after the franchise is terminated or expires	Section 14.C.	Subject to applicable state law, for a period of two years after the termination, expiration, or transfer of your Franchise Agreement, neither you, your owners, guarantors, or Designated Managers, nor any immediate family member of you, your owners, guarantors, or Designated Managers, may own, operate or otherwise be involved with any Competing Business: (1) at the Premises; (2) within your Designated Territory; (3)

	Provision	Section in Franchise Agreement	Summary
			within a 25-mile radius of (a) the Designated Territory or (b) any other System Center that is open, under lease or otherwise under development as of the date the Franchise Agreement expires or is terminated. During this two-year period, these parties are also prohibited from: (1) soliciting business from customers of your former Franchised Center and (2) contacting any of our suppliers/vendors for a competitive business purpose.
s.	Modification of the agreement	Section 18.D.	Your Franchise Agreement may not be modified, except by a writing signed by both parties. With that said, we may modify the System and Manuals as we deem appropriate in our discretion from time to time.
t.	Integration/merger clause	Section 18.D.	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 21.B. Section 21.C.	You must first submit all disputes and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place at our then-current headquarters. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.
v.	Choice of forum	Section 21.E.	Subject to Sections 21.B.-D. of the Franchise Agreement, all claims and causes of action arising out of the Franchise Agreement must be brought in the state or federal court of general jurisdiction that is closest to our then-current headquarters (subject to state law).
w..	Choice of law	Section 21.A.	The Franchise Agreement is governed by the laws of Florida without reference to its conflict of laws principles (subject to state law).

	PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
a.	Term of the Franchise	Section 10, Exhibit A	The Development Agreement will commence on the date it is fully executed and end on the earlier of (1) the date that the final Franchised Center is required to be opened and operating under the Development Schedule; or (2) the date that the final Franchised Center is opened.
b.	Renewal or Extension of the Term	Not Applicable	
c.	Requirements for Franchisee to Renew or Extend	Not Applicable	
d.	Termination by Franchisee	Not Applicable	
e.	Termination by Franchisor Without Cause	Not Applicable	
f.	Termination by Franchisor With "Cause"	Section 11	We may terminate your Development Agreement with cause. Termination of the Development Agreement will not impact any Franchise Agreements you may have in effect at the time.
g.	"Cause" Defined – Curable Defaults	Not Applicable	
h.	"Cause" Defined - Defaults Which Cannot be Cured	Section 11.A and B.	Your Development Agreement can be terminated by us, without an opportunity to cure, if: (1) you become insolvent or are adjudicated bankrupt, or if any action is taken by you, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit or creditors or a receiver is appointed by you; (2) you engage in an unauthorized transfer; (3) you fail to comply with the Development Schedule; (4) any Franchise Agreement that is entered into in order to fulfill your development obligations under the Development Agreement is terminated or subject to termination by us; and (5) you cease to actively engage in development activities in the Development Area or otherwise abandon your development business for three consecutive months, or any shorter period that indicates an intent by you to discontinue development of the Franchised Centers within the Development Area.
i.	Franchisee's Obligations on Termination/Non-Renewal	Section 8.C	Comply with post-term non-competition covenants.
j.	Assignment of Contract by Franchisor	Section 9.C	We have the right to assign our rights under the Development Agreement.
k.	"Transfer" by Franchisee – Defined	Section 9	Any transfer in you (if you are an entity) or your rights/obligations under the Development Agreement.
l.	Franchisor Approval of Transfer by Franchisee	Section 9	You may not transfer any rights or obligations under the Development Agreement without our prior written consent.

	PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
m.	Conditions for Franchisor Approval of Transfer	Not Applicable	
n.	Franchisor's Right of First Refusal to Acquire Franchisee's Business	Not Applicable	
o.	Franchisor's Option to Purchase Franchisee's Business	Not Applicable	
p.	Death or Disability of Franchisee	Not Applicable	
q.	Non-Competition Covenants During the Term of the Franchise	Section 8.B	Subject to applicable state law, neither you nor your owners, nor any spouse or immediate family member of you or your owners, may: (1) own, operate, or otherwise be involved with, a Competing Business (as defined in the Development Agreement); or (2) divert, or attempt to divert, any prospective customer to a Competing Business.
r.	Non-Competition Covenants After the Franchise is Terminated or Expires	Section 8.C	Subject to applicable state law, for a period of two years after the expiration or termination of your Development Agreement, neither you, your owners, nor any immediate family member of you or your owners, may own, operate or otherwise be involved with any Competing Business: (1) within the Development Area; (2) within a 25-mile radius of (a) the Development Area or (b) any Upgrade Labs Center that is open, under lease or otherwise under development as of the date the Development Agreement expires or is terminated. During this two-year period, these parties are also prohibited from: (1) soliciting business from customers of your Franchised Centers and (2) contacting any of our suppliers/vendors for a competitive business purpose.
s.	Modification of the Agreement	Section 10	Your Development Agreement may not be modified, except by a writing signed by both parties.
t.	Integration/Merger Clause	Section 13	Only the terms of the Development Agreement are binding (subject to state law). Any representations or promises outside of the Development Agreement may not be enforceable. Nothing in the Development Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.

	PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
u.	Dispute Resolution by Arbitration or Mediation	Section 12	You must first submit all disputes and controversies arising under the Development Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Development Agreement must be submitted to non-binding mediation, which will take place at our then-current headquarters. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.
v.	Choice of Forum	Section 12	All claims and causes of action arising out of the Development Agreement must be brought in the state or federal court of general jurisdiction that is closest to our then-current headquarters (subject to state law).
w.	Choice of Law	Section 12	The Development Agreement is governed by the laws of Florida without reference to its conflict of laws principles (subject to state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchise, but we reserve the right to do so in the future.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Elie Medina, Upgrade Labs Franchise, Inc., 1742 Emerald Cove Circle, Cape Coral, Florida 33991; telephone: (305) 402-4882.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company-Owned	2019	1	2	+1
	2020	2	2	0
	2021	2	2	0
Total Outlets	2019	1	2	+1
	2020	2	2	0
	2021	2	2	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2019-2021

State	Year	Number of Transfers
Total	2019	0
	2020	0
	2021	0

Table No. 3
Status of Franchised Outlets
For years 2019-2021

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Total	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets
For years 2019-2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
CA*	2019	1	1	0	0	0	2
	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
Total	2019	1	1	0	0	0	2
	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2

*These outlets are owned and operated by our affiliate Upgrade Labs, Inc.

Table No. 5
Projected Openings as of December 31, 2021

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets In Next Fiscal Year	Projected New Company-Owned Outlets in Next Fiscal Year
Idaho	1	1	0
Utah	1	1	0
TOTALS:	2	2	0

Our list of franchisees is included in Exhibit F. We do not have any franchisees that have left the System in the past fiscal year or otherwise not communicated with us in the 10 weeks prior to the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During our last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Upgrade Labs System. There are no trademark-specific organizations formed by our franchisees that are associated with the System.

ITEM 21
FINANCIAL STATEMENTS

Exhibit D of this Disclosure Document contains our audited financial statements for the period from inception on July 21, 2021 to December 31, 2021 and unaudited financial statements as of March 31, 2022. As we were formed just recently, we do not yet have three years of audited financial statements to include in this Disclosure Document as required by the Federal Trade Commission Rule. Our fiscal year ends on December 31.

ITEM 22
CONTRACTS

The following agreements are attached as Exhibits to this Franchise Disclosure Document:

Franchise Agreement	Exhibit B
Development Agreement	Exhibit C
State Specific Addenda	Exhibit E
Sample Release Agreement	Exhibit H
Franchisee Questionnaire/Compliance Certification	Exhibit I

ITEM 23
RECEIPTS

Exhibit K to this Franchise Disclosure Document contains, in duplicate, an acknowledgement of receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to us at 1742 Emerald Cove Circle, Cape Coral 33991.

STATE REQUIRED ADDITIONAL FDD DISCLOSURES

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF CALIFORNIA

1. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

SEE THE COVER PAGE OF THE DISCLOSURE DOCUMENT FOR OUR URL ADDRESS. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

2. **Risk Factors, Cover Page.** The following risk factor shall be added to the Special Risks to Consider About This Franchise Page:

In registering a franchise, the California Department of Financial Protection and Innovation has not reviewed, and makes no statements concerning, the franchisor's compliance with state and federal licensing requirements relating to the practice of medicine. You should consult with your attorney concerning these laws, regulations, and ordinances that may affect the operation of your business. If the California Medical Board, or any other agency overseeing the practice of medicine in this states, determines that the operation of the franchise fails to comply with state law, the franchisor may be required to cease operations of the Franchised Center in California. This may result in termination of your franchise and loss of your investment.

3. **Item 3, Additional Disclosure**. The following statement is added to Item 3:

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

4. **Item 6, Additional Disclosure.** The following statement is added to Item 6:

The maximum interest rate permitted in California is 10% per annum.

5. **Item 17, Additional Disclosures**. The following statements are added to Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of the Franchise. If the franchise agreements contain a provision that is inconsistent with the law, the law will control.

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.).*

The franchise agreements contain a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

The franchise agreements provide for the application of the laws of Florida. This provision may not be enforceable under California law.

The franchise agreements contain a choice of forum provision. This provision may not be enforceable under California law.

The Franchise Agreement requires binding mediation. The mediation will occur in Florida, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreements contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

You must sign a general release when you execute the franchise agreement and if you transfer your franchise or development rights (if applicable) or execute a renewal franchise agreement. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF ILLINOIS

1. **Risk Factors, Cover Page.** The following statements are added at the end of the first risk factor on the State Cover Page:

SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT PROVIDES THAT ANY PROVISION IN A FRANCHISE AGREEMENT THAT DESIGNATES JURISDICTION OR VENUE IN A FORUM OUTSIDE OF ILLINOIS IS VOID WITH RESPECT TO ANY CAUSE OF ACTION WHICH OTHERWISE IS ENFORCEABLE IN ILLINOIS.

NOTWITHSTANDING THE FOREGOING, ILLINOIS LAW SHALL GOVERN THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT.

2. **Item 17, Additional Disclosures**. The following statements are added to Item 17:

Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action that is otherwise enforceable in Illinois. In addition, Illinois law will govern the Franchise Agreement.

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

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures.

ADDITIONAL DISCLOSURES
REQUIRED BY THE STATE OF MARYLAND

1. **Item 5. Initial Fees.** The following statements are added to Item 5:

Fee Deferral

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees including payments for goods and services paid to the franchisor by the franchisee shall be deferred until we complete our pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments owed by developers shall be deferred until the first Franchised Center under the Development Agreement opens.

2. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

Any provision requiring you to sign a general release of claims against us as a condition of renewal or transfer, does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.*).

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) the failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) the failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS DISCLOSURE ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding these Additional Disclosures shall be directed to the Department of the Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 373-7717.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES <u>REQUIRED BY THE STATE OF MINNESOTA</u>

1. **<u>Notice of Termination</u>.** The following statement is added to Item 17:

With respect to licenses governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreements.

2. **<u>Choice of Forum and Law</u>.** The following statement is added to the cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. **<u>General Release</u>.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

4. **<u>Waiver of Right to Jury Trial or Termination Penalties</u>:** The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar an exclusive arbitration clause.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES <u>REQUIRED BY THE STATE OF NEW YORK</u>

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added to the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent..

3. **<u>Item 17: Renewal, Termination, Transfer and Dispute Resolution</u>**

The following is added to the end of the "Summary" sections of Item 17(c), titled **"Requirements for franchisee to renew or extend,"** and Item 17(m), entitled **"Conditions for franchisor approval of transfer"**:

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 68(4) and 687.(5)5 be satisfied.

4.The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee"**:

> You may terminate the agreement on any grounds available by law.

5.The following is added to the end of the "Summary" sections of Item 17(v), titled **"Choice of forum"**, and Item 17(w), titled **"Choice of law"**:

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
<u>REQUIRED BY THE STATE OF NORTH DAKOTA</u>

1. **<u>Item 5: Initial Fees</u>**. The following is added to the end of Item 5:

Due to our financial condition, the North Dakota Securities Department requires us to defer the payment of the Development Fee until the first Franchised Center that you develop under the Development Agreement opens for business. Upon the opening of the first Franchised Center, you will pay to us the Development Fee. We also will defer the collection of all initial fees and payments due under the Franchise Agreement until we have completed our initial obligations under the Franchise Agreement and your Franchised Center has commenced doing business. Upon the opening of the Franchised Center, you shall pay the initial fees and payments to us.

2. **<u>Item 17: Renewal, Termination, Transfer and Dispute Resolution.</u>**

A. The following language is added to the "Summary" section of Item 17(c) titled "Requirements for the franchisee to renew or extend":

> The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

B. The following language is added to the “Summary” section of Item 17(r) titled “Non-competition covenants after the franchise is terminated or expires”:

> Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

C. The following language is added to the “Summary” section of Item 17(u) titled “Dispute Resolution by Arbitration or Mediation”:

> To the extent required by North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

D. The following language is added to the “Summary” section of Item 17(v) titled “Choice of Forum”:

> However, to the extent allowed by the North Dakota Franchise Investment Law, you may commence any cause of action against us in any court of competent jurisdiction, including the state or federal courts of North Dakota.

E. The “Summary” section of Item 17(w) titled “Choice of Law” is deleted and replaced with the following:

> North Dakota law applies.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE
REQUIRED BY THE STATE OF RHODE ISLAND

Item 17, Additional Disclosure. The following statement is added to Item 17:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to this Additional Disclosure.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF VIRGINIA

In recognition of the requirements of the Virginia Retail Franchising Act § 13.1-564, the Disclosure Document for Upgrade Labs Franchise Inc. in connection with the offer and sale of franchises for use in the Commonwealth of Virginia shall be amended to include the following:

Item 17: Renewal, Termination, Transfer and Dispute Resolution. The following statement is added to Item 17(h):

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise agreement without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

The Special Risk Factor Page shall be amended to include the following Risk Factor:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $663,053 to $1,071,620. This amount exceeds the franchisor's stockholders' equity as of December 31, 2021, which is ($246,545).

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement and Development Agreement in your relationship with us, including in the areas of termination and renewal of your franchise. There also may be court decisions that may supersede these agreements in your relationship with us, including in the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement or Development Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement, Development Agreement, or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement, Development Agreement or elsewhere are void and unenforceable in Washington.

The State of Washington has imposed a financial condition under which the initial fees and payments due will be deferred until we have fulfilled our initial pre-opening obligations under the Franchise Agreement and the Franchised Center is open for business. Because we have material pre-opening obligations with respect to each Franchised Center the franchisee opens under the Development Agreement, the State of Washington will require that the development fees be released proportionally with respect to each Franchised Center.

EXHIBIT A

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

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

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760

MINNESOTA	WISCONSIN
Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760

MINNESOTA	WISCONSIN
Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT B

FRANCHISE AGREEMENT

UPGRADE LABS FRANCHISE AGREEMENT

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UPGRADE LABS FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered into as of ____________________ ("Effective Date,") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation with its principal place of business at 1742 Emerald Cove Circle, Cape Coral, Florida 33991 ("Franchisor") and ____________________________________, a [resident of] [corporation organized in] [limited liability company organized in] _________________________ with its principal place of business at __________________________________ ("Franchisee").

RECITALS

A. Franchisor and its affiliates, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system ("System") related to the establishment, development, opening, and operation of a business that features certain products and non-invasive treatments such as adaptive cardio, neurofeedback, pulsed electromagnetic field therapy ("PEMF"), and many other technologies intended to supercharge clients' bodies, minds and spirits provided to clients in a spa-like setting (the "Approved Products and Services") provided to clients by trained staff (each, an "Upgrade Labs Center" or "Center").

B. The System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: proprietary methodology and procedures for the establishment and operation of a Center; site selection guidance and criteria; specifications for the design, layout and construction of the interior of the Center; standards and specifications for the furniture, fixtures and equipment located within a Center; established relationships with approved or designated suppliers for certain products and services; and standards and specifications for sales techniques, merchandising, marketing, advertising, inventory management systems, advertising, bookkeeping, sales and other aspects of operating a Center. Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion.

C. The System and the Centers are identified by the mark UPGRADE LABS®, as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor may modify, update, supplement or substitute in the future (collectively, the "Proprietary Marks"). Franchisor has established substantial goodwill and business value in its Marks, expertise and System, and such goodwill inures solely to the benefit of Franchisor and its affiliates.

D. Franchisor is in the business of granting qualified individuals and entities a franchise for the right to independently own and operate a single Center utilizing the Proprietary Marks and System at a location that Franchisor approves in writing.

E. Franchisee recognizes the benefits derived from being identified with Franchisor, appreciates and acknowledges the distinctive and valuable significance to the public of the System and the Proprietary Marks, and understands and acknowledges the importance of Franchisor's high and uniform standards of quality, appearance, and service to the value of the System.

F. Franchisee desires to acquire a non-exclusive franchise for the right to operate a single Center from an approved location, and has submitted a franchise application to obtain such a franchise from Franchisor.

G. Franchisor is willing to grant Franchisee the right to operate a Center based, in part, on the representations contained in the franchise application and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

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

GRANT OF FRANCHISE

A. **Grant of Franchise**. Franchisor hereby grants to Franchisee, subject to the terms, conditions, and obligations of this Agreement, a non-exclusive right and license to use the Proprietary Marks and the System in connection with the establishment and operation of a single franchised Upgrade Labs Center at a location approved by Franchisor (the "Franchised Center"). Franchisee must designate one of its owners whom Franchisor has approved to serve as Franchisee's "Key Owner" who will be the person with whom Franchisor communicates and whom will have the authority to bind Franchisee with respect to all financial, operational and legal matters related to the Franchised Center and this Agreement.

B. **Approved Premises; Site Selection Area**. The Franchised Center must be operated from a single location that Franchisor reviews and approves ("Premises"). If the parties have not agreed on a Premises as of the Effective Date, Franchisor will designate a non-exclusive, general market area ("Site Selection Area") on the data sheet attached to this Agreement as Exhibit A ("Data Sheet") wherein Franchisee must locate and secure the Premises as detailed more fully in Section 5.A of this Agreement. Franchisee acknowledges and agrees that: (i) it does not have any territorial rights within the Site Selection Area; (ii) Franchisor may permit itself, its affiliates and its franchisees to search for the location of their Centers within the same Site Selection Area that is assigned to Franchisee under this Agreement if Franchisor determines in its sole discretion that the Site Selection Area is large enough to contain additional Centers; and (iii) potential locations for each Center, and resulting Designated Territories (as defined below), within the Site Selection Area will be reviewed and rejected or granted on a first-to-propose basis.

C. **Relocation of Premises**. Once Franchisor approves the Premises of the Franchised Center, the location will be set forth in the Data Sheet. Franchisee may only use the Premises to operate the Franchised Center. Franchisee may not relocate the Franchised Center to any location other than the Premises without Franchisor's prior written consent, which Franchisor will not unreasonably withhold, provided: (i) Franchisee secures an alternate location for the Franchised Center within the Designated Territory (as defined below) that meets Franchisor's then-current site selection criteria for the premises of a Center; and (ii) Franchisee pays Franchisor a relocation fee in the amount of twenty-five percent of Franchisor's then-current initial franchise fee.

D. **Designated Territory**. Upon locating and securing a Premises, Franchisor will designate a geographical area surrounding the Premises wherein Franchisor will not open or operate, or license a third party the right to open or operate, another Center utilizing the System and Proprietary Marks (the "Designated Territory"), for so long as Franchisee is in compliance with this Agreement. The boundaries of the Designated Territory, once determined by

Franchisor, will be described in the Data Sheet. Franchisee acknowledges that it does not have any other territorial rights within the Designated Territory.

1. There are no territorial restrictions related to Franchisee's right to accept business from customers that reside, work or are otherwise based outside of the Designated Territory if these customers contact Franchisee and/or visit the Franchised Center.

2. Franchisee may solicit prospective customers outside of the Designated Territory, provided that (a) these prospective customers do not reside within the territory granted to another franchisee or other Center, and (b) Franchisee obtains Franchisor's prior written consent.

E. **Rights Not Granted**. Franchisee acknowledges and agrees that this Agreement does not afford Franchisee any rights or options to open any additional Centers and that Franchisee does not have any right to sub-license or sub-franchise any of the rights granted hereunder. Franchisee may not use the Proprietary Marks or System for any purpose other than promoting and operating the Franchised Center at the Premises and within the Designated Territory. Franchisor will have sole discretion to determine whether it will grant to Franchisee the right to open any additional Centers, each of which will be governed by a separate form of Franchisor's then-current franchise agreement.

F. **Reservation of Rights**. Notwithstanding anything contained in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) establish and operate, and license any third party the right to establish and operate, other Centers using the Proprietary Marks and System at any location outside of the Designated Territory; (ii) market, offer and sell products and services that are similar to the products and services offered by the Franchised Center under a different trademark or trademarks at any location, within or outside the Designated Territory; (iii) use the Proprietary Marks and System and other such marks designated by Franchisor to distribute the Approved Products and/or Services in any alternative channel of distribution, within or outside the Designated Territory (including the Internet, mail order, catalog sales, toll-free numbers, traditional retail outlets, wholesale stores, etc.); (iv) acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Services (but under different marks), within or outside the Designated Territory; (v) establish and operate, and license any other party the right to establish and operate businesses using the Proprietary Marks and System in "Non-Traditional Sites" including, but not limited to, amusement parks, military bases, college campuses, hospitals, airports, sports arenas and stadia and any other kind of captive venue, train stations, travel plazas, toll roads and casinos, both within or outside the Designated Territory; and (vi) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited by this Agreement.

