FRANCHISE DISCLOSURE DOCUMENT

US CRYOTHERAPY FRANCHISING, LLC
a California Limited Liability Company

US CRYOTHERAPY FRANCHISING, LLC ("USCF" or the "Franchisor") intends to offer franchises utilizing the Cryotherapy business system. USCF's principal business address is 825 Wedgewood Ct, West Sacramento CA 95605and telephone number is 707-301-7690.

USCF offers to prospective franchisees a wellness system and method that uses cold-air and other service modalities for the treatment of muscle and joint pain and inflammation, and systemic circulation. The total investment required to begin operation of a US Cryotherapy business is $518,125 to $616,660 for a C4 Chamber business. This includes $30,000 that must be paid to the franchisor or affiliate. The total investment required to begin operation of a US Cryotherapy business is $297,147 to $392,563for a C1 Chamber business. This includes $20,000 that must be paid to the franchisor or affiliate.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar-days before you sign a binding agreement with, or make any payment to the Franchisor or an affiliate in connection with the proposed franchise purchase. **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 Kevin Kramer at info@uscryotherapy.com

The terms of your Franchise Agreement will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read your entire franchise 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: August 31, 2020

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 Exhibits 4.1 and 4.3.
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 1 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 US Cryotherapy business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a US Cryotherapy franchisee?	Item 20 or Exhibits 4.1 and 4.3 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in the disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

Your state may also 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 the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by in California. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to litigate with us in California than in your own state.
2. **Territory.** 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.
3. **Spousal Guarantee**. Franchisees and spouses may be required to sign a personal guarantee, making your spouse individually liable for your financial obligations under the agreement if you are married. The guarantee will place your and your spouse's marital and personal assets at risk if your franchise fails.

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. FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

To simplify the language in this Offering Circular "USCF", "we", "our" or "us" will mean US Cryotherapy Franchising LLC dba US Cryotherapy, as the Franchisor. "You" and "yours" will mean the person who buys the franchise whether you are an individual, corporation, limited liability company or other business entity, the Franchisee. If you are a business entity, certain provisions of this Disclosure Document also apply to your owners and will be noted.

USCF is a California limited liability company formed in October, 2011 under the laws of the State of California. Our principal office is located at 825 Wedgewood Ct, West Sacramento CA 95605 We currently operate five company-owned Cryotherapy Centers, and retain the right to market to and service large commercial accounts and expand with additional corporate locations outside existing or future protected territories.

We do not operate businesses of the type being franchised under any other name. We are not involved in any other business activities.

Parents, Predecessor and Affiliates of USCF

We do not have a parent. We have two affiliates.

Remark Enterprises LLC ("Remark") owns the the service mark for the Word and Design "US Cryotherapy" (the "Marks"). Remark has sublicensed its rights to USCF. Due to the fact that these exclusive rights currently represent a major portion of USCF's assets, Remark could be deemed a predecessor of USCF. In addition, Remark owns and operates the five current company-owned US Cryotherapy Centers (Roseville CA, Davis CA, Scottsdale AZ, Fort Hood TX, Fort Bliss TX).

US Cryotherapy Direct Sales LLC ("USCDS") owns exclusive rights to the cold therapy proprietary technology used in the cryotherapy chamber(s), C1 & C4 recovery systems and currently works with Cryobuilt, Inc. as its manufacturing, installation and service partner. US Cryotherapy reserves the right to move the supply of its technology at any time to a new partner manufacturer or in-house and may include in the franchised system or direct sales any extended product line of chambers at any time through its existing partner, Cryobuilt Inc., or other partners identified. US Cryotherapy Direct Sales offers and sells the cryotherapy chambers and devices directly to certain private end users such as sports teams and independent users. USCDS will be the designated supplier to Franchisees for the cryotherapy equipment, other system approved modalities, retail goods, and service items, and certain related clothing apparel and other items bearing the US Cryotherapy Marks.

USCF's Agent for Service of Process

USCF has authorized Kevin Kramer, as a Managing Member, to receive legal service of process on behalf of USCF at 213 Berrywood Ct, Vacaville CA 95688. Additional registered agents for service are listed in Attachment A.

General Description of the Franchise Offered, the Market and Competition

We grant franchisees the right to operate a retail health and alternative wellness facility under our trademarks, specializing in the use of cold-air and other recovery service modalities for the treatment of muscle and joint pain, inflammation and systemic circulation for faster recovery and better health. (the "Franchised Business"). If you buy the standard C4 Large System Franchise you will purchase a C4 chamber plus accompanying equipment, while the C1 Small System Franchise requires the purchase of a C1 single-person chamber plus accompanying equipment.

The US Cryotherapy system also provides operational guidelines for the operation of a US Cryotherapy health and alternative wellness facility. The US Cryotherapy system will include the "US Cryotherapy" service marks illustrated in Exhibit B to the Franchise Agreement which are included with this Disclosure Document. No other service marks, trade names, trademarks, copyrights or other property rights owned by us are a part of the US Cryotherapy system.

Members of the Kramer Family first became involved in the systematic treatment of muscles and joints in early 2010. After significant research and development in this area, Remark (a company owned by the Kramer Family) acquired a license to use cold therapy systems from a German manufacturer, MecoTec. After further development, Remark opened the first US Cryotherapy Center in Roseville, CA in April, 2011. USCDS now contracts the cryotherapy chambers manufacturing, installation, and service in the United States, built and serviced to US standards through Cryobuilt, Inc.

A US Cryotherapy system franchise, like any other franchised business (or any other business for that matter) unavoidably involves business risks. For example, the US Cryotherapy system will compete with other franchised and privately-owned health and alternative wellness facilities such as health spas, health and recreational clubs, massage centers, and other Cryotherapy center competitors. Your volume, profit, and success are primarily dependent on your ability and efforts as an independent business operator and your success cannot be guaranteed. You will be responsible for an aggressive, proactive local sales effort using the techniques and methods of the US Cryotherapy system. The most important factors in the success of the Franchised Business are your personal business selling, staff training, customer service, industry knowledge, management, judgment, and other skills as well as your willingness to work hard and follow the US Cryotherapy system.

Regulations Specific to the Industry

Whole Body and Localized Cryotherapy are not approved medical treatments or devices and have not been reviewed by the US Food and Drug Administration ("FDA"). USCF has been advised that with the current regulatory environment and the non-invasive nature regarding its Cryotherapy chamber(s) and localized cold air device(s), the US Cryotherapy system would not be subject to FDA approval or regulation provided that you follow our guidelines and instructions for marketing and using these systems. Consequently, USCF does not believe under the current application(s) and claim(s) of faster recovery and better health, there will be any enforcement or review of use by the FDA. USCF has worked with a regulatory device consulting firm and has been advised that at this time the Cryotherapy procedure does not require FDA approval under the premarketing parameters of the current procedures. However, there are no guarantees implied that regulations related to the Cryotherapy technology may not at some point change or evolve. USCF has defined a regulatory strategy and is monitoring developments both with the US Cryotherapy system and FDA regulations and interpretations thereof, and will keep franchisees apprised as they evolve.

If and when the US Cryotherapy technology receives FDA approvals and/or approved applications, a strategy regarding claims and benefits will be communicated to franchisees. US Cryotherapy treatment centers/franchisees will adhere to treatment tracking along with an adverse events reporting system which is input electronically through the customer management system proprietary to the US Cryotherapy Franchise System. Interruption of business (offering Cryotherapy chamber treatments to the public) is a low risk, but nonetheless, a risk that is beyond the control of USCF. There may be occasional service interruptions and random chamber down times due to the unique nature of the equipment and componentry. The manufacturing and service team has excellent response and recovery times in the event of a system failure. See the table in Item 19 demonstrating system averages in 2018-19 for service, capacity, and costs.

ITEM 2. BUSINESS EXPERIENCE

Officers and Managers of USCF.

The following people represent the Managing Members of USCF who exercise management responsibility for the marketing and servicing of its franchising activities:

Kevin Kramer - Managing Member

Kevin Kramer is a Managing Member of USCF since its formation in October 12, 2011. He has been a Managing Member and is the current CEO of US Cryotherapy since May 1, 2012. Prior to establishing Remark, Kevin Kramer has been involved in the pharmaceutical industry since 1994. Most recently he was a Strategic Account Executive with Bayer Healthcare located in Pittsburgh, PA from June 14, 2000 to April 30, 2011. On May 1, 2011 he commenced working as the Director, National Accounts for Dey Pharma, Inc. located in New Jersey, where he worked until April 30, 2012.

Robert Kramer – Managing Member and President

Rob Kramer is a Managing Member and President of USCF since its formation in October 12, 2011. He has been a Managing Member and the Chief Financial Officer of Remark since July 19, 2010 upon its formation. Prior to establishing Remark, Rob Kramer has been employed by Bickmore Risk Services, a risk management consulting firm located in Sacramento, CA since June 1, 1990. In October, 2018, Rob transitioned to full-time with US Cryotherapy as the Chief Operating Officer (COO) & Interim Chief Financial Officer (CFO), while continuing to do work in the for Sedgwick in the risk management industry

Todd Kramer – Managing Member

Todd Kramer is a Managing Member of USCF since its formation in October 12, 2011. He has been a Managing Member and Director of Operations of Remark since May 1, 2011. Prior to joining Remark, and from June 15, 2000 to September 30, 2009, Todd Kramer was employed by Travelers Insurance located in Sacramento, CA as a risk control manager. Todd is certified as a personal trainer through and a member of the International Sports Science Association (ISSA) and has 4 years of experience as a personal trainer. Todd continues to do work for the Hanover Insurance Group, Inc. in the insurance industry.

Family Relationships

Kevin, Rob and Todd Kramer are brothers. Their father, Linzie Kramer, was the founder of US Cryotherapy and passed away in 2017.

ITEM 3. LITIGATION

US Cryotherapy, LLC v. Ten Pillars, LLC et al., Superior Court of California in and for the County of Placer (Case No. S-CV-0044345, filed January 27, 2020). USCF filed suit against the franchisee of the Dayton and ColumbusOH US Cryotherapy centers and its individual owners for breach of contract due to the Dayton and Columbus franchisee’s abandonment of operation of its center prior to the end of the franchise agreement term. The Dayton and Columbus franchisee filed a cross-complaint alleging that USCF, Kevin Kramer and Robert Kramer breached the franchise agreement, made various misrepresentations about the US Cryotherapy system, the income and expenses of a US Cryotherapy business, about the intellectual property rights in the US Cryotherapy system cryotherapy chambers, and in so doing breached the California Franchise Investment Law, the California Unfair Practices Act, and the Ohio Business Opportunity Purchasers’ Protection Act. The matter is pending and is in the early discovery phase.

US Cryotherapy, LLC v. Timothy Fitzgerald, Lawrence B. Fitzgerald, et al., Superior Court of California in and for the County of Placer (Case No. S-CV-0044346, filed January 27, 2020). USCF filed suit against the franchisee of the Walnut Creek, CA US Cryotherapy center and its owners for breach of contract due to from the Walnut Creek franchisee’s abandonment of operation of its center prior to the end of the franchise agreement term. The Walnut Crrek franchisee filed a cross-complaint alleging that USCF, Kevin Kramer and Robert Kramer breached the franchise agreement, made various misrepresentations about the US Cryotherapy system, the training and marketing assistance to be provided by USCF, about the intellectual property rights in the US Cryotherapy system cryotherapy chambers, and in so doing breached the California Franchise Investment Law and the California Unfair Practices Act. The matter is pending and is in the early discovery phase.

Coast Cryo, Inc., et al. v. US Cryotherapy Franchising, LLC et al., Superior Court of California in and for the County of Placer (Case No. S-CV-0039911, filed March 9, 2017). Coast Cryo, Inc. ("Coast Cryo"), a franchisee of USCF, alleged that USCF, Kevin Kramer and Robert Kramer (the "Defendants") breached their duties of good faith and fair dealing with Coast Cryo, made various misrepresentations relating the Cryo Chamber's performance, made various misrepresentations as to the US Cryotherapy system, and made certain misstatements or omissions in the USCF Franchise Disclosure Document. Coast Cryo sought rescission of its Franchise Agreement and monetary damages including punitive and exemplary damages. The matter was settled in February 2019 with the Defendants agreeing to pay Coast Cryo $195,000, and Coast Cryo returning all of the cryotherapy equipment used in their business to USCF.

In the Matter of the Commissioner of the Business Oversight v. US Cryotherapy Franchising. In 2017, the Commissioner of the California Department of Business Oversight ("Commissioner") investigated the franchise disclosure practices of US Cryotherapy in connection with its offer and sale of franchises. The Commissioner concluded that US Cryotherapy violated provisions of the California Franchise Investment Law by providing financial representations in the form of a business planning tool spreadsheet without having disclosed this in its registered FDD, and that US Cryotherapy provided policy updates which modified the terms of some franchise agreements without having obtained the approval for those modifications from the Commissioner. On April 26, 2018, the Commissioner and US Cryotherapy entered into a consent order whereby US Cryotherapy stipulated to these violations, was ordered to desist and refrain from repeating this conduct, agreed to rescind its policy updates, make certain disclosures about the cold chambers used in the franchised businesses, obtain franchise training for salespeople and officers of the company, and pay a $5,000 penalty to the Department of Business Oversight.

Other than as disclosed above, there are no other litigation or administrative proceedings required to be disclosed in this Item of the Disclosure Document.

ITEM 4. BANKRUPTCY

No person previously identified in Item 1 or 2 of this Disclosure Document has been involved as a debtor in any proceeding under the United States Bankruptcy Code or under any foreign bankruptcy laws required to be disclosed in this Item of the Disclosure Document except as follows. In July, 2010 Todd Kramer filed for Chapter 13 bankruptcy protection (Case # 10-39713-B-13J filed in US Bankruptcy Court, Eastern District of California). The Chapter 13 Plan was confirmed on February 1, 2011.

ITEM 5. INITIAL FEES

For a C4 System (4-person, 2-room chamber, large center) US Cryotherapy Franchise, you will pay to us an initial franchise fee of $30,000 (the "Initial Fee"), for your initial franchise and designated Territory. The Initial Fee for each additional designated standard franchise Territory acquired will be the lesser of a 10% discount to the stated plan fee or $30,000. The Initial Fee becomes due and payable at the time you sign the Franchise Agreement. USCF offers no installment or deferred payment plan for the Initial Fee. Failure to pay the Initial Fee when due will result in termination of the franchise and forfeiture of all payments made up to the termination date. USCF does not hold right of refusal or territory rights on verbal or other agreements without an executed franchise agreement and paid territory fee. This territory fee is non-refundable should you fail to open your franchised center within the allocated timeframe (Item 11 Section B)

For a C1 System (single room chamber, small center) US Cryotherapy Franchise, you will pay to us an Initial Fee of $20,000 for your initial franchise and designated Territory. The Initial Fee for each additional designated C1 franchise Territory acquired will be the lesser of a 10% discount to the stated plan fee or $20,000. The Initial Fee becomes due and payable at the time you sign the Franchise Agreement. USCF does not hold right of refusal or territory rights on verbal or other agreements without an executed franchise agreement and paid territory fee. This territory fee is non-refundable should you fail to open your franchised center within the allocated timeframe (Item 11 Section B)

A 10% discount to the "Initial Fee" will be offered to qualified servicemen and women of the US Armed Forces and Veterans Administration with valid proof.

ITEM 6. OTHER FEES

A. Service Fees

Name of Fee	**Amount**	**Due Date**	**Remarks**(1)
Royalty Fee	6% of monthly Gross Revenues	Fee due monthly on or before the 15th day of the next month	Paid to Franchisor
National Marketing Fund	1% of monthly Gross Revenue Advertising Requirement	Fee due monthly on or before the 15th day of the next month	Paid to Franchisor
Advertising Requirement	4% additional of monthly Gross Revenue	Amount to be paid each month for local advertising & documented	Paid by Franchisee to third parties as local & community advertising costs
Late Fees	The greater of 10% of overdue amount or $300	Assessed on unpaid balance 5 days after due date	Applies to Royalty Fees, and any other sums owed to USCF; not to exceed that allowed by state law
Additional Training Requested by Franchisee(2)	Actual cost of wages and expenses incurred by person conducting the additional training	At time additional training commences	Paid to Franchisor
Insurance Premiums(3)	Varies	Per policy terms.	Payable to insurance carrier

B. Renewal Fees

Name of Fee	Amount	Due Date	Remarks[1]
Renewal Fee	1% of Gross Revenues for prior twelve-month period	Payable concurrent with or prior to effective date of renewal	Paid to Franchisor. Mutual Release agreement between Franchisor and Franchisee is required for renewal

C. Transfer Fees

Name of Fee	Amount	Due Date	Remarks[1]
Transfer Fee	25% of Initial Fee (for each Designated Area/Territory Franchise)	Concurrent with request for transfer by Franchisee	Paid to Franchisor. Franchisor must consent to transfer. Franchisor has a Right of First Refusal respecting any proposed transfer. No fee is imposed for transfers to corporations or LLCs formed by you for convenience of ownership

(1) Royalty fees and National Marketing Fund fees are imposed and collected by USCF. All fees are non-refundable.

(2) Expense for additional training deemed necessary by Franchisor will be paid by Franchisor. Refresher training or training for new techniques or equipment will be provided free of charge by Franchisor (except for your costs of attending such training).

(3) You are required to carry certain minimum amounts of insurance.

All fees are uniformly imposed on franchisees signing this franchise agreement and are non-refundable. Some existing franchisees pay a different royalty rate.

ITEM 7. ESTIMATED INITIAL INVESTMENT

A. Your Estimated Initial Investment For One C4 System (2-Room Chamber, large center) Franchise Authorized Location

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Fee[1]	$30,000	Lump Sum	At the time the Franchise Agreement is signed	USCF
Initial Marketing Activity	$2,500	Cash	Within 90 days of time franchised business commences	Designated advertising agency of USCF
Computer Equipment, Point of Sale, Customer Management System, Peripherals with configuration & training [10]	$16,500	Cash	Prior to or concurrent with opening of Franchise Business	Provided by USCDS
Center Equipment[2]	$305,000 - $325,000	Cash, secured installment financing or lease	Prior to or concurrent with start of Franchise Business	To USCDS, manufacturers, third party sales sources or Lease Company
Equipment Installations & Shipping[3]	$44,000	Cash, secured installment financing or lease	Prior to or concurrent with start of Franchise Business	To USCDS, manufacturers, third party sales sources or Lease Company
Annual chamber PROTECT service plan [4]	$13,500 or $1,125 monthly recurring	required ongoing service program	concurrent with the first operating day after installation of equipment	To USCDS, manufacturers, third party sales sources or Lease Company
Sales Tax where applicable[5]	$17,700 - $22,160 (6-7.5%)	Cash, secured installment financing or lease	Prior to or concurrent with start of Franchise Business	To USCDS, manufacturers, third party sales sources or Lease Company
Center Lease 3- months[6]	$15,000 - $20,000	Cash	Prior to or concurrent with commencement of Franchise Business	To lessor

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Tenant Improvements	$72,500 - $100,000	Cash	Prior to or concurrent with commencement of Franchise Business	To third parties performing work and providing materials
Opening Inventory	$5,000	Cash; financing by third party supplier; except to USCF for commencing existing onsite inventory, if any	Prior to or concurrent with start of Franchise Business	Third party from whom purchased or USCF if starting inventory acquired from USCF
Insurance(7)	$750 - $1,500	Per terms of policy	Prior to signing	Insurer
Professional Fees(8)	$500 - $1,500	As incurred	As needed	Third Parties
Misc. Opening	$3,000 - $5,000	Cash	Prior to or concurrent with start of Franchise	USCF or third party providing products or services
Additional Funds 3 - months(9)	$20,000 - $30,000	As incurred	As needed	Employees, Expenses & Overhead
TOTALS(10)	$518,125to $616,660			

Footnotes to table:

(1) USCF does not offer any installment or deferred payment plan for the Initial Franchise Fee.

(2) The range of initial investment is based upon the size and the location of your US Cryotherapy Center and the amount of optional equipment included.

(3) The US Cryotherapy proprietary operating system (Cryoqueue) and all its peripherals (computers, touch screens, software, database, etc) is proprietary to the system. The fee paid for this equipment allows your licensing and use of these items to operate, manage and analyze your center performance. Termination or default of your agreement stipulates that ownership rights of this system and all peripherals return to the proprietary ownership of US Cryotherapy.

(4) The C4 chamber requires enrollment in the Cryobuilt PROTECT service plan which includes full warranty and service coverage, remote monitoring, software upgrades, and

expedited shipping / technician scheduling as outlined in the service/warranty plan provided you by Cryobuilt, Inc. Cryobuilt is responsible for the performance and service of the system.

Service program includes standard and after-hours remote service monitoring coverage between the hours of 4:00am PST– 7:00pm PST seven days a week. To be eligible for parts and service support through Cryobuilt, you are required to be active under contract and your system must be connected via CAT5/6 for remote monitoring. Disconnection of the system voids warranty and service claims. If you choose to operate without an extended service contract, requests of the Cryobuilt service network will be billed by CryoBuilt on a time and materials basis (currently, their average labor rate is $125 per hour).(5) US Cryotherapy will charge sales tax on equipment purchased in states where it is required to charge sales tax, currently at least California, Texas and Arizona. Estimated tax implications ($17,700 - $22,160) are not shown in the low end of the estimated total expense. You will pay sales tax on equipment only, not services such as installation, shipping, and certain pre-paid or re-sale items.

(6) Your obligations as a Franchisee under the Premises lease and under any Equipment Lease/Purchase Agreement assigned to and assumed by you as a Franchisee are specified by the relevant lease or agreement and are independent of your obligations under The Franchise And License Agreement.

(7) Section 15 of the Franchise Agreement requires that you have in force an insurance policy prior to commencing the Franchised Business, acquired at your sole expense, protecting both you and USCF and its officers and employees, against losses and with the limits described. The figures in the table are estimated annual premiums for the minimum amount of insurance required by the Franchise Agreement.

(8) This amount reflects the use of an attorney, accountant and other consultants both in the purchase of a franchise and in the operation of the US Cryotherapy system for up to three (3) months.

(9) You will need capital to support ongoing business expenses. The dollar amounts assume the commencement of a new Franchised Business, including deposits, business licenses, and on-going expenses for the start-up phase of the business which is calculated to be three months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary to fund your Franchised Business during this start-up phase or afterwards.

(10) Assumes costs and fees incurred for the first three months of operation of one C4 Franchised Business. These costs and fees are based upon USCF's experience with opening its US Cryotherapy C4 Company Centers in Roseville, CA, Davis CA, Scottsdale AZ and FT Hood TX.

B. Your Estimated Initial Investment For One C1 System (Single Room Chamber, small center) Franchise Authorized Location

Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is Made**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Fee(1)	$20,000	Lump Sum	At the time the Franchise Agreement is signed	USCF
Initial Marketing Activity	$2,500	Cash	Within 90 days of time franchised business commences	Designated advertising agency of USCF
Computer Equipment, Point of Sale, Customer Management System, Peripherals, configuration and training(11)	$14,500	Cash	Prior to or concurrent with start of Franchise Business	Provided by USCDS
Center Equipment(2)	$167,500 - $196,500	Cash, secured installment financing or lease	Prior to or concurrent with start of Franchise Business	To USCDS, manufacturers, third party sales sources or Lease Company
Equipment Installations & Shipping(3)	$30,000	Cash, secured installment financing or lease	Prior to or concurrent with start of Franchise Business	To USCDS, manufacturers, third party sales sources or Lease Company
Annual chamber PROTECT service plan (4)	$9,588 or $799 monthly recurring	Annual lump sum or periodic payments	Concurrent with the first operating day after installation of equipment	To USCDS, manufacturers, third party sales sources or Lease Company
Sales Tax where applicable(5)	$9,180 - $11,475 (6-7.5%)	Cash, secured installment financing or lease	Prior to or concurrent with start of Franchise Business	To USCDS, manufacturers, third party sales sources or Lease Company
Center Lease 3- months(6)	$6,000 - $10,000	Cash	Prior to or concurrent with commencement of Franchise Business	To leasor

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Tenant Improvements	$30,000 - $60,000	Cash	Prior to or concurrent with commencement of Franchise Business	To third parties performing work and providing materials
Opening Inventory	$5,000	Cash; financing by third party supplier; except to USCF for commencing existing onsite inventory, if any	Prior to or concurrent with start of Franchise Business	Third party from whom purchased or USCF if starting inventory acquired from USCF
Insurance[76]	$750 - $1,500	Per terms of policy	Prior to signing	Insurer
Professional Fees[8]	$500 - $1,500	As incurred	As needed	Third Parties
Misc. Opening	$3,000 - $5,000	Cash	Prior to or concurrent with start of Franchise	USCF or third party providing products or services
Additional Funds 3 - months[9]	$15,000 - $25,000	As incurred	As needed	Employees, Expenses & Overhead
TOTALS[10]	$297,147 to $392,563			

Footnotes to table:

(1) USCF does not offer any installment or deferred payment plan for the Initial Franchise Fee.

(2) The range of initial investment is based upon the size and the location of your US Cryotherapy Center and the amount of optional equipment included.

(3) The US Cryotherapy proprietary operating system (Cryoqueue) and all its peripherals (computers, touch screens, software, database, etc) is proprietary to the system. The fee paid for this equipment allows your licensing and use of these items to operate, manage and analyze your center performance. Termination or default of your agreement stipulates that ownership rights of this system and all peripherals return to the proprietary ownership of US Cryotherapy.

(4) The C1 chamber requires enrollment in the Cryobuilt PROTECT service plan which includes full warranty and service coverage, remote monitoring, software upgrades, and expedited shipping / technician scheduling as outlined in the service/warranty plan provided you

by Cryobuilt, Inc. Cryobuilt maintains full responsibility for the performance and service of the system.

The Cryobuilt PROTECT service program includes standard and after-hours remote service monitoring coverage between the hours of 4:00am PST– 7:00pm PST seven days a week. To be eligible for parts and service support through Cryobuilt, you are required to be active under contract and your system must be connected via CAT5/6 for remote monitoring. Disconnection of the system voids warranty and service claims. If you choose to operate without an extended service contract, requests of the Cryobuilt service network will be billed at time/materials at an average labor rate of $125 per hour.

(5) US Cryotherapy will charge sales tax on equipment purchased in states where it is required to charge sales tax, currently at least California, Texas and Arizona. Estimated tax implications ($9,180 - $11,475) are not shown in the low end of the estimated total expense. You will pay sales tax on equipment only, not services such as installation, shipping, and certain pre-paid or re-sale items.

(6) Your obligations as a Franchisee under the Premises lease and under any Equipment Lease/Purchase Agreement assigned to and assumed by you as a Franchisee are specified by the relevant lease or agreement and are independent of your obligations under The Franchise And License Agreement.

(7) Section 15 of the Franchise Agreement requires that you have in force an insurance policy prior to commencing the Franchised Business, acquired at your sole expense, protecting both you and USCF and its officers and employees, against losses and with the limits described. The figures in the table are estimated annual premiums for the minimum amount of insurance required by the Franchise Agreement.

(8) This amount reflects the use of an attorney, accountant and other consultants both in the purchase of a franchise and in the operation of the US Cryotherapy system for up to three (3) months.

(9) You will need capital to support ongoing business expenses. The dollar amounts assume the commencement of a new Franchised Business, including deposits, business licenses, and on-going expenses for the start-up phase of the business, which is calculated to be three months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary to fund your Franchised Business during this start-up phase or afterwards.

(10) Assumes costs and fees incurred for the first three months of operation of one C1 Franchised Business. These costs and fees are based upon USCF's experience with opening its US Cryotherapy Franchise C1 Center and Company owned centerss. Consequently, the costs in establishing your Franchised Business could vary significantly from those incurred at other USCF C1 centers. You should review these figures carefully before purchasing the Franchise and assuming the related obligations.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You are required to only use those forms, supplies, inventory, equipment and techniques we specify and you must purchase those items from us or the authorized suppliers we designate. Certain purchases are required and you must purchase them from our affiliate USCDS:

- If you purchase a C4 Franchise System, we will require you to purchase all of the following from us: A proprietary cold-therapy chamber C4 Recovery 2-room chamber, a minimum of two cold air localized devices, a minimum of (1) compression device and (1) deep muscle pulsation device provided by USCDS.

- If you purchase a C1 Franchise System, we will require you to purchase all of the following from us: A proprietary cold-therapy chamber C1 Recovery single room chamber, a minimum of two cold air localized devices, a minimum of (1) compression device and (1) deep muscle pulsation device provided by USCDS..

We require that your cryochamber be on a maintenance service planfor minimal business interruption down time assurance.

We also recommend that you purchase certain and/or additional optional, system approved inventory and equipment, which is supplied by our affiliate USCDS. Our affiliate receives revenue from your purchases of the following:

- Normatec Compression (pulse) leg systems
- Hydro Massage Bed medical grade
- Vibration Plate (Vibe Plate)
- TheraGun – deep muscle activation and recovery device
- LightStim – anti-aging red light system for wrinkles, spots, complexion
- Cryoskin- slimming and toning, cold laser device
- Private label recovery gels and or approved CBD product line
- Incrediwear – anti-inflammatory brace line, retail

Other items you must purchase from specific suppliers we designate include various clothing apparel, Marketing items, retail items, and other products bearing the Marks. You will not be allowed to create any branded US Cryotherapy items through a non-approved agency or designer using the brand, logos or image files. Formal written request for any such marketing item development is required in advance of use. We reserve the right to decline the use of any submitted items.

Required and Approved Suppliers

As described above, you must purchase inventory, equipment and services from the suppliers we designate. In some instances, those suppliers will be us or our affiliates. In other instances, they will be third party suppliers we have listed in our proprietary online operating portal. Other than the list of approved products and services set forth above, we have no other required suppliers for goods and services relating to your Franchised Business. However, we may, in the future, approve new suppliers or a limited number of suppliers and may concentrate purchases with our use of one or more suppliers to obtain lower prices, advertising support, other benefits, or for other reasons deemed appropriate by us in our sole discretion and business judgment.

Approval of Alternate Suppliers & Changes to Approved Suppliers

Periodically, we may review our approval of any products, services or suppliers. We will notify you if we revoke our approval of products, services or suppliers, and you must immediately stop purchasing disapproved products or services, or must immediately stop purchasing from a disapproved supplier. On the other hand, we may approve new products, services or suppliers, and you must immediately commence purchasing and offering for sale such new products or services, or must immediately start purchasing from a new supplier. Additionally, we may negotiate pricing arrangements, including volume discounts on behalf of our franchisees with our suppliers.

Added Service Item Request Policy: If you would like to use any products or services in establishing and operating the franchised business that we have not approved (listed in Item 8), you must first send us sufficient information, specifications and samples for us to determine whether the products or services comply with our standards and specifications or the supplier meets our approved supplier criteria. We will absorb the expenses to evaluate products, services or suppliers. We will decide in our sole discretion, within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or sell the products or services from the supplier. Our criteria for approving or revoking approval of products or suppliers includes: the supplier's ability to provide sufficient quantity of products; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. USCF reserves the right to decline any request and seek removal of any unauthorized service additions or retail items in violation of the approval procedure set forth above.

All services and products sold through the US Cryotherapy system are subject to the standard royalties agreement on monthly gross sales.

Revenue from Franchisee Purchases

USCDS sells the cold-therapy chambers, devices, beds, and other system approved recovery modalities to franchisees. In the year ending December 31, 2019, USCDS's gross revenue from the sale of equipment to franchisees was $275,000.

We estimate that approximately 70% to 80% of your expenditures for lease, leasehold improvements and equipment/inventory purchases in establishing your Franchised Business will be for goods and services that must be purchased from an approved supplier or according to our standards and specifications. We estimate that approximately 15% to 25% of your expenditures on an ongoing basis will be for goods and services that must be purchased from either an approved supplier or according to our standards and specifications.