G. **Modification of System**. Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System. Moreover, Franchisor will provide Franchisee with a reasonable amount of time to comply with any change or modification to the System once

Franchisee has been notified of such change/modification in writing (via the Manuals, as defined in Section 4.D or otherwise).

H. **Forms of Agreement.** Franchisee acknowledges that, over time, Franchisor has entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Franchisor and its affiliates and other franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

I. **Best Efforts.** Franchisee agrees that it will at all times faithfully, honestly and diligently perform its obligations under this Agreement, that it will continuously exert its best efforts to promote and enhance the business of the Franchised Center and that it will not engage in any other business or activity that may conflict with its obligations under this Agreement, except the operation of other Upgrade Lab Centers.

TERM AND RENEWAL

A. **Term**. Unless previously terminated pursuant to this Agreement, the term of this Agreement shall be for a period of ten (10) years ("Initial Term") commencing as of the Effective Date.

B. **Renewal**. Franchisee may submit a request to renew this Agreement for three (3) additional, successive term of five (5) years, and must provide each request to renew no less than six (6) months and no more than twelve (12) months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:

1. Franchisee must not have: (i) any uncured material defaults under this Agreement (including any monetary defaults) or any other agreement between Franchisee and Franchisor, its affiliates, or the landlord of the Premises, either at time of Franchisee's renewal request or at the time of renewal; and (ii) received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date.

2. Franchisee must execute Franchisor's then-current form of franchise agreement, which may contain materially different terms and conditions from those contained in this Agreement, within thirty (30) days of the date Franchisee is provided with Franchisor's then-current form of franchise agreement.

3. Franchisee pays Franchisor a renewal fee amounting to twenty-five percent (25%) of the then current Initial Franchise Fee at least ninety (90) days prior to the expiration of the then-current term when Franchisee signs the renewal franchise agreement. Franchisee will not be required to pay an additional Initial Franchise Fee (as defined in Section 3) upon renewal.

4. Franchisee's Key Owner and the individual that Franchisee appoints who will be responsible for the day-to-day management of the Franchised Center and that Franchisor approves (the "Designated Manager") attend a prescribed training refresher course at least thirty (30) days before the expiration of the then-current term of this Agreement. Franchisee will also be responsible for all expenses incurred in connection with attending this refresher training.

5. Franchisee and its owners and personal guarantors execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its officers, directors, shareholders, and employees in their corporate and individual capacities, including without limitation, all claims arising under any federal, state, or local law, rule, or ordinance.

6. Franchisee must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by Franchisor to the satisfaction of Franchisor.

7. Franchisee shall have the right to remain in possession of the Premises (or other premises approved by Franchisor) for such renewal term, and must ensure that Franchisor's then-current Form of Addendum to Lease (the current form of which is attached as Exhibit C) is signed by the landlord of the Premises and Franchisee or otherwise incorporated into the lease that will govern the Premises during such renewal term.

8. Franchisee or transferee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Premises and Center within the time frame required by Franchisor, including the design, equipment, signs, interior and exterior décor items, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly opened Center.

FEES AND PAYMENTS

A. **Fees**. In consideration of the rights and license granted herein, Franchisee shall pay the following amounts:

1. Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee of Sixty-Five Thousand Dollars ($65,00.00) (the "Initial Franchise Fee"), which fee shall be deemed fully earned and non-refundable under any circumstances upon payment.

2. On or before the Wednesday (or other day Franchisor designates) of each week the Franchised Center is open and operating (and/or required to be open and operating under this Agreement), Franchisee must pay Franchisor an ongoing royalty fee amounting to six percent (6%) of the Gross Sales (as defined in Section 3.D) generated by the Franchised Center in the preceding week (the "Royalty Fee") beginning Monday when the Franchised Center opens and ending Sunday when the Franchised Center closes (the "Business Week").

3. At the same time and in the same manner Franchisee is required to pay the Royalty Fee, Franchisee will be required to contribute to a national brand fund (the "Fund") that Franchisor will administer to promote the brand, Proprietary Marks and System, with such contribution being two percent (2%) of the Gross Sales of the Franchised Center ("Fund Contribution") during the preceding Business Week and as described more fully in Section 8.E of this Agreement.

4. All other training/tuition fees, evaluation fees, software fees, as well as all amounts necessary to purchase marketing materials, inventory or other supplies from Franchisor or its affiliates must be paid on an ongoing basis, as described more fully in this Agreement.

B. **Method of Payment**.

1. With the exception of the Initial Franchise Fee, Franchisee shall pay all fees and other amounts due to Franchisor and/or its affiliates under this Agreement through an electronic funds transfer program (the "EFT Program"), under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with EFT Program (the "EFT Account"). Franchisee shall deposit all revenues from operation of the Franchised Center into the EFT Account immediately upon receipt, including cash, checks, electronic and mobile payments, and credit card receipts. At least ten (10) days prior to opening the Franchised Center, Franchisee shall provide Franchisor with: (i) Franchisee's EFT Account bank name, address and account number; and (ii) a voided check from such EFT Account. Contemporaneous with the execution of this Agreement, Franchisee shall sign and provide to Franchisor and Franchisee's bank, all documents, including Franchisor's form of EFT Authorization Form attached as Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer. Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account.

2. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement, then Franchisee shall pay an insufficient funds fee in the amount of Two Hundred Fifty Dollars ($250) per incident. If any amounts are overdue, Franchisee shall pay to Franchisor or its affiliates, in addition to the overdue amounts, interest on such amounts from the date it was due until paid in full and received by Franchisor, at the rate of eighteen (18%) per annum, or the maximum rate permitted by applicable law, whichever is higher. The acceptance of any interest payment shall not be construed as a waiver by Franchisor of its rights in respect of the default giving rise to such payment and shall be without prejudice to Franchisor's right to terminate this Agreement with respect to such default.

C. **Gross Sales**. "Gross Sales" means the total revenue generated by the Franchised Center, including all revenue generated from the sale and provision of any and all Approved Products and Services at or through the Franchised Center and all proceeds from any business interruption insurance related to the non-operation of the Franchised Center, whether such revenues are evidenced by cash, check, electronic or mobile payment, credit, charge, account, barter or exchange. "Gross Sales" does not include any sales tax and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, or the value of any allowance issued or granted to any client of the Franchised Center that is credited in good faith by Franchisee in full or partial satisfaction of the price of the Approved Products or Services. Franchisor reserves the right to modify its policies consistent with industry practices and applicable laws regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change.

D. **Gross Sales Reports; Right to Modify Payment Interval**. On or before Monday of each week, Franchisee must send Franchisor a signed Gross Sales report (a "Gross Sales Report") detailing the following information: (i) Gross Sales of the Franchised Center from the preceding Business Week; (ii) Franchisee's calculated Royalty Fee and Fund Contribution (if appropriate) based on the Gross Sales from the preceding Business Week; and (iii) any other information Franchisor may require for that reporting period. Franchisor may, as it deems necessary in its sole discretion, change the form and content of the Gross Sales Reports from time to time.

1. The parties agree and acknowledge that Franchisor may require Franchisee to use a designated computer and point of sale system and related software in connection with the Franchised Center ("Computer System") that records all transactions and Gross Sales of the Franchised Center. The Computer System must contain software that allows Franchisee to record accumulated sales without turning back, resetting or erasing such sales. Franchisor shall have automatic access to Gross Sales Reports and any other data/reports generated by such Computer System and/or software, but in no event shall such access by Franchisor affect Franchisee's obligation to provide all reports required under this Franchise Agreement unless Franchisor agrees otherwise in writing.

2. The parties agree and acknowledge that Franchisor may modify the interval at which it collects Franchisee's Royalty Fee, Fund Contribution and other recurring fees under this Agreement upon written notice (i.e., Franchisor may provide Franchisee with notice that it will be collecting these fees on a monthly rather than weekly basis). In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

E. **No Setoff**. No payments to be made to Franchisor or its affiliates by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of its affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

F. **Inability to Operate Franchised Center**. If Franchisee is unable to operate the Franchised Center due to damage or loss to the Premises caused or created by a casualty, act of nature, condemnation, or other condition over which Franchisee has no control, then Franchisor will waive the Royalty Fee due under this Agreement for a period of time that Franchisor reasonably determines is necessary for the Franchised Center to repair the damage/loss to the Premises and resume operations (or relocate the Franchised Center to a different approved location within the Designated Territory), with said waiver period not to exceed ninety (90) days commencing from the date Franchisee gives Franchisor notice of the damage or loss.

DUTIES OF FRANCHISOR

A. **Initial Training**. Franchisor shall offer and make available a tuition-free initial franchise training program ("Franchise Training Program") and Pre-Opening Sales Training to Franchisee's Key Owner and Designated Manager. The initial Franchise Training Program and Pre-Opening Sales Training will be provided by Franchisor and its training personnel through training that will be provided at Franchisor's designated training facility.

1. The initial training program will consist of three (3) parts: (i) initial Franchise Training Program; (ii) Pre-Opening Sales Training; and (iii) the on-site Center Launch Assistance. The initial Franchise Training Program will last for approximately three (3) days and is currently held in either Los Angeles, California or Franchisor's then corporate headquarters. Franchisor reserves the right, in its sole discretion, to conduct the initial Franchise Training Program virtually. Franchisee

must complete the initial Franchise Training Program within two (2) months of signing this Agreement. Pre-Opening Sales Training consists of up to five (5) days on-site/virtual training and is intended to assist Franchisee in marketing the Franchised Center in the local community to create brand awareness, drive traffic, leads and membership sales during the pre-opening period. Pre-Opening Sales Training must be completed no later than two (2) months prior to the opening of the Franchised Center, unless Franchisor agrees otherwise in writing. The On-site Center Launch Assistance will be provided prior to the soft opening of the Franchised Center, which requires that Franchisee have completed the initial Franchise Training Program and Pre-Opening Sales Training, the buildout and equipping of the Franchised Center, hiring of staff, and selling a minimum number of presale memberships which Franchisor will determine for the Territory. On-site Center Launch Assistance will consist of up to five (5) days of on-site assistance at the Franchised Center. At the conclusion of the On-site Center Launch Assistance, Franchisor will assess the following: (i) Franchisee's pre-opening marketing and launch readiness; (ii) Franchisee's operations; (iii) initial staffing efforts; (iv) merchandising/displays; (v) scheduling capabilities; and (vii) payment processing. If approved, Franchisee may open the Franchised Center, but if not approved, Franchisor may require that Franchisee's Key Owner and Designated Manager attend additional training, for which Franchisor reserves the right to charge its then-current additional training fee.

2. The initial training will be provided subject to the schedule and availability of Franchisor's training personnel and any portion of the above training may be offered virtually in Franchisor's sole discretion. Franchisee is responsible for all costs and expenses incurred by Franchisee's attendees in connection with attending or otherwise participating in training (including any travel, lodging, meals and other expenses associated with attending those portions of the program that are provided from Franchisor's designated training facility in or near Los Angeles, California or other location Franchisor designates).

3. Franchisor will provide the initial Franchise Training Program to additional owners of Franchisee or designated managers of the Franchised Center (subject to the availability of Franchisor's staff), provided Franchisee pays Franchisor its then-current training fee for each individual that attends in addition to the Key Owner and Designated Manager (as well as any expenses incurred).

B. **Replacement Personnel Training**. Franchisor will also provide the Franchise Training Program to any replacement personnel or those who attend but fail to complete the program as well, provided Franchisee pays Franchisor's then-current initial training fee (as well as any expenses incurred).

C. **Additional and Refresher Training; Remedial Training**.

1. Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee and its management to attend such courses. Franchisee shall pay Franchisor its then-current training fee (the "Training Fee") in connection with attending additional/refresher training and will be responsible for the costs and expenses that it and its trainees incur in connection with attending any additional/refresher training under this Agreement. Franchisor will not require Franchisee and its management to attend more than five (5) days of additional/refresher training each year.

2. If Franchisor determines that Franchisee is operating the Franchised Center in a manner that is not consistent with the terms of this Agreement or the Manuals, or if Franchisee is otherwise in material default of this Agreement, Franchisor may also require that Franchisee's Key Owner, Designated Manager and/or other management personnel of the Franchised Center attend and complete up to five (5) additional days of training at (a) Franchisor's designated training facility, (b) the Franchised Center, or (c) other location Franchisor designates, that is designed to address the default or other non-compliance issue (the "Remedial Training"). Franchisor may require Franchisee and its designated trainees to pay Franchisor its then-current training fee in connection with attending Remedial Training, and Franchisee will be responsible for the costs and expenses associated with Franchisee and any personnel attending such training.

D. **Manuals**. Franchisor will provided access to, or otherwise loan, Franchisee one (1) copy of its proprietary and confidential operations manual prior to the opening of the Franchised Center, as well as any other instructional manuals as Franchisor deems appropriate (collectively, the "Manuals"). Franchisor will also loan Franchisee a list of: (i) all furniture, fixtures, equipment, the Computer System, parts and materials, inventory, products, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Center (collectively, the "Required Items"); (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items, which may be Franchisor or its affiliates (collectively, the "Approved Suppliers"); and (iii) a list of the Approved Products and Services that Franchisee is authorized to offer, sell or provide at and from the Franchised Center. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to Franchisee. Franchisor may also establish and maintain a website portal (the "Portal"), wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed on the Portal. In the event Franchisee or its personnel saves or prints out a hard copy of any Manual, then such electronic/hard versions of said Manual must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose). The provisions of this Section shall survive the term of this Agreement. If Franchisee's copy of the Manual is lost, destroyed or significantly damaged, then Franchisee will be required to obtain a replacement copy and pay Franchisor its then-current replacement fee.

E. **Site Selection Assistance**. Franchisor will provide Franchisee with site selection assistance and guidance with regards to Franchisee's selection of a Premises for the Franchised Center, including Franchisor's then-current site selection criteria, as it deems appropriate in its sole discretion. Franchisor will review and approve of any location Franchisee proposes for the Franchised Center upon receipt of Franchisor's then-current form of site application. If Franchisor determines that an on-site evaluation is necessary, then Franchisee must: (i) submit to Franchisor, in the form specified by Franchisor, a description of the site prior to Franchisor's representative conducting its on-site evaluation, including evidence that the site satisfies Franchisor's site selection guidelines and any other information and materials that Franchisor may reasonably require, including a letter of intent or other evidence that confirms Franchisee's favorable prospects for obtaining the site; and (ii) reimburse Franchisor for the expenses incurred in connection with such an evaluation. Franchisor must approve of Franchisee's proposed location, as well as the lease for the Premises (the "Lease") or purchase agreement for the location, prior to Franchisee entering into any such agreement for that location to serve as the Premises of the Franchised Center. Franchisor may condition its approval of any Lease for the proposed Premises on the landlord's execution of Franchisor's then-current Form of Addendum to Lease (the current form of which is attached as Exhibit C). Franchisor will use reasonable efforts to review and approve of any proposed Premises location and corresponding Lease within thirty (30) days of receiving all reasonably requested information from Franchisee. If Franchisor does not provide its specific approval of a proposed location within this thirty (30)-day period, the proposed location will be deemed rejected. Franchisor may require Franchisee to use one (1) or more of its Approved Suppliers for site selection and other assistance related to securing an approved Premises.

F. **Grand Opening Advertising Assistance**. Franchisor may assist Franchisee, as it deems appropriate in its discretion, in developing and conducting the Grand Opening Advertising program (as defined and described more fully in Section 8.C of this Agreement), which program shall be conducted at Franchisee's expense.

G. **Continuing Assistance**. Franchisor may, as it deems appropriate and advisable in its sole discretion, provide continuing advisory assistance in the operation of the Franchised Center. Franchisor's determination not to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement. Franchisor may provide such assistance via video conference, telephone, intranet communication, or any other communication channel Franchisor deems appropriate, subject to the availability and schedules of Franchisor's personnel. In the event Franchisee requests that Franchisor provide any type of assistance or training on-site at the Franchised Center, then Franchisee may be required to pay Franchisor's then-current training tuition fee in connection with such training (in addition to reimbursing Franchisor for any costs and expenses that Franchisor's personnel incur in connection with providing such assistance).

H. **Review of Advertising Materials**. Franchisor will review and approve or reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Center as described more fully in Section 8 of this Agreement.

I. **Website**. For so long as Franchisor has an active website containing content designed to promote the brand, System and Proprietary Marks (collectively, the "Website"), Franchisor will list the contact information of the Franchised Center on this Website, provided Franchisee is not in material default under this Agreement. Franchisor may also provide Franchisee with one or more email address(es), as it deems appropriate in its discretion, which Franchisee must use only in connection with the Franchised Center.

J. **Private Label Products**. Franchisor may directly, or indirectly through Franchisor's affiliates or designated vendors, develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks to be sold at the Franchised Center. Franchisee may be required to purchase these items from Franchisor or any other Approved Supplier Franchisor designates.

K. **Inspections of the Franchised Center and Premises**. Franchisor will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Center and Premises to ensure that Franchisee is operating its Franchised Center in compliance with the terms of this Agreement, the Manuals and the System standards and specifications. Such inspections may include inspections of the Premises, taking photographs and/or videos of the Premises, taking samples of any Approved Products for sale at the Franchised Center, interviewing and surveying Franchisee's personnel and customers, inspecting any and all books and records, and conducting mystery shop services. Franchisor is not responsible for ensuring that the Franchised Center is being operated in compliance with all applicable laws and regulations. Franchisee must reimburse Franchisor for the costs of the mystery shopper program, the costs of which will be set forth in the Manuals and will not exceed Two Hundred Fifty Dollars ($250) per month.

L. **Administration of Fund**. Franchisor will administer the Fund as it deems advisable to the System in its sole discretion as described more fully in Section 8 of this Agreement.

M. **No Assumption of Liability**. Franchisor shall not, by virtue of any approvals or advice provided to Franchisee under this Agreement, including site selection or other approval provided under this Section 4, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its nominee in relation to the selection or development of the Premises is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Premises, that the development of the Premises is free of error, nor that the Franchised Center is likely to achieve any level of volume, profit or success.

N. **Delegation of Duties**. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by this Agreement, as Franchisor may direct.

O. **Pre-Opening Obligations Acknowledgement**. If Franchisee believes Franchisor has failed to provide adequate pre-opening services as provided in this Agreement, Franchisee shall notify Franchisor in writing within thirty (30) days following the opening of the Franchised Center. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor fully complied with all of its pre-opening and opening obligations set forth in this Agreement.

P. **Annual Conference**. Franchisor may establish and conduct an annual conference for all Center owners and operators, and may require Franchisee's Key Owner and its Designated Manager to attend this conference for no more than five (5) days each year. Franchisor reserves the right to charge Franchisee its then-current registration fee in connection with any conference conducted pursuant to this Section, and Franchisee will be solely responsible for all expenses incurred in attending such conferences.

DUTIES OF FRANCHISEE

A. **Secure a Premises**. Franchisee must secure a Premises within the Designated Territory within five (5) months of executing this Agreement, unless Franchisor agrees to an extension of time in writing. If Franchisee is entering into a Lease for the proposed Premises, the form of Lease must be approved by Franchisor and Franchisee must ensure that both Franchisee and the party leasing the Premises to Franchisee under the Lease execute Franchisor's then-current Form of Addendum to Lease (the current form of which is attached as Exhibit C) prior to, or at the same time, the Lease is executed. Franchisee may be required to use Franchisor's designated supplier for site selection and other assistance related to securing a Premises.

B. **Access to Franchisor for Inspection of Premises**. Prior to opening the Franchised Center, Franchisee must conduct a physical inventory so that there is an accurate accounting of inventory, fixtures, furniture, supplies and equipment on hand, and shall provide a signed copy of this physical inventory to Franchisor. Franchisor shall have the right to enter the Premises at its convenience and conduct said physical inventory on its own.

C. **Compliance with Lease**. Franchisee must comply with both the Lease and any additional leasehold covenants and regulations of the building in which the Premises is located. In the event the landlord of the Premises terminates the Lease due to Franchisee's default thereunder, this termination will also constitute a material breach of this Agreement by Franchisee. In the event Franchisor provides appropriate notice as described in Section 5.A above and assumes control of the Premises and the operation of the former Franchised Center upon the termination or expiration of the Lease, the future operation of that Center by Franchisor shall not be as an agent of Franchisee and Franchisor shall not be required to account to Franchisee as a result thereof.

D. **Construction and Build-Out**. Franchisor will provide Franchisee with a sample layout and specifications for the proposed layout of the Premises and will review and approve the proposed layout and design of the Premises, including the equipment, furniture and fixtures used in connection with the Franchised Center, as Franchisor deems appropriate and advisable in its sole discretion. Franchisee must complete all construction and build-out of the Premises in a manner consistent with Franchisor's System standards, specifications and any agreed-upon plans and open the Franchised Center to the public no later than ten (10) months after the date this Agreement is executed. Franchisor may require that Franchisee use an Approved Supplier for pre-opening project and construction management services. Franchisor must provide its prior written consent before Franchisee may open the Franchised Center, and Franchisor reserves the right to inspect the construction and/or build-out of the Franchised Center at any reasonable time prior to the opening date. Should Franchisee fail to open the Franchised Center for operation within the prescribed period (or, if applicable, within any extended period of time Franchisor approves in writing), this Agreement will be deemed terminated upon written notice from Franchisor to Franchisee without the necessity of further action or documentation by either party.

E. **Required Licenses and Permits**. Prior to opening, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the Franchised Center at the Premises, including all required licenses and permits related to the offer and sale of the Approved Products and Services that Franchisor authorizes Franchisee to provide at the Franchised Center.

F. **Approved Products and Services**. Franchisee must only offer and sell only the Approved Products and Services at the Franchised Center. Franchisee may not offer or provide any other products or services and must not deviate from Franchisor's System standards and specification related to the manner in which the Approved Products and Services are offered and sold, unless Franchisor provides its prior written consent. Franchisor has the right to add additional, delete, or otherwise modify certain of the Approved Products and Services from time to time in the Manuals and otherwise in writing, as it deems appropriate in its sole discretion. In the event of a dispute between Franchisee and Franchisor concerning Franchisee's right to carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory, cease offering the disputed service at the Premises, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute.

G. **Other Devices Prohibited at Premises**. Franchisee is specifically prohibited from installing, displaying, or maintaining any vending machines, gaming machines, automatic teller machines, internet kiosks, public telephones (or payphones), merchant service machines, credit card payment machines or any other electrical or mechanical device in the Franchised Center other than those Franchisor prescribes or approves.

H. **Fixtures, Furniture, Equipment, Signs and Inventory**. Franchisee must maintain at all times during the term of this Agreement and any renewals hereof, at Franchisee's expense, all fixtures, furnishings, equipment, signs, artwork, décor items and inventory used in the Franchised Center as necessary to comply with Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. Franchisee shall maintain the image of the Franchised Center at all times in accordance with Franchisor's standards and specifications, including ensuring that the Premises are maintained in a clean and orderly manner. Franchisor may require Franchisee to refurbish, renovate and/or otherwise substantively modify the interior of the Franchised Center, including the furniture, fixtures and equipment used at the Premises so that the Premises and Franchised Center conform with Franchisor's then-current System standards and specifications for a new Center. Franchisor will not require Franchisee to make material renovations or refurbishments to the Premises of the Franchised Center, unless such renovation/refurbishment is in connection with a renewal or transfer of this Agreement. The parties agree and acknowledge, however, that the limitation set forth in the preceding sentence will not apply to any request to modify the Proprietary Marks as provided for in this Agreement.

I. **Compliance with Applicable Laws**. Franchisee must at all times conduct and operate the Franchised Center in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto, including any laws and regulations related to providing any Approved Products and Services. Franchisee will have sole authority and control over the day-to-day operations of the Franchised Center and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Center, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or Franchisor's affiliates.

J. **Required Items**. Franchisee must: (i) purchase any and all Required Items that Franchisor designates for use in connection with the Franchised Center,; (ii) ensure that all Required Items meet Franchisor's standards and specifications; and (iii) purchase all items Franchisor specifies from the Approved Suppliers that Franchise designates, which may include Franchisor or its affiliates. Franchisee agrees and acknowledges that Franchisor and/or its affiliates may derive revenue from the offer and sale of Required Items. Franchisor and/or its affiliates may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with Franchisor, its affiliates, Franchisee, or other Franchised Centers in the System, such as rebates, commissions or other forms of compensation. Franchisor may use any amounts that it receives from suppliers for any purpose that Franchisor deem appropriate.

K. **Alternative Supplier Approval**.

1. If Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, to the extent known. Franchisee must then follow Franchisor's then-current procedure for evaluating and approving such request and pay Franchisor's then-current product/supplier evaluation fee. At Franchisor's request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee's request is approved or denied within thirty (30) days of: (i) Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request

under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied.

2. Franchisor may, but is not obligated to, provide Franchisee's proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with Franchisor's usual and customary requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract. Franchisor may re-inspect and revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other Center franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate.

L. **Technology**.

1. Franchisee must acquire and install in the Franchised Center, at its own expense, the Computer System and other computer equipment, communications devices, audio/visual equipment and software systems that Franchisor specifies in writing from time to time. Franchisor may require Franchisee to use a Computer System and/or related software that is administered through Franchisor and that provides Franchisor with automatic access to all data and reports that might be created by such Computer System and/or software. Franchisee must: (1) maintain an electronic connection between its systems and Franchisor's systems and provide Franchisor with all user IDs and passwords necessary for Franchisor to independently access files and other information stored on Franchisee's systems; (2) use the systems in accordance with all policies and operational procedures Franchisor issues from time to time; (3) transmit data to Franchisor at the times Franchisor specifies; (4) maintain its systems in good working order at all times; (5) promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities as Franchisor directs; (6) ensure that its employees are adequately trained in the use of such systems and Franchisor's related policies and procedures; (7) utilize and participate in any intranet/extranet that Franchisor establishes in connection with the System; and (8) implement at all times appropriate physical and electronic security as is necessary to secure its systems and to comply any standards and policies that Franchisor may issue (without obligation to do so) in this regard. Franchisee must bear all costs of installation, operation, maintenance and upgrade of its systems. Franchisor reserves the right to require Franchisee to engage Franchisor or a hardware maintenance and/or

help desk support provider approved by Franchisor to maintain Franchisee's Computer System.

2. Franchisor has the right, but not the obligation, to develop or have developed for Franchisor, or to designate, software programs that Franchisee must use in connection with its Computer System. Franchisee must install all such software, including any updates, supplements, modifications, or enhancements that Franchisor requires. Franchisor and its Approved Suppliers may charge a reasonable software license fee for any software that Franchisee is required to use. Each party to this Agreement acknowledges and agrees that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees to comply with those reasonable new standards that Franchisor establishes as if Franchisor periodically revised this section for that purpose.

3. Franchisee will not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Center without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System located at the Premises or used by the Franchised Center, as well as all computer files and records related to the Franchised Center, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement. Franchisor may, without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System via the Internet, other electronic means or by visiting the and other available information that Franchisor reasonably requests about the Franchised Center. Franchisee hereby consents to Franchisor using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by Franchisor or disclosed to Franchisor in accordance with this Agreement.

4. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders.

M. **Promotional Materials Display (Seasonal and Otherwise)**. Franchisee must openly and prominently display promotional materials provided or designated by Franchisor and participate in any ongoing System-wide sales, specials or other promotions that Franchisor designates, including without limitation, participating in any seasonal sales/promotions and displaying all designated signage in connection therewith. Franchisee may not display or use any signage at the Premises unless previously approved by Franchisor in writing.

N. **Franchise Training Program and Other Training/Conference Attendance**. Franchisee and designated personnel must attend and successfully complete all training and annual conferences, including the Franchise Training Program and any additional training or Remedial Training that Franchisor requires during the term of this Agreement, as noted in Sections 4.A, B and C. Any failure to attend and complete Franchisor's initial and ongoing training requirements, including any Remedial Training or additional training, described in this Section will be a material default of this Agreement and grounds for termination if not cured within the appropriate cure period set forth in this Agreement (if any).

O. **Training of Employees**. Franchisee or at least one (1) of Franchisee's personnel that has successfully completed the entire Franchise Training Program must conduct training classes for, and properly train, all of Franchisee's employees on sales, advertising, maintenance of the Premises, the Computer System, as well as any other information that is relevant to each employee's role with the Franchised Center, including Franchisor's standards and specifications for operating the Franchised Center, as Franchisor may set forth in the Manuals or otherwise in writing. Further, at least one (1) person that has completed the Franchise Training Program must manage the Franchised Center at all times.

P. **Hours of Operation**. Franchisee shall keep the Franchised Center open and in normal operation for such minimum hours and days as Franchisor may prescribe in the Manuals or otherwise in writing, and must ensure that the Franchised Center is sufficiently staffed.

Q. **Customer Lists and Data/Agreements**. Franchisee must (i) maintain a list of all of its current and former customers, as well as their purchase history, at the Premises; and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly return this information, which is deemed "Confidential Information" as defined in Section 7.D and Franchisor's exclusive property hereunder, to Franchisor upon expiration or termination of this Agreement for any reason. Franchisee acknowledges that Franchisor may have automatic access to any or all of this information via the Computer System and related software that Franchisor requires for use in connection with the Franchised Center.

R. **Promotional/Minimum Prices; Pricing Guidelines**. To the extent permitted under applicable law, Franchisee must follow Franchisor's general pricing guidelines, including any promotional, minimum or maximum prices set by Franchisor for a particular Approved Product or Service. As an independent contractor, however, Franchisee may exercise flexibility in meeting competition with respect to the pricing of certain Approved Products and Services offered at the Franchised Center. Franchisor may request information from Franchisee that has been used to substantiate any reduction or increase in pricing made by Franchisee to meet market conditions.

S. **Operation of Franchised Center and Customer Service**. Franchisee shall manage and operate the Franchised Center in an ethical and honorable manner, and must ensure that all those working at the Franchised Center provide courteous and professional services to customers and always keep its customers' interests in mind while protecting the goodwill of the Proprietary Marks, System and the Franchised Center. Franchisee must handle all customer complaints and requests for returns and adjustments in a manner consistent with Franchisor's standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by Franchisor. Franchisee must consider and act promptly with respect to handling of customer complaints, and implement complaint response procedures that Franchisor outlines in the Manuals or otherwise in writing.

T. **Access to Center.** To determine whether Franchisee is complying with this Agreement, Manuals and the System, Franchisor and its designated agents or representatives may at all times and without prior written notice to Franchisee: (i) inspect the Premises; (ii) observe and monitor the operation of the Franchised Center for consecutive or intermittent periods as Franchisor deems necessary; (iii) interview or survey personnel and customers of the Franchised Center; and (iv) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Center, including all financial information. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken). If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the operation of the Franchised Center.

U. **Personal Participation by Franchisee**. Franchisee's Key Owner must personally participate in the direct management operation of the Franchised Center on a full-time basis, unless Franchisee engages a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the Franchised Center when

Franchisee's Key Owner is not present. If Franchisee engages a Designated Manager at any time, that Designated Manager must successfully complete the Franchise Training Program prior to assuming any management responsibilities in connection with the Franchised Center. Regardless, Franchisee is solely responsible for all aspects of the operation of the Franchised Center and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

V. Non-Cash Payment Systems and PCI Compliance.

1. Franchisee shall accept debit cards, credit cards, stored value gift cards or other non-cash payment systems, including participation in loyalty programs, specified by Franchisor to enable customers to purchase authorized products and services and shall obtain all necessary hardware and/or software used in connection with these non-cash systems. Franchisee shall comply with all policies and procedures set forth by Franchisor in the Manuals with respect to these non-cash payment systems.

2. Franchisee shall maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "Credit Card Vendors") that Franchisor may periodically designate as mandatory. Franchisee shall not to use any Credit Card Vendor for which Franchisor has not given its prior written approval or as to which Franchisor has revoked its earlier approval. The term "Credit Card Vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (e.g., "Apple Pay" and "Google Wallet"). Franchisor has the right to modify its requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke its approval of any service provider.

3. Franchisee shall comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that Franchisor may reasonably specify. Among other things, Franchisee agrees to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

W. **Payments to Franchisor**. Franchisee agrees to promptly pay Franchisor all payment and contributions that are due to Franchisor, its affiliates or any Approved Supplier.

X. **Employment Decisions**. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Center, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's personnel must be competent, conscientious, and properly trained. Nothing in this Agreement is intended or may be construed to create any type of employer or joint employer relationship between (i) Franchisee and/or its personnel (including any licensed personnel), and (ii) Franchisor.

Y. **Bookkeeping Software**. Franchisor may require Franchisee to use a third-party provider for bookkeeping services if Franchisee (i) fails to timely and accurately provide any and all required reports under this Agreement, or (ii) underreports the Gross Sales of the Franchised Center at any time.

PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

A. **Ownership of Proprietary Marks**. Franchisee acknowledges the exclusive ownership and/or right to use the Proprietary Marks by Franchisor, and Franchisee agrees that during the term of this Agreement and after its expiration or termination Franchisee will not directly or indirectly contest or aid in contesting the validity of the Proprietary Marks or the ownership or rights of the Proprietary Marks by Franchisor. Furthermore, Franchisee intends and hereby concedes that any commercial use Franchisee may make of the Proprietary Marks shall contribute and inure to the commercial use and benefit of Franchisor, which Franchisor may claim to strengthen and further secure ownership of the Proprietary Marks.

B. **Permitted Use**. It is understood and agreed that the use by Franchisee of the Proprietary Marks applies only in connection with the operation of the Franchised Center at the Premises, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor.

C. **Use of Proprietary Marks in Advertising and Signage**. To develop and maintain high, uniform standards of quality and service and thereby protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:

1. Operate and advertise the Franchised Center only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals;

2. Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from Franchisor, to immediately discard and cease use of Proprietary Marks or other imagery that has become obsolete and no longer authorized by Franchisor.

3. Upon Franchisor's request, Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Premises, a sign bearing a notice in the format required by Franchisor in the Manuals to indicate that the Franchised Center is independently owned and operated by Franchisee pursuant to the franchise granted in this Agreement.

D. **Proprietary Marks and Intellectual Property are Sole Property of Franchisor**. Franchisee acknowledges that the Proprietary Marks, and intellectual property including the System, the Manuals, copyrighted materials, and all other information and items delivered to Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, including without limitation, video and audio files, information communicated by electronic means, ("Intellectual Property") are the sole and exclusive property of Franchisor and its affiliates, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement for the term hereof and strictly in the manner prescribed. Franchisee agrees that it will not, during the term of this Agreement or any time thereafter, contest or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, and other information, intellectual property, and items delivered or provided or to which Franchisee obtains access under this Agreement, nor shall Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement.

E. **Legal Action Involving Proprietary Marks and Intellectual Property**. Franchisee agrees to cooperate with and assist Franchisor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks and Intellectual Property delivered to Franchisee or used by Franchisee under this Agreement.

F. **Confidential Information**. Franchisee agrees that all documents, papers, notes, and other materials, as well as work products containing or derived from the proprietary information or from the knowledge of, or in connection with, the operation of the Franchised Center, will be Confidential Information (as defined in this Agreement) that is the exclusive property of Franchisor. Franchisee agrees that it will have no proprietary interest in any work product developed or used by it that arises out of the operation of the Franchised Center. Franchisee will, from time to time as may be requested by Franchisor, do all things that may be necessary to establish or document Franchisor's ownership of any such work product, including without limitation, the execution of assignments.

G. **Improvements**. Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Franchisee or its employees or agents that are in any way related to the establishment or operation of the Franchised Center (collectively, the "Improvements"), all of which shall be automatically and without further action owned by Franchisor without compensation to Franchisee (including all intellectual property rights therein). Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Franchisee hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

H. **No Representations/Warranties**. No representation or warranty, express or implied, is made by Franchisor to the effect that the use of the System does not constitute an infringement upon the patent, copyright, or other proprietary rights of other persons. Franchisee hereby agrees that Franchisor shall have no liability to Franchisee in the event the System is held not to be secret or confidential or in the event that any infringement of others' proprietary rights occurs because of Franchisee's use of the System.

I. **Modification or Substitution of Marks by Franchisor**. If in Franchisor's reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Proprietary Marks, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify, discontinue, or to use one (1) or more additional or substitute trade or service Proprietary Marks then upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages

J. **Modification or Substitution of Proprietary Marks by Franchisee**. Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.

K. **Cease Use of Proprietary Marks on Termination/Non-Renewal**. Upon termination or expiration and non-renewal of this Agreement, Franchisee agrees to immediately cease use, in any manner whatsoever, of any of the Proprietary Marks or any other trademarks or trade names that may be confusingly similar to the Proprietary Marks.

L. **Disconnection of Telephone Number on Termination/Renewal**. Franchisee acknowledges that there will be substantial confusion among the public if, after the termination or expiration and non-renewal of this Agreement, Franchisee continues to use advertisements and/or the telephone number listed in the telephone or online directories under the name UPGRADE LABS or any name similar to it. Thus, effective upon the termination or expiration and non-renewal of this Agreement, Franchisee agrees to direct the telephone company servicing Franchisee, per Franchisor's request, to disconnect the telephone number used in connection with the Franchised Center or transfer such number to Franchisor or to any person or location of Franchisor's choosing. If Franchisee fails to take these steps, Franchisee shall be deemed to have hereby irrevocably appointed Franchisor as Franchisee's attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company or directory company, Franchisor will be deemed for purposes hereof to be the subscriber of such telephone numbers, with full authority to instruct the applicable telephone or directory company as to the use and disposition of telephone listings and numbers. Franchisee hereby agrees to release, indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor's instructions.

M. **Non-Exclusive Use of Proprietary Marks**. Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor in its sole discretion has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement, and that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.

N. **Acknowledgements**. With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:

1. Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or any other business name, domain name, e-mail address or any social media or social networking profile/page;

2. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefor without Franchisor's prior written consent; and

3. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.

O. **Use Outside Scope**. Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this Agreement without Franchisor's prior written consent is an infringement of Franchisor's exclusive right to use the Proprietary Marks and, during the term of this Agreement and after the expiration or termination hereof, Franchisee covenants not to directly or indirectly commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.

P. **Notification of Infringement**. Franchisee shall notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.

Q. **Indemnification Regarding Marks**. Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Center, on the condition that: (i) such use is in full compliance with Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section. Notwithstanding anything in this Section to the contrary, Franchisor's liability under this Section shall be limited to no more than the Initial Franchise Fee paid under this Agreement.

R. **Other Obligations of Franchisee**. In addition to all other obligations of Franchisee with respect to the Proprietary Marks licensed herein, Franchisee agrees:

1. To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the Internet or otherwise online, except as approved in writing by Franchisor; and

2. To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

MANUALS AND CONFIDENTIAL/CONFIDENTIAL INFORMATION

A. **Compliance with Manuals**. In order to protect the reputation and goodwill of Franchisor and the System, and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall operate the Franchised Center in strict accordance with the Manuals.

B. **Control of Center**. Franchisee acknowledges the Manuals provided by Franchisor to Franchisee are intended to protect Franchisor's standards, systems, names, and marks, but that such Manuals are not intended to control the day-to-day operation of the Franchised Center. Franchisee further acknowledges and agrees that the Franchised Center will be under the control of Franchisee at all times. Franchisee will be responsible for the day-to-day operation of the business.

C. **Confidential Information**. In connection with the operation of the Franchised Center, Franchisee will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or proprietary information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Center.

D. **Trade Secrets and Confidential Information**. The confidentiality requirements set forth in the preceding paragraph will remain in full force and effect during the term of this Agreement and in perpetuity after its termination or expiration and non-renewal. Franchisor's trade secrets and proprietary/confidential information include the following:

1. The Manuals;

2. Any information or materials, whether technical or non-technical, that is used in connection with or otherwise related to the establishment and operation of a Center or the System that is not commonly known by, or available to, the public, including without limitation: (a) information and materials related to the architectural plans, design, layout, equipping, build-out and/or construction of a Center; (b) methodology, protocol and System standards/specifications for the promotion, offer and sale of any Approved Product or Service; (c) information related to Franchisor's relationship with existing or prospective Approved Suppliers or other third-party vendors (whether or not Franchisee is required to use such vendors); (d) the reservations and scheduling system, as well as Computer System and related software generally, that has been customized in any manner for use by Franchisor and/or a Center; (v) marketing and advertising materials, as well as any other items that display the Proprietary Marks in any manner, as well as Franchisor's designated marketing, advertising, and promotional campaigns; and (vi) any passwords, logins or other keys necessary to access Franchisee's reservation system, Computer System or related software used in connection with the Franchised Center; and

3. All information and data Franchisee collects regarding the customers and clientele of the Franchised Center at any time during the term of this Agreement; and

4. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential (collectively, the types of information described in this Section 7.D will be referred to as "Confidential Information").

E. **Confidential Information as Property of Franchisor**. Franchisee acknowledges and agrees that the Confidential Information and any business goodwill of the System are Franchisor's sole and exclusive property and that Franchisee will preserve the confidentiality thereof. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information which makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings incorporating any Confidential Information will be immediately turned over by Franchisee, at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

F. **Information Not Proprietary**. Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as defined in Section 7.H below) is information that:

1. Becomes publicly known through no wrongful act of Franchisee or any Restricted Person; or

2. Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully known to them without confidential restriction from a source other than Franchisor.

G. **Reasonable Efforts to Maintain Confidentiality**. Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such information secret and confidential, including without limitation, all logins, passwords. and keys necessary to access any component of the Computer System or related software used in connection with the Franchised Center including the Manuals. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.

H. **Prevention of Unauthorized Use or Disclosure**. Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its officers, agents, directors, owners and their spouses or relationship partners, trustees, beneficiaries, partners, employees, and independent contractors who may obtain or who are likely to obtain knowledge concerning the Confidential Information ("Restricted Persons") execute Franchisor's prescribed form of Confidentiality and Non-

Competition Agreement in the form prescribed by Franchisor in the Manuals. Franchisee must obtain a signed copy of the Confidentiality and Non- Competition Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Center. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Non- Competition Agreement within ten (10) days of Franchisor's request.

I. **Loan of Manuals**. Franchisor will loan or provide online access to one (1) copy of the Manuals to Franchisee. The Manuals shall at all times remain the sole property of Franchisor and any and all copies (hard copies or electronic files) of the Manuals must be returned to Franchisor upon termination or expiration and non-renewal of this Agreement.

J. **Modification of Manuals**. In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions (at its expense). Franchisee agrees at all times to keep its copy of the Manuals current and up-to-date. In the event of any dispute as to the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained by Franchisor at its home office shall be controlling. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

ADVERTISING

A. **Designated or Pre-Approved Advertising Materials and Campaigns**. Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all or some of the Centers operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including without limitation, the type, quantity, timing, placement, and choice of media, and market areas and advertising agencies, the System standards and specifications established by Franchisor shall be final and binding upon Franchisee. Franchisor may also request that Franchisee purchase and/or make copies of (at Franchisee's expense) and subsequently use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Center.