Rebates

Certain suppliers may make payments or grant rebates to us because of the volume of transactions within the US Cryotherapy System. Any such payments from suppliers in the future will be retained by us and used for program development or other Corporate purposes. At the present, we have one partnership rebate program in place with the product Cryoskin of between 2% – 6%, as well as wholesale pricing or market best price acquisition deals with: Normatec, Theragun, VibePlate, LightStim, Incrediwear, and CBD Medic in which we take a markup with agreed upon retail pricing established by the suppliers, ranging from 2% - 8%.

Material Benefits & Cooperatives

We do not provide material benefits to you (including renewal rights or the right to additional franchises) based on the volume of your purchases through the sources we designate or approve. Presently we have no purchasing or distribution cooperatives currently serving our US Cryotherapy 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.

A. US Cryotherapy - Franchise Agreement

Obligation	Section of Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 3.1	Item 11
b. Pre-opening purchases/ leases	Sections 3.2-3.4 and 6.2	Items 5 & 7
c. Site development and other pre-opening requirements	Section 3.2	Items 7 & 11
d. Initial and ongoing training	Article V	Item 11
e. Opening	Sections 6.2 and 8.1	Item 11
f. Fees	Article VI and VII	Items 5 & 6
g. Compliance w/standards and policies	Article IV and XIV	Items 13, 14 & 15
h. Trademarks and proprietary information	Article X	Items 13 & 14

Obligation	Section of Agreement	Disclosure Document Item
i. Restrictions on products/ services offered	Sections 4.2-4.3; Section 12.2 (Products, Accessories and Equipment)	Item 8 & 16
j. Warranty and customer service requirements	Section 19.3; Section E	Items 9 & 11
k. Territorial development and sales quotas	None	Item 12
l. Ongoing product/service purchases	Article XII	Item 8
m. Maintenance, appearance & remodeling requirements	Section 4.5	None
n. Insurance	Article XV	Item 7
o. Advertising	Article VIII	Items 6 & 7
p. Indemnification	Section 19.3 and Exhibit "C" of Franchise Agreement	Item 17
q. Owner's participation/ management/ staffing	Sections 4.4 and 4.6	Item 15
r. Records/reports	Article IX	None
s. Inspections/ audits	Section 4.7, 9.1(G)	Item 11
t. Transfer	Article XVI	Item 17
u. Renewal	Sections 2.3 and 2.4	Item 17
v. Post-termination obligations	Article XVIII	Item 17
w. Non-competition covenants	Sections 14.1, 18.2, 18.3(E) and Exhibit "C" of Franchise Agreement	Item 17
x. Dispute Resolution	Article XX	Item 17
y. Exclusive Territory	Section 1.1, Article III and Exhibit "A" of Franchise Agreement	Item 12

ITEM 10. FINANCING

We do not offer any financing arrangements or deferred payment plans, directly or indirectly to you for the acquisition or operation of a US Cryotherapy system franchise.

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

Except as listed below, USCF is not required to provide you with any assistance.

A. Our Obligations Prior to Opening

Prior to commencing the Franchised Business, we will do the following:

1) Review any prospective franchisee as to our prior experience requirements and proficiency as provided in the Franchise Agreement that we, in our discretion, determine constitutes qualification of the proposed franchisee to conduct the Franchised Business.

   For purposes of the exercise of our discretion with respect to a prospective franchisee having prior experience in the ownership and/or management of a business that qualifies you, we will require you to provide a written history that can be reasonably verified by us that you have participated in the ownership and/or management of the conduct of a business(s) prior to your applying for the Franchise from us and that such described experience would reasonably satisfy us as to your ability to be able to perform the obligations imposed upon you under the terms of the Franchise Agreement.

2) Assist you in selecting and approve your Authorized Location(s) and negotiate your Protected Territory. (Article III and Exhibit "A") consistent with the parameters set forth in Item 12. You will be permitted to select your Authorized Location to be located in the designated Territory within which you are expected to concentrate your marketing and sales efforts and business activities. Our policy will be to designate one Authorized Location in any given Territory. Defining the boundaries of a territory is at our sole discretion and is based on population density, location, traffic patterns, demographics, and other mapping strategies.

3) Provide you with the initial training consisting of a combination of modular online training and certification through the US Cryotherapy proprietary Franchise Portal, on-site pre-opening review of operating and customer management systems, on-site live reinforcement of modular training in practical delivery settings, and on-site review of marketing program implementation. You will also have regular contact throughout the opening process and ongoing support from the USCF Operations Group as well as Franchise Relations (Section 5.2).

4) At your cost, provide your opening inventory of products and supplies and your pre-opening suggested marketing supplies.

5) Provide you with specifications for tenant improvements and equipping the approved location with a list of required equipment and improvements

which you are required to purchase. USCF Operations Group and its Construction & Install Manager - will assist you and your General Contractor in the preparation for the installation of the cold-therapy chamber.

6) Provide to you on-site assistance and guidance with the opening of the Franchised Business. (Section 5.4)

7) Provide to you private access to the USCF online Portal with all pertinent Center operational items and documents including but not limited to: marketing material access, supplies ordering, design and construction center, operations (HR and employee documents including Employee Handbook, policies, etc), preferred access to partner vendors, and training modules for all staff members on a separate protected site., The Table of Contents of the Operating Manual is included as Exhibit 3 to this Disclosure Document. (Section 4.3)

Some of these obligations may be delegated to and performed by an Area Developer whose territory includes the franchisee's territory. We currently have no Area Developer agreements in place.

B. Expected Days to Commence Operations

You are allowed up to 270 days after signing the Franchise Agreement in which to secure your Center location. You are allowed up to 365 days after signing the Franchise Agreement in which to open your US Cryotherapy Center. The typical length of time between the signing of the Franchise Agreement and commencing the Franchised Business is expected to be 120 to 180 days. Other factors which could affect the time between signing the Franchise Agreement and commencing the Franchised Business include the time necessary to identify a suitable location, obtain financing, the time necessary to make tenant improvements and acquire necessary equipment and furnishings, purchase an initial inventory of supplies, hire and train necessary personnel, and obtain necessary local business permits, insurance, etc.

C. USCF's Obligations During Franchise Operation

During the operation of the Franchised Business, we will do the following:

1) After the opening of your US Cryotherapy Center we will provide additional assistance and general guidance when we deem necessary or if requested from time to time by you. (Section 5.5)

2) Make modifications to the US Cryotherapy system as necessary. Such modifications could include new products, trademarks, procedures, other enhancements to the US Cryotherapy system, but will not alter your status and rights under the Franchise Agreement. (Section 4.4(C)).

3) Use our best and commercially reasonable efforts to:

(a) maintain the reputation of the US Cryotherapy system;

(b) defend the Marks licensed with the US Cryotherapy system. (Section 10.6)

4) As and when deemed appropriate, sponsor up to three days of franchisee meetings, conferences and refresher training and/or host regular national conference calls, direct business reviews, and regular meetings with Franchise Relations to provide project and status updates. (Section 5.4).

5) Establish and promote a national/regional/statewide advertising program for the US Cryotherapy system.

6) You must participate in any joint, regional or national advertising arranged by us with the expenditures/fees to be paid by you out of your Marketing Spending Requirement as provided for in the Franchise Agreement (Section 8.3). You may from time to time develop your own social media, fliers, posts, local campaign material, etc., under the condition that no advertising materials of any type or nature may be used except with our prior written consent, both as to form and content and, as well, as to media and geographical area of use. In said event, any such advertising materials shall also be available to us for our use or inclusion in the advertising material for other Cryotherapy Franchisees. Marketing and Advertising includes digital media, social media, press, print, apparel, branded items, television, radio and all other forms of marketing content. All approvals are to be requested, in advance, through Franchise Relations. (Section 8.4)

7) You are restricted from establishing a presence on, or marketing using, the Internet, or development of an independent website without our consent. We have an Internet website at the uniform resource locator www.uscryotherapy.com that provides information about the System and about our Cryotherapy franchise locations. We have developed (sub domain, SEO optimized, and franchisee accessible location sites for customization as well as Social Media templates for (Facebook, Instagram, and Twitter) at the uniform resource locator http://www.uscryotherapy.com/find-a-location/ We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content for our internet marketing and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other

use of, the US Cryotherapy website or the development of separate franchisee websites using our Marks. (Section 8.5)

We will endeavor but are not required to make available to you, from time to time, various advertising and promotional material which we may create. However, you will be primarily responsible for all Franchise local advertising through the selection of material available on the USCF Franchise Portal via the USCF Agency of Record or otherwise approved by us.

D. Computer System

You must purchase the rights and license touse the proprietary center operating systems provided by USCF outlined in Item 7. If you choose to run accounting or other business or graphics software on the main computer system, compatibility and functionality assessment will be requested and approved by USCF Operations. We estimate that the cost of our computer equipment, software and related materials is $14,500 -$16,500.

You do not have to enter into any ongoing maintenance or support agreements for the maintenance of a computer, and we estimate that your normal annual computer maintenance costs will be zero. You may periodically be required to update or upgrade computer hardware and software, if we believe it is necessary. We may introduce new requirements or modify our specifications and requirements for computer and point-of-sale systems. There are no limits on our rights to do so, except as disclosed in Item 16. We have the right to independently access all information you collect or compile at any time without first notifying you. You are required to provide access (administrative control rights) to all social media platforms (Facebook, Instagram, Twitter) to USCF Operations as well as administrative rights to all systems operating the USCF center. (Section 3.4) The peripheral equipment, software and hardware utilized within the UCSF system remain the rights of USCF. Your costs associated with use of this equipment include all configurations, synchronization, IT, ongoing upgrades, and training on the use of Cryoqueue to run your business.

E. Chamber System

You must purchase and use either the (C4) 2-room chamber or (C1) single room chamber at your Center. USCF Operations Group and its Construction & Install Manager, or a representative from the contract manufacturer, installation and service group will assist you and your General Contractor in the preparation and installation of the cold-therapy chamber. You will be provided with training in the use and maintenance of the Cryo Chamber. The Cryo Chamber has certain performance ranges which may vary depending on the type of usage (i.e. frequency of use, number of persons in Chamber, etc). So long as the range of optimal exit body temperatures are being achieved, the Cryo Chamber will be deemed properly functioning.

The manufacturer will provide installation, maintenance and servicing of the Cryo Chamber. The manufacturer will provide service and warranty coverage under the PROTECT plan for the Cryo Chamber which will be availableon a monthly recurring rate or annual rate. We require your Cryotherapy chamber to be on a service plan for reduction of business interruption and down time.. You may periodically be required to update or upgrade the Cryo Chamber hardware and software, if we believe it is necessary. There are no limits on our rights to do so, except as disclosed in Item 16. We have the right to independently access all information you collect or compile relating to the use and performance of the Cryo Chamber at any time without first notifying you. Your chamber must remain live connected via CAT5/6 at all times to qualify for service/maintenance/warranty representations. Should you choose to disconnect your system from remote monitoring access, and we remain without access for a period of longer than (3) business days, you voluntarily void all warranty and service representations.

F. Training by Us

We will provide training to you your staff and your managers via the online training portal pre-opening and the system is available ongoing for refresher training and new employee on-boarding (Item 11 Section A). Additional training will occur on-site pre-opening, and on an ongoing basis through Franchise Relations and Corporate.

The following chart outlines our estimated initial training program:

TRAINING PROGRAM

Subject	**Hours of Modular Training**	**Hours of On – site Training**	**Location**
Franchisee Portal admin login and use	1	0	Online Portal with Operations and Franchise Relations
Introduction to US Cryotherapy	.5	0	Online Portal
Customer Service Training	.5	1	Online Portal
C4/C1 Chamber Training	.5	2	Online Portal
Localized Device use training	.5	2	Online Portal
Other services training (Hydro Massage bed, Normatec, etc.)	1	1	Online Portal
Contraindications training	1	1	Online Portal
Physiology Training	1	2	Online Portal

Subject	Hours of Modular Training	Hours of On – site Training	Location
Systems and Training review with Center operational review	2	8	Franchise Relations shadow and real time walk through – soft opening
Marketing Review	4	2	Online Portal and Franchise Relations review
Point of Sale Training	1	4	Online Portal and Operations live pre-opening
Administrative Procedures	2	2	Online Portal and in pre-opening
Totals	**15**	**25**	

Our training program is conducted under the supervision of USCF Operations and Franchise Relations. Training material developed by Corporate staff, (whose experience is described in Item 2). Our instructors, trainers, managers have generally, between two and eight years of experience in this industry that is relevant to the Cryotherapy and franchised business.

You and/or other previously trained and experienced Center managers and employees must attend and complete satisfactorily, various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. Currently we intend to require all franchisees to attend regional or annual conferences and meetings that we may develop in the future. We may charge a reasonable registration or similar fees for these courses. You must pay all travel, meals, lodging and wage costs to attend. To the extent we decide to offer, or require that you attend, any additional training courses or attend conventions or meetings in the future, we will develop and determine the cost, location, content, duration, and frequency of those programs at a later time.

For all additional training courses, seminars, and programs, we will provide instructors and training material. We may allow a franchisee to provide such training locally to employees. For additional live training requested by you for new employees, you will pay a training fee per hour plus expenses for the instructor(s). (Sections 5.3 and 5.4)

ITEM 12. TERRITORY

The Cryotherapy Franchise Agreement grants protected territorial rights to you as follows.

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

You will select your Authorized Location which will be located in your designated Territory. The designated Territory for your Franchised Business will be determined by a population density mapping program to protect an area of approximately 75,000 population for the C1 Chamber Franchise, or 150,000 population for the C4 Chamber Franchise, by homogeneous zip codes, city borders or a combination of both. There are no sales quotas or other conditions to maintaining your Territory.

Your Authorized Location and Protected Territory designation will be set forth in Exhibit A to the Franchise Agreement.

You will operate from one Authorized Location and cannot relocate without our prior written consent. Under normal circumstances, we will not give our consent unless the Master Lease for your location ends or is terminated. In the event a lease ends or is terminated prior to the termination of the Franchise Agreement and you are not in default under the Franchise Agreement or the lease, we will make a reasonable good faith effort to assist you in identifying a new location for your US Cryotherapy Center within your Territory.

Except as otherwise provided in the Franchise Agreement, during the term of the Franchise Agreement we will not establish or operate, nor license any other person to establish or operate, a US Cryotherapy System center, at any location within the area designated as your Territory.

We retain the right, among others, to establish and operate, and license others to establish and operate a health and wellness business under the US Cryotherapy system at any location outside your Territory. We also retain the right to advertise for, contract with and arrange service for National/Regional/Group Accounts wherever they may be located and request you to offer services under the negotiated national rates/program. "National/Regional/Group accounts" are defined (for purposes of this Franchise) as commercial, corporate or athletic accounts which include groups, businesses and organizations in which we will provide ongoing Cryotherapy services to a designated group. We will negotiate contracts with such National/Regional/Group accounts and will service these accounts ourselves or through franchised Centers. *However*, we will offer the servicing of such accounts to a qualified franchisee having its exclusive territory in the same geographic area as the location of such National/Regional/Group account on a right of first refusal. If a franchisee agrees to undertake the servicing of such account, it will be on the terms and conditions negotiated for such commercial account. Your territory will not be exclusive because we reserve the right to service (if you decline to) National/Regional/Group accounts located in your territory. We retain the right to directly sell the US Cryotherapy localized devices and other service modalities (other than the C1 & C4 Cryotherapy Chambers)with no restrictions or protections within your Territory to any individual, medical practice, or retail establishment.

We also retain the right to sell cold-therapy chambers in your Territory but only for non-commercial, non-retail, non-competing private use such as colleges, professional athletic teams, hospitals, clinics or Olympic training facilities in which there would be no external marketing or advertising for retail customer use. You may face competition from these other outlets which we have authorized or from other channels of distribution or competitive brands in the whole body or partial body cryotherapy industry. The US Cryotherapy system only offers its territory protections on its proprietary (C1 & C4) chambers. There are various other competing products available in the market, including a planned line extension through the current manufacturing supplier, Cryobuilt, Inc. for home use and competing nitrogen cooled systems.

You will be expected to limit your selling efforts and servicing of customers within your designated Protected Territory although you may service customers from outside your Territory. However, you will be required to limit references to your business location to your Authorized Location(s). You are permitted to use the internet, including social media, and to engage in legally compliant direct marketing methods, but these must be targeted within your Territory.

ITEM 13. TRADEMARKS

We will grant you the right to operate a Franchised Business under the name "US Cryotherapy" and the Marks associated with such name and other Marks we may authorize you to use in the future.

Our affiliate, Remark (see Item 1) owns a registration for the following Mark with the U.S. Patent and Trademark Office ("USPTO"):

Service mark and/or Trademark	Class	Registration #	Date Filed
USCryotherapy FASTER RECOVERY • BETTER HEALTH	25 and 44	6,032,226	April 14, 2020

The Names and Marks are owned by Remark Enterprises LLC d/b/a US Cryotherapy which has licensed the use of such Name(s) and Mark(s) to USCF in a trademark license agreement dated October 28, 2011, which has a 10 year term and five year automatic renewal terms. No agreements limit USCF's right to use or license the use of the Name(s) and Mark(s) in the manner provided for herein. If we lose the right to use the Name(s) or Mark(s), you will be required to change the trademarks in connection with the franchised business.

Your use of the Name(s) and Mark(s) shall be solely as authorized by us and not otherwise. You shall not use the Name(s) or Mark(s) of Cryotherapy, either at the Authorized Location or elsewhere, including use in advertising, until first approved in writing by us both respecting the form as well as the choice of media where applicable and geographical area of distribution.

There are currently no superior rights or infringing uses known to us that could materially affect your use of the US Cryotherapy Name or Mark in the United States.

We will make commercially reasonable efforts to protect your rights to use the Name(s) and Mark(s). If any infringement of, or challenge to, your use of the Name(s) or Mark(s) should occur, you are obligated to immediately provide us with written notice of the same. We will then have the sole discretion to take and control such action including any administrative proceeding or litigation as we deem appropriate. The Franchise Agreement requires us to protect and defend the use of all franchise related trade names and service marks to the extent commercially reasonable. You agree to indemnify us for any expenses or damages relating to your improper or unauthorized use of any licensed Name(s) or Mark(s).

You can only use the Marks as authorized in the Franchise Agreement or as otherwise authorized in writing by us. Among other restrictions, you may not use the Names or Marks:

A. As part of your corporate/entity name.

B. With modifying words or designs.

C. On any papers, vehicles, clothing, etc. except as authorized by us.

D. In connection with the sale or rendering of any unauthorized services.

E. In any way which is unethical or may be injurious to this Franchise or to the goodwill associated with the Marks.

F. Without using the designation ®, ™, SM or other trademark registration notice.

We reserve the right to substitute different proprietary marks for use in identifying the Franchised Business at our sole discretion. We will have no obligation or liability to you as a result of such substitution.

You irrevocably agree not to contest, directly or indirectly, our ownership, title, right, or interest in our trade name, and any trademarks, trade secrets, service marks, methods, procedures, and advertising techniques which are a part of the US Cryotherapy system or to contest our sole right to register, use or license others to use such trade names, trademarks, service marks, trade secrets, methods, procedures, and techniques in this State.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

A. Patents and Copyrights

There are no registered copyrights or patents, or pending patent applications, material to this franchise. We claim copyright and trade secret protection, however, for several elements of the System, including our Cryoqueue operating system, Franchise Portal, operations manuals, the design element of our trademarks and the marketing materials we produce, training materials, website and other promotional items designed by us or our agents.

The technology behind the cold therapy chambers is proprietary and we and the third party manufacturer, CryoBuilt, Inc. ("CryoBuilt") control the rights to it as a trade secret. US Cryotherapy funded the research and development of the cold therapy C1 and C4 chamber equipment by a third party, sub-contracted refrigeration manufacturing company, a company dedicated to exclusively manufacturing cold air chambers, which in 2016 assigned all interests in the C1 and C4 cold therapy chambers to CryoBuilt. In a written agreement with CryoBuilt's predecessor, dated April 15, 2015, we agreed to fund the development, provided that our affiliate USCDS owned the intellectual property in the resulting chambers. Since that date, we have been the exclusive U.S. distributor of the C1 and C4 cold therapy chambers, which we make available to franchisees.

The manufacturing of the equipment, assembly, parts control, product and component testing, installation and service have been the sole responsibility of CryoBuilt with incorporated contract service and install work in-house or through selected contract refrigeration experts regionally. We require you to maintain the confidentiality of all aspects of the cold chamber technology.

There is no agreement in effect which significantly limits our rights to use or license the trademarks and chamber technology in any state in a manner material to the Franchise, and we know of no superior prior right or infringing uses that could materially affect your use of the technology in any state.

We claim copyrights in the Cryoqueue, Franchise Portal, all operational items, training material, marketing material, employee documents and Operations Manual, our website, and other copyrightable items that are part of the US Cryotherapy system. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights. We assert that the Franchise Portal consisting of all operational items, our website content, our marketing materials and other copyrightable items are confidential information and trade secrets. You may use these items only as we specify while operating the franchised business and you must stop using them if we direct you to do so. (Article XI)

To our knowledge, there are currently no effective determinations of the U.S. Copyright Office or any court regarding the copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

B. Proprietary Information

We assert proprietary information protection (as "trade secrets") for all material provided by us to you for use in conjunction with the US Cryotherapy system. You must treat all materials created for or approved for use in the operation of the US Cryotherapy system, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise reproduce these materials accept as necessary for the operation of your Franchised Business, or make them available to any unauthorized person.

We may from time-to-time revise the procedures or standards of the US Cryotherapy system and you must comply with each new or changed standard. You must ensure that your Franchised Business is in compliance with all current standards at all times.

You must not, during the term of the Franchise Agreement or after the term of the Franchise Agreement, communicate, divulge, or use for the benefit of any other person, partnership, association or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the US Cryotherapy system which may be communicated to you or of which you may be apprised by virtue of your operating under the terms of the Franchise Agreement (including information, knowledge, or know-how concerning muscle and joint cold therapy processes, techniques and equipment). You may divulge this confidential information only to those of your employees as must have access to it in order to operate or provide services to the Franchised Business. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

All of your owners, officers, directors, and managers having access to confidential information must sign a confidentiality agreement (see Exhibit C to the Franchise Agreement). We will be a third-party beneficiary of these agreements and will be entitled to equitable remedies, including restraining orders and injunctive relief, in order to protect our confidential information, trade secrets, and the Names and Marks.

All ideas, concepts, techniques or materials concerning the Franchised Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property and a part of the US Cryotherapy system that we may choose to adopt and/or disclose to other franchisees, and you hereby assign and agree to assign to us all right, title and interest in and to any intellectual property so developed. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the US Cryotherapy system. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

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

We expect you to devote substantial time and best efforts to the management and operation of the Franchised Business. Furthermore, as the manager for the Franchised Business, you must have background and experience required under Item 11, Section A.1 above. If you are an individual, you must actively supervise and participate in the Franchised Business at the Center location on a full-time basis. Generally, individuals can be franchisees. A franchisee may, with the prior consent of USCF, conduct the business of the Franchise through a corporation, limited liability company or partnership; however, you will remain responsible for all of the obligations under the Franchise Agreement during its full term (Section 16.4). Officers, Directors or Managers and owners of the Franchisee (if an entity) will be required to sign personal guarantees of the financial obligations of the Franchisee. (See Exhibit E to the Franchise Agreement)

You will also be obligated under the Confidentiality and Non-disclosure Agreement and the provisions of the Franchise Agreement. You must not engage in or have a financial interest in any business that conflicts with your obligations to the Franchised Business or any business that competes with the US Cryotherapy system Franchised Business utilizing services or modalities included in the US Cryotherapy system.

You must ensure that your employees comply fully with all applicable terms of the Franchise Agreement including but not limited to, maintaining all trade secrets, not competing with the Franchised Business and safeguarding all US Cryotherapy system documents, procedures, etc. provided to you by us.

You are required to participate in franchisee meetings, seminars, conferences or supplemental training sponsored by us.

ITEM 16. RESTRICTION ON WHAT THE FRANCHISEE MAY SELL

To participate in the US Cryotherapy system, you must agree to sell, use and provide only such equipment, services and products as have been approved by us whether directly related to the US Cryotherapy system or not (unless otherwise authorized); sell and provide all types of services and products specified by us; avoid deviating from the standards and specifications of the US Cryotherapy system, except with our consent; keep the Franchised Business open and operating during normal business hours or for such minimum hours and days as we may specify; and refrain from operating any wellness & recovery or health & beauty competing retail or private therapy business during the term of the Franchise Agreement (unless otherwise authorized).

We reserve the right to require you to remove any such product or service even if previously approved by us. In addition, you may not become a distributor, sales representative, or realize any financial benefit from any approved or unapproved service item or product within the system.

You must operate the Franchised Business in strict compliance with all applicable federal, state and local laws, ordinances and regulations including maintaining the appropriate business licenses. It is your responsibility to inform yourself of local requirements and to adhere to them.

In order to be able to respond to the changing marketplace, new technologies and competitive forces, we retain the absolute right to change, modify, or add to the type of services or products offered or supplies used by the Franchised Business. With regard to the US Cryotherapy system, guidelines and procedures will be updated as necessary to identify the selected suppliers, service providers, new products and services currently available to franchisees. You must comply with all of our reasonable requirements in that regard, including using and selling new or different cold-therapy services related products or services as specified by the US Cryotherapy system with the exception of non-renewing franchisees nearing the end of their franchise term.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION OF THE FRANCHISE RELATIONSHIP

The following table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Agreement attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise term.	Section 2.1	Ten (10) years
b. Renewal or extension of the term.	Section 2.3 – 2.4	Renewal means continuing the Franchised Business for an additional term of five (5) years each, subject to contractual requirements which could be materially different from the terms and conditions in your original contract
c. Requirements for you to renew or extend.	Section 2.4	Notice, compliance with existing Franchise Agreement, execute new Franchise Agreement, pay renewal fee and others
d. Termination by you.	Not applicable	Not applicable
e. Termination by us without cause.	Not applicable	Not applicable
f. Termination by us with cause.	Sections 17.1 and 17.2 – 17.4	Failure to comply with Franchise Agreement
g. "Cause" defined-defaults which can be cured.	Section 17.1 and 17.4	Breach of Franchise Agreement but you can avoid termination if you cure the breach within time permitted
h. "Cause" defined-defaults which cannot be cured	Section 17.1, 17.2 and 17.3	Breach of Franchise Agreement and other specified grounds which allow immediate termination without giving you an opportunity to cure the breach

Provision	**Section in Franchise Agreement**	**Summary**
i. Your obligations on termination/nonrenewal.	Article XVIII	Obligations include stop using US Cryotherapy system's Marks and US Cryotherapy system including Confidential Information, return of all materials relating to US Cryotherapy system. Comply with post-termination covenants and pay all amounts due[(1)]
j. Assignment of contract by us.	Section 16.1	Notice and suitable transferee
k. "Transfer" by you-definition.	Section 16.2 and 16.4	Includes transfer of interest in Franchise Agreement and upon change of business ownership or change of control of entity; death or disability of franchisee
l. Our approval of transfer by you.	Section 16.3	We have right to approve/ disapprove transfer
m. Conditions for our approval of transfer.	Section 16.3	Includes payment of money owed, no breach, execution of general release, transferee suitability, execution of new Franchise Agreement by transferee
n. Our right of first refusal to acquire your business	Section 16.6	Terms equal to best third party offer or appraised FMV
o. Our option to purchase your business.	Section 17.6	If we terminate your Franchise or you wish to sell you Franchised Business, we have option to buy your business at fair market value or by matching bona fide third party offer
p. Your death or disability	Section 16.5	In the event of death, disability or sale by Principal, we have option to buy your business at fair market value

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise.	Article XIV	No participation or ownership in other muscle/joint therapy service or related business except with our consent
r. Non-competition covenants after the franchise is terminated or expires	Sections 18.2 and 18.3(E)	Includes prohibiting use of confidential information and Trade Secrets for a competitive business for five (5) years after termination[1]
s. Modification of the franchise agreement	Section 4.4(C)	The Franchise Agreement can be modified only by written agreement between you and us. We can modify and change the US Cryotherapy system
t. Integration/merger clause.	Section 22.10	Only terms of Franchise Agreement are binding (subject to state law) and includes a confidentiality agreement. Any other promises may not be enforceable
u. Dispute resolution by arbitration or mediation	Article XX	Mandatory arbitration required in county in California in which we maintain our principal office. This provision is subject to state law and in some jurisdictions, local laws may override this.
v. Choice of forum	Sections 20.2 and 20.5	Roseville, California, unless otherwise specified by applicable state law, except if the Federal Arbitration Act pre-empts state law
w. Choice of law	Section 22.1	Law of State of California, except where state law provides otherwise.

[1] Various states, including California, have statutes or regulations which may supersede or supplement the Franchise Agreement. See Exhibit "D" to the Franchise Agreement which

provides to what extent the Franchise Agreement will be modified or superseded by statutes or regulations of your state.

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

The provisions in the Franchise Agreement which provide for termination upon bankruptcy of a franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 *et seq*.)

Management and other supervisory personnel of a franchisee having access to US Cryotherapy system's confidential information will be required to sign a Confidentiality and Nondisclosure Agreement. See Exhibit C to Franchise Agreement.

ITEM 18. PUBLIC FIGURES

There are no present arrangements with any public figures to endorse or promote the US Cryotherapy system's franchises.

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 this 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 provide information about several different aspects of our brand. Written substantiation of this information is available to you upon written request.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Cryotherapy Chamber Maintenance

Below are charts showing the maintenance required on of each type of chamber for franchisee-owned US Cryotherapy locations open at least 5 months in 2019. There were no units excluded.

C1 SYSTEM[1] – 9 UNITS TOTAL

	Average	Median	Units Meeting or Exceeding Average

Number of Service Days(2)	5.3	2.2	3
Number of Operating Days Affected(3)	1.5	1	3
Percentage of Time Affected(4)	1.8%	1.3%	3

C4 SYSTEM(1) – 9 UNITS TOTAL

	Average	Median	Units Meeting or Exceeding Average
Number of Service Days(2)	7	4	4
Number of Operating Days Affected(3)	4.2	3.5	4
Percentage of Time Affected(4)	2.9%	2.3%	6

(1) This data represents a subset comprised of all 18 existing Franchised Units (C1 & C4) open at least 5 months in 2019 which subscribed to a CryoBuilt service plan (no units were excluded).

(2) A "Service Day" is any day on which a service appointment is held. Routine service maintenance is required under the chamber's warranty every 2000 estimated hours of run time. You will be notified by CryoBuilt when your chamber is due for routine service maintenance. Failure to permit this maintenance will void the warranty on the chamber.

(3) To calculate "Operating Days Affected" we included every inefficient or inoperable day, plus each Service Day. We counted every day on which the chamber was affected as an inefficient or inoperable day, even if it was only a partial day. As a hypothetical illustration, if the chamber stopped functioning optimally in the afternoon on the 4th and it took two days to get it fixed, with it coming back into service around noon on the 6th, we calculated three (3) "Operating Days Affected."

(4) To calculate "Percentage of Time Affected" we used the Operating Days Affected, divided by the number of days each location was open for business in 2019.

Cryotherapy Chamber Performance

The below chart shows the maximum number of appointments each type of chamber was capable of handling, or actually handled, in a period of time before the chamber needed to hold (meaning not be used for a few minutes) in order to re-cool, based on the results in our franchisee-owned units from 2016 through 2019 fiscal years. For this chart, we include all units open before January, 2016.

FRANCHISEE RESULTS

	Highest Per Day(1)	Highest Per Hour(2)	Our Capacity Estimate(3)	Average high per hour across all centers(4)	Median high per hour across all centers

C1 System (7 Units)	72	24	12-16	16.6	15
C4 System (10 Units) [5]	140	28	40	14.9	12.5

COMPANY-OWNED UNIT RESULTS

	Highest Per Day[1]	Highest Per Hour[2]	Our Capacity Estimate[3]	Average high per hour[4]	Median high per hour
C4 Systems (2 units)	237	56	40	47.5	47.5

(1) The "Highest Per Day" shows the day with the highest total number of appointments which were held, across all units in this set. Please note that the numbers here do not necessarily correlate to the number of people. The C1 chamber can accommodate up to two people going in at the same time, the C4 chamber up to 4 at the same time, although most people prefer to go in alone (C1 chamber), except if they are with a friend or teammate, and more in groups (C4 chamber) as volume dictates

(2) The "Highest Per Hour" shows the hour with the highest total number of appointments which were held within that hour, across all units in this set.