B. **Approval for all Other Advertising/Promotional Materials**. All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and shall conform to Franchisor's standards and requirements as set forth in the Manuals or otherwise. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials twenty (20) days prior to use if such plans and materials have not been prepared by Franchisor or previously approved by Franchisor during the twelve (12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have fifteen (15) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this fifteen (15) day period, the proposed materials will be deemed rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Once approved, Franchisee may use the proposed materials for a period of ninety (90) days, unless Franchisor prescribes a different time period for use or requires Franchisee to discontinue using the previously-approved materials in writing.

Franchisor may revoke its approval of any previously-approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee or to be used by a Cooperative, as defined in Section 8.I, including, but not limited to, the phrase "Franchises Available" and references to Franchisor's telephone number and/or Website.

C. **Grand Opening Advertising**. Franchisee must spend Thirty Thousand Dollars ($30,000) on the initial advertising and grand opening of the Franchised Center during the period between thirty (30) days prior to opening and sixty (60) days after opening (the "Grand Opening Advertising Requirement"). Franchisor may also require that Franchisee expend all or any portion of the Grand Opening Advertising Requirement on initial marketing, advertising and/or public relations materials or services that are purchased from an Approved Supplier.

D. **Local Advertising Requirement**. Franchisee must expend at least five percent (5%) of Franchisee's monthly Gross Sales per month for the purpose of local advertising and promotion of the Franchised Center within the Designated Territory (the "Local Advertising Requirement").

1. Upon Franchisor's request, Franchisee must provide Franchisor with invoices or other proof of its monthly expenditures on local advertising and marketing.

2. Franchisee must ensure that: (i) the Franchised Center has a dedicated phone line for use in connection with the Franchised Center only (and no other business, including any other Center); and (ii) the Franchised Center is listed in the appropriate Internet-based directories that Franchisor designates.

3. Franchisee may not advertise and promote the Franchised Center outside of the Designated Territory, unless (a) the geographic area wherein Franchisee wishes to advertise is contiguous to the Designated Territory and that area has not been assigned to any other Center, or (b) Franchisor otherwise provides its prior written consent in writing.

E. **National Brand Fund**. Franchisor may establish the Fund designed to promote the System, Proprietary Marks and the brand generally. When established, Franchisee shall contribute to this Fund on a weekly basis in an amount equal to two percent (2%) of the Gross Sales of the Franchised Center. All payments by Franchisee to the Fund are non-refundable upon payment, and Franchisor will account separately for all sums paid to the Fund. The Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

1. Franchisor will use the Fund and all contributions to it and any earnings on it, exclusively for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, and any other activities, that Franchisor believes would enhance the image of the System, Proprietary Marks, and Approved Products or Services.

2. Franchisor is not obligated to spend monies from the Fund in any particular franchisee's market in proportion to the payments to the Fund made by the franchisee in that market.

Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.

3. The Fund may be used to meet any and all costs of maintaining, administering, directing, and preparing advertising. This includes, among other things, direct mail advertising, marketing surveys and other public relations activities, developing and maintaining Franchisor's Website, employing advertising and public relations agencies, purchasing promotional items, and providing other marketing materials and services to the Centers operating under the System. These costs may include the proportionate salary share of Franchisor's employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs, salaries, and overhead expenses related to administering the Fund and its programs. No part of the Fund shall be used by Franchisor to defray any of its general operating expenses, other than those reasonably allocable to the advertising described in this Section or other activities reasonably related to the administration or direction of the Fund.

4. Franchisor shall administratively segregate all contributions to the Fund on its books and records. All such payments to the Fund may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds, and may be deemed an asset of Franchisor, subject to Franchisor's obligation to expend the monies in the Fund in accordance with the terms hereof. Franchisor may, in its sole discretion, elect to accumulate monies in the Fund for such periods of time, as it deems necessary or appropriate, with no obligation to expend all monies received in any fiscal year during that fiscal year. In the event Franchisor's expenditures for the Fund in any one (1) fiscal year shall exceed the total amount contributed to the Fund during such fiscal year, Franchisor shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Fund or to use such excess as a credit against its future contributions. The parties do not intend that the Fund be deemed a trust.

5. Franchisor will, on an annual basis, account for the operation of the Fund and prepare an unaudited financial statement evidencing such accounting that will be available to Franchisee, upon Franchisee's written request, one hundred and twenty (120) days after Franchisor's fiscal year end.

6. Franchisor may dissolve, suspend, modify and/or reinstate the Fund at any time after it is established.

F. **Advertising Council**. Franchisor may establish, if and when it deems appropriate in its sole discretion, a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). If Franchisor establishes an Advertising Counsel, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned Centers, or other management personnel or employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by Franchisor. The recommendations of the Advertising Council shall not be binding on Franchisor.

G. **Website**. Franchisor agrees that it will establish an interior page on its corporate website to display the Premises and contact information associated with the Franchised Center for so long as (i) the Franchised Center is open and actively operating, and (ii) this Agreement is not subject to termination. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Center, System or

Proprietary Marks except as provided in Section 8.H of this Agreement or otherwise without Franchisor's prior written consent. If approved to establish a separate website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval as described in this Section 8. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate.

H. **Social Media Platforms**. In addition to the Local Advertising Requirement, with authorization from Franchisor, Franchisee may place advertisements on "Social Media Platforms" (defined as web-based platforms such as Facebook, Instagram, Twitter, TikTok, LinkedIn, Pinterest, YouTube, blogs and other networking and sharing sites) or use "Social Media Materials" (defined as any material on any Social Media Platform that makes use of the Proprietary Marks, name, brand, products or the Franchised Center whether created by Franchisor, Franchisee or a third-party). Franchisee may not use a Social Media Platform or Social Media Materials without Franchisor's prior written approval. Franchisee's expenditures toward Social Media Platforms and Social Media Materials will not count towards Franchisee's required Local Advertising Requirement unless the expenditure relates to the placement of advertisements.

I. **Cooperatives**. Franchisor may establish regional advertising cooperatives that are comprised of multiple Center owners located within a geographical region that Franchisor designates (each, a "Cooperative"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisee may be required to contribute to the Cooperative in an amount not to exceed Franchisee's then-current Local Advertising Requirement. All amounts paid to a Cooperative will be credited towards Franchisee's Local Advertising Requirement (if any). Franchisor shall have the right to specify the governing rules, terms and operating procedures of any Cooperative.

ACCOUNTING AND RECORDS

A. Maintenance of Records. Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Center, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for at least three (3) years, even if this Agreement is no longer in effect. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Center. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Center, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to Franchisor under this Section 9 shall belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).

B. Examination and Audit of Records. Franchisor and its designated agents shall have the right to examine and audit Franchisee's records, accounts, books, computer files, and data at all reasonable times to ensure that Franchisee is complying with the terms of this Agreement. If Franchisor does so, with an independent auditor or otherwise, and it is determined that Franchisee understated its Gross Sales in any report by two percent (2%) or less, then Franchisee must pay, within fifteen (15) days of written notice, the underreported amount plus interest. If it is determined that Franchisee understated its Gross Sales in any report by more than two percent (2%), then Franchisee must pay, within fifteen (15) days of written notice, the underreported amount along with the cost of conducting the audit, including without limitation travel, lodging, meals, wages, expenses, accountant fees, attorneys' fees and interest. If Franchisee fails to provide any reports, supporting reports or other information as required and Franchisor conducts an audit of the books and records of the Franchised Center, then Franchisee must pay within fifteen (15) days of written notice, Franchisor's costs of conducting the audit, including without limitation, travel, lodging, meals, wages, expenses, accountant fees, attorneys' fees and interest.

C. **Tax Returns**. Upon Franchisor's request, Franchisee shall furnish Franchisor with a copy of each of its reports, returns of sales, use and gross receipt taxes, and complete copies of any state or federal income tax returns covering the operation of the Franchised Center, all of which Franchisee shall certify as true and correct.

D. **Required Reports**. Franchisee must provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a signed Gross Sales Report as described more fully in Section 3.D of this Agreement on or before Monday of each week; (ii) on or before the twentieth (20^{th}) of each month, an unaudited profit and loss statement for the Franchised Center for the preceding calendar month; (iii) within ninety (90) days after the close of each fiscal year of Franchisee, financial statements which shall include a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet of the Franchised Center, all as of the end of such fiscal year; and (iv) any other financial information or performance metrics of the Franchised Center that Franchisor may reasonably request.

E. **Right to Require Audit if Franchisee Underreports**. In the event a prior audit or inspection conducted by Franchisor (or its designee) has revealed that Franchisee has underreported the Gross Sales of the Franchised Center by two percent (2%) or more for any reporting period as described in Section 9.B, then Franchisor may require Franchisee to provide, at Franchisee's expense, audited financial statements that comply with generally accepted accounting principles and generally accepted auditing standards for Franchisee's fiscal year within one hundred and twenty (120) days of Franchisee's fiscal year end.

F. **Change to Ownership of Franchisee**. In addition to the foregoing statements, Franchisee must provide Franchisor with written reports regarding any authorized change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Center; and (ii) Franchisee's partners, officers, directors, as well as any of the Designated Manager(s) that manage the day-to-day operations of the Franchised Center. Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisor is required to first notify Franchisor and obtain its approval prior to making any such change.

INSURANCE AND INDEMNIFICATION

A. **Required Insurance**. Franchisee must obtain and maintain for the Franchised Center the types and amounts of insurance Franchisor prescribes in the Manuals. All insurance policies must be issued by an insurance company with a rating of A-VI or better as reported in the most recent edition of A.M. Best's Insurance reports. Franchisor's acceptance of an insurance carrier does not constitute our representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy. Franchisee agrees to carry such additional insurance as required by Franchisee's Lease or applicable laws and regulations. All insurance policies must name Franchisor and any party Franchisor designates as additional insureds and provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy has been issued to each insured. All insurance policies must contain a waiver of subrogation in Franchisor's favor. Franchisor's current insurance requirements are as follows:

1. commercial general liability insurance with minimum limits of $1,000,000 per occurrence and $3,000,000 in the aggregate, and $1,000,000 in property rental insurance coverage on all furniture, fixtures, equipment, inventory and tenant improvements;

2. workers' compensation in the amounts required by state law;

3. employment practices liability coverage per claim and in the aggregate of $1,000,000;
4. employee benefits liability per claim and in the aggregate of $1,000,000;

5. product liability insurance of $1,000,000 per claim and $1,000,000 in the aggregate;

6. personal and advertising liability insurance of $1,000,000 per claim and $1,000,000 in the aggregate;

7. professional liability insurance in the amount of $1,000,000;

8. participant legal liability insurance in the amount of $1,000,000;

9. cyber liability coverage in the amount of $1,000,000 and

10. medical expense (for any one person) insurance in the amount of $5,000.

Franchisor may designates specific carriers from which Franchisee must purchase coverage (in which case Franchisee may only purchase from the designated carrier(s)). Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee shall make timely delivery of certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor. The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

B. **Failure to Procure and Maintain Insurance**. If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must:

(i) reimburse Franchisor for the costs incurred to obtain the required insurance (including any premium amounts paid); and (ii) pay Franchisor its then-current administrative fee, as may be reasonably charged by Franchisor as consideration for securing the required insurance on Franchisee's behalf.

C. **Indemnification**. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's directors, officers, owners, managers, shareholders, affiliates, subsidiaries, employees, servants, agents, successors and assignees (collectively, the "Indemnitees"), harmless from and against any and all losses, damages, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement, and/or (b) ownership, construction, development, management, or operation of the Franchised Center in any manner. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from Franchisee of all expenses and fees incurred in connection with such defense. Notwithstanding the foregoing, Franchisee's indemnification obligations shall not extend to liabilities caused by Franchisor's acts or omissions amounting to gross negligence or willful misconduct. The obligations of this Section 10.C shall expressly survive the expiration, termination, or transfer of this Agreement.

INDEPENDENT CONTRACTOR

A. **No Fiduciary Relationship**. In all dealings with third parties, including without limitation, employees, suppliers, and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto either to create a fiduciary relationship between them or to constitute Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever.

B. **Independent Contractor Relationship**. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Center pursuant to a franchise agreement with Franchisor, including but not limited to, exhibiting a notice of that fact in a conspicuous place at the Premises and elsewhere, as specified by Franchisor, the content of which Franchisor reserves the right to specify or approve. Franchisee shall use its own name in obtaining or executing contracts or making purchases so that the transactions shall clearly indicate that Franchisee is acting on its own behalf and not on behalf of Franchisor. Notwithstanding any other provision of this Agreement, Franchisee acknowledges and agrees that Franchisee has the sole authority, and that it is Franchisee's sole obligation under this Agreement, to make all personnel and employment decisions for the Franchised Center, including, without limitation, decisions related to hiring, training, firing, discharging and disciplining employees, and to supervising Franchisee's employees, setting their wages, hours of employment, record-keeping, and any benefits, and that Franchisor shall have no direct or indirect authority or control over any employment-related matters for Franchisee's employees. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors, nor vice versa.

TRANSFER AND ASSIGNMENT

A. **No Transfer by Franchisee Without Franchisor's Approval.** Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Center (or undertake any of the actions identified in Section 12.C of this Agreement) without Franchisor's prior written consent. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

B. **Death or Disability**.

1. In the event of the death or permanent disability of an owner of Franchisee (the "Disabled Party"), except the last owner to die or become permanently disabled, the Disabled Party or his/her estate or legal representative shall, within one hundred and eighty (180) days of the occurrence of such death or permanent disability (the "180 Day Period"), sell to the surviving owners all of the Disabled Party's ownership interests in Franchisee, for such price and upon such other terms and conditions as may be agreed upon by parties. In the event of the death or permanent disability of the last of Franchisee's owners to die or become so disabled, or where there is only one owner, then upon his/her death or permanent disability, Franchisee shall, within the 180 Day Period, assign all of its right, title and interest in and to this Agreement, the Lease and the property and assets used in connection with the operation of the Franchised Center to another person acceptable to Franchisor. Such transfer shall be effected in compliance with the terms and conditions of Section 12.E of this Agreement. If the disposition to a person acceptable to Franchisor has not taken place within the 180 Day Period, Franchisor shall thereafter have the continuing option, exercisable upon ten (10) days' notice to Franchisee of terminating this Agreement. If Franchisor so elects, the provisions of Section 16 shall thereupon become applicable. For the purposes of this Section, a person shall be deemed to be permanently disabled if their normal participation in the Franchised Center is for any reason curtailed by reason of mental or physical disability for a cumulative period of ninety (90) days in any twelve (12) month period during the term of this Agreement.

2. Franchisor is under no obligation to operate the Franchised Center, or incur any obligation on behalf of Franchisee or the Disabled Party, during or after the 180 Day Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously approved acting interim manager to operate the Franchised Center during the 180 Day Period. Franchisor may (but is not required to) operate the Franchised Center on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Center to cover any or all past, current and/or future obligations of the Franchised Center (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorneys' fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Center. Franchisee will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Center.

3. Franchisor will not collect any transfer fee if there is a transfer under this Section 12.B to an immediate family member of the Disabled Party that Franchisor approves pursuant to Section 12.E.

C. **Ownership.** In addition to those acts described in Section 12.A, a transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's voting stock or any increase in the number of outstanding shares of Franchisee's voting stock which results in a change of ownership, (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company. Any new partner, shareholder, or member or manager owning having an ownership interest in the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to this Section shall not be subject to Franchisor's right of first refusal as set forth in Section 12. D.

D. **Right of First Refusal.** If Franchisee proposes to transfer either this Agreement or all, or substantially all, of the assets used in connection with the Franchised Center or any interest in Franchisee's Lease to any third party (other than a corporation or limited liability company as set forth in Section 12.C of this Agreement or in the event of the death or disability of one of Franchisee's owners as set forth in Section 12.B, Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 12.E of this Agreement. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

E. **Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Center or of Franchisee's interest in this Agreement or any other acts of transfer described in Section 12.C upon satisfaction of the following occurrences:

1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's Approved Suppliers, are satisfied;

2. Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, Franchisor's Approved Suppliers, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

3. Franchisee and Franchisee's owners and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities;

4. Franchisee or the transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of Franchisee's obligations under this Agreement;

5. The transferee and its owners must meet Franchisor's educational, managerial and business standards; possess a good moral character, business reputation and credit rating; have the aptitude and ability to conduct the business to be transferred; and have adequate financial resources and capital to meet the performance obligations under this Agreement; however, the transferee shall not be in the same business as Franchisor either as the licensor, franchisor, independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor, except that the transferee may be an existing franchisee of Franchisor;

6. The transferee shall execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining balance of Franchisee's term under this Agreement, with the transferee's term commencing on the date the transferee executes the then-current franchise agreement;

7. Franchisee or the transferee shall pay Franchisor any third-party broker fees that are due in connection with the proposed transfer and a transfer fee in the following amounts: (i) One Thousand Five Hundred Dollars ($1,500) if adding a new shareholder, member or partner; (ii) seventy five percent (75%) of Franchisor's then-current initial franchise fee if the transferee is not an existing System franchisee; and (iii) fifty percent (50%) of Franchisor's then-current initial franchise fee if the transfer is to an existing System franchisee;

8. The transferee shall have agreed to complete all such maintenance, refurnishing, renovating and remodeling of the Premises as Franchisor reasonably requires to meet the System standards then in effect;

9. The transferee shall satisfactorily complete Franchisor's Franchise Training Program at the transferee's expense within the time frame Franchisor sets forth, and the transferee will be responsible for all costs and expenses associated with attending the Franchise Training Program;

10. The transferee must demonstrate that is has obtained or maintained, within the time limits set by Franchisor, all permits and licenses required for the continued operation of the Franchised Center;

11. To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

12. The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

13. The purchase price and terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchised Center and performance under its franchise agreement;

14. Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of disclosure document and Franchisor shall not be liable for any representations not included in the disclosure document; and

15. Franchisor shall have the right to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchised Center as Franchisee has supplied Franchisor hereunder.

Franchisor will not unreasonably withhold its consent to a proposed transfer or assignment requested by Franchisee, provided the foregoing conditions are met. Franchisor's approval of a transfer shall not operate as a release of any liability of the transferring party nor shall such approval constitute a waiver of any claims Franchisor may have against the transferring party. Furthermore, Franchisor agrees that Franchisee will not be required to pay any transfer fee in the event: (i) Franchisee wishes to transfer its rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by Franchisee and established solely for purposes of operating the Franchised Center under the Franchise Agreement; or (ii) Franchisee is required to encumber certain assets of the Franchised Center (or subordinate Franchisor's security interest thereto) in order to receive Small Business Association or other traditional bank financing, provided Franchisor otherwise approves of the transfer.

F. **Transfer for Convenience of Ownership**. If Franchisee is an individual or group of individuals and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee or training tuition fees set forth in Section 12.E.7 and 8, and such assignment will not be subject to Franchisor's right of first refusal in Section 12.D: (i) the corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Center; (ii) Franchisee must own all of the outstanding shares of the corporation or membership interests in the limited liability company or, if Franchisee is owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as prior to the transfer; (iii) the corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and (iv) all stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and execute the Guarantee, Indemnification and Acknowledgement attached to this Agreement as Exhibit B.

G. **Franchisor's Right to Transfer**. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

FRANCHISEE'S ORGANIZATION AND MANAGEMENT

A. Franchisee's Organization

1. If Franchisee is a legal entity such as a corporation, a limited liability company or a partnership, Franchisee makes the following representations and warranties: (a) Franchisee is duly organized and validly existing under the laws of the state of its formation; (b) Franchisee is qualified to do business in the state or states in which the Franchised Center is located; (c) execution of this Agreement and the development and operation of the Franchised Center is permitted by Franchisee's governing documents; and (d) unless waived in writing by Franchisor, Franchisee's articles of incorporation, articles of organization or written partnership agreement shall at all times provide that Franchisee's activities are limited exclusively to the development and operation of Upgrade Lab Centers.

2. If Franchisee is individual, or a partnership comprised solely of individuals, Franchisee makes the following additional representations and warranties: (a) each individual has executed this Agreement; (b) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (c) notwithstanding any transfer to a business entity, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

B. **Ownership Interests**. If Franchisee is a business entity, all interests in Franchisee are owned as set forth in the Data Sheet. Franchisee must comply with Section 12 prior to any change in ownership interests and must sign addenda to the Data Sheet as changes occur in order to ensure the information contained in the Data Sheet is true, accurate and complete at all times.

C. **Governing Documents.** Upon request by Franchisor, Franchisee shall promptly deliver to Franchisor, as applicable, true and complete copies of the articles or certificate of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to Franchisee's ownership, organization, capitalization, management and control and all amendments thereto. When any of these governing documents are modified or changed, Franchisee promptly shall provide copies to Franchisor. If Franchisee is a corporation, Franchisee shall maintain stop transfer instructions against the transfer on the records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the Upgrade Labs Franchise Agreement(s) to which the corporation is a party." If Franchisee is a limited liability company, each membership or management certificate shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the Upgrade Labs Franchise Agreement(s) to which the limited liability company is a party." If Franchisee is a partnership, Franchisee's written partnership agreement shall provide that ownership of an interest in the partnership is held, and that further assignment or transfer thereof, is subject to all restrictions imposed on assignment by this Agreement.

D. **Guarantee of Performance**. Franchisee's owners, and each of their spouses, if applicable, shall jointly and severally personally guarantee Franchisee's payment and performance under this Agreement and personally bind themselves to the terms of this Agreement pursuant to the Guarantee, Indemnification and Acknowledgement ("Guarantee") attached as Exhibit B. Unless Franchisee is a publicly-held entity, all of its officers, directors, limited liability company managers and their spouses, if applicable, also shall jointly and severally guarantee Franchisee's payment and performance under this Agreement and bind themselves to the terms of this Agreement pursuant to the Guarantee. Notwithstanding the foregoing, Franchisor reserves the right, in its sole discretion, to waive the requirement that some or all of the previously described individuals sign the Guarantee. Franchisor also reserves the right to require any guarantor to provide personal financial statements to Franchisor from time to time. With respect to Franchisee's owners, Franchisee acknowledge that, unless otherwise agreed to in writing by Franchisor, it is Franchisor's intent to have individuals (and not corporations, limited liability companies or other entities) sign the Guarantee. Accordingly, if any owner is not an individual, Franchisor shall have the right to require individuals who have only an indirect ownership interest in Franchisee to sign the Guarantee. (By way of example, if an owner is a corporation, Franchisor has the right to require individuals who have an ownership interest in that corporation to sign the Guarantee.)

COVENANTS

A. **Acknowledgements of Franchisee.** Franchisee acknowledges that, as a participant in the System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Franchisee agrees to the covenants in this Section to protect Franchisor, the System, the Proprietary Marks and Franchisor's other franchisees.

B. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee nor its owners, guarantors, or Designated Manager(s), nor any spouse or immediate family member of Franchisee, its owners, guarantors or Designated Manager(s), shall, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation, limited liability company, or other business entity: (i) own a interest in, maintain, operate, engage in, be employed or serve as an officer, director, manager, employee, consultant, representative, or agent for, lend money or extend credit to, lease or sublease space to, or have any interest in or involvement with, any other business that (a) offers or provides adaptive cardio, neurofeedback, PEMF, and many other technologies intended to supercharge clients' bodies, minds and spirits, and/or the other types of Approved Products and Services offered by a Center (each, a "Competing Business"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; or (ii) divert, or attempt to divert, any prospective customer to a Competing Business in any manner. For purposes of this Agreement, a Competing Business does not include: (i) any business operated by Franchisee under a Franchise Agreement with Franchisor; or (ii) any business operated by a publicly-traded entity in which a person or entity owns less than two percent (2%) legal or beneficial interest. During the term of this Agreement, there is no geographical restriction on the covenants contained in this Section.

C. **After the Term of this Agreement.** For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee nor any nor its owners or guarantors, nor any spouse or immediate family member of Franchisee, its owners or guarantors shall, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation, limited liability company, or other business entity: (a) own a interest in, maintain, operate, engage in, be employed or serve as an officer, director, manager, employee, consultant, representative, or agent for, lend money or extend credit to, lease or sublease space to, or have any interest in or involvement with, any Competing Business located (i) at the Premises; (ii) within the Designated Territory; and (iii) within a twenty-five (25) mile radius of: (x) the Designated Territory; or (y) any other Upgrade Labs Center that is open, under lease or otherwise under development as of the date this Agreement expires, is transferred, or is terminated; or (b) solicit business from customers of Franchisee's former Franchised Center or contact any of Franchisor's suppliers or vendors for any competitive business purpose.

D. **Intent and Enforcement**. It is the parties' intent that the provisions of this Section 14 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Center, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 14 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation on the restrictive covenants set forth in Section 14.C shall be tolled during any default under this Section 14.

E. **Contracts and Activity**. To verify compliance with this Section 14, at any time and upon request of Franchisor, Franchisee shall provide Franchisor with a copy or summary listing, at Franchisor's discretion, of all current contracts, listings, agreements, and projects that Franchisee is involved in or working with.

F. **Confidentiality and Non- Competition Agreement**. Franchisee must ensure that all management personnel of the Franchised Center, as well as any officers and directors of Franchisee, execute Franchisor's then-current form of Confidentiality and Non-Competition Agreement (which will be in substantially the same form as the document attached to this Agreement as Exhibit E). Franchisee must furnish Franchisor a copy of each executed agreement.

G. **No Defense**. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 14.

DEFAULT AND TERMINATION

A. **Acknowledgements of Franchisee.** Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), shall constitute “good cause” and “reasonable cause” for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Center.

B. **Automatic Termination**. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

2. A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;

3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with Franchisee or the Franchised Center (or the assets of the Franchised Center) is filed and consented to by Franchisee;

4. A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;

5. A final judgment in excess of One Hundred Thousand Dollars ($100,000.00) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or

6. Franchisee attempts to sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Center in violation of Section 12 of this Agreement.

C. **Termination upon Notice**. Franchisor has the right to terminate this Agreement upon written notice to Franchisee without providing Franchisee any opportunity to cure with respect to any of the following breaches or defaults:

1. If Franchisee or Franchisee’s owners commit any fraud or misrepresentation in the establishment or operation of the Franchised Center, including without limitation, any misrepresentation made in Franchisee’s franchise application;

2. If Franchisee and any other required attendees fail to attend and complete the Franchise Training Program within the time period prescribed in this Agreement;

3. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations set forth in Section 15.C of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured;

4. If Franchisee or Franchisee's owners violate any in-term covenant not to compete or any of the other restrictive covenants set forth in Section 14 of this Agreement;

5. If Franchisee misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);

6. If Franchisee misuses any proprietary software that Franchisor designates for use in connection with the Franchised Center;

7. If Franchisee or any of Franchisee's owners default on any other agreement with Franchisor or any affiliate or Approved Supplier of Franchisor, and such default is not cured within the prescribed time period set forth in that other agreement;

8. If Franchisee defaults under the Lease for the Premises and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control the Premises to operate the Franchised Center at any time during the term of this Agreement (except in cases of Force Majeure (as defined in Section 22.G) and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);

9. If Franchisee fails to open and commence operations of the Franchised Center within the time period prescribed in Section 5.D of this Agreement;

10. If Franchisee fails to cure any of the following violations under this Agreement within ten (10) days of being notified by Franchisor: (i) failure to offer only those Approved Products and Services that Franchisor authorizes at the Franchised Center; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Center; (iii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Center from the appropriate Approved Supplier(s) that Franchisor designates;

11. If Franchisee voluntarily or otherwise abandons the Franchised Center. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Center for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of

Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Center in accordance with this Agreement or the Manuals;

12. If Franchisee fails to provide Franchisor with access, or otherwise blocks Franchisor's access, to Franchisee's Computer System as required under this Agreement, and fails to remedy this default within twenty four (24) hours of being notified by Franchisor;

13. If Franchisee fails to pay Franchisor, its affiliates or any of its Approved Suppliers any amount that is due and owing Franchisor within ten (10) days of the date that Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed;

14. If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Center;

15. If Franchisee fails, for a period of ten (10) days after notification of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to operate the Franchised Center at the Premises;

16. If Franchisee, any person controlling, controlled by, or under common control with Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchise is convicted of a felony or any other crime or offense (even if not a crime) that is reasonably likely in the sole opinion of Franchisor to adversely affect the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;

17. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Center, including inventory, employee payroll taxes, insurance or benefits;

18. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement three (3) or more times within any twelve (12) month period; or

19. If Franchisee commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; operates the Franchised Center in a manner that presents a health or safety hazard to its employees or customers; or if Franchisee loses its approval from any city, state, or other regulatory agency to operate a business that provides cryogenic temperature treatments.

D. **Termination upon Notice and 30 Days' Cure**. Except for those defaults set forth in Sections 15.B and C of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Center as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

E. **Step-In Rights**. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any), then Franchisor has the right, but not the obligations, to enter the Premises and exercise complete authority with respect to the operation of the Franchised Center until such time that Franchisor determines, in its reasonable discretion, that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. In the event Franchisor exercises these "step-in rights," Franchisee must (i) pay Franchisor a management fee amounting to twenty percent (20%) of the Gross Sales of the Franchised Center during the time period that Franchisor's representatives are operating the Franchised Center, and (ii) reimburse Franchisor for all reasonable costs and overhead that Franchisor incurs in connection with its operation of the Franchised Center, including without limitation, costs of personnel supervising and staffing the Franchised Center and any travel, lodging and meal expenses. If Franchisor undertakes to operate the Franchised Center pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any claims that may arise out of Franchisor's operation of the Franchised Center.

POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

A. **Cease Ownership and Operation of Center; Cease Affiliation with Franchisor and the Brand**. Cease to be a franchise owner of Franchised Center under this Agreement and cease to operate the former Franchised Center under the System. Franchisee shall not thereafter directly or indirectly represent to the public that the former Franchised Center is or was operated or in any way connected with the System or hold itself out as a present or former franchise owner of an Upgrade Labs Center franchise at or with respect to the Premises (unless Franchisor agrees otherwise in writing).

B. **Return Manuals and Confidential Information**. Return to Franchisor the Manuals and all trade secrets, Confidential Information (including customer lists and information) and other confidential materials, equipment, software and property owned by Franchisor and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law.

C. **Pay Outstanding Amounts Due** Pay any outstanding amounts due to Franchisor, its affiliates or any Approved Supplier within thirty (30) days of the date this Agreement is terminated or expires.

D. **Assignment of Customer Lists, Telephone/Facsimile Numbers and Domain Names**. Take such action as may that Franchisor designates to: (i) provide and assign to Franchisor the then-current and up-to-date customer list to Franchisor; and (ii) transfer, disconnect, forward, or assign all telephone/facsimile numbers and domain names used in connection with the Franchised Center, as well as any directory listings, advertisements, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone and Facsimile Numbers and Domain Names attached to this Agreement as Exhibit F.

E. **Cease Using Proprietary Marks**. Franchisee must promptly make such alterations and modifications to the Premises as may be necessary to clearly distinguish to the public the Premises from its former appearance as a Center and also make those specific additional changes as Franchisor may request for that purpose. Franchisee must cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest; cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System; and remove all trade dress, physical characteristics, color combinations, and other indications of operation under the System from the Premises. Without limiting the generality of the foregoing, Franchisee agrees that, in the event of any termination or expiration and non-renewal of this Agreement, it will remove all signage bearing the Proprietary Marks, deliver the fascia for such signs to Franchisor upon Franchisor's request, and remove any items that are characteristic of the System "trade dress" from the Premises. Franchisee agrees that Franchisor or a designated agent may enter upon the Premises at any time to make such changes at Franchisee's sole risk and expense and without liability for trespass. Upon Franchisor's request, Franchisee must provide all materials bearing the Proprietary Marks to Franchisor upon expiration or termination of this Agreement for any reason, without cost to Franchisor; and

F. **Compliance with Post-Term Covenants**. Comply with the post-term covenants not to compete and other restrictive covenants set forth in Section 14 of this Agreement;

G. **Written Evidence of Compliance**. Provide Franchisor with written evidence that it has complied with the post-term obligations, within thirty (30) days' of the termination or expiration of this Agreement; and

H. **Purchase of Assets**. Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and all of Franchisee's assets from the Franchised Center at a purchase price equal to net depreciated book value. Such purchase price shall not, however, contain any factor or increment for goodwill or other intangibles. If Franchisor elects to exercise this option, it shall be entitled to set off against the purchase price all amounts owing by Franchisee to Franchisor or any of its affiliates under this or any other agreement. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

I. **Assignment of Lease (at Franchisor's Option).** If Franchisee is the tenant under the Lease, Franchisee shall, at the option and request of Franchisor, assign to Franchisor all of Franchisee's right, title, and interest in and to the Lease. If Franchisor elects not to exercise its option to acquire the Lease for the Premises, Franchisee must make such modifications or alterations to the Premises as may be necessary to comply with Section 16.E.

J. **Early Termination Damages.** If Franchisee default on its obligations and Franchisor terminates this Agreement prior to the expiration of the term of this Agreement, it is hereby agreed by the parties that the amount of damages which Franchisor would incur for any such termination of this Agreement would be difficult, if not impossible, to accurately ascertain. Accordingly, within thirty (30) days following such termination, Franchisee and its owners shall pay to Franchisor an amount equal to the average weekly Royalty Fees that Franchisee owed during the one (1) year period prior to termination (or, if the Franchised Center was open for less than one (1) year, the average Royalty Fees owed by Franchisee for the number of weeks that the Franchised Center was in operation) multiplied by the lesser of one hundred and four (104) weeks or the number of weeks (including any partial week) remaining in the term of this Agreement. These early termination damages shall constitute liquidated damages, are not to be construed as a penalty, and shall be the joint and several liability of Franchisee and its owners. The parties acknowledge and agree that: (i) the early termination damages are a reasonable estimation of the damages that would be incurred by Franchisor resulting from or arising out of the premature termination of this Agreement; and (ii) Franchisee's payment of such early termination damages is intended to fully compensate Franchisor only for any and all damages related to or arising out of the premature termination of this Agreement, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor waiver of Franchisor's claim for other damages and/or equitable relief arising out of Franchisee's breach of this Agreement.

TAXES AND INDEBTEDNESS

A. **Taxes**. Franchisee must promptly pay when due any and all federal, state, and local taxes, including without limitation, unemployment, workers' compensation, and sales taxes which are levied or assessed with respect to any services or products furnished, used, or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Center.

B. **Debts and Obligations**. Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Center.

WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

A. **Franchisor's Approval**. Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee shall make a timely written request. Unless a different period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond shall be deemed as a disapproval of any such request.

B. **No Waiver**. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.

C. **Terms of Other Franchise Agreements**. No warranty or representation is made by Franchisor that all franchise agreements for Centers issued by Franchisor prior to or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements by Franchisor prior to or after the Effective Date to other System franchise owners in a non-uniform manner.

D. **Entire Agreement**. The parties acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, the parties shall deal with each other in good faith. This Agreement, the Manuals, and the attachments to this Agreement, constitute the entire, full and complete agreement between the parties concerning Franchisee's rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Subject to Franchisor's rights to modify the Manuals, the System standards and the System, and the Data Sheet to reflect the Premises, Designated Territory, or as expressly set forth in this Agreement, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in our Franchise Disclosure Document that we provided to you.

ENFORCEMENT

A. **Full Access to Premises for Inspection**. In order to ensure compliance with this Agreement and enable Franchisor to carry out its obligation under this Agreement, Franchisee agrees that Franchisor and its designated agents shall be permitted, with or without notice, full and complete access during business hours to inspect the Premises and all records thereof, including but not limited to, records relating to Franchisee's customers, suppliers, employees, and agents. Franchisee shall cooperate fully with Franchisor and its designated agents requesting such access.

B. **Injunctive Relief**. Franchisor or its designee shall be entitled to obtain without bond, declarations, temporary and permanent injunctions, and orders of specific performance in order to enforce the provisions of this Agreement relating to Franchisee's use of the Proprietary Marks and Intellectual Property, the obligations of Franchisee upon termination or expiration of this Agreement, and assignment of the franchise and ownership interests in Franchisee or in order to prohibit any act or omission by Franchisee or its employees which constitutes a violation of any applicable law or regulation, which is dishonest or misleading to prospective or current customers of the Centers operating under the System, which constitutes a danger to other franchise owners, employees, customers, or the public or which may impair the goodwill associated with the Proprietary Marks.

C. **No Withholding of Payments**. Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.

D. **Costs and Attorneys' Fees**. If Franchisee is in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must reimburse Franchisor for all costs/expenses incurred in connection with enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and litigation expenses. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

NOTICES

Any notice required to be given hereunder shall be in writing and shall be either delivered personally, mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor:	Upgrade Labs Franchise, Inc. Attn: Legal Department 1742 Emerald Cove Circle Cape Coral, Florida 33991
To Franchisee:	The address set forth in the Data Sheet.

Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; (ii) the actual date of delivery in person; or (iii) the actual day of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address.

GOVERNING LAW AND DISPUTE RESOLUTION

A. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to this state's conflict of laws principles.

B. **Internal Dispute Resolution**. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's management, after providing notice as set forth in Section 21.G of this Agreement, and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

C. **Mediation**. At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 21.B above, will be submitted first to mediation to take place at Franchisor's then-current corporate headquarters under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 21.C if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the Intellectual Property, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

D. **Injunctive Relief**. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks, Intellectual Property, and Confidential Information (including any proprietary software used in connection with the Franchised Center); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of Franchisor's rights with respect to confidentiality under this Agreement; and (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

E. **Venue**. Subject to Sections 21.B - D of this Agreement, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state or federal court of general jurisdiction closest to Franchisor's then-current corporate headquarters. Franchisee acknowledges that this Agreement has been entered into from and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Franchisor's then-current corporate headquarters as set forth in this Section.

F. **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section 21, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Franchisee.

G. **Notice Requirement**. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

H. **Limitation of Actions**. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless Franchisee brings an action/suit against Franchisor before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner. Any action/suit that Franchisee does not bring this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement.

I. **Waiver of Punitive Damages**. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

J. **WAIVER OF JURY TRIAL**. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

K. **WAIVER OF CLASS ACTIONS**. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISE, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES, OFFICERS, AND/OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

SEVERABILITY AND CONSTRUCTION

A. **Severability**. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this

Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make the provisions of this Agreement fully enforceable.

B. **Reduction in Scope of Covenants.** Franchisee understands and acknowledges that Franchisor shall have the right in its sole discretion on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.

C. **Counterparts**. This Agreement may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Agreement.

D. **Construction**. The terms "includes" and "including" in this Agreement means "including (or includes), but not limited to," "including (or includes) without limitation," and similar constructions. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement shall be construed independently of any other Section or provision of this Agreement.

E. **Survival of Obligations.** All obligations that expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or assignment of this Agreement will survive expiration, termination, or assignment.

F. **Best Interests of System.** Whenever Franchisor exercises a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly provided in this Agreement, Franchisor can make its decision or exercise its discretion on the basis of its judgment of what is in its best interests. "Best interests" includes what Franchisor believes to be the best interests of the System at the time the decision is made or the right or discretion is exercised, even though (i) there may have been other alternative decisions or actions that could have been taken; (ii) Franchisor's decision or the action taken promotes its own financial interest; or (iii) Franchisor's decision or the action may apply differently to different franchisees and/or to any Centers that Franchisor or its affiliates operate. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that the covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

G. **Force Majeure.** Neither party shall be responsible to the other for non-performance or delay in performance occasioned by any causes beyond its control, including without limitation, acts or omissions of the other party, acts of civil or military authority, strikes, lockouts, embargoes, insurrections, pandemics and epidemics, acts of God or inability to obtain supplies. The inability of a party to obtain funds shall be deemed to be a matter within the control of a party. If any such delay occurs, any applicable time period shall be automatically extended for a period equal to the time lost, provided that the party affected makes reasonable effort to correct the reason for the delay and gives the other party prompt notice of such delay.

ACKNOWLEDGMENTS

A. **Legal and Business Rights and Risks.** Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of Franchisee as an independent business operator. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, that Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits, or success.

B. **No Oral Agreements.** Franchisee agrees and acknowledges that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

C. **Signatories to this Agreement.** The persons signing this Agreement on Franchisee's behalf have full authority to enter into this Agreement and the other agreements contemplated by the parties. Franchisee's execution of this Agreement or such other agreements does not and will not conflict or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which Franchisee or any owner is a party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the Effective Date noted below.

FRANCHISOR:	**FRANCHISEE:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF FRANCHISEE]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title:______________________________
Effective Date: ____________________	Date: _____________________________

EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

1. SITE SELECTION AREA

Franchisee must locate and secure a Premises for the Franchised Center within the following Site Selection Area:

____

____

____

2. PREMISES

The Franchised Center shall be located at the following approved Premises:

____

____

____

3. DESIGNATED TERRITORY

Franchisee's Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

____

____

____

____

4. FRANCHISEE'S KEY OWNER. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Center:

Name: ______________________________

Telephone No.: ______________________________

E-mail Address: ______________________________

5. FRANCHISEE'S NOTICE ADDRESS: ______________________________

____

6. STATEMENT OF OWNERSHIP.

Form of Ownership. Franchisee is a ____________ incorporated or formed on ____________ in the state of _______________.

Owners. The following list includes the full name of each person who is an owner of a legal or beneficial interest in Developer, and fully describes the nature of each owner's interest (attach additional pages if necessary).

Name	Home Address	Percentage and Description of Ownership Interest

THE PARTIES SIGNING THIS DATA SHEET BELOW AGREE AND ACKNOWLEDGE THAT THIS DATA SHEET, BY ITSELF, DOES NOT CONSTITUTE A FRANCHISE AGREEMENT OR OTHERWISE CONFER ANY FRANCHISE RIGHTS UPON FRANCHISEE. THIS DATA SHEET PROVIDES CERTAIN DEAL-SPECIFIC INFORMATION IN CONNECTION WITH THE FRANCHISE THAT IS GOVERNED BY THE FRANCHISE AGREEMENT TO WHICH THIS DATA SHEET IS AN EXHIBIT.

THE PARTIES AGREE AND ACKNOWLEDGE THAT THE FOREGOING FRANCHISE AGREEMENT MUST BE EXECUTED PRIOR TO OR CONTEMPORANEOUS WITH THIS DATA SHEET FOR ANY RIGHTS TO BE CONFERRED.

IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit to the Franchise Agreement on this ____ day of __________, 20____.

FRANCHISOR:

UPGRADE LABS FRANCHISE, INC.