(3) "Our Capacity Estimate" is the maximum number of appointments per hour that we recommend that you expect to be able to schedule. In some cases the equipment exceeds this, but your results may differ from the high reported here.

(4) We calculated the "Average High Per Hour" by including the highest number of appointments in one hour during the year for each unit in the set. This average does not necessarily reflect a point at which the chamber achieved maximum capacity for every unit, since many units are still getting established and have not hit a "ceiling" or "maximum" point in their chamber performance. As of March 2020, we have received no complaints from franchisees that their chambers could not achieve at least the range which we recommend.

Gross Revenue and Check-Ins Per Day

C1 Centers – Franchisee Operated

We had seven (7) franchisee-owned units which were open at least 5-months in 2019, excluding units which terminated prior to 2019 or opened with fewer than 5-months in 2019. As of December 31, 2019, these seven (7) units had been open on average 18 months or longer.

Category	High	Low	Average	Median
Check-ins per day[1]	47	7	23	25
Revenue per	$44	$17	$32.00	$33.00

check-in[2]				
Gross Monthly Revenue[3]	$56,854	$7,300	$22,500	$23,868

- Excluded from the data set are (2) C1 Franchised centers which operate within a gym entity under a different pricing model

C4 Centers – Franchisee Operated

We had eight (8) franchisee-owned units which were open a full year in 2019, excluding units which opened with fewer than 5-months in 2019. As of December 31, 2019, these eight units had been open an average of 27-months.

Category	High	Low	Average	Median
Check-ins per day[1]	31	12	19.5	18
Revenue per check-in[2]	$36	$24	$32	$33
Gross Monthly Revenue[3]	$66,394	$12,000	$26,935	$22,000

- Excluded from the data set are (1) C4 Franchised centers which operate within a gym entity under a different pricing model

C4 Centers – Company Operated

We had four (4) company-owned units which were open a full year in 2019, excluding units which opened with fewer than 5-months in 2019. As of December 31, 2019, these four units had been open an average of 30-months.

Category	High	Low	Average	Median
Check-ins per day[1]	65	21	39	36
Revenue per check-in[2]	$28	$19	$24	$26
Gross Monthly Revenue[3]	$45,000	$17,000	$27000	$29000

Excluded from the data set are one C4 Company center which operated within a gym entity under a different pricing model and one C4 center operated on a Military base installation with lower retail pricing per the operating agreement.

(1) Check-ins per day is calculated as the average number of check-ins per day over the entire course of the year. These numbers are rounded to the nearest whole number. Each check-in is a single person coming into the Center for one or more services.

(2) Revenue per check-in is calculated as dollars per day, divided by number of check-ins. The high and low figures are rounded to the nearest whole dollar.

(3) Gross Monthly Revenue is the gross total revenue, rounded to the nearest thousand.

Special Note on the Impact of COVID-19: US Cryotherapy system businesses are not essential businesses under the shelter-in-place or stay-at-home issued by most U.S. states in 2020 in response to the pandemic. All of our businesses were closed for at least a period of weeks in early 2020 and during the closure period our revenue decreased an average of 60%. As of the date of this Disclosure Document, many businesses have been permitted to reopen subject to distancing and other safety protocols, including scheduling services by appointment only. During this reopening phase, our businesses have averaged a decrease of 40% compared with revenue at the same time last year, although many of our lower revenue locations are back to 100% of their pre-COVID revenue, while our highest revenue locations have not been able to book as many appointments per day as they had before the pandemic because of distancing requirements.

Planning Tool/Pro forma

We provide potential franchisees with a Planning Tool in the form of an Excel spreadsheet structured as a pro forma which allows the potential franchisee to manipulate customer volume and service pricing and expenses to show various performance and expense outcomes. A static image of this Planning Tool is attached as Exhibit 6 to this FDD. This Planning Tool is based on the expense information contained in Item 7 and the following price recommendations for various services and packaged discounts:

Service	Recommended Price
Whole body Chamber Treatment	$40
Localized Treatment	$15
Executive Membership	$99
Executive Add on Treatment or Group Session	$25
Transfer Session	$10
Starter 3-pack, 10-pack	$130 - $249
Season Pass (3 months) core, premier, elite	$499, $599, $699
Annual Pass core, premier, elite	$1,499, $1799, $2199
Monthly unlimited (core+1) (core+2) (Core+3-4)	$199, $249, $299
Guest Introduction	$30
Facial Rejuvenation	$30
Cryoskin (facial, single, package of 5)	$250, $350, $1500
Compression single session	$15
Hydromassage single session	$10

Retail gels/T-shirts average	$20
Theragun single session	$10
Light Stim single session	$20

Although you are free to set your own prices, we strongly recommend that you follow our price recommendations. These recommendations are based on our company-owned units' experiences as well as information from franchisees and are established with the goal of ensuring that your services are attractively priced while also yielding enough revenue for your business.

Other than the preceding financial performance representation, US Cryotherapy Franchising, LLC does not make any financial performance representations. 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 Center, however, we may provide you with actual records of that Center. If you receive any other financial performance information or projections of your future income which is attributable to us, you should report it to the Franchisor's management by contacting Rob Kramer, 825 Wedgewood Ct, West Sacramento CA 95606, or rkramer@uscryotherapy.com, the Federal Trade Commission, and/or the appropriate state regulatory agencies**.**

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE 1

SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2017 TO 2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net change
Franchised	2017	7	14	+7
	2018	14	17	+3
	2019	17	18	+1
Company-Owned*	2017	2	4	+2
	2018	4	5	+1
	2019	5	6	+1
Total Outlets	2017	9	18	+9
	2018	18	22	+4
	2019	22	24	+2

*Centers are owned and operated by Remark Enterprises LLC, an affiliate of USCF.

TABLE 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2017 TO 2019

State	Year	Number of Transfers
California	2017	0
	2018	1
	2019	0
Total	2017	0
	2018	1
	2019	0

TABLE 3

STATUS OF FRANCHISE OUTLETS FOR YEARS 2017 TO 2019

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
California	2017	3	2	1	0	0	0	4
	2018	4	1	0	0	0	0	5
	2019	5	1	0	0	0	0	6
Florida	2016	1	1	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Minnesota	2017	0	1	0	0	0	0	1
	2018	1	2	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Michigan	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Ohio	2017	1	1	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Tennessee	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Texas	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Utah	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Total	2017	7	7	1	0	0	0	13
	2018	13	4	0	0	0	0	17
	2019	17	1	0	0	0	0	18

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

TABLE 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2017 TO 2019

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arizona	2017	0	1	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
California	2017	2	1	0	0	0	3
	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
Texas	2017	0	0	0	0	0	0
	2018	0	1	0	0	0	1
	2019	1	1	0	0	0	2
Total*	2017	2	2	0	0	0	4
	2018	4	1	0	0	0	5
	2019	5	1	0	0	0	6

*Total reflects US Cryotherapy Centers owned and operated by Remark Enterprises LLC, an affiliate of USCF.

TABLE 5

PROJECTED NEW OPENINGS AS OF DEC 31 2019

State	Franchise Agreements signed but Outlet Not Yet Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Arizona	1	0	0
California	0	3	0
Florida	0	1	0
Michigan	0	0	0

State	Franchise Agreements signed but Outlet Not Yet Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Nevada	0	1	0
New Mexico	1	1	0
Louisiana	1	1	0
Georgia	0	0	1
Various other States	1	0	0
TOTAL	3	3	1

ITEM 21. FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit "1" are the audited Financial Statements for US Cryotherapy Franchising LLC for the periods ended December 31, 2019, 2018, and 2017.

Franchisee's payment of initial franchise fees will be held in escrow at federally-insured bank until franchisor has met all of its initial obligations to franchisee and franchisee has commenced doing business (see Exhibit E to the Franchise Agreement).

ITEM 22. CONTRACTS

See, US Cryotherapy system's Franchise Agreement (Exhibit "2"), including the following exhibits thereto:

A. Authorized Location and Territorial Rights.

B. Trademarks/Service Marks.

C. Confidentiality and Nondisclosure Agreement.

D. State Regulations Which Supersede Franchise Agreement.

E. Franchisee Guarantee

F. SBA Addendum

ITEM 23. RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear as Exhibit 8. Please return one copy to us and retain the other for your records.

EXHIBIT 1
FINANCIAL STATEMENTS
FOR
US CRYOTHERAPY FRANCHISING LLC

THE ATTACHED FINANCIALS FOR US CRYOTHERAPY FRANCHISING LLC FOR THE PERIOD ENDED JUNE 30, 2020 HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

US Cryotherapy
Balance Sheet by Class
As of June 30, 2020

US Cryotherapy Franchising LLC

Balance Sheet

As of June 30, 2020

	Marketing Fund (Franchising)	Franchising - Other (Franchising)
ASSETS		
Current Assets		
Checking/Savings		
10000 · Cash		
10001 · Cash on hand	0.00	0.00
10010 · Petty Cash	0.00	0.00
10200 · CBB - Franchise -6897	0.00	5,778.05
10210 · CBB - National Mkt Fund -2481	4,182.34	0.00
Total 10000 · Cash	4,182.34	5,778.05
Total Checking/Savings	4,182.34	5,778.05
Accounts Receivable		
11000 · Accounts Receivable	4,284.54	22,924.28
11100 · Trade Receivables--Direct Sales	0.00	0.00
Total Accounts Receivable	4,284.54	22,924.28
Other Current Assets		
11101 · Accounts Receivable Adj	0.00	21.21
Total Other Current Assets	0.00	21.21
Total Current Assets	8,466.88	28,723.54
Fixed Assets		
15000 · Furniture and Fixtures		
Total 15000 · Furniture and Fixtures	0.00	0.00
15200 · Quad Chambers		
15220 · UL Listing	0.00	0.00
15200 · Quad Chambers - Other	0.00	0.00
Total 15200 · Quad Chambers	0.00	0.00
15499 · Accumulated Depreciation	0.00	0.00
Total Fixed Assets	0.00	0.00
Other Assets		
15500 · Leasehold Improvements		
Total 15500 · Leasehold Improvements	0.00	0.00
15840 · Improvement Allowance Rec.	0.00	0.00
17000 · Deposits		
17140 · Rent Deposit - Centers	0.00	0.00
Total 17000 · Deposits	0.00	0.00
18000 · Investment in Affiliates		
18170 · Investment in Remark/Buccola	0.00	0.00
Total 18000 · Investment in Affiliates	0.00	0.00
18400 · Advances		
Total 18400 · Advances	0.00	0.00

US Cryotherapy
Balance Sheet by Class
As of June 30, 2020

	Marketing Fund (Franchising)	Franchising - Other (Franchising)
Total Other Assets	0.00	0.00
TOTAL ASSETS	**8,466.88**	**28,723.54**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable	2,660.00	9,817.45
Total Accounts Payable	2,660.00	9,817.45
Credit Cards		
21000 · Credit Cards		
21040 · Visa - Franchising - 333,33	0.00	2,566.41
Total 21000 · Credit Cards	0.00	2,566.41
Total Credit Cards	0.00	2,566.41
Other Current Liabilities		
20001 · AP Clearing account to clear	0.00	0.00
20060 · Accrued Expenses	0.00	0.00
22000 · Employee Liabilities		
22020 · Employee Benefits - Payable	0.00	0.00
22050 · Payroll Clearing - Net Pay	0.00	5,405.29
22060 · Payroll Clearing - Total Taxes	0.00	2,085.36
Total 22000 · Employee Liabilities	0.00	7,490.65
24000 · Auto Lease Payable	0.00	125.00
24020 · Sales Tax Payable	0.00	0.00
24040 · Cell Phone Payable	0.00	25.00
25000 · Deposits and Deferred		
25100 · Customer deposits	0.00	0.00
25150 · Deferred Revenue	0.00	0.00
25450 · Marketing Fund Receivable	67,350.98	20,652.64
Total 25000 · Deposits and Deferred	67,350.98	20,652.64
26000 · Loans, LOC - Short Term		
26100 · CBB - Line of Credit	0.00	0.00
26200 · Rob Kramer Bridge Loan	0.00	0.00
Total 26000 · Loans, LOC - Short Term	0.00	0.00
Total Other Current Liabilities	67,350.98	28,293.29
Total Current Liabilities	70,010.98	40,677.15
Long Term Liabilities		
27000 · Loans		
27310 · SBA Loan - EIDL - Forgivable	0.00	0.00
27320 · EIDL loan	0.00	0.00
Total 27300 · SBA Loan - EIDL	0.00	0.00
27400 · SBA Loan - PPP		
27430 · PPP - Franchising	0.00	37,300.00
Total 27400 · SBA Loan - PPP	0.00	37,300.00
Total 27000 · Loans	0.00	37,300.00

US Cryotherapy
Balance Sheet by Class
As of June 30, 2020

	Marketing Fund (Franchising)	Franchising - Other (Franchising)
27800 · Settlement Payable - Long-term	0.00	117,554.64
29000 · Intercompany		
29020 · Intercompany - Direct/Remark	0.00	0.00
29100 · Intercompany advances	0.00	-22,325.00
Total 29000 · Intercompany	0.00	-22,325.00
Total Long Term Liabilities	0.00	132,529.64
Total Liabilities	70,010.98	173,206.79
Equity		
30000 · Capital		
30100 · Capital--Kevin Kramer	0.00	0.00
30140 · Kevin Kramer Equity	0.00	1,250.00
30200 · Capital--Rob Kramer	0.00	0.00
30240 · Rob Kramer Equity	0.00	1,250.00
30300 · Capital--Todd Kramer	0.00	0.00
30340 · Todd Kramer Equity	0.00	1,250.00
30400 · Capital - Linzie Kramer	0.00	0.00
30440 · Linzie Kramer Equity	0.00	1,250.00
Total 30000 · Capital	0.00	5,000.00
31000 · Retained earnings (deficit)	0.00	-10,633.00
32000 · Members Equity	3,448.27	-339,492.75
Net Income	-10,777.57	-25,904.24
Total Equity	-7,329.30	-371,029.99
TOTAL LIABILITIES & EQUITY	**62,681.68**	**-197,823.20**
UNBALANCED CLASSES	-54,214.80	226,546.74

US Cryotherapy
Balance Sheet by Class
As of June 30, 2020

US Cryotherapy Franchising LLC

Balance Sheet

As of June 30, 2020

	Total Franchising
ASSETS	
Current Assets	
Checking/Savings	
10000 · Cash	
10001 · Cash on hand	0.00
10010 · Petty Cash	0.00
10200 · CBB - Franchise -6897	5,778.05
10210 · CBB - National Mkt Fund -2481	4,182.34
Total 10000 · Cash	9,960.39
Total Checking/Savings	9,960.39
Accounts Receivable	
11000 · Accounts Receivable	27,208.82
11100 · Trade Receivables--Direct Sales	0.00
Total Accounts Receivable	27,208.82
Other Current Assets	
11101 · Accounts Receivable Adj	21.21
Total Other Current Assets	21.21
Total Current Assets	37,190.42
Fixed Assets	
15000 · Furniture and Fixtures	
Total 15000 · Furniture and Fixtures	0.00
15200 · Quad Chambers	
15220 · UL Listing	0.00
15200 · Quad Chambers - Other	0.00
Total 15200 · Quad Chambers	0.00
15499 · Accumulated Depreciation	0.00
Total Fixed Assets	0.00
Other Assets	
15500 · Leasehold Improvements	
Total 15500 · Leasehold Improvements	0.00
15840 · Improvement Allowance Rec.	0.00
17000 · Deposits	
17140 · Rent Deposit - Centers	0.00
Total 17000 · Deposits	0.00
18000 · Investment in Affiliates	
18170 · Investment in Remark/Buccola	0.00
Total 18000 · Investment in Affiliates	0.00
18400 · Advances	
Total 18400 · Advances	0.00

US Cryotherapy
Balance Sheet by Class
As of June 30, 2020

	Total Franchising
Total Other Assets	0.00
TOTAL ASSETS	**37,190.42**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	12,477.45
Total Accounts Payable	12,477.45
Credit Cards	
21000 · Credit Cards	
21040 · Visa - Franchising - 333,33	2,566.41
Total 21000 · Credit Cards	2,566.41
Total Credit Cards	2,566.41
Other Current Liabilities	
20001 · AP Clearing account to clear	0.00
20060 · Accrued Expenses	0.00
22000 · Employee Liabilities	
22020 · Employee Benefits - Payable	0.00
22050 · Payroll Clearing - Net Pay	5,405.29
22060 · Payroll Clearing - Total Taxes	2,085.36
Total 22000 · Employee Liabilities	7,490.65
24000 · Auto Lease Payable	125.00
24020 · Sales Tax Payable	0.00
24040 · Cell Phone Payable	25.00
25000 · Deposits and Deferred	
25100 · Customer deposits	0.00
25150 · Deferred Revenue	0.00
25450 · Marketing Fund Receivable	88,003.62
Total 25000 · Deposits and Deferred	88,003.62
26000 · Loans, LOC - Short Term	
26100 · CBB - Line of Credit	0.00
26200 · Rob Kramer Bridge Loan	0.00
Total 26000 · Loans, LOC - Short Term	0.00
Total Other Current Liabilities	95,644.27
Total Current Liabilities	110,688.13
Long Term Liabilities	
27000 · Loans	
27310 · SBA Loan - EIDL - Forgivable	0.00
27320 · EIDL loan	0.00
Total 27300 · SBA Loan - EIDL	0.00
27400 · SBA Loan - PPP	
27430 · PPP - Franchising	37,300.00
Total 27400 · SBA Loan - PPP	37,300.00
Total 27000 · Loans	37,300.00

US Cryotherapy
Balance Sheet by Class
As of June 30, 2020

	Total Franchising
27800 · Settlement Payable - Long-term	117,554.64
29000 · Intercompany	
29020 · Intercompany - Direct/Remark	0.00
29100 · Intercompany advances	-22,325.00
Total 29000 · Intercompany	-22,325.00
Total Long Term Liabilities	132,529.64
Total Liabilities	243,217.77
Equity	
30000 · Capital	
30100 · Capital--Kevin Kramer	0.00
30140 · Kevin Kramer Equity	1,250.00
30200 · Capital--Rob Kramer	0.00
30240 · Rob Kramer Equity	1,250.00
30300 · Capital--Todd Kramer	0.00
30340 · Todd Kramer Equity	1,250.00
30400 · Capital - Linzie Kramer	0.00
30440 · Linzie Kramer Equity	1,250.00
Total 30000 · Capital	5,000.00
31000 · Retained earnings (deficit)	-10,633.00
32000 · Members Equity	-336,044.48
Net Income	-36,681.81
Total Equity	-378,359.29
TOTAL LIABILITIES & EQUITY	**-135,141.52**
UNBALANCED CLASSES	172,331.94

US Cryotherapy
Profit & Loss by Class
January through June 2020
US Cryotherapy Franchising LLC
Income Statement
Through June 30, 2020

	Marketing Fund (Franchising)	Franchising - Other (Franchising)
Ordinary Income/Expense		
Income		
40000 · Sales		
41000 · Center		
41010 · Center - Cryoskin	0.00	0.00
41040 · Center - Chamber (Individual)	0.00	0.00
41000 · Center - Other	0.00	0.00
Total 41000 · Center	0.00	0.00
43000 · Direct Sales		
Extended warranty	0.00	0.00
SBA Loan payment program	0.00	0.00
43040 · Commissions from mecoTec	0.00	0.00
43120 · Quad Chamber	0.00	0.00
43180 · Single Chamber	0.00	0.00
43000 · Direct Sales - Other	0.00	0.00
Total 43000 · Direct Sales	0.00	0.00
45000 · Franchising	0.00	79,646.97
40000 · Sales - Other	14,581.03	0.00
Total 40000 · Sales	14,581.03	79,646.97
Total Income	14,581.03	79,646.97
Cost of Goods Sold		
50000 · Cost of Goods Sold		
53095 · Transportation	0.00	0.00
Total 53000 · R & D Equipment	0.00	0.00
54000 · Commissions Paid	0.00	0.00
55000 · Merchant Account Fees		
55010 · Stripe fees	0.00	0.00
Total 55000 · Merchant Account Fees	0.00	0.00
Total 50000 · Cost of Goods Sold	0.00	0.00
Total COGS	0.00	0.00
Gross Profit	14,581.03	79,646.97
Expense		
Storage	0.00	0.00
60000 · Sales and Marketing		
61000 · Marketing		
61010 · Web site	5,103.61	0.00
61000 · Marketing - Other	20,254.99	1,143.80
Total 61000 · Marketing	25,358.60	1,143.80
Total 60000 · Sales and Marketing	25,358.60	1,143.80

US Cryotherapy
Profit & Loss by Class
January through June 2020

	Marketing Fund (Franchising)	Franchising - Other (Franchising)
62000 · Consulting/Professional Fees		
62010 · Audit and Tax	0.00	2,000.00
62030 · Information Services	0.00	0.00
62040 · Legal	0.00	19,848.50
62060 · Loan Origination Fees	0.00	0.00
62000 · Consulting/Professional Fees - Other	0.00	740.20
Total 62000 · Consulting/Professional Fees	0.00	22,588.70
62100 · Bank Service Charges	0.00	0.00
62105 · Automobile Expense	0.00	0.00
62110 · Business Licenses and Permits	0.00	650.24
62120 · Charitable Contributions	0.00	0.00
62150 · Dues and Subscriptions	0.00	0.00
62200 · Insurance Expense		
62220 · General Liability Insurance	0.00	0.00
62225 · Fire Insurance	0.00	0.00
Total 62200 · Insurance Expense	0.00	0.00
62310 · Supplies	0.00	7.50
62330 · Miscellaneous Expense		
62335 · Reconciliation Discrepancies	0.00	-3.11
62330 · Miscellaneous Expense - Other	0.00	472.34
Total 62330 · Miscellaneous Expense	0.00	469.23
63000 · Payroll Expenses		
63100 · Wages		
63120 · Employer Taxes	0.00	5,945.43
63130 · Payroll Service	0.00	1,160.36
63140 · Time Clock Service	0.00	0.00
63160 · Payroll Expenses- Cell Phone	0.00	0.00
Total 63100 · Wages	0.00	7,105.79
63200 · Benefits		
63230 · Health Insurance - Employer	0.00	0.00
63200 · Benefits - Other	0.00	0.00
Total 63200 · Benefits	0.00	0.00
63000 · Payroll Expenses - Other	0.00	68,683.75
Total 63000 · Payroll Expenses	0.00	75,789.54
63360 · Worker's Compensation	0.00	1,557.77
63500 · Rent Expense		
63530 · Repairs and Maintenance	0.00	0.00
63500 · Rent Expense - Other	0.00	0.00
Total 63500 · Rent Expense	0.00	0.00
63600 · Taxes		
63630 · Sales Tax Expense	0.00	0.00
Total 63600 · Taxes	0.00	0.00
64000 · Travel Expense		
64100 · Hotels	0.00	318.42

US Cryotherapy
Profit & Loss by Class
January through June 2020

	Marketing Fund (Franchising)	Franchising - Other (Franchising)
64110 · Mileage	0.00	0.00
64120 · Meals and Entertainment	0.00	208.06
64000 · Travel Expense - Other	0.00	108.00
Total 64000 · Travel Expense	0.00	634.48
65000 · Utilities		
65150 · Telephone and Internet	0.00	0.00
Total 65000 · Utilities	0.00	0.00
69000 · Depreciation and Amortization		
69200 · Depreciation Expense	0.00	0.00
Total 69000 · Depreciation and Amortization	0.00	0.00
Total Expense	25,358.60	102,841.26
Net Ordinary Income	-10,777.57	-23,194.29
Other Income/Expense		
Other Income		
86000 · Other income and expense		
86100 · Interest Income	0.00	0.00
86160 · Insurance recoveries/claims	0.00	0.00
86200 · Exchange Rate gain or loss	0.00	0.00
86300 · Interest Expense	0.00	-2,709.95
Total 86000 · Other income and expense	0.00	-2,709.95
Total Other Income	0.00	-2,709.95
Net Other Income	0.00	-2,709.95
Net Income	**-10,777.57**	**-25,904.24**

US Cryotherapy
Profit & Loss by Class
January through June 2020

US Cryotherapy Franchising LLC

Income Statement

Through June 30, 2020

	Total Franchising
Ordinary Income/Expense	
Income	
40000 · Sales	
41000 · Center	
41010 · Center - Cryoskin	0.00
41040 · Center - Chamber (Individual)	0.00
41000 · Center - Other	0.00
Total 41000 · Center	0.00
43000 · Direct Sales	
Extended warranty	0.00
SBA Loan payment program	0.00
43040 · Commissions from mecoTec	0.00
43120 · Quad Chamber	0.00
43180 · Single Chamber	0.00
43000 · Direct Sales - Other	0.00
Total 43000 · Direct Sales	0.00
45000 · Franchising	79,646.97
40000 · Sales - Other	14,581.03
Total 40000 · Sales	94,228.00
Total Income	94,228.00
Cost of Goods Sold	
50000 · Cost of Goods Sold	
53095 · Transportation	0.00
Total 53000 · R & D Equipment	0.00
54000 · Commissions Paid	0.00
55000 · Merchant Account Fees	
55010 · Stripe fees	0.00
Total 55000 · Merchant Account Fees	0.00
Total 50000 · Cost of Goods Sold	0.00
Total COGS	0.00
Gross Profit	94,228.00
Expense	
Storage	0.00
60000 · Sales and Marketing	
61000 · Marketing	
61010 · Web site	5,103.61
61000 · Marketing - Other	21,398.79
Total 61000 · Marketing	26,502.40
Total 60000 · Sales and Marketing	26,502.40

US Cryotherapy
Profit & Loss by Class
January through June 2020

	Total Franchising
62000 · Consulting/Professional Fees	
62010 · Audit and Tax	2,000.00
62030 · Information Services	0.00
62040 · Legal	19,848.50
62060 · Loan Origination Fees	0.00
62000 · Consulting/Professional Fees - Other	740.20
Total 62000 · Consulting/Professional Fees	22,588.70
62100 · Bank Service Charges	0.00
62105 · Automobile Expense	0.00
62110 · Business Licenses and Permits	650.24
62120 · Charitable Contributions	0.00
62150 · Dues and Subscriptions	0.00
62200 · Insurance Expense	
62220 · General Liability Insurance	0.00
62225 · Fire Insurance	0.00
Total 62200 · Insurance Expense	0.00
62310 · Supplies	7.50
62330 · Miscellaneous Expense	
62335 · Reconciliation Discrepancies	-3.11
62330 · Miscellaneous Expense - Other	472.34
Total 62330 · Miscellaneous Expense	469.23
63000 · Payroll Expenses	
63100 · Wages	
63120 · Employer Taxes	5,945.43
63130 · Payroll Service	1,160.36
63140 · Time Clock Service	0.00
63160 · Payroll Expenses- Cell Phone	0.00
Total 63100 · Wages	7,105.79
63200 · Benefits	
63230 · Health Insurance - Employer	0.00
63200 · Benefits - Other	0.00
Total 63200 · Benefits	0.00
63000 · Payroll Expenses - Other	68,683.75
Total 63000 · Payroll Expenses	75,789.54
63360 · Worker's Compensation	1,557.77
63500 · Rent Expense	
63530 · Repairs and Maintenance	0.00
63500 · Rent Expense - Other	0.00
Total 63500 · Rent Expense	0.00
63600 · Taxes	
63630 · Sales Tax Expense	0.00
Total 63600 · Taxes	0.00
64000 · Travel Expense	
64100 · Hotels	318.42

US Cryotherapy
Profit & Loss by Class
January through June 2020

	Total Franchising
64110 · Mileage	0.00
64120 · Meals and Entertainment	208.06
64000 · Travel Expense - Other	108.00
Total 64000 · Travel Expense	634.48
65000 · Utilities	
65150 · Telephone and Internet	0.00
Total 65000 · Utilities	0.00
69000 · Depreciation and Amortization	
69200 · Depreciation Expense	0.00
Total 69000 · Depreciation and Amortization	0.00
Total Expense	128,199.86
Net Ordinary Income	-33,971.86
Other Income/Expense	
Other Income	
86000 · Other income and expense	
86100 · Interest Income	0.00
86160 · Insurance recoveries/claims	0.00
86200 · Exchange Rate gain or loss	0.00
86300 · Interest Expense	-2,709.95
Total 86000 · Other income and expense	-2,709.95
Total Other Income	-2,709.95
Net Other Income	-2,709.95
Net Income	**-36,681.81**

COOK CPA Group

US CRYOTHERAPY FRANCHISING LLC

INDEPENDENT AUDITOR'S REPORT
and
FINANCIAL STATEMENTS

DECEMBER 31, 2019 and 2018

CONTENTS

COOK CPA Group

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INDEPENDENT AUDITOR'S REPORT

To the Members
US Cryotherapy Franchising LLC

Report on the Financial Statements

We have audited the accompanying financial statements of US Cryotherapy Franchising LLC, a California limited liability company, which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations, changes in members' equity and cash flows for the years ended December 31, 2019, 2018, and 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of US Cryotherapy Franchising LLC as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years ended December 31, 2019, 2018, and 2017, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Standard

As discussed in Note 1 to the financial statements, the Company adopted Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. Our opinion is not modified with respect to this matters.

Cook CPA Group, Inc.

Roseville, California
August 31, 2020

US CRYOTHERAPY FRANCHISING LLC
BALANCE SHEETS
DECEMBER 31, 2019 AND 2018

		2019		2018
ASSETS				
Cash and cash equivalents	$	8,520	$	16,205
Restricted cash		-		20,000
Accounts receivable		23,680		-
Other assets		-		2,396
Total current assets		32,200		38,601
Total Assets	$	32,200	$	38,601
CURRENT LIABILITIES				
Franchise deposits	$	50,000	$	20,000
Other accrued liabilities		9,926		1,091
Marketing fund		8,559		-
Current portion of settlement		52,857		49,643
Due to related party		270,560		213,481
Total current liabilities		391,902		284,215
Long-term portion of settlement		90,411		145,357
Total liabilities		482,313		429,572
MEMBERS' EQUITY				
Managing members		(450,113)		(390,971)
Total members' equity		(450,113)		(390,971)
Total Liabilities and Members' Equity	$	32,200	$	38,601

US CRYOTHERAPY FRANCHISING LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
REVENUES			
Royalty income	$ 250,658	$ 156,212	$ 73,060
Franchise sales	20,000	70,000	207,500
Other franchising income	-	70,000	-
Total revenue	270,658	296,212	280,560
OPERATING EXPENSES			
Salaries	187,641	202,558	194,035
Settlement	-	195,000	-
Professional fees	98,261	109,100	83,369
General and administrative	11,811	17,742	27,332
Insurance	14,038	14,238	-
Marketing	12,515	3,512	10,279
Other	-	-	3,590
Total operating expenses	324,266	542,150	318,605
Operating loss	(53,608)	(245,938)	(38,045)
OTHER EXPENSE			
Interest income	10	24	41
Interest expense	(5,544)	-	-
Taxes	-	(2,600)	(800)
Net loss	$ (59,142)	$ (248,514)	$ (38,804)

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

US CRYOTHERAPY FRANCHISING LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017

	Membership Interest	Accumulated Deficit	Total
Balance, December 31, 2016	$ 14,000	$ (117,653)	$ (103,653)
Net loss	-	(38,804)	(38,804)
Balance, December 31, 2017	14,000	(156,457)	(142,457)
Net loss	-	(248,514)	(248,514)
Balance, December 31, 2018	14,000	(404,971)	(390,971)
Net loss	-	(59,142)	(59,142)
Balance, December 31, 2019	$ 14,000	$ (464,113)	$ (450,113)

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

US CRYOTHERAPY FRANCHISING LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
Cash flows from operating activities			
Net loss	$ (59,142)	$ (248,514)	$ (38,804)
Adjustments to reconcile net loss			
to net cash used in operating activities:			
Change in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(23,680)	-	-
Other assets	2,396	(2,396)	-
Increase (decrease) in:			
Franchise deposit	30,000	(70,000)	(310,080)
Other accrued liabilities	8,835	1,091	-
Marketing fund	8,559	-	-
Settlement	(51,732)	195,000	-
Due to related party	57,079	106,663	249,848
Net cash used by operating activities	(27,685)	(18,156)	(99,036)
Net change in cash and restricted cash	(27,685)	(18,156)	(99,036)
Cash and restricted cash, beginning of year	36,205	54,361	153,397
Cash and restricted cash, end of year	$ 8,520	$ 36,205	$ 54,361

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of reporting entity

US Cryotherapy Franchising LLC (the Company) is a limited liability company organized under the laws of the state of California on October 12, 2011. The Company is a business whose planned principal operations are licensing franchisees throughout the United States to purchase and use cold therapy equipment and related products. The rights of such products and equipment are held for exclusive distribution by the Company. The Company's major sources of revenue will be from franchise sales and royalties due on gross revenues generated by franchisees.