By: ______________________________

Name: ____________________________

Title: ____________________________

Date: ____________________________

FRANCHISEE:

[NAME OF FRANCHISEE]

By: ______________________________

Name: ____________________________

Title:_____________________________

Date: ____________________________

EXHIBIT B TO THE FRANCHISE AGREEMENT

GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Upgrade Labs Franchise Agreement dated as of ______________________ ("**Agreement**") by Upgrade Labs Franchise, Inc. ("**Franchisor**"), entered into with ___________________________ ("**Franchisee**"), the undersigned ("**Guarantors**") hereby personally and unconditionally agree as follows:

1. Guarantee To Be Bound By Certain Obligations. Guarantors hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that each will be personally bound by the covenants and restrictions contained in Sections 7 (Manuals and Confidential Information) and 14 (Covenants) of the Agreement.

2. Guarantee and Assumption of Franchisee's Obligations. Guarantors hereby: (1) guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that Franchisee and any assignee of Franchisee's interest under the Agreement shall: (a) punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) punctually pay all other monies owed to Franchisor and/or its affiliates; (2) agree to be personally bound by each and every provision in the Agreement, including, without limitation, the provisions of Sections 7 (Manuals and Confidential Information), 14 (Covenants) and 10.C (Indemnification); and (3) agree to be personally liable for the breach of each and every provision in the Agreement.

3. General Terms and Conditions. The following general terms and conditions shall apply to this Guarantee:

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right s/he may have to require that an action be brought against Franchisee or any other person as a condition of liability; (5) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guarantee by the undersigned; (6) any law or statute which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; (7) any and all other notices and legal or equitable defenses to which he may be entitled; and (8) any and all right to have any legal action under this Guarantee decided by a jury.

Each of the undersigned consents and agrees that: (1) her/his direct and immediate liability under this Guarantee shall be joint and several; (2) s/he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; (4) such liability shall not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Franchisee to Franchisor or its affiliates under the Agreement; and (5) monies received from any source by Franchisor for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by Franchisor. In addition, if any of the undersigned ceases to be an officer or director of Franchisee or own any interest in Franchisee or the Franchised Center, that person (and his or her spouse, if the spouse is also a guarantor) agrees that the obligations under this Guarantee shall continue to remain in force and effect unless Franchisor in its sole discretion, in writing, releases those person(s) from this Guarantee. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Section 14 (Covenants) of the Agreement shall remain in force and effect for a period of two (2) years after any such release by Franchisor. A release by Franchisor of any of the undersigned shall not affect the obligations of any other Guarantor.

If Franchisor brings an action to enforce this Guarantee in a judicial proceeding, the prevailing party in such proceeding shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. In any judicial proceeding, these costs and expenses shall be determined by the court and not by a jury.

If Franchisor utilizes legal counsel (including in-house counsel employed by Franchisor or its affiliates) in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

If any of the following events occur, a default ("Default") under this Guarantee shall exist: (1) failure of timely payment or performance of the obligations under this Guarantee; (2) breach of any agreement or representation contained or referred to in this Guarantee; (3) the dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against, any of the undersigned; and/or (4) the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any of the undersigned. If a Default occurs, the obligations of the undersigned shall be due immediately and payable without notice. Upon the death of one of the undersigned, the estate shall be bound by this Guarantee for all obligations existing at the time of death. The obligations of the surviving Guarantors shall continue in full force and effect.

This Guarantee shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Franchisor's interests in and rights under this Guarantee are freely assignable, in whole or in part, by Franchisor. Any assignment shall not release the undersigned from this Guarantee.

Section 19 (Enforcement) of the Agreement is incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee shall have the meaning given them in the Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his or her signature, under seal.

GUARANTORS:

Date: ______________________ ______________________________________

Print Name: ______________________________

Address: _________________________________

Date: ______________________ ______________________________________

Print Name: ______________________________

Address: _________________________________

Date: ______________________ ______________________________________

Print Name: ______________________________

Address: _________________________________

EXHIBIT C TO THE FRANCHISE AGREEMENT

FORM OF ADDENDUM TO LEASE

THIS ADDENDUM is executed as of this ___ day of __________, ______, by and between ______________________________(“**Tenant**”) and ______________________ (“**Landlord**”), as an addendum to the lease, as modified, amended, supplemented, renewed and/or extended from time to time as contemplated herein (“**Lease**”) for the premises located at ____________________, State of __________ (“**Premises**”) dated as of ___________, ____.

Tenant has entered into a Franchise Agreement (“**Franchise Agreement**”) with Upgrade Labs Franchise, Inc., (“**Franchisor**”) for the development and operation of a franchised Upgrade Labs Center at the Premises, and as a requirement thereof, the lease for the Premises must contain the provisions set forth in this Addendum.

Landlord and Tenant agree that the terms contained herein shall supersede any terms to the contrary set forth in the Lease.

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to Tenant. The notice address for Franchisor is set forth in Paragraph 11 below. Landlord shall not take any action to terminate the Lease or dispossess Tenant unless Landlord has given such notice to Franchisor, and Franchisor has either (A) notified Landlord that it will not exercise its rights under Paragraph 3 below, or (B) Franchisor fails to give notice under Paragraph 3 within ten (10) days of the later to occur of (i) Franchisor’s receipt of notice, or (ii) expiration of any notice and cure period applicable to such default available to Tenant under the Lease.

2. Tenant hereby assigns to Franchisor, with Landlord’s irrevocable and unconditional consent, all of Tenant’s right, title and interest to and under the Lease upon any termination or non-renewal of the Franchise Agreement, but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without renewal; (b) Franchisor has exercised its option to purchase the assets of the Upgrade Labs Center under the Franchise Agreement; and (c) Franchisor notifies Tenant and Landlord in writing that Franchisor assumes Tenant’s obligations under the Lease. Upon Franchisor’s giving of such notice, this assignment shall then be effective, and no further instrument or agreement of assignment shall be necessary.

3. Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Landlord and Tenant within ten (10) days of the later to occur of (a) receipt by Franchisor of any notice of default, or (b) expiration of any notice and cure period applicable to such default available to Tenant under the Lease, to cure any breach of the Lease and, if so stated in the notice, to also succeed to Tenant’s right, title and interest thereunder.

4. The Lease may not be modified, amended, supplemented, renewed, extended or assigned by Tenant without Franchisor’s prior written consent.

5. Tenant and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Section 2 or Section 3, above.

6. If Franchisor assumes the Lease, as provided above, Franchisor may, without Landlord's prior consent, but with notice to Landlord, further assign the Lease to another franchisee or licensee of Franchisor to operate the Upgrade Labs Center at the Premises provided that the following criteria are met: (a) Franchisor has an established franchising program for Upgrade Labs Centers; and (b) the proposed franchisee or licensee has met all of Franchisor's applicable program criteria and requirements and has executed Franchisor's standard franchise agreement. Landlord agrees to execute such further documentation to confirm its consent to the assignment permitted under this Addendum as Franchisor may reasonably request. Upon such assignment to a franchisee or licensee of Franchisor, Franchisor shall be released from any further liability under the terms and conditions of the Lease, provided, however, that this Addendum to Lease shall remain in full force and effect.

7. Landlord and Tenant hereby acknowledge that Tenant has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Premises for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its employees or agents. Landlord and Tenant hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Tenant is obligated to take certain steps under the Franchise Agreement to de-identify the Premises as an Upgrade Labs Center. Landlord agrees to permit Franchisor, its employees or agent, to enter the Premises and remove signs (both interior and exterior), décor and materials displaying any marks, designs or logos owned by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Premises as a result thereof.

8. Landlord and Tenant agree that if Landlord is an affiliate of or owns an interest in Tenant and Landlord proposes to sell the Premises, prior to the sale of the Premises, upon the request of Franchisor, this Lease shall be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the Upgrade Labs Center is located.

9. Tenant shall have the right from time to time during the term of this Lease to renovate and remodel the Premises so as to comply with requirements of Franchisor and to install and replace signs and advertising devises upon the Premises all of which shall be erected in such a way to conform with existing municipal building laws, ordinances and codes. In connection therewith, Tenant may renovate or remodel the Premises.

10. Franchisor, along with its successors and assigns, is an intended third party beneficiary of the provisions of this Addendum.

11. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor as follows:

Upgrade Labs Franchise, Inc.
Attn: Legal Department
1742 Emerald Cove Circle
Cape Coral, Florida 33991

or such other address as Franchisor shall specify by written notice to Landlord.

12. Under the Franchise Agreement, any lease for the location of an Upgrade Labs Center is a subject to Franchisor's approval. Accordingly, unless the Lease, in final form to be signed, has been pre-approved in writing by Franchisor, the Lease is contingent upon such approval.

WITNESS the execution hereof under seal.

LANDLORD:_____________________	TENANT:_____________________
NAME: _____________________	NAME: _____________________
TITLE:_____________________	TITLE: _____________________
DATE: _____________________	DATE: _____________________
Subscribed and sworn to before me this ___ day of ______________, _____.	Subscribed and sworn to before me this ____ day of ____________, ____.
________________________________ Notary Public	________________________________ Notary Public
My Commission expires: __________	My Commission expires: __________

EXHIBIT D TO THE FRANCHISE AGREEMENT

EFT AUTHORIZATION FORM

Bank Name: ____
ABA# : ____
Acct. No.: ____
Acct. Name: ____

Effective as of the date of the signature below, **[Franchisee Name]** (the "Franchisee") hereby authorizes Upgrade Labs Franchise, Inc. (the "Company") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Company or its affiliates under the franchise agreement dated ________________(the "Franchise Agreement") for the Upgrade Labs Center located at: _________________________________ (the "Franchised Center"): (i) all Royalty Fees; (ii) Fund Contributions; (iii) any amounts due and owing the Company or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Company or its affiliates; and (iv) all other fees and amounts due and owing to Company or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Company (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a weekly basis, or on such other schedule as Company shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Company. **[Franchisee Name]** shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

FRANCHISEE

[INSERT FRANCHISEE NAME]

By: ___________________________________

Name (Print): ___________________________

Its: ____________________________________

FRANCHISOR APPROVAL

UPGRADE LABS FRANCHISE, INC.

By: ______________________________

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

EXHIBIT E TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

(for trained employees, officers, directors, general partners, members, Designated Managers and any other management personnel of Franchisee)

In consideration of my being a [INSERT TITLE/ROLE WITH FRANCHISEE] of ____________ ____________ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from Upgrade Labs Franchise, Inc. (the "Company") to: (i) establish and operate a franchised Upgrade Labs Center (the "Franchised Center"); and (ii) use in the operation of the Franchised Center the Company's trade names, trademarks and service marks (collectively, the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of Upgrade Labs Centers (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: __________________________________(the "Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the Franchised Center and System generally, including without limitation: Company's proprietary and confidential Operations Manual and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Center (collectively, the "Manual"); the Company's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Center; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Center and other Upgrade Labs Centers; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Center; and any techniques, methods and know-how related to the operation of Upgrade Labs Centers or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As [INSERT TITLE WITH RESPECT TO FRANCHISEE] of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manual, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Center during the term hereof, and the use or duplication of the Confidential Information, in whole or in part, for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as [INSERT TITLE] of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such

information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. I will surrender any material containing some or all of the Confidential Information to the Company, upon request, or upon conclusion of the use for which the information or material may have been furnished.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, or other business entity: (i) own an interest in, maintain, operate, engage in, be employed by or serve as an officer, director, manager, employee, consultant, representative, or agent for, lend money or extend credit to, lease or sublease space to, or have any interest in or involvement with, any other business that (a) offers or provides adaptive cardio, neurofeedback, PEMF, and many other technologies intended to supercharge clients' bodies, minds and spirits, and/or the other types of Approved Products and Services offered by an Upgrade Labs Center (each, a "Competing Business"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; or (ii) divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

7.1 *Post-Term Restrictive Covenant for Designated Manager of Franchised Center or Managers/Officers/Directors of Franchisee*. In the event I am a manager of the Franchised Center, or an officer/director/manager/partner of Franchisee that has not already executed a personal guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of two (2) years after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a twenty five (25) mile radius of the Premises; or (ii) within a twenty five (25) mile radius of any other Upgrade Labs Center that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location, or undertake any action to divert business from the Franchised Center to any Competing Business or solicit any of the former customers of Franchisee for any competitive business purpose, during this two (2) year period following the termination or expiration of my employment with the Franchisee.

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

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. I agree to pay the Franchisee and the

Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. I shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

12. Franchisee shall make all commercially reasonable efforts to ensure that I act as required by this Agreement.

13. Any failure by the Company to object to or take action with respect to any breach of this Agreement by me shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by me.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA AND I HEREBY IRREVOCABLY SUBMIT MYSELF TO THE JURISDICTION OF THE STATE COURT CLOSEST TO THE COMPANY'S THEN-CURRENT HEADQUARTERS. I HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. I HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ME IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY FLORIDA OR FEDERAL LAW. I FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE ONE OF THE COURTS DESCRIBED ABOVE IN THIS SECTION; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, THE COMPANY MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

15. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which the Company is a part, I expressly agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

16. This Agreement contains the entire agreement of the parties regarding the subject matter of this Agreement. This Agreement may be modified only by a duly authorized writing executed by all parties.

17. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, to the respective party at the following address unless and until a different address has been designated by written notice. The notice shall be addressed to (a) the Company at Upgrade Labs Franchise, Inc., 1742 Emerald Cove Circle, Cape Coral, Florida 33991; and (b) to me at the address listed with my signature below. Any notices sent by personal delivery shall be deemed given upon receipt. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business

days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties.

18. The rights and remedies of the Company under this Agreement are fully assignable and transferable and inure to the benefit of its respective parent, successor and assigns.

IN WITNESS WHEREOF, this Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: ______________________________

Name: ______________________________

Home Address: ______________________________

____

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: ______________________________

Name: ______________________________

Title: ______________________________

EXHIBIT F TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

1. ____________________, doing business as an Upgrade Labs Center (the "Assignor"), in exchange for valuable consideration provided by Upgrade Labs Franchise, Inc. ("Assignee"), receipt of which is hereby acknowledged, hereby conditionally assigns to Assignee all telephone numbers and domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its Upgrade Labs Center located at ______________________________ (collectively, the "Assigned Property"). The Assigned Property includes the following:

Telephone Number(s): ____
Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): ________________
____.

2. The conditional agreement will become effective automatically upon termination, expiration of Assignor's franchise agreement with Assignee. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of the Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company or domain name registrar to effectuate this agreement, and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

ASSIGNOR:

[Insert Assignor Name]

BY: ____________________________________ Date: __________________

NAME: :_________________________________

TITLE:__________________________________

ASSIGNEE:

UPGRADE LABS FRANCHISE, INC.

BY: ____________________________________ Date: __________________

NAME: :_________________________________

TITLE:__________________________________

EXHIBIT C

DEVELOPMENT AGREEMENT

UPGRADE LABS

UPGRADE LABS DEVELOPMENT AGREEMENT

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UPGRADE LABS DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of ____________________ ("Effective Date,") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation with its principal place of business at 1742 Emerald Cove Circle, Cape Coral, Florida 33991 ("Franchisor") and _______________, a [resident of] [corporation organized in] [limited liability company organized in] with its principal place of business at ____________________ ("Developer").

RECITALS

A. Franchisor and its affiliates, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system ("System") related to the establishment, development, opening, and operation of a business that features certain products and non-invasive treatments such as adaptive cardio, neurofeedback, pulsed electromagnetic field therapy ("PEMF"), and many other technologies intended to supercharge clients' bodies, minds and spirits provided to clients in a spa-like setting (the "Approved Products and Services") provided to clients by trained staff (each, an "Upgrade Labs Center" or "Center").

B. The System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: proprietary methodology and procedures for the establishment and operation of a Center; site selection guidance and criteria; specifications for the design, layout and construction of the interior of the Center; standards and specifications for the furniture, fixtures and equipment located within a Center; established relationships with approved or designated suppliers for certain products and services; and standards and specifications for sales techniques, merchandising, marketing, advertising, inventory management systems, advertising, bookkeeping, sales and other aspects of operating a Center. Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion.

C. The System and the Centers are identified by the mark UPGRADE LABS®, as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor may modify, update, supplement or substitute in the future (collectively, the "Proprietary Marks"). Franchisor has established substantial goodwill and business value in its Marks, expertise and System, and such goodwill inures solely to the benefit of Franchisor and its affiliates.

D. Franchisor grants qualified third parties the right to develop multiple Upgrade Lab Centers within a defined geographical area (the "Development Area") in accordance with a development schedule that must be strictly adhered to, with each Center within the Development Area being opened and operating utilizing the Proprietary Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor's then-current franchise agreement (each, a "Franchise Agreement").

E. Developer recognizes the benefits from receiving the right to operate a Center and desires to become a multi-unit Upgrade Labs Center operator subject to the terms of this Agreement and receive the benefits provided by Franchisor under this Agreement.

F. Developer has applied for the right to open and operate multiple Centers within the Development Area as set forth in this Agreement, and Franchisor has approved such application in reliance on Developer's representations made therein.

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

AGREEMENT

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

GRANT OF DEVELOPMENT RIGHTS

Development Rights.

Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish a specified number of franchised Centers (the "Franchised Centers") as indicated in Exhibit A and within the Development Area defined in Exhibit A to this Agreement, provided Developer opens and commences operations of such Centers in strict accordance with the mandatory development schedule also set forth in Exhibit A (the "Development Schedule") and otherwise subject to the terms and conditions set forth in this Agreement. During the term of this Agreement and except as provided herein, Franchisor will not open or operate, or license any third party the right to open or operate, any Centers within the Development Area.

Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Proprietary Marks or System. This Agreement only gives Developer the opportunity to enter into Franchise Agreements for the operation of Centers at locations approved by Franchisor in the Development Area. Each Center developed pursuant to this Agreement shall be established and operated in strict accordance with a separate Franchise Agreement. Developer has no right to use the Proprietary Marks in connection with any business other than a Center operating under a license contained in a Franchise Agreement. Franchisor and its affiliates retain all rights not granted by this Agreement.

Reserved Rights. Notwithstanding anything contained in Section 1.01 or otherwise in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) establish and operate, and license any third party the right to establish and operate, Centers using the Proprietary Marks and System at any location outside of the Development Area; (ii) market, offer and sell products and services that are similar to the products and services offered by Centers under a different trademark or trademarks at any location, within or outside the Development Area; (iii) use the Proprietary Marks and System, and other such marks Franchisor may designate, to distribute the Approved Services and/or Approved Products, or similar products and services to those offered at Centers, in any alternative channel of distribution, within or outside the Development Area (including through the Internet, mail order, catalog sales, toll-free numbers, traditional retail outlets, wholesale stores, etc.); (iv) acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Services (but under different marks), within or outside the Development Area; (v) establish and operate, and license any other party the right to establish and operate, businesses using the Proprietary Marks and System in the Development Area that are located in "Non-Traditional Sites" including, but not limited to, amusement parks, military bases, college campuses, hospitals, airports, train and other transportation centers, sports arenas and stadia and any other kind of captive venue, travel plazas, toll roads, and casinos, both within or outside the Development Area; and (vi) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited in this Agreement.

No Subfranchising Rights. This Agreement does not give Developer any right to franchise or subfranchise others to operate Upgrade Labs Centers. Only Developer may develop, open, and operate the Franchised Centers contemplated by this Agreement and only pursuant to signed Franchise Agreements.

Forms of Agreement. Developer acknowledges that, over time, Franchisor has entered, and will continue to enter, into agreements with other developers that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Franchisor and its affiliates and other developers may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

Best Efforts. Developer agrees that it will at all times faithfully, honestly and diligently perform its obligations under this Agreement, that it will continuously exert its best efforts to develop, promote and enhance the business of the Franchised Centers and that it will not engage in any other business or activity that may conflict with its obligations under this Agreement, except the operation of other Upgrade Lab Centers.

DEVELOPMENT FEE

Developer shall pay Franchisor a development fee in the amount of Sixty Five Thousand Dollars ($65,000) for each Franchised Center you agree to develop within the Development Area under this Agreement (the "Development Fee"). The total Development Fee paid by you is set forth on Exhibit A. The Development Fee is deemed fully earned upon payment and is not refundable under any circumstances and is payable in full immediately upon execution of this Agreement. We will apply a credit in the amount of the Development Fee paid for each Franchised Center against the initial franchise fee that is due under the Franchise Agreement for each Franchised Center.

INITIAL FRANCHISE AGREEMENT

Contemporaneous with the execution of this Agreement, Developer must enter into Franchisor's current form of Franchise Agreement (the "Initial Franchise Agreement") for the first Franchised Center that Developer is required to open within the Development Area. Developer's owners, and each of their spouses, if applicable, must each execute the form of Guarantee, Indemnification and Acknowledgement attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.

ADDITIONAL FRANCHISE AGREEMENTS

Developer agrees and acknowledges that it must: (i) enter into Franchisor's then-current form of Franchise Agreement for each additional Franchised Center that Developer is required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times that are required for Developer to timely meet, and strictly adhere to, its obligations under the agreed upon Development Schedule. Notwithstanding anything to the contrary in any Franchise Agreement that is signed for each additional Franchised Center, Franchisor is not required to provide the Franchise Training Program or Pre-Opening Sales Program to Developer or its personnel. For the second Franchised Center developed by Developer, Franchisor shall provide a prescribed training refresher course for Developer's Key Owner and Designated Manager at least thirty (30) days before the opening of the Franchised Center. Developer will be responsible for all expenses incurred in connection with attending this refresher training. Thereafter, Developer shall be responsible for training its personnel who will manage and operate its Franchised Centers.