The Company intends to actively pursue the execution of franchise agreements with prospective franchisees. Six locations opened during 2016 for a total of seven franchises operating during 2016. Eight locations opened during 2017 for a total of fifteen locations operating during 2017. Three locations opened during 2018 for a total of eighteen locations operating during 2018. One location opened in 2019 for a total of nineteen locations operating during 2019.

The Company's activities are subject to significant risks and uncertainties, including the failure to identify appropriate franchisees.

Basis of accounting

The Company prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Revenue recognition

<u>Revenue recognition from franchise sales</u>
Franchise fees are recognized as revenue when all material services or conditions relating to the store have been substantially performed or satisfied, which is typically when a franchised store begins operations.

<u>Franchise royalty revenue</u>
Royalties collected as a percentage of net sales of the franchise partners are recognized as revenue when earned. Royalties consist of ongoing royalty fees, which also include a marketing fee equal to a percentage of net sales earned from our franchise partners.

Cash and restricted cash

The State of California required deposits received from franchisees to be placed in a separate impound bank account.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and restricted cash

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* (ASU 2016-18), which requires the statement of cash flows to explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The Company applied the change on a retrospective basis beginning in January 1, 2017. The effect of this change was to increase total cash and restricted cash at the beginning of the year in the statement of cash flows by $20,000.

The following table provides reconciliation of cash and restricted cash as reported within the balance sheets that sum to the total of the same such amounts as shown in the statement of cash flows:

	2019	2018	2017
Cash	$ 8,520	$ 16,205	$ 34,361
Restricted cash	-	20,000	20,000
Total cash and restricted cash shown in the statements of cash flows	$ 8,520	$ 36,205	$ 54,361

Due from/to related party

The Company has advanced or received monies to fund operations from a related company.

Marketing fund and advertising costs

In addition to royalty payments, franchisees may be required to remit a portion of their gross revenues to the franchisor to be used exclusively for regional or national advertising of the products and treatments licensed to franchisees. Amounts received from franchisees for such purposes shall be recognized as a current liability by the franchisor until expended in accordance with approved advertising program guidelines. Additionally, franchisees are expected to spend a portion of their gross revenues on advertising and such amounts would reduce amounts to be remitted to the franchisor.

Use of estimates

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income taxes
The Company is organized as a limited liability company under state law and is treated as a partnership for income tax purposes. Under this type of organization, the Company's earnings pass through to the partners and are taxed at the partner level. Accordingly, no income tax provision has been calculated.

New Accounting Pronouncement

In May 2014, the FASB issued Accounting Standards Update ("ASU") No 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In June 2020, FASB delayed implementation by one year and now this ASU is effective for the Company beginning January 1, 2020. Management is currently evaluating the impact of adoption of the new standard on its financial statements.

Subsequent events

Management has evaluated all subsequent events for potential recognition and/or disclosure through August 31, 2020, the date that the financial statements were available for issuance.

In March 2020, the COVID-19 outbreak in the United States caused the government to issue stay – at – home requirements resulting in locations shutting down during the lock down and creating economic uncertainties. The potential impact on revenue and other financial impacts that could occur are unknown at this time.

In April 2020, the Company obtained a loan from the Payroll Protection Program in the amount of $37,300. The loan accrues interest at an annual rate of 1% and matures in April 2022, with payments deferred for a period of six months from the loan date. Loan forgiveness primarily is based on personnel changes during the 8 week or 24 week period beginning in the loan date. The Company does not expect a significant change in employee headcount during the period selected and therefore expects to meet the qualifications to have the loan forgiven.

NOTE 2 – MEMBERS' EQUITY

As specified in the Company's Operating Agreement, Members' capital accounts are credited with the amount of money contributed and fair market value of other property contributed to the Company. The Operating Agreement also provides for profits and losses to be allocated in accordance with Members' respective capital account balances. Each of the Members has one – fourth interest in the Company.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company has entered into various agreements or arrangements with companies affiliated by common ownership. Pursuant to these agreements, franchisees of US Cryotherapy Franchising LLC will have the opportunity to purchase cryotherapy equipment from the Company with favorable terms and conditions.

NOTE 4 – LEGAL SETTLEMENT

During 2019 the Company agreed to a settlement for $195,000 and the Company will receive a full and final release on payment of the final installment of the agreed upon settlement payment schedule. Settlement expense for the year ending December 31, 2018 includes $195,000. Future payment terms as are follows:

		2019
For the year ending:		
2020	$	52,857
2021		52,857
2022		37,554
Total		143,268
Less: current portion of settlement		(52,857)
Long-term portion of settlement	$	90,411

NOTE 5 – CONTINGENCY

The Company is subject to claims and lawsuits that arise primary in the ordinary course of business. In the opinion of management, the ultimate liabilities, if any, resulting from such lawsuits and claims, will not materiality affect the financial position of the Company.

COOK CPA Group

US CRYOTHERAPY FRANCHISING LLC

INDEPENDENT AUDITOR'S REPORT
and
FINANCIAL STATEMENTS

DECEMBER 31, 2018 and 2017

CONTENTS

COOK CPA Group

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INDEPENDENT AUDITOR'S REPORT

To the Members
US Cryotherapy Franchising LLC

Report on the Financial Statements

We have audited the accompanying financial statements of US Cryotherapy Franchising LLC, a California limited liability company, which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of operations, changes in members' equity and cash flows for the years ended December 31, 2018, 2017, and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of US Cryotherapy Franchising LLC as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years ended December 31, 2018, 2017, and 2016, in accordance with accounting principles generally accepted in the United States of America.

Cook CPA Group

Roseville, California
March 27, 2019

US CRYOTHERAPY FRANCHISING LLC
BALANCE SHEETS
DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 16,205	$ 34,361
Restricted cash	20,000	20,000
Other assets	2,396	-
Total current assets	38,601	54,361
Total Assets	$ 38,601	$ 54,361
CURRENT LIABILITIES		
Franchise deposits	$ 20,000	$ 90,000
Other accrued liabilities	1,091	-
Current portion of settlement	49,643	-
Due to related party	213,481	106,818
Total current liabilities	284,215	196,818
Long-term portion of settlement	145,357	-
Total liabilities	429,572	196,818
MEMBERS' EQUITY		
Managing members	(390,971)	(142,457)
Total members' equity	(390,971)	(142,457)
Total Liabilities and Members' Equity	$ 38,601	$ 54,361

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

US CRYOTHERAPY FRANCHISING LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2018, 2017, AND 2016

	2018	2017	2016
REVENUES			
Royalty income	$ 156,212	$ 73,060	$ 16,440
Franchise sales	70,000	207,500	90,000
Other franchising income	70,000	-	-
Total revenue	296,212	280,560	106,440
OPERATING EXPENSES			
Salaries	202,558	194,035	66,427
Settlement	195,000	-	-
Professional fees	109,100	83,369	41,664
General and administrative	17,742	27,332	12,955
Insurance	14,238	-	1,963
Marketing	3,512	10,279	5,360
Equipment	-	-	30,193
Other	-	3,590	2,075
Total operating expenses	542,150	318,605	160,637
Operating loss	(245,938)	(38,045)	(54,197)
OTHER EXPENSE			
Interest income	24	41	93
Taxes	(2,600)	(800)	(1,600)
Net loss	$ (248,514)	$ (38,804)	$ (55,704)

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

US CRYOTHERAPY FRANCHISING LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018, 2017, AND 2016

	Membership Interest	Accumulated Deficit	Total
Balance, December 31, 2015	$ 14,000	$ (61,949)	$ (47,949)
Net loss		(55,704)	(55,704)
Balance, December 31, 2016	14,000	(117,653)	(103,653)
Net loss		(38,804)	(38,804)
Balance, December 31, 2017	14,000	(156,457)	(142,457)
Net loss		(248,514)	(248,514)
Balance, December 31, 2018	$ 14,000	$ (404,971)	$ (390,971)

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

US CRYOTHERAPY FRANCHISING LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018, 2017, AND 2016

	2018	2017	2016
Cash flows from operating activities			
Net loss	$ (248,514)	$ (38,804)	$ (55,704)
Adjustments to reconcile net loss			
to net cash used in operating activities:			
Change in operating assets and liabilities:			
(Increase) decrease in:			
Restricted cash	-	130,080	(100,080)
Other assets	(2,396)	-	-
Increase (decrease) in:			
Franchise deposit	(70,000)	(310,080)	350,080
Other accrued liabilities	1,091	-	-
Settlement	195,000	-	-
Due to related party	106,663	249,848	(196,052)
Net cash used by operating activities	(18,156)	31,044	(1,756)
Net change in cash	(18,156)	31,044	(1,756)
CASH, beginning of year	34,361	3,317	5,073
CASH, end of year	$ 16,205	$ 34,361	$ 3,317

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of reporting entity

US Cryotherapy Franchising LLC (the Company) is a limited liability company organized under the laws of the state of California on October 12, 2011. The Company is a business whose planned principal operations are licensing franchisees throughout the United States to purchase and use cold therapy equipment and related products. The rights of such products and equipment are held for exclusive distribution by the Company. The Company's major sources of revenue will be from franchise sales and royalties due on gross revenues generated by franchisees.

The Company intends to actively pursue the execution of franchise agreements with prospective franchisees. Six locations opened during 2016 for a total of seven franchises operating during 2016. Eight locations opened during 2017 for a total of fifteen locations operating during 2017. Three locations opened during 2018 for a total of eighteen locations operating during 2018.

The Company’s activities are subject to significant risks and uncertainties, including the failure to identify appropriate franchisees.

Basis of accounting

The Company prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Revenue recognition

<u>Revenue recognition from franchise sales</u>
Franchise fees are recognized as revenue when all material services or conditions relating to the store have been substantially performed or satisfied, which is typically when a franchised store begins operations.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014- 09, “Revenue from Contracts with Customers (Topic 606)”. The adoption resulted in no change to recognition of franchise fee revenue as performance obligations are satisfied when a franchised store begins operations.

<u>Franchise royalty revenue</u>
Royalties collected as a percentage of net sales of the franchise partners are recognized as revenue when earned. Royalties consist of ongoing royalty fees, which also include a marketing fee equal to a percentage of net sales earned from our franchise partners.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Restricted cash

The State of California required deposits received from franchisees to be placed in a separate impound bank account.

Cash and equivalents

The Company considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Due from/to related party

The Company has advanced or received monies to fund operations from a related company.

Advertising costs

In addition to royalty payments, franchisees may be required to remit a portion of their gross revenues to the franchisor to be used exclusively for regional or national advertising of the products and treatments licensed to franchisees. Amounts received from franchisees for such purposes shall be recognized as a current liability by the franchisor until expended in accordance with approved advertising program guidelines. Additionally, franchisees are expected to spend a portion of their gross revenues on advertising and such amounts would reduce amounts to be remitted to the franchisor.

Use of estimates

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Income taxes

The Company is organized as a limited liability company under state law and is treated as a partnership for income tax purposes. Under this type of organization, the Company's earnings pass through to the partners and are taxed at the partner level. Accordingly, no income tax provision has been calculated.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Subsequent events

US Cryotherapy Franchising LLC has evaluated subsequent events for potential recognition and/or disclosure through March 27, 2019, the date the financial statements were available to be issued.

NOTE 2 – MEMBERS' EQUITY

As specified in the Company's Operating Agreement, Members' capital accounts are credited with the amount of money contributed and fair market value of other property contributed to the Company. The Operating Agreement also provides for profits and losses to be allocated in accordance with Members' respective capital account balances. Each of the Members has one – fourth interest in the Company.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company has entered into various agreements or arrangements with companies affiliated by common ownership. Pursuant to these agreements, franchisees of US Cryotherapy Franchising LLC will have the opportunity to purchase cryotherapy equipment from the Company with favorable terms and conditions.

NOTE 4 – CONTINGENCIES

During 2019 the Company agreed to a settlement for $195,000 and the Company will receive a full and final release on payment of the final installment of the agreed upon settlement payment schedule. Settlement expense for the year ending December 31, 2018 includes $195,000.

	2018
For the year ending:	
2019	$ 49,643
2020	52,857
2021	52,857
2022	39,643
Total	195,000
Less: current portion of settlement	49,643
Long-term portion of settlement	$ 145,357

EXHIBIT 2
US CRYOTHERAPY SYSTEM
FRANCHISE AGREEMENT

FRANCHISE AND LICENSE AGREEMENT
FOR
US CRYOTHERAPY
C1 Small Franchise System

MODEL

2020

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FRANCHISE AND LICENSE AGREEMENT

FOR

US CRYOTHERAPY

SINGLE CHAMBER

This Agreement is by and between US Cryotherapy Franchising, LLC, a limited liability company (hereinafter referred to as Franchisor, "we" or "us"), and ____ (herein after referred to as Franchisee or "you").

This Agreement is effective and its term shall commence the ____day of _________________, 202__.

RECITALS

We are the sole United States provider of a non-invasive, whole body cold air service described as "cold shock therapy" to help reduce muscle and joint pain and inflammation. This physical procedure (called "whole-body cryotherapy (WBC)") while beneficial, is not a medical treatment and no medical claims about its effectiveness can be made unless and until we receive the Food and Drug Administration's ("FDA") approval to do so. The Single (C1) Cryotherapy Chamber service has been developed by and manufactured exclusively for US Cryotherapy Direct Sales, LLC and utilizes a walk in, non-liquid nitrogen a cold air chamber equipped with a proprietary electrical refrigeration unit. We have expended time, effort and money to develop plans, methods, systems, the Chamber, procedures and marketing identity for this unique training and wellness procedure.

We have secured the use of our Trademarks and Trade Names, Service Marks, Logos, Words and Designs (referred to herein as the "**Marks**"), and all related names and associated good will, which is part of our methods and systems and which Marks are on file with the United States Patent and Trademark Office.

We have developed a System that currently includes assisting with site selection, construction design, preferred vendor relationships for equipment and retail items, approved recovery service item additions, procedures for monitoring operations and quality of services offered; procedures for management; training and assistance; advertising and promotional programs; business formats, methods, procedures, standards, and specifications all of which we may change, improve, and further develop from time to time and together represent the "**Franchise System**".

We wish to license the use of our Marks and the Franchise System to certain selected and qualified individuals to establish and operate a business at a US Cryotherapy Center or "**Center**" according to the Franchise System which is referred to as the "**US Cryotherapy Business**" or the "**Franchised Business**."

We have full rights in the area described herein to use the Names and the Marks including specifically the Trade Name and Marks and to franchise the use of same; and desire to grant to you as part of the Franchise System the limited use as provided for herein of the Name and Marks, subject to the provisions of this Franchise Agreement and solely for the term of the Franchise.

It is the purpose of this Franchise and License Agreement (the "Franchise Agreement") to ensure uniform standards of appearance, quality and operation for this US Cryotherapy franchise and the Franchised Business; to enhance and protect the use of the Marks; to ensure fair and competitive operations, and consistent quality of service of each Franchised Business, at commencement and during all of the term, to you and all franchisees; and to provide a basis for a fair and efficient continuous business relationship; all of which purposes being for the mutual benefit of all parties, including the Franchisor and Franchisee.

You have had the opportunity to become familiar with the Franchise System and the nature of the competitive market. You have applied to us for the right to use the Franchise System in the establishment and operation of a US Cryotherapy Center at the location identified in this Agreement. Your application has been approved by us in reliance upon all of the representations made in your application including those concerning your financial resources, business experience and the manner in which the Franchised Business will be owned and operated. You acknowledge that you have read this Agreement and been given an opportunity to obtain clarification of any provision that you did not understand. You also understand and agree that the terms and conditions contained in this Agreement are necessary to maintain the System's high standards of quality and service and the uniformity of those standards at all US Cryotherapy Centers and thereby to protect and preserve the goodwill of the Marks and the integrity of the Franchise System, and you must comply with this Agreement and all System Standards (as defined in this Agreement).

NOW THEREFORE, in consideration of the mutual agreements and promises contained herein and for other good and valuable consideration received and acknowledged to be satisfactory and adequate, the parties agree as follows:

ARTICLE I

<u>GRANT OF FRANCHISE</u>

1.1 Subject to the provisions herein, we hereby grant to you the right to establish and operate a Cryotherapy Center under the Name and Marks of "**US Cryotherapy**", utilizing the design, format, business methods and other advantages and benefits of the Franchise System; exclusively within the protected territorial area as described in Exhibit A.

1.2 This Franchise shall be effective as of the date set forth above and shall continue in effect until expiration, unless terminated or modified in accordance with the terms of this Agreement.

1.3 The business that you shall conduct under this Franchise and License is limited to the establishment and operation of a wellness business utilizing cryotherapy and meeting the standards and procedures as described in the online portal, training, and Operations Manual/Franchise Portal. We may, by prior written notice to you, add additional media services to those described herein but you may not provide additional media services or printed material without our prior written consent. Except as agreed to in writing, you shall not conduct any other type of business under this Franchise Agreement and the breach of this provision shall constitute a material breach of the Franchise Agreement. In such an event it is agreed between you and us that our business cannot be adequately protected or compensated in monetary damages and that we are therefore entitled to immediate injunctive relief, including Temporary or Preliminary Restraining Orders, to prohibit you from conducting business under this Agreement in violation of its terms.

1.4 This Franchise is a limited grant of rights. Upon termination for any cause (herein called "termination" or "terminate") or expiration, all of your rights to operate the Franchised Business as a US Cryotherapy Franchise shall cease completely, and the Franchise itself is terminated.

1.5 This Franchise Agreement and the Franchise granted to you, as well as the related Franchise Documents may not be assigned or hypothecated by you, either voluntarily or involuntarily unless consented to in writing by us. Any attempted transfer, voluntary or involuntary, without our written consent shall constitute a material breach of this Agreement and we may terminate this Agreement in that event, pursuant to Article XVII.

ARTICLE II

TERM OF FRANCHISE AGREEMENT; EXPIRATION; RENEWAL

2.1 Term. The original term of this Agreement shall commence on the effective date set forth above and shall continue for ten (10) years (the "Initial Term"), unless sooner terminated.

2.2 Expiration of this Agreement.

A. This Agreement will end without requirement of further notice by either us or you at the end of a period of ten (10) years from the effective date of your original Franchise Agreement or successor franchisee and Transferor, if transferred during the Initial Term.

B. Upon expiration of this Agreement, you agree to discontinue your Franchised Business and comply with all the provisions of Article XVIII below.

2.3 Renewal of Franchise.

A. Subject to the terms and conditions set forth in Section 2.4, you will have the right to renew this Franchise for additional periods of five (5) years on the terms and conditions of the Franchise Agreement we are then using in granting franchises to new franchisees, any or all of the terms of which may differ materially from those contained in this agreement (including fees and the boundaries of your territory).

B. You agree to give us notice of your election to renew this Franchise ("**Renewal Notice**") at least six (6) months prior to the expiration of the Initial Term. We may require you to provide certain financial information relating to your Franchised Business operation along with (and after delivery of) your Renewal Notice. We will advise you within thirty (30) days after we receive your Renewal Notice of any deficiencies which must be corrected by you before we will grant you a new Franchise. We will advise you within sixty (60) days after we receive your Renewal Notice if we will grant your renewal request or the reason why we will not grant you a renewal of this Franchise. If we determine not to renew this Agreement, ("**Nonrenewal Notice")** the current term will be extended if necessary to give you not less than 180 days from the date of the Nonrenewal Notice in order to discontinue your Franchised Business.

C. We will give you a Nonrenewal Notice of our election not to renew this Franchise at least one hundred and eighty (180) days prior to the expiration of the current term. Our determination not to renew this Agreement pursuant to either Subsection B or C, shall be for "good cause" which, for purposes of this section, shall mean your failure to substantially comply with one or more of the lawful conditions of renewal as set forth in Section 2.4 below.

2.4 Conditions To Renewal

A. You (and each of your Principals) shall have the right to exercise the renewal option if all of the following terms and conditions are met at the time of such renewal:

(1) You have given us written notice of your election to renew this Franchise at least six (6) months prior to the expiration of the Initial Term specified in this Agreement;

(2) You are not in default of any material term or condition of this Agreement, any amendments hereof or any other agreement between you and us, including any premise's lease for the Franchised Business;

(3) You have satisfied all monetary obligations owed by you to us;

(4) You have consistently and satisfactorily complied with the Standards of Operation set forth in Article IV of this Agreement during the current term;

(5) You sign the Franchise Agreement then being used by us at the time of renewal, any and all terms of which may differ materially from those contained in this Agreement;

(6) You pay a Renewal Fee equal to one percent (1%) of your aggregate Gross Revenues from the Franchised Business for the last twelve (12) month period prior to the expiration of the ten (10) year term; and

(7) You execute a general release of liability in favor of us regarding the previous franchise term.

B. Nonrenewable by Us. We will advise you within sixty (60) days after we receive your renewal notice if we intend not to renew this Agreement, but in any event we will give you at least four (4) months notice of our decision not to renew this Agreement prior to the termination of this Agreement. We will advise you of the reason(s) why we will not grant a renewal of your Franchise and such reason(s) shall be for "cause" which, for purposes of this section, shall mean your failure to meet one or more conditions of renewal as set forth in Section 2.4 (A) above.

It is also acknowledged and understood that this Agreement may terminate earlier in accordance with the provisions of Article XVII of this Agreement or other sections of this Agreement relating to termination.

C. Effective with any Termination, whether as a result of an Event of Default or as a result of the end of the Franchise Term, you will not have the right to conduct the Franchised Business, or to use our Name(s) or Mark(s) or any other unique or proprietary property or anything bearing our Name(s) or Mark(s) (see Article XVIII).

ARTICLE III

LOCATION AND TERRITORY

3.1 Location and Territory Approval. You must search for and lease, sublease, or acquire an appropriate site for the Franchised Business, within two hundred seventy (270) days of the Effective Date of this Agreement. Upon our approval of a location, that location will be the "**US Cryotherapy Center**" for the Franchised Business, and we will insert its address in Section 1 of Exhibit A, and describe the geographic area ("**Territory**") assigned to you in Section 2 of Exhibit A.

You agree to obtain our written approval of the Franchised Business's proposed location before signing any lease, sublease, or other document for the site.

You may operate the Franchised Business only from the US Cryotherapy Center, and you may not relocate the Center except with our prior written consent. The Center may be used only for the operation of a Franchised Business and other related activities approved by us in writing. You shall not allow the US Cryotherapy Center to be used for any other purpose.

Protected territories will be negotiated between you and us and determined by a population density mapping program to protect an area of approximately 75,000 population for the C1

Chamber Franchise, determined by homogeneous zip codes, city borders or a combination of the foregoing.

3.2 Franchised Business Development. You are responsible for developing the Franchised Business. We will provide guidance to assist you in working with designated contractors and suppliers to complete the development and build out of the US Cryotherapy Center. Specifically, we, and/or our designated contractors and suppliers, will work with you to:

(a) obtain a site plan and any modifications to our basic architectural plans and specifications for the US Cryotherapy Center, including requirements for dimensions, exterior design, materials, interior layout, equipment, fixtures, furniture, signs, and decorating, consistent with applicable ordinances, building codes, and permit requirements;

(b) obtain all required zoning changes; all required building, driveway, utility, health, sanitation, and sign permits and any other required permits, provided however that you acknowledge that it is your obligation to obtain and maintain these permits and approvals;

(c) arrange for the installation and delivery of equipment, fixtures, furniture and signs meeting our specifications and requirements, provided, however, that you shall be required to purchase and/or lease such items directly and you shall be responsible for all monetary and other obligations thereunder and this Agreement;

(d) complete the construction and/or remodeling, equipment, fixture, furniture and sign installation and decorating of the US Cryotherapy Center in full and strict compliance with plans and specifications approved by us and all applicable ordinances, building codes and permit requirements.

We will give you mandatory and suggested specifications and layouts for your location at the Center, including recommended location size and design and required or recommended fixtures, equipment, and signs. You will be given a chamber installation plan which will need to be completed and signed off by you and your general contractor prior to shipping and installation of your equipment. Any work order changes to the installation (prep work not completed from the signoff sheet) will be at your cost for time, labor and materials overrun as a work order change. You are responsible for compliance with any and all federal, state, or local laws, codes, and regulations. We have the right to independently access all information you collect or compile relating to the use and performance of the Cryo Chamber at any time without first notifying you.

You agree to do the following, at your own expense, to develop the Franchised Business at the Center: (i) secure all financing required to develop and operate the Franchised Business (we will not provide you with any financing for Franchised Business development); (ii) obtain all required building, utility, sign, occupancy, business, and other permits and licenses; and (iii) purchase or lease, and install a C1 Cryo Chamber and all required fixtures, furniture, equipment (including required or recommended cryotherapy equipment, customer and waiting room furniture, fixtures and equipment, computer, facsimile, and designated point-of-sale and customer management information system), furnishings, merchandise and signs (collectively, "**Operating Assets**") for the Franchised Business.

3.3 Operating Assets. You agree to use in operating the Franchised Business only those Operating Assets that we approve for US Cryotherapy Centers as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display at the Center (interior and exterior) only the signs, lettering, logos, and display materials that we approve from time to time, subject to, and only in strict compliance with, the local rules and regulations regarding the operation, management and advertising of or for a cryotherapy center. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

Service Items Required in a C1 Franchise
Proprietary C1 Recovery Chamber – provided by US Cryotherapy
Minimum of (2) Localized cold air devices – provided by US Cryotherapy
Compression device and deep muscle pulsation device
Various retail items (including US Cryotherapy apparel, and approved retail items

Approved additional (optional) service items
US Cryotherapy also offers a number of additional products and equipment which you may choose to offer at your Center.

Other Products and Services
Other products and services may be requested for use at your Center. However, they must first be requested in writing, reviewed and approved by US Cryotherapy.

3.4 Computer System. US Cryotherapy will provide the necessary computer hardware, software and system configuration to support CryoQueue, CryoSlide and Point-of-Sale operational systems (the "**Computer System**"). Installation of accessories, such as recessed junction boxes, mounting of brackets and keyboard shelves is the responsibility of the franchisee. The franchisee is responsible for providing network connectivity (internet) to the computer hardware so the software systems can properly function. We may modify specifications for and components of the Computer System. You also agree to maintain a functioning e-mail address. US Cryotherapy will provide your franchise location with (3) US Cryotherapy email addresses (2 users identified), and (1) general center info account email. You agree to obtain high-speed communications access, such as broadband or DSL, or other high-speed capacity that we may specify. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and/or communications capabilities and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware, software, and/or communications capabilities comprising the Computer System (or additions and modifications) and required service or support. We or our affiliates may retain a third-party provider, or an Applications Service Provider (or ASP) to provide some or all of the service and support for your benefit or the benefit of the Franchised System and each US Cryotherapy Center, and we may pay a service or ASP hosting fee. We have no obligation to reimburse you for any Computer System costs that you incur. Within sixty (60) days after you receive notice from us, you agree to obtain and install the Computer System components that we designate. You must permit us to access those aspects of the Computer System that are necessary for us to retrieve data and/or provide assistance to you and your business.

Subject to your compliance with these conditions, and except as we may otherwise approve, you agree to open the Franchised Business for business by the later of: (a) ninety (90) days from the date your Center is approved pursuant to Section 3.1 or (b) three hundred sixty five (365) days from the Effective Date of this Agreement. We will issue you a commencement of operation letter on the day (the "**Opening Date**") we approve your compliance with these obligations and authorize the opening of your US Cryotherapy Center.

If we determine that you (or your Operating Principal) cannot complete and open your Center within the time frame provided, we may terminate this Agreement and refund up to one-half of the Initial Franchise Fee.

3.5 Territorial Rights. So long as you are in compliance with the terms and conditions of this Agreement, and except as expressly provided herein, neither we nor any affiliates we may have from time to time will establish, or grant rights to other persons to establish or operate a US Cryotherapy Center in your Territory.

3.6 Rights Retained by Us.

A. We (and any affiliates that we might have from time to time) shall at all times have the right to engage in any activities we deem appropriate that are not expressly prohibited by this Agreement, whenever and wherever we desire, including, but not limited to:

(1) establishing and operating US Cryotherapy Centers or granting rights to other persons to establish and operate US Cryotherapy Centers, on any terms and conditions we deem appropriate and in any territories other than within your Territory including territories which may be adjacent to your Territory;

(2) providing and granting rights to other persons to provide services similar to and/or competitive with those provided by the US Cryotherapy Franchise System to customers located within your Territory (so long as any such services are identified by other than those Marks licensed by this Agreement) through any distribution channel other than as a US Cryotherapy Center within your Territory (including, but not limited to toll free telephone numbers and electronic means including the Internet);

(3) acquiring the assets or ownership interest of one or more businesses providing products and services similar to those provided by the US Cryotherapy Franchise System, and franchising, licensing or creating similar arrangements with respect to

these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating including within your Territory;

(4) being acquired (regardless of the form of transaction) by a business providing products and services similar to those provided by the US Cryotherapy Franchise System, or by another business, even if such business operates, franchises and/or licenses competitive businesses within your Territory; and

(5) place a cryotherapy chamber within your Territory so long as such chamber will be for non-commercial use, such as a high school, college, hospital or clinic, specific training facility or other specific organization's private use. We retain the right to sell the localized cold air devices without restriction within your protected territory.

B. We have the exclusive right, but not the obligation, to negotiate agreements with National/Regional/Group Accounts (defined below) for the provision of US Cryotherapy services by all franchisees. If we agree to terms and pricing with any National/Regional/Group Account, you must provide such services on the terms and at the times specified. If any National/Regional/Group Accounts contact you regarding services to be provided by you and/or other franchisees, you must forward all relevant information regarding the National/Regional/Group Account to us. In this Agreement, a "**National/Regional/Group Account**" is any organization, business or group that would reasonably require US Cryotherapy services on an ongoing basis and offered to a designated group. Such Accounts may be of regional, state or national scale (for example, corporations, local, regional or national athletic teams, or large health service providers).

C. We may in the future choose to establish or acquire and operate additional US Cryotherapy Centers as Company-owned Centers. However, we will not carry on such business in any franchisee's designated Territory.

D. We can require you to limit your advertising and business activities to your Territory designated in Exhibit A. We can also require you to honor memberships, prepaid services and other System-wide benefits emanating from other US Cryotherapy Centers (subject to appropriate reimbursement and/or credit).

ARTICLE IV

STANDARDS OF OPERATION

4.1 We have established and may from time to time modify, by addition or revision, standards of required performance by you with respect to the operation of the Franchised Business, all as set forth on the Franchise Portal and in the Operations section of that tool.4.2 We and you agree:

A. That you shall be obligated to operate the Franchised Business in substantial compliance with the standards established by us from time to time during the term of this Agreement both with respect to accounting and financial operations and responsibilities as well as with respect to the conduct of business by you including the training, supervision and performance of your employees; the quality, safety and consistency of the services provided by you and your employees to clients; the appearance, equipment and staffing of the US Cryotherapy Center; the maintenance and upkeep of the records kept by you in the conduct of your business and other matters reasonably related to the orderly and consistent compliance by you and your employees with the standards established and required by us.

B. That the performance by you of these provisions is essential to the successful continuation of this Franchise and our entire Franchise Program and that your failure to so comply shall constitute a breach of this Agreement after written notice and your failure to correct as hereinafter provided for in Article XVII ("Termination of Franchise").

4.3 Operations Manual/Franchise Portal.

A. All operational and training items are provided via private restricted access to the Operations Manual/Franchisee Portal. The Operations Manual/Franchise Portal contains mandatory and suggested specifications, standards, operating procedures and rules that we periodically prescribe for the operation of a Cryotherapy Center ("**System Standards**") and information on your other obligations under this Agreement. We may modify the Operations Manual/Franchise Portal periodically to reflect changes in System Standards. You agree to access and utilize the portal regularly and remain current on operational updates and agree to keep the portal confidential and secure. If there is a dispute over its contents, our master copy of the Operations Manual/Franchise Portal controls. You agree that the contents of the Operations Manual/Franchise Portal are confidential and that you will not disclose the contents of the Operations Manual or Franchise Portal to any person other than your employees who need to know its contents. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual/ Franchise Portal. If your access to the Portal or the Operations Manual is lost, you agree to contact Corporate to obtain a replacement login and access code. Any personnel policies or procedures which are made available in the Operations Manual/Franchise Portal are for your optional use and are not mandatory. You shall determine to what extent, if any, such personnel policies and procedures may be applicable to your operations in your jurisdiction. You and we recognize that we neither dictate nor control labor and employment matters for you and your employees.

4.4 Operation of Franchised Business.

A. You agree to have at least one of the Principal(s) of the Franchisee, or a designated manager approved by us, personally participate on a full-time basis both in the operation and in the direct management of the Franchised Business, and to diligently devote your best efforts to the operation so as to maximize sales, services and profits. For this purpose a "franchisee" includes the sole proprietor or, if a partnership or limited liability company, each and all of the general partners or managers and any partners/members, who are the owner/owners of a substantial portion of the Franchisee under this Agreement, or if a corporation, each and all officers and any shareholders who are the owner/owners of a substantial portion of a corporate franchisee. A 50% interest or larger in a US Cryotherapy franchise may not be owned by a person who does not actively and continuously participate in the ownership and operation of the Franchised Business in accordance with the provisions of this Agreement unless a full-time manager is approved by us. However, the Franchisee owners will remain ultimately responsible for the operation of the Franchised Business and compliance with the provisions of this Agreement. For this purpose "owner" includes any person entitled to participate in the profits or losses from the conduct of the Franchised Business, whether an employee or not and whether named or not, except in the event that our written consent is first obtained including in the event that you elect to compensate a supervisory employee who is not an owner to include participating in operating profits. No owner shall have the right to contract with any other person whatsoever respecting the obligations of the owner under this Agreement and in particular this Article IV. "Full Time" as used herein is not less than forty (40) hours per week or such additional time as may reasonably be required to operate the Franchised Business pursuant to this Agreement. The time required to be expended by the owner as provided for herein relates to time in active conduct of the Franchised Business on a regular and continuing basis.

B. You will operate and maintain the Franchised Business solely at the Center location designated herein and at no other location(s) and only in accordance with the business standards, procedures, policies and techniques comprising the Franchise as specified by us.

C. You acknowledge that from time to time hereafter, we may change or modify the Franchised Business model including, without limitation, the adoption and use of new or modified trade names, trademarks or service marks, new services or products, or new techniques and such modifications will be communicated to you through directives or notices as may be distributed by us. You shall accept, implement and advertise, for the purpose of this Agreement, any such changes in the Franchised Business as if they were part of this Agreement at the time of execution hereof. You shall implement any such changes or modifications within a reasonable time and make such expenditures as are reasonably required by such changes or modifications in the Franchised Business model. You shall not change, modify, or alter the Franchised Business model in any way unless authorized or directed to do so by us.

D. You acknowledge that because complete uniformity under many varying conditions may not be possible, practical or appropriate, we specifically reserve the right, at our sole discretion and as we may deem in the best interest of all concerned in any specific instance, to vary standards for any franchisee based upon any condition which we deem to be of importance to the successful operation of such franchisee's business. You shall not be entitled to require us to grant you a like or similar variation.

E. You will use commercial best efforts to develop and promote the Franchised Business on a continuous basis from the time you open it. You shall adopt and use the marketing mechanisms we approve and make available to you to make consumers in your area aware of your Franchised Business. You acknowledge that your active participation in approved social media and marketing messages is a material obligation under this Agreement.

4.5 Center Appearance/Improvements:

A. You shall periodically make improvements to the Center and refurbish it as required by us in our discretion, to maintain the uniform standards of Franchise System, including without limitation remodeling and redecorating the interior and exterior (to the extent permitted under the premises lease), as well as maintaining the interior and exterior in a clean, neat and orderly condition, and undertaking such repair and replacement of existing fixtures, furnishings, signs and equipment as may be necessary to reflect, maintain and enhance the good will associated with the Franchise System. All responsibilities hereunder shall be conducted in a manner that shall not interfere with or violate your premises lease. You acknowledge that you may have to make capital expenditures from time to time during the term of this Agreement for these purposes. The obligation provided for in this Section shall be done by you in accordance with the Franchise System's current standards for fixtures, furnishings, signage and equipment.

B. Your obligations under this Section shall include but not be limited to responsibility to completely paint as reasonably required by us the full exterior and interior of the Center, maintain the remainder of the exterior of the Center location improvements including all US Cryotherapy signage and any paved areas and landscaping in a good and presentable condition at all times during the term. Solely in the event you fail to comply with the provisions of this Section, we may, at our option and after prior request in writing to you to do so, proceed to have the work done in which event you shall be obligated to reimburse us the full cost thereof based upon a written statement delivered by us to you together with interest on said sums until paid at the maximum legal rate of interest then chargeable under California Law.

C. We shall have the right at all times during the term of this Agreement to require that you acquire additional equipment or make modifications to the Center where necessitated by regulations or directives, in whatever form, of any regulatory agency, whether State or Federal, whether for purposes of adding additional equipment to perform services covered by the terms of this Franchise Agreement, for the purpose of replacing existing equipment to provide a higher standard of service or to comply with state requirements like the American's with Disabilities Act. In that event we shall give not less than thirty (30) days written notice to you, describing in detail the additional equipment or modifications required and the reason or reasons for that requirement. Your failure to purchase the additional equipment or make such modifications, within a period not to exceed sixty (60) calendar days following the end of the thirty (30) day notice period shall constitute a material breach of this Agreement and shall entitle us to give thirty (30) days written notice of termination, subject to your complying with these obligations during that period, as provided for in this Agreement.

You shall not purchase any additional equipment for purposes of testing, diagnosis, or services as consented to under the terms of this Agreement without our prior written consent.

You shall <u>not</u> use any equipment or the Center for the purpose of providing any services other than those expressly provided for in this Agreement and the Operations Manual/Franchise Portal unless first consented to in writing by us. If you would like to use any products or services in establishing and operating the franchised business that we have not approved in Item 8 of the FDD, you must first send us sufficient information, specifications and samples for us to determine whether the products or services comply with our standards and specifications or the supplier meets our approved supplier criteria. We will absorb the expenses to evaluate products, services or suppliers. We will decide in our sole discretion, within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or sell the products or services from the supplier. Our criteria for approving or revoking approval of products or suppliers includes: the supplier's ability to provide sufficient quantity of products; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. USCF reserves the right to decline any request, and seek removal of any unauthorized service additions or retail items in violation of the agreement.

4.6 Hours, Maintenance Standard and Dress and Grooming Standards:

A. You shall operate your Cryotherapy Center during the hours specified in Exhibit A. You may operate your Center additional hours. We and you may agree in writing to reduce the hours that you shall operate in the event that there are sound business reasons to do so for that specific Center location. We may at any time, on not less than thirty (30) days prior written notice, increase the hours of operation required by you; except that unless you and we agree in writing, the required hours shall not be earlier or later than 8:00 A.M. through 8:00 P.M. on Monday through Friday; 8:00 A.M. through 5:00 P.M. on Saturday; and 9:00 A.M. through 5:00 P.M. on Sunday.

B. You shall at all times maintain the standards and responsibilities of this Agreement, as they relate to hours, personnel, services, and equipment so that they are sufficient to operate the Franchised Business at maximum capacity and efficiency.

C. You shall at all times employ an adequate number of competent and conscientious employees to ensure performance of the requirements of this Franchise. You shall at all times keep a written record of the names and home addresses and telephone numbers of all of your employees and personnel, and of the designated position and responsibilities of each employee in the operation of the Franchised Business.

4.7 You also agree as follows:

A. That our representatives shall have the right to enter your Center at all reasonable times for the purpose of making inspections or examinations, conferring with and assisting you and your employees, examining any and all business and accounting records, determining whether the business is being operated and maintained in accordance with the requirements of this Agreement and the Operations Manual/Franchise Portal and the documents and materials described herein and for any and all other purposes reasonably related to this Agreement and the conduct of the Franchised Business thereunder. You agree to provide access and administrative rights to all social media pages, Point of Sale, Chamber operating data and customer management systems for internal review and royalties calculations.

B. You agree that all statements, reports and information required to be submitted to us, as provided for in this Agreement, the documents and materials provided by us as herein provided for, shall be submitted on time and on forms or in a format supplied by or acceptable to us. You agree that all information so supplied shall be true, accurate and complete, and shall not contain any misleading or false statements, whether as a result of inclusion or exclusion from the required reportable information.

4.8 Collection of Taxes and Fees. You are solely responsible for the timely collection, reporting and payment of any and all sales, use, personal property and withholding taxes, as well as any other tax or fee required to be paid with respect to the conduct of your Franchise Business hereunder and you agree to hold harmless and indemnify us with respect thereto.

4.9 Compliance with Laws and Good Business Practices. It is your sole and absolute obligation to research all applicable federal, state and local laws and regulations governing the operation of your Franchised Business and to ensure that such operation does not violate any federal, state or local law, ordinances or regulation and that all business and professional licenses and permits are acquired and maintained during the term of this Franchise. Your Franchised Business must, in all dealings with your customers, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which might injure the Franchise System or the goodwill associated with the Marks or other franchisees. You must notify us in writing within five (5) days of: (1) the commencement of any action, suit or proceeding relating to your Franchised Business; (2) the issuance of any order writ, injunction, award or decree of any court, agency or other governmental instrumentality which might adversely affect your operation or financial condition or that of the Franchised Business (including, without limitation, the revocation or threatened revocation of any license, permit or certification applicable to your Franchised Business); and (3) any notice of violation of any law, ordinance or regulation relating to your Franchised Business.

ARTICLE V

TRAINING AND ASSISTANCE

5.1 Prior Experience. We will require any prospective franchisee to: (i) be employed full-time by us for not less than one year; or (ii) be employed full-time by a health enhancing business (i.e. massage, spa, health club) for not less than one (1) year, or longer in our sole discretion; or (iii) have at least two (2) years of prior experience in the ownership and/or management of a service oriented business that we, in our discretion, determine constitutes qualification of the proposed franchisee to conduct the Franchised Business under the terms of this Agreement.

5.2 Initial Training. We will conduct training for you (or, if you are an Entity, your Operating Principal) which will address the material aspects of operating a Cryotherapy Center. The initial training program will include approximately 18 hours of training either online via the modular system, or direct with the Operations team or Franchise Relations team. Required attendees will be the franchise owner/Operating Principal and two all office/operations staff. We will provide the initial training, for no additional fee, for your initial required and any onboarding new staff and we may from time to time create new modules that require your adherence. In addition, if you choose at your expense, you are welcome to participate in on-the-job training at any of our designated Corporate locations for on-site experience.

You (or your Operating Principal), and the two office/operations managers must satisfactorily complete initial training. If you (or your Operating Principal) or your two office managers fail to complete the initial training to our satisfaction, then you may repeat the course Among the current criteria for satisfactory completion of training are completion of all online training modules, passing all final tests and exams, and demonstrating a capability and willingness to comply with System Standards.

All required attendees and any other personnel that we designate, must receive our training certification, prior to managing the Franchised Business or training other personnel. We may, at any time during the term of this Agreement, decertify any previously certified personnel if we learn or determine that a person is regarded as no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete a training or retraining program to receive our certification. We reserve the right to charge for training personnel that have been decertified if such is required in person on-site.

5.3 On-Site Opening Assistance. We will provide on-site training support around and near your opening regarding use of the point of sale, customer management system, reinforce equipment use and protocol training, review marketing programs and general operations through various Corporate individuals in the vicinity of your soft or grand opening time period. Estimated time of on-site training is 25-50 hours. We will provide, at no additional cost to you, this on-site training, advice, guidance and support which, in most cases, will be provided in conjunction with the opening and initial operations of your US Cryotherapy Center. We shall determine, in our sole discretion, the composition of the on-site assistance/training team. If you determine that additional on-site assistance is necessary or beneficial, we will, at our option, provide such additional on-site assistance. You will be required to pay reasonable fees for any such additional on-site assistance and will also be responsible for the reasonable travel and living expenses incurred by our personnel in providing such additional on-site assistance.

5.4 Ongoing Training. We may require you and/or previously trained and experienced employees of the Franchised Business to attend up to five (5) days of additional or refresher training courses each year and a national business meeting or convention of up to three (3) days per year at the times and locations we designate. We may charge a reasonable fee for these courses, conventions and programs. You are responsible for all travel and other expenses relating to the attendance at these events. We provide frequent all-franchisee update calls, email communications, business reviews, and have a dedicated Franchise Relations team responsible for interacting with you regarding daily operations and strategies for growth of the business. Your failure to attend a training, convention, program or participate in a call or meeting we deem mandatory is a material default.

5.5 General Guidance. We will advise you from time to time regarding your Franchised Business operation based on your reports or our inspections. We will provide guidance to you in our Operations Manual/Franchise Portal, Corporate Communications, and through Franchise Relations and other technical manuals and policies; in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or your place of business. If you request and we agree to provide additional or special guidance, assistance or training, you must pay our then applicable charges, including our personnel's per diem charges and any reasonable travel and living expenses. Our right to provide ongoing assistance and monitoring may be delegated to an Area Developer if and when one is appointed covering your Territory.

ARTICLE VI

INITIAL FRANCHISE FEE

6.1 Initial Franchise Fee. As consideration for the grant of the Franchise described in this Agreement and the Territory described in Article II and Exhibit A, you agree to pay to us an Initial Franchisee Fee of Twenty Thousand Dollars ($20,000.00) at the time you sign this Agreement.

6.2 Additional Territories. An Initial Franchise Fee of Twenty Thousand Dollars ($20,000) will be charged for each additional Territory acquired by you for use of a C1 Whole-body Cryotherapy Chamber.

6.3 Additional Start-up Costs. In addition to the Initial Franchise Fee provided for under this Article VI, you will be required at the time of granting of and commencing with the business under this Franchise Agreement to pay to us or to third party suppliers, additional sums, either in cash or pursuant to financing or lease arrangements, respecting the following:

(1) Inventories of supplies, components and expendables;

(2) Equipment lease or purchase agreements or cash with respect to equipment required to perform the services at the business location;

(3) The cost of leasehold improvements required at the Center to conduct the Franchised Business;

ARTICLE VII

FRANCHISE FEES

7.1 Monthly Royalty Fees

A. You agree to pay to us a Monthly Royalty Fee equal to six percent (6%) of the Monthly Gross Revenues generated at your US Cryotherapy Center as defined in Section 7.2, for the immediately preceding calendar month.

B. All royalties due are to be paid directly to and received by us on or before the twentieth (20th) day of each and every successive month beginning the twentieth (20th) day of the calendar month immediately following the month in which your Cryotherapy Center opens for business and continuing until the twentieth (20th) day of the calendar month immediately following the termination/expiration of this Franchise.

7.2 Monthly Gross Revenue. The term "Monthly Gross Revenues" used herein, is defined as all revenue generated on the accrual basis of accounting directly or indirectly resulting from operation of your US Cryotherapy Center. Monthly Gross Revenue shall include all revenue from services and products sold whether received as cash, check, credit or debit card, barter exchange, trade credit or other credit transaction. No deductions may be made from Monthly Gross Revenues in computing those fees and charges, excepting the parties agree that:

A. Sales, use or service taxes lawfully collected from customers for transmittal to appropriate taxing authorities shall not be included in Monthly Gross Revenues.

B. Discounts, refunds and revenues previously reported but not collected shall be deductible from the Monthly Gross Revenues.

7.3 Method of Payment. The Monthly Royalty Fee shall be paid in cash or business check and delivered to us on or before the due date specified in Section 7.1 (B) above. When and if we determine to do so, you agree to sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Monthly Royalty Fee and other amounts due under this Agreement and for your purchases from us and/or our affiliates (the "**Electronic Depository Transfer Account**" or "**EDTA**"). We will debit your EDTA for these amounts on their due dates. You agree to ensure that funds are available in the EDTA to cover our withdrawals. Notwithstanding the foregoing, our access to your business checking account by EDTA shall be utilized by us only for your payments required under this Agreement.

If you fail to report your Franchised Business's Monthly Gross Revenues, we may debit your EDTA for one hundred twenty percent (120%) of the highest weekly Monthly Royalty Fee that we debited during the previous three (3) months. If the amounts that we debit from your EDTA are less than the amounts you actually owe us (once we have determined the Franchised Business's true and correct Monthly Gross Revenues), we will debit your EDTA for the balance on the day we specify. If the amounts that we debit from your EDTA are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your EDTA during the following month. We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check) whenever we deem appropriate. We may require the payments, or automatic debits, be made more or less frequently than specified in Section 7.1(B), but not more frequently than once a week. You agree to comply with our payment instructions as they may be modified from time to time.

You must comply with all of our payment policies, procedures, and requirements, as described in the Operations Manual/Franchise Portal.

7.4 Late Fees. If you fail to pay us the monthly Royalty Fees or any other sums due to us hereunder, we will apply funds from you first to any delinquent monthly royalty payments and then to any other fees or costs owed to us. Furthermore, you acknowledge this will cause us to incur costs not contemplated by this Franchise Agreement, the exact amount of which would be extremely difficult to ascertain. Such costs include, but are not limited to, process and accounting charges and other charges or expenses for which we may be obligated or may necessarily incur as a result of your late payments. Accordingly, if any such sum due from you shall not be received by us or our designee within ten (10) calendar days after such amount shall be due then, without any requirement for notice to you, you shall pay to us a Late Charge equal to ten percent (10%) of each overdue payment amount not to exceed Three Hundred Dollars ($300.00). It is agreed between us and you that such Late Charges represent a fair and reasonable estimate of the costs we will incur by reason of late payment by you. Acceptance of such Late Charge by us shall in no event constitute a waiver of your default or breach with respect to such overdue amount, nor prevent us from exercising any of the other rights and remedies granted under this Franchise Agreement including termination pursuant to Article XVII. The Late Charge under this provision shall be a part of the payment obligation which is delinquent and shall be added to the underlying payment amount and constitute a part of the default under your obligation from date of default and thereafter.

ARTICLE VIII

ADVERTISING EXPENDITURES BY FRANCHISEE

8.1 Initial Advertising Expenses. You shall spend at least Two Thousand Five Hundred Dollars ($2,500) per Territory during the first ninety (90) days of operation to promote your new Franchised Business.

8.2 Monthly Advertising Expenditures.

A. You agree to spend a total of at least five percent (5%) of your Monthly Gross Revenues on local advertising, marketing and promotional programs for your Franchised Business (the "Marketing Spending Requirement"). The Marketing Spending Requirement may include your Marketing Fund contributions and Cooperative contributions (described below), if any, amounts spent for telephone directory advertising, and any other amounts you spend to advertise, market or promote your Franchised Business within your Territory. You must spend on local marketing the amount by which the Marketing Spending Requirement exceeds the total of your Marketing Fund and on other Franchisor sponsored marketing programs. We may review your books and records from time to time and/or require you to submit reports periodically to determine your advertising, marketing and promotion expenditures. Any percentage of the 5% monthly Marketing spend can at any time be designated to all franchisees as collectable by the Franchisor toward national marketing efforts and will be line itemed in the royalties agreement and accounted for through year-end marketing expense validation.

B. You agree that your advertising, promotion and marketing will be clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. Before you use them, all such advertising without limitations shall be first approved by us as to copy, form and content. Formal approval policy requires you to submit (before implementation) any newly created social media, promotional material, flier or other piece through Franchise Relations for Corporate review and approval. We and you recognize and agree that the enforcement of these provisions is necessary to and constitutes an inherent element and part of the maintenance, continuance and promotion of your Franchised Business and the Franchise System as a whole.

You agree that your advertising plans and expenditures shall generally be in accordance with our existing advertising plans and further agree that you will not use any advertising that has not been first approved by us or our representative. You must send us for approval samples of all advertising, promotional and marketing materials which we have not prepared or previously approved during the last twelve (12) months. If we do not disapprove the materials within ten (10) days of our receipt of them, they shall be deemed approved. You expressly agree to change or discontinue any advertising if requested to do so by us for reasonable cause. "Reasonable Cause" shall include advertising which violates any provision of this Agreement, which is unduly blatant, false, or misleading, immoral or unduly offensive, including advertising which might violate the provisions of applicable State or City Codes or other regulatory provisions or regulations; which is materially out of character with the US Cryotherapy's image; or which is specifically designed or appears to have the effect or import of undercutting or undermining the Franchise System's business or standards.

C. You are not limited in advertising expenditures and may make but are not required to make additional advertising expenditures above those required under this Article VIII. Your personal time devoted to participating in social media posts does not count toward your monetary advertising expenditures.

D. We may develop from time to time advertising aids, programs, folders, signage and other materials for use and assistance to all franchisees. You agree to avail yourself of these aids to the extent reasonably consistent with initiating and maintaining contact with customers in your Territory.

E. We expect most of the material required to market your business has been created and is available at cost of materials via the Franchise Portal. We are constantly working through and Advisory Board of Franchisees and Corporate centers to add material as needed. From time to time, as needed, you may either develop your own flier/social media content and/or employ a local or our agency for a project at your cost for time and material with proper approvals

8.3 <u>Marketing Fund</u>.

Recognizing the value of advertising and marketing to the goodwill and public image of our Franchise System, we may establish at any time a marketing fund (the "Marketing Fund") for the advertising, marketing or promotional campaigns and public relations programs and materials we deem appropriate. You agree to contribute to the Marketing Fund the amounts that we periodically prescribe, not to exceed one percent (1%) of your Monthly Gross Revenues designated to marketing, payable in the same manner as the

Royalty (or in such other manner as we periodically prescribe). Any contribution to the Marketing Fund will be credited against your Marketing Spending Requirement of 5%. Any US Cryotherapy Center that we or our affiliates own will contribute to the Marketing Fund on the same basis as our franchisees.

We will collect and control the money collected in the Marketing Fund and designate all programs that the Marketing Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, 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 Marketing Fund periodically will give you samples of advertising, marketing and promotional formats and materials at no cost and will sell you multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges.

We will account for the Marketing Fund separately from our other funds and not use the Marketing Fund for any of our general operating expenses, except to compensate the reasonable portion of salaries, administrative costs, travel expenses and overhead we incur in administering the Marketing Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for Marketing Fund contributions. The Marketing Fund will not be our asset. The Marketing Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total marketing fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement upon written request. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section.

When and if established, we intend the Marketing Fund to maximize recognition of the Marks and advertising opportunities for the Franchise System. Although we will try to use the Marketing Fund to develop promotional and marketing materials and programs to benefit all franchisees, we need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions by franchisees operating in that geographic area or that any franchisee benefits directly or in direct proportion to its Marketing Fund contribution from the development or placement of advertising and marketing materials. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Subsection, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the Marketing Fund.

We may at any time defer or reduce the Marketing Fund contributions of a particular franchisee (and can later reinstate the Marketing Fund contributions at any time) and, upon thirty (30) days' prior written notice to you, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will distribute all unspent monies to our franchisees, and to us and our affiliates, in proportion to their, and our, respective Marketing Fund contributions during the preceding twelve (12) month period.

8.4 Advertising Cooperatives

Franchisees sharing a common geographic or marketing area may wish to establish an advertising cooperative in which each participating franchisee will contribute funds to develop and use advertising specifically designed to promote the Franchised Businesses of the participating franchisees within the targeted marketing area. Such funding may or may not represent a portion of the participant's Monthly Marketing Spending Requirement. Such advertising cooperative will be operated by the participating franchisees and we will not be responsible for the operation or funding of such advertising cooperative. All advertising developed by such advertising cooperative would be subject to our review and approval as specified in Section 8.2(B) above. Any franchisees desiring to establish such a cooperative must first submit any such proposed cooperative and its terms and conditions for operation and funding to us for our approval. We will have the right, in our sole discretion, to approve the cooperative as proposed or require additional or revised provisions as a condition to our approval. Any such advertising cooperative must be voluntary as to participation by individual franchisees.

8.5 Websites.

You specifically acknowledge and agree that any Website (as defined below) shall be deemed "advertising" under this Agreement, and will be subject to (among other things) our approval under Section 8.2(B) of this Agreement. As used in this Agreement, the term "Website" means an interactive electronic document, contained in a network of computers linked by communications software that refers to your Franchised Business, our Franchise System or the Marks. The term Website includes, but is not limited to, Internet and World Wide Web home pages. If we approve, in writing, a separate Website for you, then each of the following provisions shall apply:

(1) You shall not establish or use any Website without our prior written approval; You will not link to any third-party or other promotional site.

(2) In establishing your website, you will utilize website format template developed by us; Your site is customizable, optimized by local market with all social media site conversions and tags.

(3) you shall not use or modify such Website without our prior written approval as to such proposed use or modification. beyond the scope of the site as it is provided for your use

(4) In addition to any other applicable requirements, you shall comply with our standards and specifications for Websites as we prescribe from time to time in the Operations Manual/Franchise Portal, policies or otherwise in writing.

(5) We may revoke our approval at any time, in writing, and require that you discontinue use of a Social Media or website content.

ARTICLE IX

ACCOUNTING REPORTS AND RECORDS

9.1 You agree as follows:

A. To keep true, complete and correct books of account and business records in accordance with methods and procedures established by us.

B. To send written or computer generated reports to us respecting the operation of the Franchised Business and both the income received by and expenses incurred by the US Cryotherapy Center by categories, as set forth on our prescribed forms or format, on or before the date due including but not limited to the monthly report of "Monthly Gross Revenues" and "Monthly Expenses" due with the monthly payment of the Royalty Fee.

C. You shall be required to submit to us on or before ten (10) calendar days after submittal by you to the appropriate taxing authorities copies of the Franchised Business's Federal and State Income Tax Returns (if Franchisee is an entity) or copies of the personal Federal and State Income Tax Returns for Principals (if Franchisee is one or more individuals) and your Sales Tax Returns.

D. To notify us in writing of your Fiscal Year and any change thereto.

E. To timely file and provide a copy to us concurrently of any Licenses, Permits, renewals, other necessary documents or forms required to be prepared and/or filed in the conduct of the business at the Center, including those provided for in Section 4.8 of this Agreement or elsewhere in this Agreement. You are required to provide us copy of your insurance with US Cryotherapy Franchising LLC as named additionally insured upon inception and any subsequent renewals.

F. You represent and warrant that all information required of you under this Agreement, and under the materials and documents herein referred to, whether required to be provided to us or to any third party, shall in all instances be provided in a timely manner and shall be true, accurate and not misleading. You further warrant and acknowledge that in all instances there shall be no concealment of any pertinent data either by misstatement or by exclusion in whole or in part, and whether as a result of negligent or intentional act. Any and all representations and assurances by you in this Agreement shall, where the franchisee includes more than one Principal, constitute representations individually as well as jointly by each and all Principal(s).

G. If determined by us for "reasonable cause," we can have an audit made of your Franchised Business affairs by an independent, actively practicing Certified Public Accounting Firm, approved and paid for by us, and to direct said firm to furnish us or our representative a full copy of the audit report upon its completion. You agree to cooperate fully with such accountants while conducting such audit procedures and to make all books and records of your Franchised Business available to such accountants. Should the audit result in a discovery of material irregularities or discrepancies, or should the audit disclose understatement of gross revenues for the period audited of one and one-half percent (1-1/2%) or more, you shall promptly pay the costs of such audit in addition to any amounts found to be owing to us.

H. Wherever in this Article or elsewhere in this Agreement you are required to prepare and submit a document of any nature, whether to us or to a third party, including any regulatory agency, the obligation to do so is solely yours and not ours. Any failure of compliance or breach by failure to provide such documents or to provide timely the information in the form required in any such documents shall likewise be your sole responsibility and the failure to do so shall constitute an event of Default under this Agreement.

9.2 Recording And Service of Customer Incidents/Complaints. You are expressly obligated to timely and properly document and service any and all customer complaints with respect to your conduct of business at your US Cryotherapy Center. You shall maintain a record showing customer name and address, nature and date of complaint and corrective action taken with respect to each such complaint. That record shall be available to us or our representative upon request, and we shall as well have the right to make a copy of that record. In addition, any incident involving a customer (whether or not a complaint is made) will be reported to us within twenty-four (24) hours of the occurrence of such incident. An "incident" shall include any event occurring in the cryotherapy process which was unexpected, compromised customer safety or resulted in injury, was caused by a failure to follow System Standards or occurred despite following System Standards.

9.3 Application of Payments. In the event you owe an amount to us and we receive a payment from you for any purpose, you hereby agree that we have the sole and exclusive right to elect to apply such sums toward payment of any Royalty or other amount then due and payable by you to us in which event we will give you written notice thereof, stating the amount due and unpaid and the use of the funds received. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

ARTICLE X

RIGHTS TO NAMES AND MARKS

10.1 The parties agree that the Marks "US Cryotherapy," and logos, the US Cryotherapy services, technology, designs, concepts, market acceptance and reputation are a substantial part of the value of the Franchise. We therefore agree to maintain reasonably uniform standards for all US Cryotherapy franchisees, including those that are operated by us and you agree to perform the obligations under this Agreement to establish and maintain those standards at your Franchised Business, as an essential part of the value of the Franchise granted and the rights and obligations of each party with respect thereto.

10.2 Ownership and Goodwill Of Marks. Your right to use the Name(s) and Mark(s) associated with US Cryotherapy is derived only from this Agreement and is limited to your operating the Franchised Business according to this Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes on our rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are for our exclusive benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchised Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional and substitute names, trademarks and service marks we authorize you to use.

10.3 Limitations On Your Use Of Marks. You agree to use the Marks as the Franchised Business' sole identification (subject to the notices of independent ownership we designate). You may not use any Mark: (1) as part of any corporate or legal business name; (2) with any prefix, suffix or other modifying words, terms designs or symbols (other than logos we have licensed to you); (3) in promoting any unauthorized services or products; (4) as part of any domain name, electronic address or search engine you maintain on any website as defined above except as prescribed by us; or (5) in any other manner we have not expressly authorized in writing. You may not use any Mark in advertising the transfer, sale or other disposition of your Franchised Business or an ownership interest in the Franchisee (if a corporation, partnership, limited liability company or another business entity (an "Entity") holds the Franchise at any time during this Agreement's term) without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trademark and service mark registrations both pending and issued, that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

10.4 Notification Of Infringements And Claims. You agree to notify us in writing within forty eight (48) hours of any apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, regarding any such infringement, challenge or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office ("PTO") proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. You agree to sign any documents and take any actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interest in any litigation or PTO or other proceeding or otherwise to protect and maintain our interest in the Marks.

10.5 Discontinuance Of Use Of Marks. If we believe at any time that it is advisable for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute names, trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs you might incur in changing or modifying the Franchise System's name or replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute name, trademark or service mark.

10.6 Indemnification For Use Of Marks. We agree to reimburse you for all damages and expenses you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of the proceeding, have complied with this Agreement, and comply with our directions in responding to the proceeding. At our option, we may defend and control the defense of any proceeding relating to any Mark.

10.7 You shall be responsible to us and for claims or demands by third parties respecting any use or alleged use of the Name(s) or Mark(s) associated with your Franchised Business which is in violation of the terms of this Agreement or our rights herein and shall hold harmless and indemnify us with respect thereto.