DEVELOPMENT OBLIGATIONS

Developer must ensure that, at a minimum, Developer: (i) opens and commences operations of the required number of new Franchised Centers during each development period set forth in the Development Schedule (each, a "Development Period"); and (ii) has the minimum cumulative number of Franchised Centers open and operating at the expiration of each Development Period. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule is grounds for immediate termination of this Agreement (and any future development rights granted hereunder).

DEVELOPER'S ORGANIZATION AND MANAGEMENT

Developer's Organization

If Developer is a legal entity such as a corporation, a limited liability company or a partnership, Developer makes the following representations and warranties: (a) Developer is duly organized and validly existing under the laws of the state of its formation; (b) Developer is qualified to do business in the state or states in which the Development Area is located; (c) execution of this Agreement and the development and operation of the Franchised Centers is permitted by Developer's governing documents; and (d) unless waived in writing by Franchisor, Developer's articles of incorporation, articles of organization or written partnership agreement shall at all times provide that Developer's activities are limited exclusively to the development and operation of the Franchised Centers.

If Developer is individual, or a partnership comprised solely of individuals, Developer makes the following additional representations and warranties: (a) each individual has executed this Agreement; (b) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (c) notwithstanding any transfer to a business entity, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

Ownership Interests. If Developer is a business entity, all interests in Developer are owned as set forth in Exhibit B. Developer must comply with Section 9 prior to any change in ownership interests and must sign addenda to Exhibit B as changes occur in order to ensure the information contained in the Exhibit B is true, accurate and complete at all times.

Governing Documents. Upon request by Franchisor, Developer shall promptly deliver to Franchisor, as applicable, true and complete copies of the articles or certificate of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to Developer's ownership, organization, capitalization, management and control and all amendments thereto. When any of these governing documents are modified or changed, Developer promptly shall provide copies to Franchisor. If Developer is a corporation, Developer shall maintain stop transfer instructions against the transfer on the records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the Upgrade Labs Development Agreement and Franchise Agreement(s) to which the corporation is a party." If Developer is a limited liability company, each membership or management certificate shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the Upgrade Labs Development Agreement and Franchise Agreement(s) to which the limited liability company is a party." If Developer is a partnership, Developer's written partnership agreement shall provide that ownership of an interest in the partnership is held, and that further assignment or transfer thereof, is subject to all restrictions imposed on assignment by this Agreement and any Franchise Agreement(s) to which the partnership is a party.

TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

Confidentiality. Developer acknowledges that Franchisor shall disclose trade secrets and other confidential information to Developer as a result of guidance furnished to Developer during the term of this Agreement. Developer shall not acquire any interest in the trade secrets or other confidential information, other than the right to use it in the development and operation of the Franchised Centers and in performing its duties during the term of this Agreement. Developer acknowledges that the use or duplication of the trade secrets or other confidential information in any other business venture would constitute an unfair method of competition. Developer acknowledges that the trade secrets and other confidential information are proprietary and are disclosed to Developer solely on the condition that Developer and all holders of a legal or beneficial interest in Developer (and any member of their immediate families or households), and all officers, directors, executives, managers, and members of the professional staff of Developer, and all employees and independent contractors of Developer who have access to trade secrets or other confidential information: (i) shall not use the trade secrets or other confidential information in any other business or capacity; (ii) shall maintain the absolute confidentiality of the trade secrets and other confidential information during and after the term of this Agreement; (iii) shall not make any unauthorized copies of any portion of the trade secrets or other confidential information disclosed in written or other tangible form; and (iv) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the trade secrets and other confidential information. Developer shall enforce this Section 7.A as to its employees, independent contractors, agents, and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of trade secrets or other confidential information by any of them.

Improvements. Developer agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Developer or its employees or agents that are in any way related to the establishment or operation of the Franchised Center (collectively, the "Improvements"), all of which shall be automatically and without further action owned by Franchisor without compensation to Developer (including all intellectual property rights therein). Whenever requested to do so by Franchisor, Developer will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Developer hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

COVENANTS

Acknowledgements of Developer. Developer acknowledges that, as a participant in the System, Developer will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Developer agrees to the covenants in this Section to protect Franchisor, the System, the Proprietary Marks and Franchisor's other developers and franchisees.

During the Term of this Agreement. During the term of this Agreement, neither Developer nor its owners, nor any spouse or immediate family member of Developer or its owners, shall, directly or in-directly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation, limited liability company, or other business entity: (i) own a interest in, maintain, operate, engage in, be employed or serve as an officer, director, manager, employee, consultant, representative, or agent for, lend money or extend credit to, lease or sublease space to, or have any interest in or involvement with, any other business that (a) offers or provides adaptive cardio, neurofeedback, PEMF, and many other technologies intended to supercharge clients' bodies, minds and spirits, and/or the other types of Approved Products and Services offered by a Center (each, a "Competing Business"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; or (ii) divert, or attempt to divert, any prospective customer to a Competing Business in any manner. For purposes of this Agreement, a Competing Business does not include: (i) any business operated by Developer or its affiliates under a Franchise Agreement with Franchisor; or (ii) any business operated by a publicly-traded entity in which a person or entity owns less than two percent (2%) legal or beneficial interest. During the term of this Agreement, there is no geographical restriction on the covenants contained in this Section.

After the Term of this Agreement. For a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause, neither Developer nor any nor its owners or guarantors, nor any spouse or immediate family member of Developer, its owners or guarantors shall, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation, limited liability company, or other business entity: (a) own a interest in, maintain, operate, engage in, be employed or serve as an officer, director, manager, employee, consultant, representative, or agent for, lend money or extend credit to, lease or sublease space to, or have any interest in or involvement with, any Competing Business located (i) within the Development Area; and (ii) within a twenty-five (25) mile radius of: (x) the Development Area; or (y) any other Upgrade Labs Center that is open, under lease or otherwise under development as of the date this Agreement expires or is terminated; or (b) solicit business from customers of Developer's Franchised Centers or contact any of Franchisor's suppliers or vendors for any competitive business purpose.

Intent and Enforcement. It is the parties' intent that the provisions of this Section 8 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 8, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Developer acknowledges that the covenants contained herein are necessary to protect the goodwill of other System franchisees and the System. Developer further acknowledges that covenants contained in this Section 8 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Developer agrees that in the event of the actual or threatened breach of this Section 8, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Developer acknowledges and agrees on Developer's own behalf and on behalf of the persons who are liable under this Section 8 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 8 in no way prevent any such person from earning a living. Developer further acknowledges and agrees that the time limitation on the restrictive covenants set forth in Section 8.C shall be tolled during any default under this Section 8.

Contracts and Activity. To verify compliance with this Section 8, at any time and upon request of Franchisor, Developer shall provide Franchisor with a copy or summary listing, at Franchisor's discretion, of all current contracts, listings, agreements, and projects that Developer is involved in or working with.

Confidentiality and Non-Competition Agreement. Developer must ensure that all officers and directors of Developer, execute Franchisor's then-current form of Confidentiality and Non-Competition Agreement (which will be in substantially the same form as the Confidentiality and Non-Competition Agreement attached to the Initial Franchise Agreement). Developer must furnish Franchisor a copy of each executed agreement.

No Defense. Developer hereby agrees that the existence of any claim Developer may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 8. Developer agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 8.

TRANSFER

No Transfer by Developer Without Franchisor's Approval. Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted in this Agreement without Franchisor's prior written consent, which may be withheld in its sole discretion.

Ownership. In addition to those acts described in Section 9.A, a transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Developer is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Developer's voting stock or any increase in the number of outstanding shares of Developer's voting stock which results in a change of ownership, (ii) if Developer is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Developer is a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company. Notwithstanding the foregoing, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer according to the same terms and conditions as provided in Developer's Initial Franchise Agreement.

Franchisor's Right to Transfer. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

TERM

This Agreement will commence as of the date it is fully executed and, unless earlier terminated by Franchisor, will end on the earlier of: (i) the date that the final Franchised Center is required to be opened and operating under the Development Schedule; or (ii) the date that the final Franchised Center is opened. Upon expiration or termination of this Agreement for any reason, Developer will not have any rights within the Development Area other than the territorial rights granted in connection with any Franchised Centers that Developer has opened and commenced operating as of the date this Agreement is terminated or expires (under the respective Franchise Agreements that Developer entered into for such Franchised Centers).

TERMINATION

Automatic Termination. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. Developer becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

2. A petition in bankruptcy is filed by Developer or such a petition is filed against and consented to by Developer and not dismissed within thirty (30) days;

3. A bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian in connection with Developer or any Franchised Center (or the assets of any Franchised Center) is filed and consented to

by Developer;

4. A receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed;

5. A final judgment in excess of One Hundred Thousand Dollars ($100,000.00) against Developer remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Developer may provide Developer with additional time to satisfy the judgment if Developer demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or

6. Developer attempts to sell, transfer, encumber or otherwise dispose of any interest in Developer or this Agreement in violation of Section 9 of this Agreement.

Termination upon Notice. Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events:

if Developer ceases to actively engage in development activities in the Development Area or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an intent by Developer to discontinue development of the Franchised Centers within the Development Area;

if Developer fails to meet its development obligations under the Development Schedule for any single Development Period; and

if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

Effect of Expiration or Termination. Upon expiration or termination of this Agreement (regardless of the reason for termination):

Any and all rights granted to Developer under this Agreement will immediately terminate; however, Developer will not be relieved of any of its obligations, debts or liabilities under this Agreement, including, without limitation, any debts, obligations or liabilities which have accrued before such termination.

Developer will have no further rights to develop and open Franchised Centers in the Development Area, except that Developer may develop and open any Franchised Centers for which Developer has executed Franchise Agreements prior to the date of expiration or termination of this Agreement and continue to operate Franchised Centers that are open and operating as of the date this Agreement expires or terminates.

Franchisor and its affiliates will have the right to operate, and authorize others to operate, Centers located within the Development Area and continue to engage, and grant to others the right to engage, in any activities that Franchisor and its affiliates desire within the Development Area without any restrictions whatsoever, subject only to Developer's rights under existing Franchise Agreements.

Franchisor shall retain the Development Fee payable pursuant to Section 2 of this Agreement.

No Waiver. Termination of this Agreement by Franchisor shall not constitute an election of remedies by Franchisor. The exercise of the rights granted under this Section 11 are in addition to, and not in lieu of, any and all other rights and remedies available to us at law, in equity or otherwise, including without limitation the right to an injunction as set forth in Section 12 (which incorporates Section 19 of the Initial Franchise Agreement), all of which are cumulative.

INCORPORATION OF OTHER TERMS

Sections 10.C. (Indemnification), 11 (Independent Contractor), 19 (Enforcement), 22 (Severability and Construction) and 23 (Acknowledgments) of the Initial Franchise Agreement are incorporated by reference in this Agreement and will govern all aspects of this Agreement and the relationship of the parties to this Agreement as though fully restated within the text of this Agreement.

ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties with respect to the matters herein and supersedes all previous agreements and understandings between the parties in any way relating to the subject matter hereof. It is expressly understood and agreed that Franchisor has made no representations, inducements, warranties, or promises, whether direct, indirect or collateral, expressed or implied, oral or otherwise, concerning this Agreement, the matters herein, the Franchised Centers or concerning any other matters which are not embodied herein. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to and executed by Developer and Franchisor's authorized officers or agents in writing. Nothing in this or any related agreement is intended to disclaim the representations Franchisor made in the latest franchise disclosure document that Franchisor furnished to Developer.

NOTICES

Any notice required to be given hereunder shall be in writing and shall be either delivered personally, mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor:	Upgrade Labs Franchise, Inc. Attn: Legal Department 1742 Emerald Cove Circle Cape Coral, Florida 33991
To Developer:	The address set forth in Exhibit A.

Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; (ii) the actual date of delivery in person; or (iii) the actual day of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address.

COUNTERPARTS AND TRANSMISSION

This Agreement may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the Effective Date noted below.

FRANCHISOR:	**DEVELOPER:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF DEVELOPER]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title:______________________________
Effective Date: ____________________	Date: _____________________________

EXHIBIT A TO DEVELOPMENT AGREEMENT

DEVELOPMENT INFORMATION

1. **Developer:** ____

2. **Developer's Notice Address:** ____

3. **Development Fee: [$65,000 x No. of Centers]** ______________________________________

4. **Development Area.** The Development Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas:

5. **Development Schedule.** Developer agrees to sign Franchise Agreements for and to open ____________ (__) new Franchised Centers within the Development Area (including the Franchised Center governed by the Initial Franchise Agreement) according to the following Development Schedule:

Development Period	Expiration Date	Number of New Centers Developer Must Open in Development Area	Cumulative Number of Centers Developer Must Have Open Within Development Area
First			
Second			
Third			

FRANCHISOR:

UPGRADE LABS FRANCHISE, INC.

By: ______________________________

Name: ____________________________

Title: _____________________________

Effective Date: ____________________

DEVELOPER:

[NAME OF DEVELOPER]

By: ______________________________

Name: ____________________________

Title:______________________________

Date: _____________________________

EXHIBIT B TO DEVELOPMENT AGREEMENT

STATEMENT OF OWNERSHIP

Form of Ownership. Developer is a ____________ incorporated or formed on ____________ in the state of _______________.

Owners. The following list includes the full name of each person who is an owner of a legal or beneficial interest in Developer, and fully describes the nature of each owner's interest (attach additional pages if necessary).

Name	Home Address	Percentage and Description of Ownership Interest

EXHIBIT D

FINANCIAL STATEMENTS

UPGRADE LABS FRANCHISE, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2021

UPGRADE LABS FRANCHISE, INC
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AKIVA MANNE
CERTIFIED PUBLIC ACCOUNTANT
905 HARRISON ST ALLENTOWN, PA 18103

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Upgrade Labs Franchise, Inc.

Opinion

We have audited the financial statements of Upgrade Labs Franchise, Inc., which comprises the balance sheet as of December 31, 2021, and the related statement of operations, changes in shareholders' (deficit), and cash flow for the period of July 21, 2021 (inception) to December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Upgrade Labs Franchise, Inc., as of December 31, 2021, and the results of its' operations and its' cash flow for the for period of July 21, 2021 (inception) to December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Upgrade Labs Franchise, Inc.'s internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Upgrade Labs Franchise, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Akiva Manne CPA
Allentown PA
April 28, 2022

UPGRADE LABS FRANCHISE, INC
BALANCE SHEET
DECEMBER 31, 2021

ASSETS

Current Assets	
Cash	$ 70,952
Prepaid expenses	2,500
Total Assets	$ 73,452

LIABILITIES AND SHAREHOLDERS' (DEFICIT)

Current Liabilities	
Accounts payable and accrued expenses	$ 31,495
Due to related parties	223,502
Deferred franchise fees	15,600
Total Current Liabilities	270,597
Deferred franchise fees, net of current	49,400
Shareholders' (Deficit)	$ (246,545)
Total Liabilities and Shareholders' (Deficit)	$ 73,452

See notes to financial statements

UPGRADE LABS FRANCHISE, INC.
STATEMENT OF SHAREHOLDERS' (DEFICIT)
JULY 21, 2021 (INCEPTION) THROUGH DECEMBER 31, 2021

	Common Stock	Additional Paid in Capital	Retained Earnings	Total
Opening Balance	$ —	$ —	$ —	$ —
Net (Loss)			(496,545)	(496,545)
Shareholders' Contributions		250,000		250,000
Ending Balance	$ —	$ 250,000	$ —	$ (246,545)

See notes to financial statements

UPGRADE LABS FRANCHISE, INC
STATEMENTS OF OPERATIONS and SHAREHOLDER'S (DEFICIT)
JULY 21, 2021 (INCEPTION) THROUGH DECEMBER 31, 2021

Revenues	**$ —**
Operating Expenses	**496,545**
Net (Loss)	**(496,545)**
Shareholders' Equity - Beginning	**—**
Shareholders' Contributions	**250,000**
Shareholders' (Deficit) - Ending	**$ (246,545)**

See notes to financial statements

UPGRADE LABS FRANCHISE, INC
STATEMENTS OF CASH FLOWS
JULY 21, 2021 (INCEPTION) THROUGH DECEMBER 31, 2021

Cash Flows from Operating Activities:	
Net (Loss)	**$ (496,545)**
Adjustments to reconcile net loss to net cash	
(used) by operating activities:	
Changes in assets and liabilities	
Prepaid expenses	**(2,500)**
Accounts payable and accrued expenses	**31,495**
Due to related parties	**223,502**
Deferred franchise fees	**65,000**
	(179,048)
Cash Flows from Investing Activities	
Shareholders' Contributions	**250,000**
Net Increase in Cash	**70,952**
Cash - Beginning of Year	**—**
Cash - End of Year	**$ 70,952**

See notes to financial statements

1. THE COMPANY

Upgrade Labs Franchise, Inc. is a Delaware corporation formed on April 16, 2021. The Company offers a franchise for the right to own and operate a distinctive Center that operates under the Upgrade Labs mark and features non-invasive treatments such as adaptive cardio, neurofeedback, PEMF, and many other technologies, provided to clients in a spa-like setting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting*-**The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

***Franchise Arrangements*-**The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate an Upgrade Labs Franchise for a specified number of years.

***Concentration of Credit Risk*-**Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of $250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

***Use of Estimates*-**The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes-The Company is a "C" corporation for income tax purposes. There was no accrued liability for taxes payable at December 31, 2021. The Company elected not to recognize any deferred tax assets due to uncertainty if the Company will benefit from a tax asset.

3. REVENUE RECOGNITION

The Company records revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations are recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation are amortized over the life of the related franchise agreements. Commissions paid for franchises are amortized over the life of the franchise agreement. The Company adopted ASC-606 and ASU 2021-02 since inception in July 2021.

4. DEFERRED FRANCHISE FEES

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606"), the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2021, were $65,000.

5. SHARED SERVICES AGREEMENTS

During the year the Company relied on the support from two related party companies (the "Shared Service Providers") for management and back-office support services, such as, but not limited to, strategic planning, legal and tax compliance, human resources, accounting and financial statement preparation, and etc.

For the provision of management and back-office services all related parties are charged for the Shared Services Providers costs of providing the services, plus a markup of ten and five percent, respectively. Markups for the services was determined through a transfer pricing study and is consistent with the arm's length standard. The costs incurred by the Shared Services Providers in providing management services are allocated according to effort that went into supporting the related party, whereas, back-office services are allocated according to the entity's share of revenue, which would reasonably capture consumption of the services.

During the period ended December 31, 2021, the Company was charged $203,532 and $7,558 for management and back-office support services, respectively.

6. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through April 28, 2022, the date the financial statements were available to be issued.

Upgrade Labs Franchise, Inc.
Balance Sheet
As of March 31, 2022

ASSETS

Current Assets		
Cash	$	32,535
Prepaid expenses		11,663
Total Assets	$	44,198

LIABILITIES AND SHAREHOLDERS' (DEFICIT)

Current Liabilities		
Accounts payable and accrued expenses	$	33,625
Due to related parties		330,026
Deferred franchise fees		31,200
		394,851
Deferred franchise fees, net of current		98,800
Shareholders' (Deficit)	$	(449,453)
Total Liabilities and Shareholders' (Deficit)	$	44,198

Upgrade Labs Franchise, Inc.
Statement of Operations and Shareholders' (Deficit)
For the three months ending March 31, 2022

Revenues	$	-
Operating Expenses	$	202,908
Net (Loss)	$	(202,908)
Shareholders' Balance - Beginning	$	(246,545)
Shareholders' Contributions	$	-
Shareholders' (Deficit) - Ending	$	(449,453)

EXHIBIT E

STATE SPECIFIC ADDENDA

Illinois
Maryland
Minnesota
New York
North Dakota
Rhode Island
Washington

ADDENDUM TO THE UPGRADE LABS FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES

This Addendum to the Upgrade Labs Franchise Agreement dated __________________ ("**Franchise Agreement**") is entered into as of __________________ ("Effective Date") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**"Franchisor"**) and ________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Franchisee"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Illinois; **(B)** Franchisee is a resident of the State of Illinois; and/or **(C)** the Franchised Center will be located or operated in the State of Illinois.

2. The following sentence is added at the end of Section 21.A:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

3. The following sentence is added to the end of Section 21.E:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois.

4. The following paragraph is added at the end of Section 21.H:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: three (3) years of the violation, one (1) year after the franchisee becomes aware of the underlying facts or circumstances or ninety (90) days after delivery to the franchisee of a written notice disclosing the violation.

5. The following sentence is added to the end of Section 19:

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.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

8. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF FRANCHISEE]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title:_____________________________
Effective Date: ____________________	Date: _____________________________

ADDENDUM TO THE UPGRADE LABS DEVELOPMENT AGREEMENT
REQUIRED FOR ILLINOIS DEVELOPERS

This Addendum to the Upgrade Labs Development Agreement dated __________________ ("**Development Agreement**") is entered into as of __________________ ("Effective Date") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**"Franchisor"**) and ________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Developer"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Illinois; **(B)** Developer is a resident of the State of Illinois; and/or **(C)** the Development Area will be located or operated in the State of Illinois.

2. The following paragraphs are added at the end of Section 12:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois.

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: three (3) years of the violation, one (1) year after the franchisee becomes aware of the underlying facts or circumstances or ninety (90) days after delivery to the franchisee of a written notice disclosing the violation.