ARTICLE XI

CONFIDENTIAL INFORMATION

11.1 A. We will provide to you (and you will continue to develop and acquire) certain confidential information relating to the development and operation of the Franchised Business (the "**Confidential Information**"), which includes (without limitation):

(1) the Operations Manual/Franchise Portal, Training, and all of its contents;

(2) demographic criteria and surveys;

(3) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating the Franchised Business;

(4) marketing and demographic research and promotional marketing and advertising programs for the Cryotherapy business including customer lists;

(5) knowledge of specifications for and suppliers of, and methods and equipment, including the C1 Whole-body Cryotherapy Chamber used in your Franchised Business;

(6) knowledge of the operating results and financial performance of the Franchise System in addition to your individual Franchised Business;

(7) advertiser identification, communication and retention programs, along with data used or generated in connection with those programs;

(8) graphic designs, editorial content and related intellectual property;

(9) information generated by, or used or developed in, the Franchised Business' operation, including advertiser and customer names, addresses, telephone numbers and related information and any other information obtained from time to time in the operation of your Franchised Business; and

(10) any other information designated as confidential or proprietary by us.

B. You acknowledge and agree that by entering into this Agreement and/or acquiring the Franchised Business you will not acquire any interest in Confidential Information, other than the right to use such Confidential Information in operating the Franchised Business during this Agreement's term and according to the System Standards and this Agreement's other terms and conditions, and that your use of any Confidential Information in any other business, either during or after the term of this Agreement, would constitute an unfair method of competition with us and our franchisees. You further acknowledge and agree that the Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you do agree, that you:

(1) will not use any Confidential Information in any other business or capacity;

(2) will keep the Confidential Information absolutely confidential during and for a period of five (5) years after this Agreement's termination or expiration;

(3) will not make unauthorized copies of any Confidential Information including the Operations Manual/Franchise Portal disclosed via electronic medium or in written or other tangible form;

(4) will adopt and implement all reasonable procedures that we periodically prescribe to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to your personnel and others needing to know such Confidential Information to operate the Franchised Business, and using confidentiality and non-disclosure agreements with those having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights;

(5) will not sell, trade or otherwise profit in any way from the Confidential Information, except using methods approved by us in the operation of your Franchised Business;

(6) will use the Confidential Information only during the term of this Agreement and upon termination or expiration of this Agreement, you and any Principal(s) of the Franchisee: (i) will return to us any and all Confidential Information of ours, in any form, and will not retain copies thereof, and (ii) will not utilize any Confidential Information in any subsequent business nor permit or assist others in utilizing any Confidential Information in any other business.

11.2 All ideas, concepts, techniques or materials relating to a the Franchised Business, whether or not protectable intellectual property and whether created by or for you or your employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to sign whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the item.

11.3 "Confidential Information" does not include information, knowledge or know-how which is or becomes generally known in the health and wellness industry or which you knew from previous business experience before we provided it to you (directly or indirectly) or before you began training or operating the Franchised Business. If we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one or more of the exclusions described in this paragraph is satisfied.

ARTICLE XII

SERVICES AND EQUIPMENT

12.1 Price levels and Policies. You have the right to select your pricing and packages from the pre-approved Corporate list and policies for all goods and services you sell and provide for use and presentation at your US Cryotherapy Center. We will issue the approved list price schedules periodically as we see fit. We expect you to maintain our suggested list prices (excepting where a price is limited in some way by law or government regulations and excepting where a customer, such as a National/Regional/Group Account, has negotiated a specific price schedule that you and we must adhere to), you agree that any variation in price will be motivated by reasonable and sound business consideration independent of competition with our other franchisees, will be submitted and pre-approved by USCF, and also agree that you will not, without our prior written consent, use a price or package offering not listed on the approved list

12.2 Approved Products, Equipment And Suppliers. We have designated suppliers, which is some cases may be us, from whom you are required to purchase certain parts, accessories and equipment, including the proprietary cryotherapy chamber and services required in the conduct of your Franchised Business. It is agreed that with our prior written consent and except for the cryotherapy chamber, you may purchase from suppliers other than as specified by us but only in the event such alternate suppliers provide on a continuing and consistent basis products and services of comparable or higher quality, compatibility and dependability to those of the suppliers we have designated. To protect, maintain and further the reputation, good will, quality and uniformity and public acceptance of the business reputation of the Franchised System, the parties agree that all such products must be of comparable quality and performance, must be consistent with the purposes of this Agreement and must further be appropriate to your Franchised Business, and must accordingly not detract therefrom. Any variance from the suggested supplies list on the Franchise Portal must be approved by USCF in advance of use.

In making all such purchases whether from us, suppliers designated by us or from other approved suppliers, pursuant to this Agreement, you agree:

A. To use prescribed purchase order forms if any; and

B. To include revenues from all sales of said merchandise and services within Monthly Gross Revenues as defined and provided in Article VII.

12.3 Procedure to Approve Alternate Products, Equipment And Suppliers. If you want to use any services or products that we have not noted on the approved services list, we have not yet evaluated or purchased any item from a supplier or service provider that we have not yet approved (for items that we require you to purchase from designated or approved suppliers or service provider), you first must submit sufficient information, specifications and samples for us to determine whether the item complies with our standards and specifications or the supplier or service provider meets our criteria. We may condition our approval of a supplier or service provider on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, content compatibility, advertiser relations, frequency of delivery, standards of service (including prompt attention to complaints) or other criteria. We have the right to inspect the proposed supplier's or service provider's facilities and to require the proposed supplier or service provider to deliver product samples or items, at our option, either directly to us or to any independent evaluator which we designate for review. We may require you to reimburse us for any out-of-pocket expenses (not to exceed the reasonable cost of the inspection and the actual cost of any outside review) to make the evaluation. We reserve the right periodically to re-inspect the facilities and products of any approved supplier or service provider and to revoke our approval if the supplier or service provider does not continue to meet our standards.

12.4 We will actively and continuously exercise our best efforts to locate the highest quality products and services from various vendors at prices which will give you the best competitive advantages without compromising quality, compatibility and efficiency.

12.5 We will make a profit or markup on the purchase by you of any of the items required to be purchased from designated suppliers who are affiliates of USCF as specified in the Operations Manual/Franchise Portal.

12.6 You agree to maintain inventory levels of products sold and supplied and of parts and accessories adequate to serve your US Cryotherapy Center. In this regard, you agree to initially and regularly and continuously thereafter consider, evaluate and act upon factors such as local competition, comparison with other franchisees and competitive businesses similarly situated, general practice among comparable health and wellness retail facilities.

ARTICLE XIII

STATIONARY, FORMS AND SUPPLIES

13.1 You agree to use in the operation of the Franchised Business only those standard contracts, reports, stationary, printed materials and apparel uniformly used by all franchisees and provided for in the Operations Manual/Franchise Portal.

13.2 You shall be required to purchase all forms and apparel designed and developed by us and which you are required to use from us and no other source. We agree that we will make every reasonably effort to maintain a competitive cost for these forms and we will not charge you for those forms and supplies for the purpose of generating profit for us.

13.3 You may voluntarily elect to purchase all other generic stationary, forms and supplies required in the conduct of your business (and not specified above) from any source you select. You may not create any newly branded apparel or items for give away or sale without pre-approval from USCF. We continuously update the soft goods and retail items made available to all Franchisees through the franchise portal at wholesale cost with appropriate retail margins. The Advisory board helps with content development to represent all new concepts on behalf of the Franchisee ownership group.

ARTICLE XIV

RESTRICTIVE COVENANTS

14.1 During the term of this Franchise, you and any and all of the Principals of Franchisee shall not be involved directly or indirectly with, or promote or assist in, any activity in or through any other business, whether as an owner or active participant, which operates a competing business with the Franchised System or Franchised Business under the terms of this Agreement, or which will interfere with your full performance under this Agreement. The term "**competing business**" shall mean any business which provides "cold air" therapy for the treatment of muscle or joint pain or performance. A competing business also includes any business which grants franchises or licenses to others to operate such a business.

14.2 You may have an ownership interest or interests in other completely separate and distinct businesses so long as said businesses are separately maintained and identified by names dissimilar from US Cryotherapy, do not detract from the time and effort expected of you under this Agreement and do not violate this Agreement or the Franchised System.

14.3 You agree that you will require as a condition of employment that all of your personnel sign a Non-Competition and Confidential Information Covenant or Agreement on a form(s) provided by us.

14.4 You acknowledge and agree that your failure to adhere strictly to the covenants, agreements and restrictions as provided for in this Franchise Agreement, including each covenant, agreement and restriction, as well as collectively, all covenants, agreements and restrictions, would cause substantial and irreparable injury to the Franchised System, and that damages therefore would be difficult if not impossible to determine. You therefore agree that:

(a) you consent to the issuance of an Injunction enjoining you and Franchisee's Principals and owners from directly or indirectly violating any covenants or restrictions in this Agreement, including but not limited to those contained in this Article; and

(b) the term "directly" used here includes acts of parties under your control, and officers, directors, members and stockholders of the Franchisee, and those parties under their control.

In addition thereto, you agree to pay reasonable attorneys fees and all other reasonable costs incurred by us in prosecution of any action between the parties to enforce the covenants in this Article XIV, in which we prevail.

14.5 You shall never negligently or intentionally allow nor engage or permit your agents and employees to engage in any deceptive, fraudulent or unethical practices of any kind in connection with the Franchised Business, nor suffer nor allow any part thereof to be used for immoral or illegal purposes; nor allow use thereof for any legal activity other than a Franchised Business.

14.6 You and Franchisee's Principal(s), jointly and severally, covenant that they will not alienate any ownership interest, whether voluntary or involuntary, except within the standards and requirements and subject to our prior consent as provided for in Article XVI.

ARTICLE XV

LIABILITY INSURANCE

15.1 The parties are each responsible for their own torts or alleged torts, whether negligent or intentional, and respectively agree to protect, indemnify, defend and hold harmless each other and any affiliate from and against any and all claims, losses, demands and liabilities, including attorney costs, which may arise therefrom.

15.2 You shall at your expense be required to maintain the following insurance in the following minimum amounts in full force and effect, without any period of failure to insure whether as a result of cancellation or non-renewal:

A. Franchised Business premises and operations, for not less than:

Bodily Injury:	$1,000,000 each person
	$1,000,000 each accident
Property Damage: (including business interruption)	Cost of Replacement

Errors & Omissions Coverage: $1,000,000 per incident

B. Automobile and other automotive coverage, including acts of employees while driving non-owned vehicles, and acting within the scope of their employment:

Bodily Injury:	$1,000,000.00 each person
	$1,000,000.00 each accident
Property Damage:	$1,000,000.00 each accident

C. Worker's Compensation to meet statutory requirements.

D. Any other insurance that we specify in the Operations Manual/Franchise Portal under Operations or otherwise is required from time to time. You will be required to provide us certificate of insurance and endorsements with USCF as named additionally insured upon inception and any renewal annually.

15.3 You shall provide to us at all times that this Agreement is in effect, a duplicate copy of the insurance coverage obtained by you. Each policy, except Worker's Compensation Insurance and the E & O insurance, shall name us as an additional insured and shall provide that the policy may not be cancelled except after a minimum of twenty (20) days prior written notice from the insurance company to us, addressed to us at our principal business address. You shall provide to us evidence of renewal and of payment of premiums on all such insurance, as well as provide to us copies of all endorsements, amendments or changes to such insurance policies. You shall give written notice to us of all claims under each such insurance coverage with the exception of Worker's Compensation Insurance.

ARTICLE XVI

TRANSFER AND ASSIGNMENT

16.1 Transfer By Us. We may assign and transfer this Franchise Agreement and all rights granted under this Agreement, and, if so, this Agreement and all rights hereunder will be binding upon and inure to the benefit of our successors and assigns. We must give sixty (60) days notice of any proposed transfer. We will only transfer or assign this Agreement to a transferee or assignee which: (i) is financially responsible; (ii) in our reasonable judgment, possesses the economic and business resources necessary to fulfill our obligations to franchisees; and (iii) expressly agrees in writing to assume our obligations under this Agreement.

16.2 Transfer By You. You understand and acknowledge that the rights and duties this Agreement creates are personal to you and that we have granted you this Franchise and License in reliance upon our perceptions of your character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither: (i) this Agreement (or any interest in this Agreement); (ii) your or any Entity's interest in the Franchised Business or its assets (or any right to receive all or a portion of the profits or losses or any capital appreciation relating to the Franchised Business); nor (iii) any ownership interest in any Entity holding the Franchise, may be transferred without our prior written approval. A transfer of your (or the Entity's) interest in this Franchise or the Franchised Business assets may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. In this Agreement, the term "transfer" includes any voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events:

A. transfer of record or beneficial ownership of twenty-five percent (25%) or more of capital stock (if the Entity holding the Franchise is a corporation), a partnership or membership interest (if the Entity holding the Franchise is a partnership or limited liability company), or any other ownership interest or right to receive all or 25% or more of your profits or losses;

B. a merger, consolidation or exchange of shares or other ownership interests, or issuance of additional ownership interests or securities representing or potentially representing shares or other ownership interests, or a redemption of shares or other ownership interests representing twenty-five percent (25%) or more of such outstanding shares or ownership interests;

C. any sale or exchange of voting interests or securities convertible to voting interests representing twenty-five percent (25%) or more of the total voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any owner representing twenty-five percent (25%) or more of the total voting rights or to control your operations or affairs;

D. transfer of an interest in the Franchisee, this Agreement, or the Franchised Business or its assets (or any right to receive all or a portion of your or the Franchised Business' profits or losses or any capital appreciation relating to the Franchised Business) in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law;

E. if you or an owner of the Entity holding the Franchise dies, transfers an interest in the Entity, this Agreement, or the Franchised Business or its assets (or any right to receive all or a portion of your or the Franchised Business' profits or losses or any capital appreciation relating to the Franchised Business) by will, declaration of or transfer in trust, or under the laws of intestate succession; or

F. pledge of this Agreement (to someone other than us) or of an ownership interest in the Entity holding the Franchise as security, foreclosure upon the Franchised Business, or your transfer, surrender or loss of possession, control or management of the Franchised Business.

16.3 Conditions For Approval Of Transfer.

A. If you and your owner(s) are in full compliance with this Agreement, we shall not unreasonably withhold our approval of a sale or transfer of this Franchise or ownership interests in the Franchisee, provided that the proposed buyer(s) are, in our opinion, individuals of good moral character who have sufficient business experience, aptitude and financial resources to own and operate the Franchised Business and otherwise meet our then applicable standards for franchisees, and further provided that the following conditions are met prior to, or concurrently with, the effective date of the sale:

(1) all your obligations incurred in connection with this Agreement have been discharged or assumed by the transferee(s) including all vendor and supplier agreements associated with the Franchised Business;

(2) you shall have paid such Royalty Fees, Marketing Spending Requirements and all other fees which are then due and unpaid;

(3) the transferee(s) shall have completed the training program required of new franchisees;

(4) the transferee(s) shall have proven to us its or their financial viability to undertake and perform the requirements of this Agreement;

(5) the lessor of your business location shall have consented to your assignment of any premises lease to the transferee(s), or the transferee(s) shall have secured substitute premises for the Franchised Business which is approved by us;

(6) the transferee(s) and its or their owner shall have executed a new franchise agreement and agreed to be bound by the form of franchise agreement and such ancillary agreements as are then customarily used by us in the granting of franchises for the US Cryotherapy franchise for the term remaining on your franchise agreement;

(7) you and/or the transferee(s) shall have paid a transfer and assignment fee to us in an amount equal to 25% of the Initial Franchise Fee being charged at the time of the transfer to defray expenses incurred by us in connection with the transfer, including, without limitation, training, legal and accounting fees, credit and other investigation charges and evaluation of transferee(s) and the terms of the transfer;

(8) you and your owner(s) shall have executed a general release, in a form satisfactory to us, of any and all claims against us and our members, managers, officers, directors, employees and agents;

(9) we shall have approved the material terms and conditions of such transfer, including, without limitation, that the price and terms of payment are not so burdensome

as to adversely affect the future viability of the Franchised Business by the transferee(s) in compliance with our then standard franchise agreement and ancillary agreements;

(10) you and your owner(s) shall provide a covenant not to compete in favor of us and the transferee(s) having at a minimum the time periods required in Section 18.2 below, which shall be contained within the Sale Agreement between Franchisee and transferee(s);

(11) you and your owner(s) shall have entered into an agreement with us to subordinate any of transferee(s)' continuing obligations to you or your owner(s) to those obligations owed to us; and

(12) we have not exercised our right of first refusal under Subsection 16.6 of this Agreement.

B. The transfer application process shall be as follows:

(1) You shall notify us in writing of your desire to transfer or sell your Franchised Business to another person(s) or entity (the "Transferee(s)).

(2) Within 15 calendar days of the receipt of the above notification, we will provide the forms and then-existing standards for the approval of the proposed Transferee(s).

(3) As soon as practicable after receipt of the application forms referred to above, we shall notify, in writing, you and the proposed Transferee(s) of any additional information or documentation necessary to complete the transfer application.

(4) We shall, within 60 days after receipt of all the necessary information and documentation required pursuant to Subsection 2 and 3 above, notify you in writing of the approval or disapproval of the proposed sale, assignment or transfer of the Franchised Business. If the proposed sale, assignment or transfer is disapproved, we will include in the notice of disapproval a statement setting forth the reasons for the disapproval.

C. If the proposed transfer is to or among immediate family members (defined as parent, spouse or child), or to an entity described in Subsection 16.4 below, then Subsection 16.3 above will not apply, although you must reimburse us for the actual costs we incur in documenting the transfer. We may review all information regarding the Franchised Business that you give the transferee and give the transferee copies of any reports that you have given us or we have made regarding the Franchised Business.

D. Our consent to any transfer is not a representation of the fairness of the terms of any contract between you and the Transferee(s), a guarantee of the Franchised Business or Transferee's prospects of success, or a waiver of any claims we have against you or of our right to demand the Transferee's full compliance with the terms or conditions of this Agreement.

16.4 Assignment To Entity Principally Controlled By You. The Franchise and the Franchised Business assets and liabilities may be assigned to a newly-formed corporation or other legal entity (the "Entity") that conducts no business other than the operation of the Franchised Business and in which you and any of your principals own and control in the aggregate not less than eighty percent (80%) of the equity and voting power of all outstanding capital stock or ownership interest, provided as follows:

(1) that the proposed Entity-transferee assumes this Franchise Agreement and complies with the provisions of this Agreement;

(2) that you are empowered to act for said corporation or other legal entity;

(3) that you shall submit to us documentation that we may reasonably request to effectuate the transfer, including the approving and acknowledging execution of this Agreement;

(4) that you shall submit to us a true and complete list of the shareholders, members or partners, showing number of shares or interests owned, and a list of the officers and directors if a corporation, or managers if a limited liability company, or managing partners if a partnership. We shall be promptly notified of any changes in said lists;

(5) that all certificates of shares or interests issued by transferee at any time shall have endorsed thereon an appropriate legend to conform with state law, referring to this Agreement by date and name of parties hereto, and stating "Transfer of This Certificate is Limited by the Terms and Condition of a Franchise Agreement Dated ______________";

(6) that a copy of this Agreement shall be given to every shareholder, member or partner of the legal entity, all of whom shall execute an Assignment Agreement in the form prepared by us to affect this assignment;

(7) that a copy of the organizational documents and any corporate resolutions, and a Certificate of Good Standing, will be furnished to us at our reasonable request, and prompt notification in writing of any amendments thereto will be provided to us;

(8) each shareholder, member or partner who owns 25% or more of the entity, along with their respective spouses, shall also execute a Guaranty and Assumption of Obligations (to the extent we deem appropriate);

(9) that the number of shares or interests issued or outstanding in the transferee will not be increased or decreased without prior written notice to us, which notice will in its terms guarantee compliance with this Agreement. In addition, new shareholders, members or partners must agree to be bound by this entire Agreement. Shareholders, members or partners may make a separate agreement among them providing for purchase by the survivors among them of the shares of any shareholders or interests of any members or partners upon death, or

other agreements affecting ownership or voting rights, so long as voting control and a majority representation of the board of directors or members or partners remains with those individuals who initially applied for and were approved as franchisees under this Agreement. Shareholders, members or partners must notify us in writing of any such agreement which affects control of the transferee entity; and

(10) You will maintain the Entity on an active status and in good standing and maintain the existence and operation of that Entity during the full term of this Agreement.

16.5 Death or Disability.

A. Transfer Upon Your Death or Disability. Upon your death or disability, your executor, administrator, conservator, guardian or other personal representative must transfer your interest in this Agreement, the Franchised Business and its assets, or your ownership interest in the Entity holding the Franchise, to a third party. That transfer (including, without limitation, transfer by bequest or inheritance) must occur, subject to our rights under Subsections 16.5 (B) and 16.6 below, within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in Section 16.3 (A) (l) through (6), (8), (10) (11) and (12) of this Agreement. A failure to transfer such interest within this time period is a breach of this Agreement. The term **"disability"** means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you from supervising the Franchise Business' management and operation for ninety (90) or more consecutive days.

B. Operation Upon Your Death or Disability. If, upon your death or disability, a trained manager who we approve is not managing the Franchised Business' day-to-day operations, then your executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint an Administrator we approve to operate the Franchised Business. The Business Administrator must at your estate's expense satisfactorily complete the training that we designate within the time period we specify.

In the event of your death or disability, we may, but need not, assume the management of your Franchised Business. All funds from the Franchised Business' operation while we assume its management will be kept in a separate account, and all of the Franchised Business' expenses will be charged to this account. If we assume the Franchised Business' management under this Section we may charge (in addition to the Royalty and Marketing Spending Requirement and other Fees due under this Agreement) a reasonable management fee we specify, up to eight percent (8%) of the Franchised Business' Monthly Gross Revenue, plus our direct out-of-pocket costs and expenses.

16.6 Our Right Of First Refusal.

A. If you at any time determine to sell or transfer for consideration an interest in this Agreement and the Franchised Business or a controlling ownership interest in the Entity holding the Franchise, you agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer relating exclusively to an interest in you or this Agreement and the Franchised Business. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a fixed dollar amount and without any contingent payments of purchase price (such as earn-out payments).

We may, by delivering written notice to you within fifteen (15) days after we receive both a copy of the offer and all other information we may request, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: (1) we may substitute cash for any form of payment proposed in the offer; (2) our credit will be deemed equal to the credit of any proposed buyer; (3) the closing will be not less than thirty (30) days after notifying you of our election to purchase or, if later, the closing date proposed in the offer; and (4) we must receive, and you agree to make, all customary representations and warranties given by the seller of the assets of a business or ownership interests in a legal entity, as applicable, including, without limitation, representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests and validity of contracts and the liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased. If we exercise our right of first refusal, you agree that, for two (2) years beginning on the closing date, you and members of your immediate family as well as any Principals of the Entity owning the Franchised Business, will be bound by a covenant not to compete with the Franchised Business within its designated Territory being purchased.

B. In the case of your death or disability, if we exercise our right of first refusal and in the absence of any other offer to purchase the Franchised Business, we will determine the purchase price as specified in Section 18.3 below.

C. The purchase price shall be paid on terms at least as favorable as follows:

(1) not less than twenty percent (20%) in cash paid at the time the purchase transaction closes; and

(2) the balance in the form of a Promissory Note bearing interest at the prime rate charged by Bank of America National Trust and Savings Association at its San Francisco Main Office on the date of closing which shall also be the date of the Note, payable in equal monthly installments with interest at said rate, for up to a thirty-six (36) month term.

A transfer pursuant to this Subsection 16.6 shall transfer to us the ownership interest of Franchisee, subject to the provisions of this Agreement and for the term that remains under the provisions of this Agreement.

D. If we do not exercise our right of first refusal, you may complete the sale to the proposed buyer on the original offer's terms, subject to our approval of the transfer as provided in Subsections 16.2 and 16.3 above. If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you must tell us promptly), we will have an additional right of first refusal during the fifteen (15) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, to purchase your Franchised Business either on the terms originally offered or the modified terms, respectively.

ARTICLE XVII

TERMINATION OF FRANCHISE

17.1 This Agreement will only be terminated for "good cause" which shall be limited to your failure to substantially comply with the lawful requirements imposed upon you as a Franchisee under this Agreement.

17.2 Events of Default Causing Immediate Termination. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following events:

(1) if you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or allow the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or allow the appointment of a trustee or receiver for you or the Franchised Business;

(2) if proceedings are commenced to have you or the Franchised Business adjudicated bankrupt or to seek to have you or your Franchised Business reorganized under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for you or the Franchised Business without your consent, and the appointment is not vacated within sixty (60) days; or

(3) if you purport to or are compelled (e.g. in a divorce proceeding) to sell, transfer or otherwise dispose of or surrender any of your interest in the Franchised Business in violation of Article XVI above.

17.3 Events of Default Upon Notice Without Right to Cure. We may terminate this Agreement, due to the occurrence of any of the following events each of which shall constitute an Event of Default with such termination, effective immediately upon delivery of written notice of termination to you:

(1) you have made or make a material misrepresentation or omission in acquiring the Franchise or operating the Franchised Business;

(2) if you, after curing any previous failure to comply with Article V of this Agreement, knowingly and repeatedly breach Article V of this Agreement;

(3) you do not satisfactorily complete the initial training;

(4) you abandon or fail actively to operate the Franchised Business for five (5) or more consecutive business days, unless you close the Franchised Business for a reason we approve which shall include acts of God, Terrorism, and/or disruption to business conditions such as landlord or city mandated renovations, relocation or repairs;

(5) you are convicted by a trial court of, or plead no contest to, a felony;

(6) you fail to maintain the insurance we require from time to time and do not cure such failure within ten (10) days of the expiration of your insurance policy(ies);

(7) you interfere with our right to inspect the Franchised Business or observe its operation, as provided in Section 6.6 of this Agreement on four (4) or more occasions;

(8) you engage in any dishonest, unethical or illegal conduct or any other conduct which, in our opinion, adversely affects your Franchised Business', the reputation of other franchisees or the goodwill associated with the Marks;

(9) you make a voluntary transfer, without our prior written consent, of (i) an ownership interest of more than 50% in the Entity holding the Franchise, (ii) this Agreement, (iii) your (or the Entity's) interest in the Franchised Business or its assets, or (iv) the right to receive all or any part of your or the Franchised Business profits or losses or any capital appreciation relating to the Franchised Business;

(10) any license or permit necessary for the Franchise Business' proper operation is suspended, revoked or not renewed and not reinstated or reissued within ten (10) days of the date you receive notice of the suspension, revocation or nonrenewal;

(11) you fail within ten (10) days of notification of failure to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business;

(12) you knowingly make any unauthorized use or disclosure of any part of the Operations Manual/Franchise Portal or any other Confidential Information;

(13) you fail to pay when due any federal, state or local income, service, sales or other taxes due on the operation of the Franchised Business, or repeatedly fail to make or delay making payments to your suppliers or lenders, unless you are in good faith contesting your liability for these taxes or payments;

(14) you understate your reported Monthly Gross Revenue: (i) three (3) times or more during this Agreement's term or (ii) by more than five percent (5%) on any one occasion;

(15) you fail on three (3) or more separate occasions within any twenty-four (24) consecutive month period to: (i) submit when due reports or other data, information or supporting records, (ii) pay when due any amounts due to us (or our affiliates), or (iii) otherwise comply with this Agreement, whether or not you correct any of these failures after we deliver written notice to you; or

(16) you admit in writing your insolvency or inability to pay your debts generally as they become due.

17.4 Events of Default With Right to Cure. We may terminate this Agreement due to the occurrence of any of the following events each of which shall constitute an Event of Default after giving you notice and an opportunity to correct the problem:

(1) the failure of you and/or any Principal of the Franchisee (if an entity) to secure his/her spouses consent to this Agreement on or before the effective date of this Agreement and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(2) if you fail to commence operation of your Franchised Business in the time prescribed in this Agreement plus any reasonable extension granted by us not to exceed sixty (60) days;

(3) you fail to comply with any mandatory System Standards and do not correct the failure within sixty (60) days after we deliver written notice of the failure to you;

(4) the lease for the business location of the Franchised Business is terminated for any reason or you otherwise lose possession of the Center premises and you do not find another site approved by us and sign a lease within ninety (90) days of such lease termination;

(5) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) calendar days after we deliver written notice of that failure to you;

(6) you voluntarily make an unauthorized transfer of (1) an ownership interest of less than 50% in the entity holding the Franchise, or (2) the right to receive less than 50% of your or the Franchised Business profits or losses or any capital appreciation relating to the Franchised Business and such transfer is not approved by us (pursuant to Section 16.3) or revoked by the transferor within sixty (60) calendar days after we deliver written notice of such unauthorized transfer by you;

(7) if you are found to be offering and selling unauthorized products or services or purchasing supplies, equipment or inventory from an unapproved supplier and fail to cease such activity within sixty (60) calendar days after we deliver written notice to you;

(8) you fail to maintain the insurance we require from time to time and do not cure such failure within ten (10) calendar days of the expiration of your insurance policy(ies);

(9) you interfere with or deny our right to inspect the Franchised Business or observe its operations, as provided by Section 4.7(A) and such inspection or observation is not allowed by you within sixty (60) calendar days after such denial or interference occurs; or

(10) you fail to comply with any other provision of this Agreement and do not correct the failure within sixty (60) calendar days after we deliver written notice of the failure to you.

17.5 Right to Manage Your Franchised Business in Event of Default. In the event that we are entitled to terminate this Agreement in accordance with this Section 17, we may, but need not, assume the management of your Franchised Business. There is no time limit on the length of time which we may manage your Franchised Business, except that our management shall not extend past the end of the 10 year term of this Agreement or any contractually agreed extension. All funds from the Franchised Business' operation while we assume its management will be kept in a separate account, and all of the Franchised Business' expenses will be charged to this account. We may charge you (in addition to the Royalty and Marketing Spending Requirement and other Fees due under this Agreement) a reasonable management fee we specify, up to eight percent (8%) of the Franchised Business' Monthly Gross Revenue, plus our direct out-of-pocket costs and expenses, if we assume the Franchised Business' management under this Section. We have a duty to utilize only reasonable efforts and will not be liable to you for any debts, losses or obligations the Franchised Business incurs, or to any of your creditors for any products or services the Franchise Business purchases, while we manage it.

17.6 Monetary Damages for Default. We shall have the right to charge the following fees for your defaults under this Agreement, regardless of whether you cure the defaults, except as noted below:

(1) $250 for the first event of default under this Agreement;
(2) $1,000 for the second event of default under this Agreement;
(3) $2,500 for the third event of default under this Agreement; and
(4) In the event of your voluntary abandonment of operation of the Franchised Business which is not cured or excused within five (5) days, we have the right to collect the average monthly royalty based on your last 12 months of full operation, excluding any months in which you slowed or stopped operation in preparation for your abandonment, multiplied by the number of months remaining under the full term of this Agreement.

17.7 Rights to Purchase upon Termination.

A. In the event of Termination of this Agreement by us due to one or more Event(s) of Default, or in the event of non-renewal of this Agreement by us, we shall have the option, exercisable by written notice by us to you within thirty (30) calendar days from the date of Termination or non-renewal, to purchase the Franchised Business assets (but not its liabilities), including any inventory, supplies, equipment, fixtures and furnishings(the "Assets") that are, at the time of the notice of termination or nonrenewal, in your possession and used in the Franchised Business. The Purchase Price for the Assets shall equal the value of price paid, minus depreciation. For purposes of determining depreciation of all equipment (including the C1 Cryotherapy Chamber used in operating the Franchised Business), the equipment shall be depreciated on a straight-line basis with a useful life of no more than seven (7) years and all equipment being purchased must be in reasonably good working condition.

B. Our option to purchase your Franchised Business assets set forth in Paragraph A above, shall not apply if any of the following events occur:

(1) Your failure to deliver clear title and possession of any item to be purchased by us;

(2) You decline a bona fide offer of renewal from us;

(3) We permit you to retain control of the principal place of the Franchised Business;

(4) Any termination or nonrenewal of a Franchise due to a publicly announced and nondiscriminatory decision by us to completely withdraw from all franchise activity within the relevant geographic market area in which the Franchised Business is located.