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.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

7. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

8. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**DEVELOPER:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF DEVELOPER]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title:______________________________
Effective Date: ____________________	Date: _____________________________

ADDENDUM TO THE UPGRADE LABS FRANCHISE AGREEMENT
<u>REQUIRED FOR MARYLAND FRANCHISEES</u>

This Addendum to the Upgrade Labs Franchise Agreement dated __________________ ("**Franchise Agreement**") is entered into as of __________________ ("Effective Date") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**"Franchisor"**) and _________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Franchisee"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Maryland; **(B)** Franchisee is a resident of the State of Maryland; and/or **(C)** the Franchised Center will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Section 3.A.(1) (Initial Franchise Fee):

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees including payments for goods and services owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement.

3. The following sentence is added to the end of Sections 2.B.5 (Renewal) and 12.E.3 (Transfer):

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The following sentence is added to the end of Section 21.E (Venue):

Notwithstanding the foregoing, Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following is added as Section 23.D (Representations):

Representations. Representations in this Agreement are not intended to, nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

6. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

7. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF FRANCHISEE]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title:_____________________________
Effective Date: ____________________	Date: _____________________________

ADDENDUM TO THE UPGRADE LABS DEVELOPMENT AGREEMENT
REQUIRED FOR MARYLAND DEVELOPERS

This Addendum to the Upgrade Labs Development Agreement dated __________________ ("**Development Agreement**") is entered into as of __________________ ("Effective Date") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**"Franchisor"**) and _________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Developer"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Maryland; **(B)** Developer is a resident of the State of Maryland; and/or **(C)** the Development Area will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Section 2 (Development Fee):

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all development fees and initial payments owed shall be deferred until the first Franchised Center under the Development Agreement opens.

3. The following sentence is added to the end of Section 12 (Incorporation of Other Terms):

Notwithstanding the foregoing, Developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Representations in this Agreement are not intended to, nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Development Agreement.

5. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

6. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**DEVELOPER:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF DEVELOPER]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title:______________________________
Effective Date: ____________________	Date: ______________________________

ADDENDUM TO THE UPGRADE LABS FRANCHISE AGREEMENT
<u>REQUIRED FOR MINNESOTA FRANCHISEES</u>

This Addendum to the Upgrade Labs Franchise Agreement dated ________________ ("**Franchise Agreement**") is entered into as of ________________ ("Effective Date") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**"Franchisor"**) and ________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Franchisee"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Minnesota; **(B)** Franchisee is a resident of the State of Minnesota; and/or **(C)** the Franchised Center will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Sections 2.B.5 and 12.E.3:

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. The following sentence is added to the end of Sections 2 and 15:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which requires, except in certain cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of franchise agreements.

4. The following sentence is added to the end of Section 19.B:

Franchisee may not consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

5. The following sentences are added to the end of Sections 21.A and 21.E:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

8. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF FRANCHISEE]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: ____________________________	Title:_____________________________
Effective Date: ____________________	Date: ____________________________

ADDENDUM TO THE UPGRADE LABS FRANCHISE AGREEMENT
<u>REQUIRED FOR MINNESOTA DEVELOPERS</u>

This Addendum to the Upgrade Labs Development Agreement dated ____________ ("**Development Agreement**") is entered into as of ____________ ("Effective Date") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**"Franchisor"**) and ____________, a ________ [*insert type of organization and delete these brackets*] formed in ________ [*insert state and delete these brackets*] (**"Developer"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Minnesota; **(B)** Developer is a resident of the State of Minnesota; and/or **(C)** the Development Area will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Sections 11:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which requires, except in certain cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of franchise agreements.

3. The following sentence is added to the end of Sections 12:

Developer will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

4. The following sentence is added to the end of Section 8.D, 11.D and 12:

Developer may not consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

5. The following sentences are added to the end of Sections 12:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

7. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

8. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**DEVELOPER:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF DEVELOPER]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title:_____________________________
Effective Date: ____________________	Date: _____________________________

ADDENDUM TO THE UPGRADE LABS FRANCHISE AGREEMENT
<u>REQUIRED FOR NEW YORK FRANCHISEES</u>

This Addendum to the Upgrade Labs Franchise Agreement dated _________________ (“**Franchise Agreement**”) is entered into as of _________________ (“Effective Date”) by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**“Franchisor”**) and ________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**“Franchisee”**).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of New York; **(B)** Franchisee is a resident of the State of New York; and/or **(C)** the Franchised Center will be located in the State of New York.

2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.

3. The following sentence is added to the end of Sections 2.B.5 and 12.E.3:

Any provision in this Agreement requiring Franchisee to sign a general release of claims against Franchisor does not release any claim Franchisee may have under New York General Business Law, Article 33, Sections 680-695.

4. The following sentence is added to Section 13.G:

Franchisor will not assign its rights under this Agreement, except to an assignee who in Franchisor’s good faith and judgment is willing and able to assume Franchisor’s obligations under this Agreement.

5. The following sentence is added to the end of Sections 14.D, 19.B, and 21.D:

Franchisor’s right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

6. The following sentence is added to the end of Section 21.A:

Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

9. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF FRANCHISEE]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title:______________________________
Effective Date: ____________________	Date: _____________________________

ADDENDUM TO THE UPGRADE LABS DEVELOPMENT AGREEMENT
REQUIRED FOR NEW YORK DEVELOPERS

This Addendum to the Upgrade Labs Development Agreement dated ___________________ ("**Franchise Agreement**") is entered into as of ___________________ ("Effective Date") by and between **UPGRADE LABS FRANCHISE, INC.**, a Delaware corporation (**"Franchisor"**) and _________________, a ___________ [*insert type of organization and delete these brackets*] formed in ____________ [*insert state and delete these brackets*] (**"Developer"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of New York; **(B)** Developer is a resident of the State of New York; and/or **(C)** the Development Area will be located in the State of New York.

2. Any provision in the Development Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.

3. The following sentence is added to Section 9.C.:

Franchisor will not assign its rights under this Agreement, except to an assignee who in Franchisor's good faith and judgment is willing and able to assume Franchisor's obligations under this Agreement.

4. The following sentence is added to the end of Sections 8.D, 11.D, and 12:

Franchisor's right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

5. The following sentence is added to the end of Section 12:

Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

7. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

8. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**DEVELOPER:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF DEVELOPER]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title:_____________________________
Effective Date: ____________________	Date: _____________________________

ADDENDUM TO THE UPGRADE LABS FRANCHISE AGREEMENT
<u>REQUIRED FOR NORTH DAKOTA FRANCHISEES</u>

This Addendum to the Upgrade Labs Franchise Agreement dated __________________ ("**Franchise Agreement**") is entered into as of __________________ ("Effective Date") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**"Franchisor"**) and ________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Franchisee"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of North Dakota; **(B)** Franchisee is a resident of the State of North Dakota; and/or **(C)** the Franchised Center will be located in the State of North Dakota.

2. Section 3.A.1 of the Franchise Agreement shall be amended by adding the following to the end of the Section:

Based upon Franchisor's financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement and you open the Franchised Center. Upon the opening of the Franchised Center, you shall pay all initial fees and payments to us.

3. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

5. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF FRANCHISEE]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title: _____________________________
Effective Date: ____________________	Date: _____________________________

ADDENDUM TO THE UPGRADE LABS DEVELOPMENT AGREEMENT
<u>REQUIRED FOR NORTH DAKOTA DEVELOPERS</u>

This Addendum to the Upgrade Labs Development Agreement dated ______________ ("**Development Agreement**") is entered into as of ______________ ("**Effective Date**") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**"Franchisor"**) and ____________, a ________ [*insert type of organization and delete these brackets*] formed in _________ [*insert state and delete these brackets*] (**"Developer"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of North Dakota; **(B)** Developer is a resident of the State of North Dakota; and/or **(C)** the Development Area will be located in the State of North Dakota.

2. Section 2 of the Development Agreement shall be amended by adding the following to the end of the Section:

Based upon Franchisor's financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, we will defer the payment of the Development Fee until the first Franchised Center that you develop under this Agreement opens for business. Upon the opening of the first Franchised Center, you will pay to us the Development Fee..

3. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

4. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

5. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**DEVELOPER:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF DEVELOPER]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: ____________________________	Title:______________________________
Effective Date: ____________________	Date: _____________________________

ADDENDUM TO THE UPGRADE LABS FRANCHISE AGREEMENT
<u>REQUIRED FOR RHODE ISLAND FRANCHISEES</u>

This Addendum to the Upgrade Labs Franchise Agreement dated _________________ ("**Franchise Agreement**") is entered into as of _________________ ("Effective Date") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**"Franchisor"**) and ________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Franchisee"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Rhode Island; **(B)** Franchisee is a resident of the State of Rhode Island; and/or **(C)** the Franchised Center will be located in the State of Rhode Island.

2. The following language is added to Sections 21.A and 21.E:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

5. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF FRANCHISEE]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: ____________________________	Title: ____________________________
Effective Date: ____________________	Date: ____________________________

ADDENDUM TO THE UPGRADE LABS DEVELOPMENT AGREEMENT
<u>REQUIRED FOR RHODE ISLAND DEVELOPERS</u>

This Addendum to the Upgrade Labs Development Agreement dated __________________ ("**Franchise Agreement**") is entered into as of __________________ ("Effective Date") by and between **UPGRADE LABS FRANCHISE, INC.**, a Delaware corporation (**"Franchisor"**) and ________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Developer"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Rhode Island; **(B)** Developer is a resident of the State of Rhode Island; and/or **(C)** the Development Area will be located in the State of Rhode Island.

2. The following language is added to Sections 12:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

4. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

5. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**DEVELOPER:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF DEVELOPER]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: ____________________________	Title:_____________________________
Effective Date: ____________________	Date: _____________________________

ADDENDUM TO THE UPGRADE LABS FRANCHISE AGREEMENT DISCLOSURE VERIFICATION, AND RELATED AGREEMENTS
<u>REQUIRED FOR WASHINGTON FRANCHISEES</u>

This Addendum to the Upgrade Labs Franchise Agreement dated ________________ (“**Franchise Agreement**”) is entered into as of ________________ (“Effective Date”) by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**“Franchisor”**) and _______________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**“Franchisee”**).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Washington; **(B)** Franchisee is a resident of the State of Washington; and/or **(C)** the Franchised Center will be located in the State of Washington.

2. The state of Washington has a statute, the Washington Franchise Investment Protection Act, Section 19.100.180 of which may supersede this Agreement in Franchisee’s relationship with Franchisor, including in the areas of termination and renewal of the franchise. There also may be court decisions that may supersede this Agreement in Franchisee’s relationship with Franchisor, including in the areas of termination and renewal of your franchise.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

5. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

6. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

7. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

8. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

9. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

10. The following is added to the end of Section 3.A.1 of the Franchise Agreement:

Notwithstanding the foregoing, we will defer the payment of the Initial Franchise Fee until the Franchised Center opens for business. Upon the opening of the Franchised Center, you shall pay the Initial Franchise Fee to us.

11. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

12. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified in full force and effect.

13. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF FRANCHISEE]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title: _____________________________
Effective Date: ____________________	Date: _____________________________

ADDENDUM TO THE UPGRADE LABS DEVELOPMENT AGREEMENT
DISCLOSURE VERIFICATION, AND RELATED AGREEMENTS
REQUIRED FOR WASHINGTON DEVELOPERS

This Addendum to the Upgrade Labs Development Agreement dated __________________ ("**Development Agreement**") is entered into as of __________________ ("Effective Date") by and between **UPGRADE LABS FRANCHISE, INC.,** a Delaware corporation (**"Franchisor"**) and _________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Developer"**).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Washington; **(B)** Developer is a resident of the State of Washington; and/or **(C)** the Development Area will be located in the State of Washington.

2. The state of Washington has a statute, the Washington Franchise Investment Protection Act, Section 19.100.180 of which may supersede this Agreement in Developer's relationship with Franchisor, including in the areas of termination and renewal of the franchise. There also may be court decisions that may supersede this Agreement in Developer's relationship with Franchisor, including in the areas of termination and renewal of your franchise.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Development Agreement, a developer may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

5. A release or waiver of rights executed by a developer may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

8. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a developer, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a developer under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Development Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

9. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a developer from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Development Agreement or elsewhere are void and unenforceable in Washington.

10. The following is added to the end of Section 2 of the Development Agreement:

Notwithstanding the foregoing, we will defer payment of that portion of the Development Fee allocated to a Franchised Center that you develop under this Agreement until that Franchised Center opens for business. Upon the opening of a Franchised Center, you will pay to us that portion of the Development Fee allocated to that Franchised Center.

11. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

12. Except as expressly modified by this Addendum, the Development Agreement remains unmodified in full force and effect.

13. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**DEVELOPER:**
UPGRADE LABS FRANCHISE, INC.	**[NAME OF DEVELOPER]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title:______________________________
Effective Date: ____________________	Date: _____________________________

EXHIBIT F

LIST OF FRANCHISEES

LIST OF FRANCHISEES

LIST OF FRANCHISED CENTERS AS OF DECEMBER 31, 2021

None

LIST OF FRANCHISEES THAT HAD SIGNED FRANCHISE AGREEMENTS BUT WERE NOT OPEN AS OF DECEMBER 31, 2021

Franchisee	Area Where Franchised Center Will Be Located	State Where Franchised Center Will Be Located	Phone Number
Elevated Performance LLC	Boise	Idaho	(208) 861-8621
Improved Physiology LLC	Salt Lake City	Utah	(801) 599-3222

LIST OF DEVELOPERS WITH SIGNED DEVELOPMENT AGREEMENTS AS OF DECEMBER 31, 2021

None

LIST OF FRANCHISEES THAT HAVE LEFT THE SYSTEM IN OUR PAST FISCAL YEAR OR THAT HAVE FAILED TO COMMUNICATE WITH US IN THE 10 WEEKS PRECEDING THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT

None

EXHIBIT G

OPERATIONS MANUAL TABLE OF CONTENTS

EXHIBIT H

SAMPLE RELEASE AGREEMENT

In consideration for the consent of Upgrade Labs Franchise, Inc. (the "Franchisor") to the assignment by ____("Franchisee") of its interest in that certain franchise agreement entered into by and between Franchisor and Franchisee dated ___________________ (the "Franchise Agreement"), Franchisee and its principals hereby remise, release, and forever discharge Franchisor, its affiliates, parents, subsidiaries, principals, officers, directors and employees and agents, and their respective successors, assigns, heirs and personal representatives, from all debts, covenants, liabilities, actions, and causes of action of every kind and nature through the date of this Release, including but not limited to those arising out of or existing under (a) the Franchise Agreement and the parties' respective rights and obligations thereunder, (b) the offer and sale of the Upgrade Labs Franchised Center described therein, and (c) the franchise relationship between the parties hereto, whether in law or in equity. Franchisee acknowledges that this Release is intended to release all claims held by any person against the parties to be released, arising out of any of the matters to be released.

This Release has been entered into and agreed to as of the _____ day of ____________________, 20____

FRANCHISEE:

By: ____

Print Name:_______________________________________

By: ____

Print Name:_______________________________________

EXHIBIT I

FRANCHISEE QUESTIONNAIRE/COMPLIANCE CERTIFICATION

FRANCHISEE QUESTIONNAIRE/COMPLIANCE CERTIFICATION

You are preparing to enter into an Upgrade Labs Franchise Agreement with Upgrade Labs Franchise Inc. (“Franchisor”). The purpose of this Questionnaire is to confirm that you understand the terms of the Franchise Agreement and that no unauthorized statements or promises have been made to you. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

Franchise Applicant ____

Yes ___ No ___ 1. Have you received and reviewed the Upgrade Labs Franchise Disclosure Document (“FDD”) at least 14 calendar days, exclusive of the day you received it, before signing the Franchise Agreement and/or paying any monies to Franchisor?

Yes ___ No ___ 2. Have you signed and returned to Franchisor the acknowledgment of receipt for each FDD given you?

Yes ___ No ___ 3. Have you had an opportunity to read the Franchise Agreement and each of its attachments (and the Development Agreement if applicable and each of its attachments) thoroughly and understand all of Franchisor’s covenants and obligations and your covenants and obligations as a franchisee?

Yes ___ No ___ 4. Do you understand that your Key Owner and Designated Manager must successfully complete Franchisor’s initial Franchise Training Program to Franchisor’s satisfaction before Franchisor will allow you to open an Upgrade Labs Center?

Yes ___ No ___ 5. Do you understand that the territorial rights you have been granted are subject to limitations and exceptions?

Yes ___ No ___ 6. Have you had an opportunity to consult with a lawyer, accountant, or other professional advisor prior to signing the Franchise Agreement (and the Development Agreement if applicable) or have you had the opportunity for such review and chosen not to engage such professionals?

Yes ___ No ___ 7. Do you understand the risks of owning a business and specifically the risks of owning an Upgrade Labs franchise, and are you able to bear such risks?

Yes ___ No ___ 8. Do you acknowledge that the success of your franchise will depend primarily on your own skills, efforts and abilities and those of the persons you employ as well as many factors beyond your or Franchisor’s control, including demographics, competition, local laws, lease terms, and other conditions which may be difficult or impossible to anticipate or identify may affect the success of your business?

Yes ___ No ___ 9. Except for negotiated changes that have been initiated by you, did you receive a complete copy of the Franchise Agreement (and the Development Agreement if applicable) at least seven calendar days before the date on which you signed the Franchise Agreement (and the Development Agreement if applicable)?

Yes ___ No ___ 10. Do you understand that all disputes or claims you may have arising out of or relating to the Franchise Agreement (and the Development Agreement if applicable) must be brought in the state where Franchisor has its then-current headquarters if not resolved informally or by mediation?

Yes ___ No ___ 11. Do you agree that no employee or other person speaking on Franchisor's behalf made any statement or promise regarding the costs involved in operating an Upgrade Labs franchise that is not contained in the FDD or that is contrary to or different from, the information contained in the FDD?

Yes ___ No ___ 12. Do you agree that no employee or other person speaking on Franchisor's behalf made any promises, guarantees or assurances to you and provided no information to you relative to earnings, revenues, profits, expenses or projected revenues for an Upgrade Labs franchise other than those contained in Item 19 of Franchisor's FDD?

Yes ___ No ___ 13. Do you agree that no employee or other person speaking on Franchisor's behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement (and Development Agreement if applicable) concerning the advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the FDD?

Yes ___ No ___ 14. Do you understand that the Franchise Agreement and its attachments (and the Development Agreement and its attachments, if applicable) contain the entire agreement between Franchisor and you concerning the Upgrade Labs franchise, meaning any prior oral or written statements not set out in the Franchise Agreement (and the Development Agreement if applicable) will not be binding?

If you answered "No" to any question above, please explain your response(s) below:

____

____

____

____

____

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the California Franchise Investment Law or the Maryland Franchise Registration and Disclosure Law.

FRANCHISE APPLICANT:

____

By: ______________________________________
Print Name: _______________________________
Date: ____________________________________

EXHIBIT J

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

<u>EXHIBIT K</u>

<u>RECEIPTS</u>

RECEIPTS (OUR COPY)

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 Upgrade Labs Franchise, Inc. offers you a franchise it must provide this Disclosure Document to you within 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. If Upgrade Labs Franchise, Inc. offers you a franchise in New York, we must give you this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. If Upgrade Labs Franchise, Inc. offers you a franchise in Michigan, we must give you this disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Upgrade Labs Franchise, 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 administrator identified in Exhibit A of this Franchise Disclosure Document. A list of our agents registered to receive service of process is listed as Exhibit A to this Franchise Disclosure Document.

The franchisor is Upgrade Labs Franchise, Inc., located at 1742 Emerald Cove Circle, Cape Coral, Florida 33991. Its telephone number is (305) 402-4882.

The issuance date of this Disclosure Document is: May 19, 2022

I have received a Franchise Disclosure Document with an issuance date of May 19, 2022 which contained the following Exhibits.

A. List of State Franchise Administrators/Agents for Service of Process
B. Franchise Agreement (and Exhibits)
C. Development Agreement
D. Financial Statements
E. State Specific Addenda
F. List of Franchisees
G. Operations Manual Table of Contents
H. Sample Termination and Release Agreement
I. Franchisee Questionnaire/Compliance Certification
J. State Effective Dates
K. Receipts

A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows:

Name	Principal Business Address	Telephone Number
☐ Elie Medina ☐ Michael Moore	1742 Emerald Cove Circle Cape Coral, Florida 33991	(305) 402-4882

By: ______________________ Title: ______________________

Name: ______________________ Name of Entity: ______________________

Date: ______________________ Address: ______________________

Telephone Number: ______________________

RECEIPTS (YOUR COPY)

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 Upgrade Labs Franchise, Inc. offers you a franchise it must provide this Disclosure Document to you within 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. If Upgrade Labs Franchise, Inc. offers you a franchise in New York, we must give you this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. If Upgrade Labs Franchise, Inc. offers you a franchise in Michigan, we must give you this disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Upgrade Labs Franchise, 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 administrator identified in Exhibit A of this Franchise Disclosure Document. A list of our agents registered to receive service of process is listed as Exhibit A to this Franchise Disclosure Document.

The franchisor is Upgrade Labs Franchise, Inc., located at 1742 Emerald Cove Circle, Cape Coral, Florida 33991. Its telephone number is (305) 402-4882.

The issuance date of this Disclosure Document is: May 19, 2022

I have received a Franchise Disclosure Document with an issuance date of May 19, 2022, which contained the following Exhibits.

A. List of State Franchise Administrators/Agents for Service of Process
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A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows:

Name	Principal Business Address	Telephone Number
☐ Elie Medina ☐ Michael Moore	1742 Emerald Cove Circle Cape Coral, Florida 33991	(305) 402-4882

By: ______________________ Title: ______________________

Name: ______________________ Name of Entity: ______________________

Date: ______________________ Address: ______________________

Telephone Number: ______________________