(5) Any items identified in Paragraph A above which are sold by you between the date of the notice of termination or nonrenewal, and the cessation of operations of the Franchised Business by you, pursuant to the termination or nonrenewal.

17.8 You will be responsible for any and all costs, expenses and liabilities incurred by us, including attorney's fees incurred by us, in exercising this option and in acquiring said business assets as well as any and all monies or other performance due and owing from you or the Entity operating the Franchised Business hereunder to us or to third parties (if we are also obligated to pay the obligation if not paid by you), plus any damages, expenses and costs incurred or suffered by us by reason of any Event of Default, breach or violation of this Agreement by you. All money owed to us or our affiliates pursuant to this Agreement or any ancillary or collateral agreement between you and us shall be deducted from the Purchase Price payable by us to you as determined and provided above. Any royalties or other amounts due to us or damages, expenses or costs incurred by us which remain due to us as a result of said Event of Default, in addition to offset of the Purchase Price, shall remain outstanding and payable to us.

17.9 In the event either party disputes an Event of Default and the right to termination, the obligation to pay Royalties and Fees shall continue until such dispute is settled and specifically during any period of arbitration or litigation in accord with the provisions of this Agreement. If it is determined that the Franchise is terminated, payment of Royalty and Fees shall be due on all revenues earned through the termination date, and any overpayment refunded. In the event it is determined that termination was proper, you shall be liable to us for the value of any services rendered after the determined termination date.

ARTICLE XVIII

RIGHTS AND OBLIGATION OF PARTIES UPON EXPIRATION OR TERMINATION

18.1 Termination of Franchised Business. Upon termination or expiration of this Agreement, you shall immediately cease to be an authorized Franchised Business and shall comply with the following:

A. Payment Of Amounts Owed.

(1) You agree to pay within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we permit, the amounts due to us, the Royalties, interest and all other amounts owed to us or our affiliates which then are unpaid. Said sums shall include all damages, costs and expenses, including reasonable attorneys' fees, if any, incurred by us resulting from the termination or expiration of this Agreement whether or not such occurs prior to or subsequent to the termination or expiration of this Agreement, and said sums shall include all costs and expenses, including reasonable attorneys' fees, incurred by us in obtaining injunctive or other relief to enforce the provisions of this Agreement or in collecting unpaid amounts due to us or our affiliates.

(2) You will have no obligation to pay the then current value of any future royalties or lost profits for periods after the effective date of any termination of this Agreement if you have executed, as of the effective date of such termination, a general release, in form prescribed by us, of any and all claims, known or unknown, against us.

B. De-Identification. When this Agreement expires or is terminated for any reason:

(1) you shall immediately discontinue all use of the Names and Marks, trade dress, telephone numbers, websites and signage associated with the Franchised Business and you shall not directly or indirectly at any time thereafter or in any manner (except in connection with other US Cryotherapy franchises you own and operate): (a) identify yourself or any business as a current or former US Cryotherapy franchise or as one of our franchisees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any of our Names or Marks, or other indicia of a US Cryotherapy franchise in any manner or for any purpose; or (c) use for any purpose any trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us within thirty (30) days: (i) all advertising, marketing and promotional materials, forms, and other materials containing any Mark or otherwise identifying or relating to a US Cryotherapy franchise; (ii) all copies of the Operations Manual/Franchise Portal and any and all Confidential Information of Franchisor, in

whatsoever form, and will not retain copies thereof; and (iii) deliver to us the proprietary cold therapy chamber utilized at the Center;

(4) if applicable, notify all search engines of the termination or expiration of your right to use all domain names, Websites and other search engines associated directly or indirectly with your Franchised Business and authorize those search engines to transfer to us or our designee all rights to the domain names, Websites and search engines relating to the Marks or your Franchised Business. We have the absolute right and interest in and to all domain names, Websites and search engines associated with the Marks or the franchise, and you hereby authorize us to direct all applicable parties to transfer your domain names, Websites and search engines to us or our designee if this Agreement expires or is terminated for any reason. All parties may accept this Agreement as conclusive of our right to such domain names, Websites and search engines and this Agreement will constitute the authority from you for all parties to transfer all such domain names, Websites and search engines to us;

(5) you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy or other numbers and telephone directory listings associated with any Mark, authorize the transfer of these numbers and directory listings to us or at our direction, and/or instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to affect these events; and

(6) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

C. Abandonment. In the case of Abandonment, upon a declaration of Abandonment of the Franchise by us and our retaking possession of the abandoned Center, all equipment, inventory, furniture, supplies and any other property remaining in the Center will become the property of the Franchisor. In addition, in the case of Abandonment, we will also be entitled to liquidated damages relating to such Abandonment in an amount equal to three (3) months of rent and the cost of all reasonable repairs required to be performed by us on the abandoned Center.

D. Prohibited Use of Confidential Information. The methods, operations, promotional data, periodic reports, inventory, customer lists, price lists and other information pertaining to the Franchised Business and the US Cryotherapy System including the terms of this Agreement and the Franchised Business are Confidential and Proprietary Information and represent Trade Secrets that are owned by and remain the Exclusive Property of the Franchisor. You agree that for a period of five (5) years following the termination or expiration of this Agreement, you and you affiliates (if Franchisee is an entity) will not use or disclose to others any Confidential or Proprietary Information or Trade Secrets of the Franchised Business or the US Cryotherapy System, whether by direct or by indirect means, except with our prior written permission and consent.

E. Right to Transfer and Enter Center. Without any obligation other than to exercise due care, we shall have the right and are hereby granted authority by you:

(1) To transfer to Franchisor, or its designee, all of Franchisee's rights and interest in (i) all telephone numbers and listings, including white page and yellow page listings in advertising and (ii) all e-mail addresses or websites using the name "US Cryotherapy" or any derivatives or abbreviations thereof.

(2) To enter the Center or any office premises of Franchisee, at Franchisor's option, to remove from the Center or such premises all data and Confidential Information relating to the Franchisee's Franchised Business. If any office premises is located in the Franchisee's home, any such entrance will be with prior notice to Franchisee and in the presence of the Franchisee.

18.2 Covenant Not To Compete.

A. Upon:

(1) our termination of this Agreement according to its terms and conditions,

(2) your termination of this Agreement without cause, or

(3) expiration of this Agreement (if we offer, but you elect not to execute, a successor franchise agreement upon renewal, or if we do not offer you a successor franchise agreement upon renewal due to your failure to satisfy the conditions for renewing your franchise agreement set forth in Sections 2.3 and 2.4), you and your owners agree that, for two (2) years beginning on the later to occur of (i) the effective date of termination or expiration or (ii) the date on which all persons restricted by this Section 18 begin to comply with provisions of this Section 18 or (iii) if litigation is necessary to enforce this Agreement, the date of entry of an order by a court of competent jurisdiction enforcing the Agreement, you and your owners, and your and their immediate family members, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, will not own, maintain, operate, engage in, franchise or license, or have any direct or indirect controlling or noncontrolling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, manager, employee, consultant, representative, or agent in any Competitive Business, that is or may be located or operating:

(a) at your Center;

(b) within your Territory;

(c) within five (5) miles of the border of your Territory; or

(d) within the territory, area, or market area of any other US Cryotherapy Center in operation on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section begin to comply with this Section.

B. In further consideration hereof, in the event of termination of this Franchise, you agree that for a period of two (2) years from date of termination or expiration, that the Principal(s) will not, either directly or indirectly, either for himself or for any other person, firm, corporation, or other legal entity, solicit any then employee of ours or any of our franchisees in any of the areas described in subparagraphs (a), (b), or (c) above: (i) to either cease to be an employee of ours, or of any of our franchisees, or (ii) to terminate or act in a manner which is in violation of this Agreement.

C. For purposes of Section 18.2(A) above a "Competing Business" shall be defined as set forth in Section 14.1 above.

These restrictions also apply after transfers, as provided in Section 16.3 above. If any person restricted by this Section refuses voluntarily to comply with these obligations, the two (2) year restriction period for that person will commence with the entry of a court order enforcing this provision. You and your Principal(s) expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting those skills. Consequently, our enforcing the covenants made in this Section 18.2 will not deprive you of your personal goodwill or ability to earn a living.

The parties acknowledge that the provisions of this Section 18.2 may not be enforceable in all States.

18.3 Our Right To Purchase Franchised Business.

A. Exercise of Option. Upon your declining a bona fide offer from us to renew this Franchise, our termination of this Agreement for cause, your termination of this Agreement without cause, your death, physical or mental disability or incompetency, or the expiration of this Agreement, we have the option, exercisable by giving you written notice within thirty (30) days after the date of termination or expiration, to purchase your (or the Entity's) interest in the Franchised Business and/or those operating Assets and inventory that we designate. We have the unrestricted right to assign this option to purchase.

B. Purchase Price. The purchase price for the interest in your Franchised Business and any Assets we choose to acquire will be their fair market value, provided that these items will not include any value for the Franchise or any rights granted by this Agreement or any lease, goodwill attributable to the Marks, our brand image, and other intellectual property or participation in the network of US Cryotherapy franchises. For purposes of determining the fair market value of all equipment (including the C1 Cryotherapy Chamber used in operating the Franchised Business), the equipment shall be depreciated on a straight-line basis with a useful life of no more than seven (7) years and all equipment being purchased must be in reasonably good working condition.

C. Appraisal. If we and you cannot agree on a fair market value, fair market value will be determined by an independent appraiser, who in doing so will be bound by the criteria specified in subparagraph (B). A qualified appraiser, mutually acceptable to you and us will be selected within fifteen (15) days after we deliver our notice of exercise to you (if you and we have not agreed on fair market value before then). We and you will each pay 50% of the fees and expenses of the appraiser. Within thirty (30) days after an appraiser is designated, he/she will evaluate and calculate a fair market value according to the criteria specified in sub-paragraph (B) above. The appraisers' determination of fair market value shall be conclusive as establishing the purchase price.

D. Closing. We (or our assignee) will pay the purchase price at the closing, which will take place not later than thirty (30) days after the purchase price is determined, although we (or our assignee) may decide after the purchase price is determined, not to exercise our purchase option. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. At the closing, you agree to deliver instruments transferring to us (or our assignee): (1) good and merchantable title to the assets purchased, free and clear, of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (2) all of the Franchised Business' licenses and permits which may be assigned or transferred.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective shareholders, officers, directors, employees, agents, representatives, successors and assigns.

E. Covenant Not To Compete. If we exercise our right to purchase the Franchised Business upon our termination of this Agreement according to its terms and conditions, the Purchase Agreement reflecting such purchase shall include a provision that you and members of your immediate family and any member, shareholder or partner (if you are doing business as a corporation or partnership) shall be subject to the noncompetition provisions of Section 18.2 above.

18.4 Continuing Obligations. All of our and your obligations hereunder which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire.

ARTICLE XIX

INDEPENDENT CONTRACTORS AND INDEMNIFICATION

19.1 Independent Contractors. This Agreement does not constitute you as an agent, legal representative, joint venturer, partner, employee, or servant of ours for any purpose whatsoever; and it is understood between the parties hereto that you are an independent contractor and are in no way authorized to make any contract, agreement, warranty or representation on behalf of us or to create any obligation, express or implied, on behalf of us.

A. Neither we nor you shall have the authority to bind or obligate the other except as and then only in the manner and to the degree expressly set forth herein.

B. Neither party shall have the authority to hire, fire or direct any employees of the other, except as explicitly set forth herein.

C. Neither party is responsible for the collection, withholding or payment of any taxes of the other.

D. You shall prominently display, in your place of business, a notice stating that the Franchised Business is operated by you independent of and separate from us or any of our affiliates.

19.2 Indemnification by Franchisor. We agree to indemnify you against any claims arising out of your use of the Name(s) and Mark(s) identified in Article X solely as authorized herein. In addition, we will protect, defend or indemnify you for any claims arising out of your actions taken at our direction, including but not limited to any use of the Marks in the manner prescribed by us. You similarly agree to indemnify us against all claims arising from your improper or unauthorized use of said Name(s) or Mark(s) as well as any claims arising from the operation of your Franchised Business.

19.3 Indemnification by Franchisee. Under no circumstances shall we be liable for any act, omission, debt, tax or any other obligation or liability of yours or any subcontractor employed by you. To the fullest extent permitted by law, you agree to indemnify, defend and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, representatives, successors and assigns (the **"Indemnified Parties")** from and against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, obligations and damages directly or indirectly arising out of: (a) the operation of your Franchised Business, (b) the business you conduct under this Agreement, (c) your breach of this Agreement, or (d) noncompliance or alleged noncompliance with any law, ordinance, rule or regulation concerning the Franchised Business' operation. For purposes of this indemnification, **"claims"** include all obligations, damages (actual, consequential, punitive or otherwise) and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses and other expenses of litigation, arbitration or alternative dispute resolution, regardless of whether litigation, arbitration or alternative dispute resolution is commenced. Each Indemnified Party may defend and control the defense of any claim against it which is subject to this indemnification at your expense, and you may not settle any claim or take any other remedial, corrective or other actions relating to any claim without our consent. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you.

ARTICLE XX

DISPUTE RESOLUTION; ARBITRATION

20.1 General. You and we will make reasonable attempts to settle any controversy or dispute relating to this Agreement or your Franchised Business without arbitration. You and we may utilize the services of a mediator to resolve our dispute, the cost of which will be shared by both parties.

20.2. Mandatory Arbitration. Any controversy, dispute, litigation, action, or claim arising out of or relating to this Agreement, performance hereunder or breach thereof, which cannot be amicably settled between Franchisor and Franchisee, shall be settled by arbitration conducted in the county in California in which we maintain our principal office (currently Placer County, California). Said arbitration shall be conducted in accordance with the then current Commercial Arbitration Rules of: (i) the Franchise Arbitration and Mediation, Inc. ("FAM"); (ii) the American Arbitration Association; or (iii) any other arbitration service approved by all parties. Mandatory arbitration will not apply to claims relating primarily to (i) the validity of any of our trademarks or service marks; (ii) our rights to obtain and enforce a temporary restraining order, preliminary injunction, or permanent injunction; or (iii) any class-wide or multiple plaintiff or similar claims.

A. Initiation of Arbitration. After thirty (30) days prior written notice to the other, either party hereto may formally initiate arbitration under this Agreement by filing a written request therefore, and paying the appropriate filing fees, if any.

B. Arbitration Procedure. The parties will agree upon one arbitrator to conduct the arbitration proceeding. If the parties shall fail to select an arbitrator within twenty-one (21) days after arbitration has been formally initiated, then an arbitrator shall be selected by FAM or the American Arbitration Association upon application by either party.

C. Costs of Arbitration. The parties to any arbitration will bear their own costs, including attorneys' fees and will share equally the filing fee and all other fees charged by the arbitration service.

D. Injunctive Actions. Nothing herein contained shall bar the right of either party to seek to obtain injunctive relief or other provisional remedies against threatened or actual conduct that will cause loss or damages under the usual equity rules including the applicable rules for obtaining preliminary injunctions and other provisional remedies, provided an appropriate bond against damages is provided.

20.3 Execution of Arbitration Award. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and non-appealable.

20.4 Enforcement of Arbitration Provisions. The provisions of this Article XX will be deemed to be self-executing, will survive the term of this Agreement and remain in full force and effect notwithstanding this Agreement’s expiration, rescission, termination or otherwise for any reason. The provisions of this Agreement (including but not limited to those relating to mandatory arbitration, limitation of damages, prior notice of claims, costs and attorney's fees, or otherwise) will be construed as independent of each other provision of this

Agreement and if any provisions are deemed to be unenforceable in any way, such provisions will be modified or interpreted to the minimum extent necessary to have them comply with the law and the remaining provisions of this Agreement. The parties' agreement to submit claims to binding arbitration, will remain in full force and effect, the parties agreeing, in consideration of their mutual judgment, that mediation and arbitration are generally superior methods of resolving disputes, that the unenforceability of any provisions of this Section 20 shall not affect the remainder of this Section 20 or otherwise, notwithstanding any statutory or decisional law to the contrary. Notwithstanding any provisions of this Agreement or otherwise relating to which state or provincial laws this Agreement will be governed by and construed under, all issues relating to arbitrability and/or the enforcement of the provision to arbitrate contained herein will be decided by the arbitrator and will be governed by the Federal Arbitration Act (916 U.S.C. § 1 et seq.) and the federal common law of arbitration. Notwithstanding any provisions of state law to the contrary, we intend to fully enforce the provisions of this Agreement and other documents, including all venue, choice-of-law and mediation/arbitration provisions, and to rely on federal preemption under the Federal Arbitration Act (916 U.S.C. § 1 et seq.).

20.5 Litigation, Venue, Limitation of Damages in Arbitration and/or Litigation, etc.

A. Without in any way limiting or otherwise affecting the obligations regarding binding arbitration, you and we agree that any litigation between us whether to enforce an arbitration award or involving any litigation, dispute, controversy, claim, proceeding, or otherwise between or involving you and us which is not subject to the foregoing provisions regarding arbitration (or in the event that a court having jurisdiction should hold that the foregoing provisions regarding arbitration are not enforceable) and bearing in mind your and our interest in having a single court determine issues in a consistent manner for application throughout the Franchised Business and not have us or our franchisees exposed to inconsistent decisions, will be held exclusively before a court in the most immediate judicial district encompassing our headquarters and having subject matter jurisdiction, you and we consenting to the exclusive jurisdiction of such court. In this Agreement, all references to our headquarters refer to our headquarters, currently located in the city of Roseville, Placer County, California.

B. So as to achieve many of the advantages which would normally be associated with arbitration (such as lower expense, more rapid resolution of controversies, fewer protracted and complex proceedings, reduced instances of costly and time-consuming appeal, etc.) and for your and ours mutual benefit, you and we agree that in any arbitration, litigation or otherwise, in any arbitration, litigation or otherwise, you and we each waive any right to recover, and any claims for (whether by claim, counter-claim, way of defense or otherwise), punitive, exemplary, multiple, pain-and-suffering, mental distress, incidental, consequential, special, lost income and/or profits (except as expressly provided below) and/or similar damages under any theory whatsoever. However, we may recover the then-current value of any franchise fees, royalties, advertising fees and/or other fees and payments you are, or would be, obligated to make, or would normally make, in the absence of a breach or termination, to us or any affiliated company, whether by agreement or otherwise.

20.6 Construction, Agreement Limited to Express Terms. You and we, each believing that having written documents as the only basis for their legal relationship which benefits each of the parties and reduces the risk of uncertainty or other persons imposing obligations which neither you nor we expressly consented to, agree that this Agreement should be strictly interpreted according to its express terms so as to avoid a court or arbitrator from imposing (or expanding) duties on the parties to this Agreement that were not expressly agreed to by you and us.

Pursuant to the preceding understandings, you and we agree that no liability will result from the exercise of discretion permitted by this Agreement so long as there is no finding that such exercise of discretion was done in bad faith.

20.7 No Withholding Payments to Us. If you believe that we or any other person/entity has violated any legal duty to you, you will, notwithstanding such dispute, pay as designated all sums specified under this Agreement or otherwise (including royalties, any unpaid portion of the initial franchise fee, and other fees, etc.) and will not withhold any payments until and unless such dispute has been finally determined in your favor and any refund of royalties and/or fees is ordered.

ARTICLE XXI

NOTICES AND PAYMENTS

21.1 All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Operations Manual/Franchise Portal will be deemed so delivered:

(1) at the time delivered via computer transmission if the sender has confirmation of a successful transmission and, in the case of the Royalty, Fees, any Marketing Fund contributions and other amounts due, at the time we actually debit your account (if we institute an automatic debit program for your Franchised Business);

(2) one (1) business day after transmission by telecopy, facsimile, email or other electronic system if the sender has confirmation of successful transmission;

(3) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or

(4) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice. However, if your check for payment of Royalties, any Marketing Fund contributions, or other amounts due is dishonored by your bank, such payment will not be deemed to be made until your replacement check is cleared by your bank. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least three (3) days before then) will be deemed delinquent.

21.2 If you or any of your employees receive service of legal process or notice of suit, court hearing, or other proceedings, concerning a matter arising out of or related to the terms of this Agreement, you shall immediately send us a true copy of such service together with an explanation or knowledge you or any of your employees or those acting under your authority may have respecting the subject matter. The parties agree to cooperate mutually if a defense shall be jointly necessary.

ARTICLE XXII

JURISDICTION, INTERPRETATION, MODIFICATION, EXECUTION AND MISCELLANEOUS

22.1 This Agreement shall be governed by and construed in accordance with the laws of the State of California. The parties agree to the jurisdiction of the Placer County Superior Court and the Federal District Court, Eastern District of California, in Sacramento, California.

22.2 Failure of either party to enforce any provision, or waiver by either party of any default, shall not operate as a waiver of successive defaults, and all the rights of the parties shall continue notwithstanding one or more such failures or waivers. The failure of either party to insist at any time upon strict performance or enforcement of any one or more or all terms, conditions or obligations herein, or the failure to exercise any rights hereunder, shall not be deemed abandonment thereof, and the same shall continue in full force and effect notwithstanding one or more waivers. At any and all times, each party may exercise all its rights hereunder, plus all legal and equitable remedies.

22.3 No right, remedy or election hereunder shall be deemed exclusive, but in each instance, shall be cumulative with all other remedies.

22.4 The failure to perform or delays in the performance of any duties hereunder which are not the fault of and not within the reasonable preventive control of the party obligated to perform, due to an event of *force majeure,* including but not limited to government regulations, labor disputes, natural disasters, acts of God, civil disorders, riots, slowdowns or disputes, or other similar events, shall not cause a Default in said performance, but, in the event of delay, the parties shall extend the time of performance for a period of time equivalent to the length of the delay, or for such other reasonable period of time as agreed to between the parties.

22.5 You and we recognize and agree that the enforcement of some of the provisions of this Agreement would not be adequate both with respect to the parties and, as well, with respect to other franchisees and our Franchise System, except in the event that equitable relief is available to enforce provisions of this Agreement. Therefore, it is mutually agreed between the parties and each party consents to the enforcement of the terms of this Agreement entitling either party to injunctive relief for the purpose of enforcing any provision of this Agreement as and when required during its term and at any termination of its term for whatsoever reason.

22.6 You agree to reimburse us, upon demand, for all costs and expenses incurred by us in connection with: (i) collecting or attempting to collect any indebtedness or any part thereof due us or for which we are obligated to pay third parties, although a debt or obligation of yours; (ii) maintaining or defending us or our security interests or liens or the priority thereof; (iii) the enforcement of our rights or remedies under this Agreement or the other documents contemplated by this Agreement, both at time of execution of this Agreement and during the term thereof; and (iv) any other matters or proceedings (the payment of which is not otherwise provided for in this Agreement) arising out of or in connection with this Agreement or the performance thereof, which include without limit sums advanced to pay obligations of yours which you are required to pay under this Agreement or the other documents contemplated hereby, expenses related to any default or alleged default by you, including legal fees and other costs incurred to protect our interests and all of our other costs and expenses incurred in connection with any of the foregoing and any of the provisions of this Agreement.

22.7 This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and the respective successors and assigns of each; provided, however, that you may not assign or transfer your rights or obligations hereunder except in accordance with the provisions of this Agreement.

22.8 If any of the provisions of this Agreement are ever held by a Court of competent jurisdiction to violate any applicable law of the United States or any State or Municipality, or to be unenforceable for any reason, said provision shall be construed and interpreted to be severable from the remainder of this Agreement.

22.9 This Agreement may be signed in any number of counterparts with the same effect as if the signatures were upon the same instrument.

22.10 This Agreement and the Exhibits executed in connection herewith are integrated agreements. Except as set forth specifically otherwise herein or in the Exhibits executed in connection herewith, this Agreement and the Exhibits executed in connection herewith supersede all prior representations and agreements, if any, between the parties to this Agreement. This Agreement and the Exhibits hereto and the documents constituting a part of the Franchise, including the Franchise Disclosure Document, when executed, contain the entire and only understanding between the parties regarding the terms of this Agreement and the Exhibits hereto and may not be altered, amended or extinguished, except by a writing which expressly refers to this Agreement and is signed by all parties. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

ARTICLE XXIII

ACKNOWLEDGEMENTS

23.1 To induce us to sign this Agreement and grant you the Franchise, you acknowledge:

(1) That you have independently investigated the US Cryotherapy franchise opportunity and recognize that, like any other business, the nature of "cold" therapy for benefiting the recuperation of muscles and joints may, and probably will, evolve and change over time.

(2) That an investment in a US Cryotherapy franchise involves business risks.

(3) That your business abilities and efforts are vital to your success.

(4) That obtaining and retaining customers for your US Cryotherapy Center will require a high level of diligence and service and strict adherence to the Franchise System and our System Standards as expressed in our Operations Manual/Franchise Portal and that you are committed to implementing and maintaining our System Standards.

(5) That except as set forth in our Franchise Disclosure Document you have not received or relied upon, and we expressly disclaim making, any representation, warranty or guaranty, express or implied, as to the revenues, profits or success of your US Cryotherapy franchise.

(6) That any information you have acquired from other US Cryotherapy franchisees regarding their sales, profits or cash flows is not information obtained from us, and we make no representation about that information's accuracy.

(7) That you have no knowledge of any representations made about the US Cryotherapy franchise opportunity by us, our subsidiaries or affiliates or any of their respective officers, directors, shareholders or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms and conditions of this Agreement.

(8) That in all of their dealings with you, our officers, Managing Members, employees and agents acted only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are only between you and the Franchisor.

(9) That if an entity is entering into this Agreement as the Franchisee, such entity has satisfied all of the requirements set forth in Subsection 16.4.

(10) That you have represented to us, to induce our entering into this Agreement, that all statements and representations you have made and all materials you have given us in acquiring this US Cryotherapy franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the Franchise and shall be deemed to have been relied upon by us.

(11) That you have read this Agreement and our Franchise Disclosure Document and have had the opportunity to review this Agreement with legal counsel or others of your choosing and understand and accept that the terms and covenants in this Agreement are

reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards in our Franchise System, and to protect and preserve the goodwill of the Marks.

IN WITNESS WHEREOF, Franchisor and Franchisee have executed and delivered this Agreement and related documents thereto effective on the date stated on the first page above.

"FRANCHISOR"	**"FRANCHISEE"**
US Cryotherapy Franchising LLC, a California limited liability company	________________________________
By:______________________________	By:______________________________
Kevin Kramer, Manager/CEO	________________________

CONSENT OF FRANCHISEE SPOUSE

The undersigned certifies that I am the lawful spouse of the foregoing Franchisee signatory to the US Cryotherapy Franchise And License Agreement; that I acknowledge that I have read the Franchise And License Agreement and know its contents. I agree to be bound and accept the provisions as contained in the Franchise And License Agreement in the same manner and to the same extent as if a party thereto, and thus am a party thereto by Consent.

Dated:______________________ ___________________________________

EXHIBIT A

BUSINESS ADDRESS OF AUTHORIZED CENTER

AND

PROTECTED TERRITORY

Protected Territory and Center Location

1. Franchisee will conduct his, her or its business at the following addressed and phone number ("Center Location"):

Address: ____________________________ Phone #: __________________________

____________________________ Fax #: __________________________

____________________________ E-Mail: __________________________

2. The Franchisee's Territory shall be defined as:

____
____
____

3. **Mandatory Core US Cryotherapy Services (provided by US Cryotherapy):**

- Cold Therapy Chamber (C1 or C4 depending upon Franchise Agreement)
- Localized Cold Air Device (2) minimum required per franchise for use in localized therapy and facial rejuvenation treatments.
- Compression device.
- Deep muscle pulsation device.

US Cryotherapy Approved Added Services (provided by US Cryotherapy):

- Normatec Compression – Recommended, but optional in all centers. Normatec is the brand of choice. US Cryotherapy has established a preferred relationship with Normatec to secure below retail pricing for equipment. Purchases must occur through US Cryotherapy.
- Hydro Massage Bed
- Vibration Plate (Vmax 300 or VibePlate) for lymphatic stimulation and drainage. Optional in all centers – must be through US Cryotherapy if added. US Cryotherapy has a preferred vendor relationship to secure below retail pricing.
- TheraGun – Recommended but optional
- LightStim – Recommended but optional
- Cryoskin – cold laser device for slimming and toning.
- Retail items: US Cryotherapy apparel, other retail goods through US Cryotherapy – optional inventory, highly recommended.
- US Cryotherapy CryoCare retail gel line – optional inventory, recommended, must be through US Cryotherapy. No substitute products accepted for retail sale.

4. You shall operate your Cryotherapy Center from _______ A.M. through _______ P.M. on Monday through Friday; from ______ A.M. through ______ P.M. on Saturday; and from _______ A.M. through _______ P.M. on Sunday.

Franchisor's Initials: ___________ Franchisee's Initials:____________

EXHIBIT B

SERVICE MARKS

USCryotherapy
FASTER RECOVERY ▪ BETTER HEALTH

CryoQueue®

FRANCHISE PORTAL

EXHIBIT C

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

US CRYOTHERAPY
CONFIDENTIALITY AND NONDISCLOSURE
AGREEMENT

1. I acknowledge that in consideration of my owning an interest in or working for ________________________, a franchisee ("Franchisee") of US Cryotherapy Franchising LLC ("Franchisor"), I have agreed to execute, this Confidentiality and Nondisclosure Agreement ("Agreement"). I have read this Agreement and understand its terms and am willing to execute this Agreement in favor of the Franchisee and Franchisor.

2. I hereby agree as follows:

A. Nondisclosure of Trade Secrets and Confidential Information. I agree not to disclose, duplicate, sell, publish, furnish or communicate, either directly or indirectly, any Trade Secrets or Proprietary Information (together referred to as "Confidential Information") of the US Cryotherapy ("Cryotherapy")/Franchised Business (as defined in the Franchise Agreement) to any other person, firm or entity, unless authorized in writing by Franchisor. I agree not to use any Confidential Information for my own personal gain or for purposes of advantage for others except in conjunction with the Franchised Business, whether or not the Confidential Information have been conceived, originated, discovered or developed, in whole or in part, by me or represents my work product. To the extent I have assisted in the preparation of any information which Franchisor considers to be Confidential Information or has itself prepared or created such information, I hereby assign any rights that I may have in such information as its creator to Franchisor.

B. Definition of Confidential Information. For purposes of this Agreement, the term "Confidential Information" means any and all knowledge, techniques, processes or information made known or available to me by Franchisee or Franchisor which is not otherwise known to the general public. Such Confidential Information is defined in Article XI of the Franchise Agreement and shall specifically include methods and procedures of the Cryotherapy operating systems, marketing techniques, customer lists, forms, bookkeeping methods and other techniques and materials relating to the Franchised Business.

C. Return of Proprietary Materials. Upon expiration or termination of the Cryotherapy Franchise Agreement, or my ownership in or employment by the Franchisee, I shall return to Franchisor or Franchisee, respectively, all materials in my possession which is considered confidential or proprietary by Franchisor, technical or non-technical, whether or not copyrighted, which relate to the Cryotherapy System. I expressly acknowledge that any such materials of any kind provided to me shall be and remain the sole property of the Franchisor.

D. Solicitation of Employees. I agree that for as long as the Cryotherapy Franchise Agreement between Franchisor and Franchisee is in full force and effect, and for a period of two (2) years after the termination of the Franchise Agreement (except as otherwise approved in writing by Franchisor), I shall not, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, partnership or corporation:

1. Divert or attempt to divert any business or customer of a Cryotherapy Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Cryotherapy's Marks and franchises; or

2. Employ or seek to employ any person currently employed by any US Cryotherapy franchisee; or

3. Otherwise divulge any Confidential Information including Trade Secrets or Proprietary Information to any person who intends to or may disclose any such information to any US Cryotherapy competitor.

E. Covenant Re: Non-Competition. I agree that I shall not own, maintain, engage in, act as a consultant to, promote, assist or have any interest in, any business (including any business operated by the undersigned prior to executing the Franchise Agreement) which is a member of or associated with any competing muscle and joint therapy service at all times during the term of the Franchise Agreement or for such time as I hold a position or am associated with the Cryotherapy Franchised Business and/or Franchisee. I further understand that even after I am no longer an employee of or associated with the Cryotherapy Franchised Business and/or Franchisee, my use or disclosure of Confidential Information to establish or assist any competing muscle and joint therapy service could be deemed as unfair competition actionable under California law.

F. Irreparable Harm to Cryotherapy System and/or Franchisee. I understand and agree that any breach of this Agreement shall cause irreparable harm to the Cryotherapy Franchised Business and/or Franchisee and, therefore, in the event of a breach or threatened breach of the provisions of this Confidentiality Agreement, Franchisor and/or Franchisee shall be entitled to seek an injunction restraining me from disclosing or appropriating, in whole or in part, any Confidential Information, or from rendering any services to any person, corporation, or other entity to whom such Confidential Information, in whole or in part, has been disclosed or is threatened to be disclosed. Nothing herein shall be construed as prohibiting Franchisor and/or Franchisee from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages and attorney fees.

By my signature hereof, I hereby agree to abide by the provisions of this Agreement.

Dated: ___________

____
Signature

____
Print Name

EXHIBIT D

STATE REGULATIONS WHICH SUPERSEDE AGREEMENT

[Franchisor to add – see the State Addenda in the FDD]

EXHIBIT E

FRANCHISEE GUARANTEE AGREEMENT

FRANCHISE GUARANTY AGREEMENT
US CRYOTHERAPY FRANCHISING, LLC

FOR VALUE RECEIVED, and in consideration for, and as an inducement to Franchisor's entering into a US Cryotherapy Franchise Agreement, dated __________ (the "Franchise Agreement") by and between US Cryotherapy Franchising LLC ("Franchisor") and ________________________ a ____________ corporation/limited liability company ("Franchisee"), each of the undersigned representing all of the owners of Franchisee, personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns, that the Franchisee named in the Franchise Agreement will perform each and every covenant, payment, agreement and undertaking on the part of Franchisee contained and set forth in such Franchise Agreement; (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, without limitation, the non-competition, confidentiality, transfer, and arbitration requirements; and (c) guarantees to Franchisor payment and satisfaction of any claim which Franchisor may have against Franchisee for damages resulting from a violation of any covenant or condition in the Franchise Agreement, including, but not limited to, the covenant not to compete, unfair competition as defined under California unfair competition laws, arising out of Franchisee's activities during the course of, in connection with, or upon the termination of the Franchise Agreement.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this guaranty shall be joint and several; (2) he or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refused timely to do so; (3) this liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including 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 guaranty; and (5) this Guarantee shall be continuing and irrevocable during the term of the Franchise Agreement and any renewal, extension, modification or amendment thereof, or as to any assignment or other transfer of Franchisee's interests in the Franchise Agreement.

Each of the undersigned waives: (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (iv) 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 undersigned's execution of and performance under this Guaranty; and (v) any right he or she may require that an action be brought against Franchisee or any other person as a condition of liability.

At the option of Franchisor, the undersigned Guarantors may be joined in any action or proceeding commenced by Franchisor against Franchisee in connection with or based upon the Franchise Agreement or any provision thereof, and that recovery may be had against the undersigned Guarantors in any such action or proceeding, or in any independent action or proceeding against the undersigned Guarantors, without any requirement that Franchisor or its respective successors or assigns first assert, prosecute or exhaust any remedy or claim against Franchisee, its successors or assigns; such that the liability of the undersigned Guarantors hereunder shall be deemed primary.

Each of the undersigned Guarantors represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each of the undersigned Guarantors consents and agrees that:

(a) Guarantor's liability under this Agreement shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other guarantors of Franchisee.

(b) Guarantor shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;

(c) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Franchise Agreement by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this Agreement nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(d) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and

(e) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this Agreement or any negotiations relative to the obligations hereby guaranteed or in enforcing this Agreement against Guarantor. Such costs and expenses shall include all costs and expenses incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding.

(f) This Guarantee shall survive the termination of, expiration or cancellation of the Franchise Agreement.

(g) This Guarantee shall be governed by and construed according to the internal, substantive laws of the state of California.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature as of the date indicated below.

____________________________________ Dated:______________________
Signature of Guarantor

____
Printed Name of Guarantor

____________________________________ Dated:______________________
Signature of Guarantor’s Spouse

____
Printed Name of Guarantor’s Spouse

____________________________________ Dated:______________________
Signature of Guarantor

____
Printed Name of Guarantor

____________________________________ Dated:______________________
Signature of Guarantor’s Spouse

____
Printed Name of Guarantor’s Spouse

EXHIBIT F

SBA ADDENDUM

To be executed if the Franchisee seeks Small Business Administration funding

FRANCHISE AND LICENSE AGREEMENT
FOR
US CRYOTHERAPY
C4 Large System Franchise

MODEL

2020

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FRANCHISE AND LICENSE AGREEMENT

FOR

US CRYOTHERAPY

C4 Large System Franchise

This Agreement is by and between US Cryotherapy Franchising, LLC, a limited liability company (hereinafter referred to as Franchisor, "we" or "us"), and ____ (herein after referred to as Franchisee or "you").

This Agreement is effective and its term shall commence the ____day of _________________, 202__.

RECITALS

We are the sole United States provider of a non-invasive, whole body cold air service described as "cold shock therapy" to help reduce muscle and joint pain and inflammation. This physical procedure (called " whole-body cryotherapy (WBC)") while beneficial, is not a medical treatment and no medical claims about its effectiveness can be made unless and until we receive the Food and Drug Administration's ("FDA") approval to do so. The Dual Chamber (C4) Cryotherapy Chamber service has been developed by and manufactured exclusively for US Cryotherapy Direct Sales, LLC and utilizes a walk in, non-liquid nitrogen cold air chamber equipped with a proprietary electrical refrigeration unit. We have expended time, effort and money to develop plans, methods, systems, the Chamber, procedures and marketing identity for this unique training and wellness procedure.

We have secured the use of our Trademarks and Trade Names, Service Marks, Logos, Words and Designs (referred to herein as the "**Marks**"), and all related names and associated good will, which is part of our methods and systems and which Marks are on file with the United States Patent and Trademark Office.

We have developed a System that currently includes assisting with site selection, construction design, preferred vendor relationships for equipment and retail items, approved recovery service item additions, procedures for monitoring operations and quality of services offered; procedures for management; training and assistance; advertising and promotional programs; business formats, methods, procedures, standards, and specifications all of which we may change, improve, and further develop from time to time and together represent the "**Franchise System**".

We wish to license the use of our Marks and the Franchise System to certain selected and qualified individuals to establish and operate a business at a US Cryotherapy Center or "**Center**" according to the Franchise System which is referred to as the "**US Cryotherapy Business**" or the "**Franchised Business**."

We have full rights in the area described herein to use the Names and the Marks including specifically the Trade Name and Marks and to franchise the use of same; and desire to grant to you as part of the Franchise System the limited use as provided for herein of the Name and Marks, subject to the provisions of this Franchise Agreement and solely for the term of the Franchise.

It is the purpose of this Franchise and License Agreement (the "Franchise Agreement") to ensure uniform standards of appearance, quality and operation for this US Cryotherapy franchise and the Franchised Business; to enhance and protect the use of the Marks; to ensure fair and competitive operations, and consistent quality of service of each Franchised Business, at commencement and during all of the term, to you and all franchisees; and to provide a basis for a fair and efficient continuous business relationship; all of which purposes being for the mutual benefit of all parties, including the Franchisor and Franchisee.

You have had the opportunity to become familiar with the Franchise System and the nature of the competitive market. You have applied to us for the right to use the Franchise System in the establishment and operation of a US Cryotherapy Center at the location identified in this Agreement. Your application has been approved by us in reliance upon all of the representations made in your application including those concerning your financial resources, business experience and the manner in which the Franchised Business will be owned and operated. You acknowledge that you have read this Agreement and been given an opportunity to obtain clarification of any provision that you did not understand. You also understand and agree that the terms and conditions contained in this Agreement are necessary to maintain the System's high standards of quality and service and the uniformity of those standards at all US Cryotherapy Centers and thereby to protect and preserve the goodwill of the Marks and the integrity of the Franchise System, and you must comply with this Agreement and all System Standards (as defined in this Agreement).

NOW THEREFORE, in consideration of the mutual agreements and promises contained herein and for other good and valuable consideration received and acknowledged to be satisfactory and adequate, the parties agree as follows:

ARTICLE I

GRANT OF FRANCHISE

1.1 Subject to the provisions herein, we hereby grant to you the right to establish and operate a Cryotherapy Center under the Name and Marks of "**US Cryotherapy**", utilizing the design, format, business methods and other advantages and benefits of the Franchise System; exclusively within the protected territorial area as described in Exhibit A.

1.2 This Franchise shall be effective as of the date set forth above and shall continue in effect until expiration, unless terminated or modified in accordance with the terms of this Agreement.

1.3 The business that you shall conduct under this Franchise and License is limited to the establishment and operation of a wellness business utilizing cryotherapy and meeting the standards and procedures as described in the online portal, training, and Operations Manual/Franchise Portal. We may, by prior written notice to you, add additional media services to those described herein but you may not provide additional media services or printed material without our prior written consent. Except as agreed to in writing, you shall not conduct any other type of business under this Franchise Agreement and the breach of this provision shall constitute a material breach of the Franchise Agreement. In such an event it is agreed between you and us that our business cannot be adequately protected or compensated in monetary damages and that we are therefore entitled to immediate injunctive relief, including Temporary or Preliminary Restraining Orders, to prohibit you from conducting business under this Agreement in violation of its terms.

1.4 This Franchise is a limited grant of rights. Upon termination for any cause (herein called "termination" or "terminate") or expiration, all of your rights to operate the Franchised Business as a US Cryotherapy Franchise shall cease completely, and the Franchise itself is terminated.

1.5 This Franchise Agreement and the Franchise granted to you, as well as the related Franchise Documents, may not be assigned or hypothecated by you, either voluntarily or involuntarily unless consented to in writing by us. Any attempted transfer, voluntary or involuntary, without our written consent shall constitute a material breach of this Agreement and we may terminate this Agreement in that event, pursuant to Article XVII.

ARTICLE II

TERM OF FRANCHISE AGREEMENT; EXPIRATION; RENEWAL

2.1 Term. The original term of this Agreement shall commence on the effective date set forth above and shall continue for ten (10) years (the "Initial Term"), unless sooner terminated.

2.2 Expiration of this Agreement.

A. This Agreement will end without requirement of further notice by either us or you at the end of a period of ten (10) years from the effective date of your original Franchise Agreement or successor franchisee and Transferor, if transferred during the Initial Term.

B. Upon expiration of this Agreement, you agree to discontinue your Franchised Business and comply with all the provisions of Article XVIII below.

2.3 Renewal of Franchise.

A. Subject to the terms and conditions set forth in Section 2.4, you will have the right to renew this Franchise for additional periods of five (5) years on the terms and conditions of the Franchise Agreement we are then using in granting franchises to new franchisees, any or all of the terms of which may differ materially from those contained in this agreement (including fees and the boundaries of your territory).

B. You agree to give us notice of your election to renew this Franchise ("**Renewal Notice**") at least six (6) months prior to the expiration of the Initial Term. We may require you to provide certain financial information relating to your Franchised Business operation along with (and after delivery of) your Renewal Notice. We will advise you within thirty (30) days after we receive your Renewal Notice of any deficiencies which must be corrected by you before we will grant you a new Franchise. We will advise you within sixty (60) days after we receive your Renewal Notice if we will grant your renewal request or the reason why we will not grant you a renewal of this Franchise. If we determine not to renew this Agreement, ("**Nonrenewal Notice")** the current term will be extended if necessary to give you not less than 180 days from the date of the Nonrenewal Notice in order to discontinue your Franchised Business.

C. We will give you a Nonrenewal Notice of our election not to renew this Franchise at least one hundred and eighty (180) days prior to the expiration of the current term. Our determination not to renew this Agreement pursuant to either Subsection B or C, shall be for "good cause" which, for purposes of this section, shall mean your failure to substantially comply with one or more of the lawful conditions of renewal as set forth in Section 2.4 below.

2.4 Conditions To Renewal

A. You (and each of your Principals) shall have the right to exercise the renewal option if all of the following terms and conditions are met at the time of such renewal:

(1) You have given us written notice of your election to renew this Franchise at least six (6) months prior to the expiration of the Initial Term specified in this Agreement;

(2) You are not in default of any material term or condition of this Agreement, any amendments hereof or any other agreement between you and us, including any premise's lease for the Franchised Business;

(3) You have satisfied all monetary obligations owed by you to us;

(4) You have consistently and satisfactorily complied with the Standards of Operation set forth in Article IV of this Agreement during the current term;

(5) You sign the Franchise Agreement then being used by us at the time of renewal, any and all terms of which may differ materially from those contained in this Agreement;

(6) You pay a Renewal Fee equal to one percent (1%) of your aggregate Gross Revenues from the Franchised Business for the last twelve (12) month period prior to the expiration of the ten (10) year term; and

(7) You execute a general release of liability in favor of us regarding the previous franchise term.

B. Nonrenewable by Us. We will advise you within sixty (60) days after we receive your renewal notice if we intend not to renew this Agreement, but in any event we will give you at least four (4) months notice of our decision not to renew this Agreement prior to the termination of this Agreement. We will advise you of the reason(s) why we will not grant a renewal of your Franchise and such reason(s) shall be for "cause" which, for purposes of this section, shall mean your failure to meet one or more conditions of renewal as set forth in Section 2.4 (A) above.

It is also acknowledged and understood that this Agreement may terminate earlier in accordance with the provisions of Article XVII of this Agreement or other sections of this Agreement relating to termination.

C. Effective with any Termination, whether as a result of an Event of Default or as a result of the end of the Franchise Term, you will not have the right to conduct the Franchised Business, or to use our Name(s) or Mark(s) or any other unique or proprietary property or anything bearing our Name(s) or Mark(s) (see Article XVIII).

ARTICLE III

LOCATION AND TERRITORY

3.1 Location and Territory Approval. You must search for and lease, sublease, or acquire an appropriate site for the Franchised Business, within two hundred seventy (270) days of the Effective Date of this Agreement. Upon our approval of a location, that location will be the "**US Cryotherapy Center**" for the Franchised Business, and we will insert its address in Section 1 of Exhibit A, and describe the geographic area ("**Territory**") assigned to you in Section 2 of Exhibit A.

You agree to obtain our written approval of the Franchised Business's proposed location before signing any lease, sublease, or other document for the site.

You may operate the Franchised Business only from the US Cryotherapy Center, and you may not relocate the Center except with our prior written consent. The Center may be used only for the operation of a Franchised Business and other related activities approved by us in writing. You shall not allow the US Cryotherapy Center to be used for any other purpose.

Protected territories will be negotiated between you and us and determined by a population density mapping program to protect an area of approximately 200,000 population for the C4

Chamber Franchise, determined by homogeneous zip codes, city borders or a combination of the foregoing.

3.2 Franchised Business Development. You are responsible for developing the Franchised Business. We will provide guidance to assist you in working with designated contractors and suppliers to complete the development and build out of the US Cryotherapy Center. Specifically, we, and/or our designated contractors and suppliers, will work with you to:

(a) obtain a site plan and any modifications to our basic architectural plans and specifications for the US Cryotherapy Center, including requirements for dimensions, exterior design, materials, interior layout, equipment, fixtures, furniture, signs, and decorating, consistent with applicable ordinances, building codes, and permit requirements;

(b) obtain all required zoning changes; all required building, driveway, utility, health, sanitation, and sign permits and any other required permits, provided however that you acknowledge that it is your obligation to obtain and maintain these permits and approvals;

(c) arrange for the installation and delivery of equipment, fixtures, furniture and signs meeting our specifications and requirements, provided, however, that you shall be required to purchase and/or lease such items directly and you shall be responsible for all monetary and other obligations thereunder and this Agreement;

(d) complete the construction and/or remodeling, equipment, fixture, furniture and sign installation and decorating of the US Cryotherapy Center in full and strict compliance with plans and specifications approved by us and all applicable ordinances, building codes and permit requirements.

We will give you mandatory and suggested specifications and layouts for your location at the Center, including recommended location size and design and required or recommended fixtures, equipment, and signs. You will be given a chamber installation plan which will need to be completed and signed off by you and your general contractor prior to shipping and installation of your equipment. Any work order changes to the installation (prep work not completed from the signoff sheet) will be at your cost for time, labor and materials overrun as a work order change. You are responsible for compliance with any and all federal, state, or local laws, codes, and regulations. We have the right to independently access all information you collect or compile relating to the use and performance of the Cryo Chamber at any time without first notifying you.

You agree to do the following, at your own expense, to develop the Franchised Business at the Center: (i) secure all financing required to develop and operate the Franchised Business (we will not provide you with any financing for Franchised Business development); (ii) obtain all required building, utility, sign, occupancy, business, and other permits and licenses; and (iii) purchase or lease, and install a C4 Dual Chamber Cryo Chamber and all required fixtures, furniture, equipment (including required or recommended cryotherapy equipment, customer and waiting room furniture, fixtures and equipment, computer, facsimile, and designated point-of-sale and customer management information system), furnishings, merchandise and signs (collectively, "**Operating Assets**") for the Franchised Business.

3.3 Operating Assets. You agree to use in operating the Franchised Business only those Operating Assets that we approve for US Cryotherapy Centers as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display at the Center (interior and exterior) only the signs, lettering, logos, and display materials that we approve from time to time, subject to, and only in strict compliance with, the local rules and regulations regarding the operation, management and advertising of or for a cryotherapy center. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

Service Items Required in a C4 Franchise
Proprietary C4 Recovery Chamber – provided by US Cryotherapy
Minimum of (2) Localized cold air devices – provided by US Cryotherapy
Compression device and deep muscle pulsation device
Various retail items (including US Cryotherapy apparel, and approved retail items

Approved additional (optional) service items
US Cryotherapy also offers a number of additional products and equipment which you may choose to offer at your Center.

Other Products and Services
Other products and services may be requested for use at your Center. However, they must first be requested in writing, reviewed and approved by US Cryotherapy.

3.4 Computer System. US Cryotherapy will provide the necessary computer hardware, software and system configuration to support CryoQueue, CryoSlide and Point-of-Sale operational systems (the "**Computer System**"). Installation of accessories, such as recessed junction boxes, mounting of brackets and keyboard shelves is the responsibility of the franchisee. The franchisee is responsible for providing network connectivity (internet) to the computer hardware so the software systems can properly function. We may modify specifications for and components of the Computers System. You also agree to maintain a functioning e-mail address. US Cryotherapy will provide your franchise location with (3) US Cryotherapy email addresses (2 users identified), and (1) general center info account email. You agree to obtain high-speed communications access, such as broadband or DSL, or other high-speed capacity that we may specify. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and/or communications capabilities and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware, software, and/or communications capabilities comprising the Computer System (or additions and modifications) and required service or support. We or our affiliates may retain a third-party provider, or an Applications Service Provider (or ASP) to provide some or all of the service and support for your benefit or the benefit of the Franchised System and each US Cryotherapy Center, and we may pay a service or ASP hosting fee. We have no obligation to reimburse you for any Computer System costs that you incur. Within sixty (60) days after you receive notice from us, you agree to obtain and install the Computer System components that we designate. You must permit us to access those aspects of the Computer System that are necessary for us to retrieve data and/or provide assistance to you and your business.

Subject to your compliance with these conditions, and except as we may otherwise approve, you agree to open the Franchised Business for business by the later of: (a) ninety (90) days from the date your Center is approved pursuant to Section 3.1 or (b) three hundred sixty five (365) days from the Effective Date of this Agreement. We will issue you a commencement of operation letter on the day (the "**Opening Date**") we approve your compliance with these obligations and authorize the opening of your US Cryotherapy Center.

If we determine that you (or your Operating Principal) cannot complete and open your Center within the time frame provided, we may terminate this Agreement and refund up to one-half of the Initial Franchise Fee.

3.5 Territorial Rights. So long as you are in compliance with the terms and conditions of this Agreement, and except as expressly provided herein, neither we nor any affiliates we may have from time to time will establish, or grant rights to other persons to establish or operate a US Cryotherapy Center in your Territory.

3.6 Rights Retained by Us.

A. We (and any affiliates that we might have from time to time) shall at all times have the right to engage in any activities we deem appropriate that are not expressly prohibited by this Agreement, whenever and wherever we desire, including, but not limited to:

(1) establishing and operating US Cryotherapy Centers or granting rights to other persons to establish and operate US Cryotherapy Centers, on any terms and conditions we deem appropriate and in any territories other than within your Territory including territories which may be adjacent to your Territory;

(2) providing and granting rights to other persons to provide services similar to and/or competitive with those provided by the US Cryotherapy Franchise System to customers located within your Territory (so long as any such services are identified by other than those Marks licensed by this Agreement) through any distribution channel other than as a US Cryotherapy Center within your Territory (including, but not limited to toll free telephone numbers and electronic means including the Internet);

(3) acquiring the assets or ownership interest of one or more businesses providing products and services similar to those provided by the US Cryotherapy Franchise System, and franchising, licensing or creating similar arrangements with respect to

these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating including within your Territory;

(4) being acquired (regardless of the form of transaction) by a business providing products and services similar to those provided by the US Cryotherapy Franchise System, or by another business, even if such business operates, franchises and/or licenses competitive businesses within your Territory; and

(5) place a cryotherapy chamber within your Territory so long as such chamber will be for non-commercial use, such as a high school, college, hospital or clinic, specific training facility or other specific organization's private use. We retain the right to sell the localized cold air devices without restriction within your protected territory.

B. We have the exclusive right, but not the obligation, to negotiate agreements with National/Regional/Group Accounts (defined below) for the provision of US Cryotherapy services by all franchisees. If we agree to terms and pricing with any National/Regional/Group Account, you must provide such services on the terms and at the times specified. If any National/Regional/Group Accounts contact you regarding services to be provided by you and/or other franchisees, you must forward all relevant information regarding the National/Regional/Group Account to us. In this Agreement, a "**National/Regional/Group Account**" is any organization, business or group that would reasonably require US Cryotherapy services on an ongoing basis and offered to a designated group. Such Accounts may be of regional, state or national scale (for example, corporations, local, regional or national athletic teams, or large health service providers).

C. We may in the future choose to establish or acquire and operate additional US Cryotherapy Centers as Company-owned Centers. However, we will not carry on such business in any franchisee's designated Territory.

D. We can require you to limit your advertising and business activities to your Territory designated in Exhibit A. We can also require you to honor memberships, prepaid services and other System-wide benefits emanating from other US Cryotherapy Centers (subject to appropriate reimbursement and/or credit).

ARTICLE IV

STANDARDS OF OPERATION

4.1 We have established and may from time to time modify, by addition or revision, standards of required performance by you with respect to the operation of the Franchised Business, all as set forth on the Franchise Portal and in the Operations section of that tool.

4.2 We and you agree:

A. That you shall be obligated to operate the Franchised Business in substantial compliance with the standards established by us from time to time during the term of this Agreement both with respect to accounting and financial operations and responsibilities as well as with respect to the conduct of business by you including the training, supervision and performance of your employees; the quality, safety and consistency of the services provided by you and your employees to clients; the appearance, equipment and staffing of the US Cryotherapy Center; the maintenance and upkeep of the records kept by you in the conduct of your business and other matters reasonably related to the orderly and consistent compliance by you and your employees with the standards established and required by us.

B. That the performance by you of these provisions is essential to the successful continuation of this Franchise and our entire Franchise Program and that your failure to so comply shall constitute a breach of this Agreement after written notice and your failure to correct as hereinafter provided for in Article XVII ("Termination of Franchise").

4.3 Operations Manual/Franchise Portal.

A. All operational and training items are provided via private restricted access to the Operations Manual/Franchisee Portal. The Operations Manual/Franchise Portal contains mandatory and suggested specifications, standards, operating procedures and rules that we periodically prescribe for the operation of a Cryotherapy Center ("**System Standards**") and information on your other obligations under this Agreement. We may modify the Operations Manual/Franchise Portal periodically to reflect changes in System Standards. You agree to access and utilize the portal regularly and remain current on operational updates and agree to keep the portal confidential and secure. If there is a dispute over its contents, our master copy of the Operations Manual/Franchise Portal controls. You agree that the contents of the Operations Manual/Franchise Portal are confidential and that you will not disclose the contents of the Operations Manual or Franchise Portal to any person other than your employees who need to know its contents. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual/Franchise Portal. If your access to the Portal or the Operations Manual is lost, you agree to contact Corporate to obtain a replacement login and access code. Any personnel policies or procedures which are made available in the Operations Manual/Franchise Portal are for your optional use and are not mandatory. You shall determine to what extent, if any, such personnel policies and procedures may be applicable to your operations in your jurisdiction. You and we recognize that we neither dictate nor control labor and employment matters for you and your employees.

4.4 Operation of Franchised Business.

A. You agree to have at least one of the Principal(s) of the Franchisee, or a designated manager approved by us, personally participate on a full-time basis both in the operation and in the direct management of the Franchised Business, and to diligently devote your best efforts to the operation so as to maximize sales, services and profits. For this purpose a "franchisee" includes the sole proprietor or, if a partnership or limited liability company, each and all of the general partners or managers and any partners/members, who are the owner/owners of a substantial portion of the Franchisee under this Agreement, or if a corporation, each and all officers and any shareholders who are the owner/owners of a substantial portion of a corporate franchisee. A 50% interest or larger in a US Cryotherapy franchise may not be owned by a person who does not actively and continuously participate in the ownership and operation of the

Franchised Business in accordance with the provisions of this Agreement unless a full-time manager is approved by us. However, the Franchisee owners will remain ultimately responsible for the operation of the Franchised Business and compliance with the provisions of this Agreement. For this purpose "owner" includes any person entitled to participate in the profits or losses from the conduct of the Franchised Business, whether an employee or not and whether named or not, except in the event that our written consent is first obtained including in the event that you elect to compensate a supervisory employee who is not an owner to include participating in operating profits. No owner shall have the right to contract with any other person whatsoever respecting the obligations of the owner under this Agreement and in particular this Article IV. "Full Time" as used herein is not less than forty (40) hours per week or such additional time as may reasonably be required to operate the Franchised Business pursuant to this Agreement. The time required to be expended by the owner as provided for herein relates to time in active conduct of the Franchised Business on a regular and continuing basis.

B. You will operate and maintain the Franchised Business solely at the Center location designated herein and at no other location(s) and only in accordance with the business standards, procedures, policies and techniques comprising the Franchise as specified by us.

C. You acknowledge that from time to time hereafter, we may change or modify the Franchised Business model including, without limitation, the adoption and use of new or modified trade names, trademarks or service marks, new services or products, or new techniques and such modifications will be communicated to you through directives or notices as may be distributed by us. You shall accept, implement and advertise, for the purpose of this Agreement, any such changes in the Franchised Business as if they were part of this Agreement at the time of execution hereof. You shall implement any such changes or modifications within a reasonable time and make such expenditures as are reasonably required by such changes or modifications in the Franchised Business model. You shall not change, modify, or alter the Franchised Business model in any way unless authorized or directed to do so by us.

D. You acknowledge that because complete uniformity under many varying conditions may not be possible, practical or appropriate, we specifically reserve the right, at our sole discretion and as we may deem in the best interest of all concerned in any specific instance, to vary standards for any franchisee based upon any condition which we deem to be of importance to the successful operation of such franchisee’s business. You shall not be entitled to require us to grant you a like or similar variation.

E. You will use commercial best efforts to develop and promote the Franchised Business on a continuous basis from the time you open it. You shall adopt and use the marketing mechanisms we approve and make available to you to make consumers in your area aware of your Franchised Business. You acknowledge that your active participation in approved social media and marketing messages is a material obligation under this Agreement.

4.5 Center Appearance/Improvements:

A. You shall periodically make improvements to the Center and refurbish it as required by us in our discretion, to maintain the uniform standards of Franchise System, including without limitation remodeling and redecorating the interior and exterior (to the extent permitted under the premises lease), as well as maintaining the interior and exterior in a clean, neat and orderly condition, and undertaking such repair and replacement of existing fixtures, furnishings, signs and equipment as may be necessary to reflect, maintain and enhance the good will associated with the Franchise System. All responsibilities hereunder shall be conducted in a manner that shall not interfere with or violate your premises lease. You acknowledge that you may have to make capital expenditures from time to time during the term of this Agreement for these purposes. The obligation provided for in this Section shall be done by you in accordance with the Franchise System's current standards for fixtures, furnishings, signage and equipment.

B. Your obligations under this Section shall include but not be limited to responsibility to completely paint as reasonably required by us the full exterior and interior of the Center, maintain the remainder of the exterior of the Center location improvements including all US Cryotherapy signage and any paved areas and landscaping in a good and presentable condition at all times during the term. Solely in the event you fail to comply with the provisions of this Section, we may, at our option and after prior request in writing to you to do so, proceed to have the work done in which event you shall be obligated to reimburse us the full cost thereof based upon a written statement delivered by us to you together with interest on said sums until paid at the maximum legal rate of interest then chargeable under California Law.

C. We shall have the right at all times during the term of this Agreement to require that you acquire additional equipment or make modifications to the Center where necessitated by regulations or directives, in whatever form, of any regulatory agency, whether State or Federal, whether for purposes of adding additional equipment to perform services covered by the terms of this Franchise Agreement, for the purpose of replacing existing equipment to provide a higher standard of service or to comply with state requirements like the American's with Disabilities Act. In that event we shall give not less than thirty (30) days written notice to you, describing in detail the additional equipment or modifications required and the reason or reasons for that requirement. Your failure to purchase the additional equipment or make such modifications, within a period not to exceed sixty (60) calendar days following the end of the thirty (30) day notice period shall constitute a material breach of this Agreement and shall entitle us to give thirty (30) days written notice of termination, subject to your complying with these obligations during that period, as provided for in this Agreement.

You shall not purchase any additional equipment for purposes of testing, diagnosis, or services as consented to under the terms of this Agreement without our prior written consent.

You shall <u>not</u> use any equipment or the Center for the purpose of providing any services other than those expressly provided for in this Agreement and the Operations Manual/Franchise Portal unless first consented to in writing by us. If you would like to use any products or services in establishing and operating the franchised business that we have not approved in Item 8 of the FDD, you must first send us sufficient information, specifications and samples for us to determine whether the products or services comply with our standards and specifications or the supplier meets our approved supplier criteria. We will absorb the expenses to evaluate products, services or suppliers. We will decide in our sole discretion, within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or sell the products or services from the supplier. Our criteria for approving or revoking approval of products or suppliers includes: the supplier's ability to provide sufficient quantity of products; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. USCF reserves the right to decline any request, and seek removal of any unauthorized service additions or retail items in violation of the agreement.

4.6 Hours, Maintenance Standard and Dress and Grooming Standards:

A. You shall operate your Cryotherapy Center during the hours specified in Exhibit A. You may operate your Center additional hours. We and you may agree in writing to reduce the hours that you shall operate in the event that there are sound business reasons to do so for that specific Center location. We may at any time, on not less than thirty (30) days prior written notice, increase the hours of operation required by you; except that unless you and we agree in writing, the required hours shall not be earlier or later than 8:00 A.M. through 8:00 P.M. on Monday through Friday; 8:00 A.M. through 5:00 P.M. on Saturday; and 9:00 A.M. through 5:00 P.M. on Sunday.

B. You shall at all times maintain the standards and responsibilities of this Agreement, as they relate to hours, personnel, services, and equipment so that they are sufficient to operate the Franchised Business at maximum capacity and efficiency.

C. You shall at all times employ an adequate number of competent and conscientious employees to ensure performance of the requirements of this Franchise. You shall at all times keep a written record of the names and home addresses and telephone numbers of all of your employees and personnel, and of the designated position and responsibilities of each employee in the operation of the Franchised Business.

4.7 You also agree as follows:

A. That our representatives shall have the right to enter your Center at all reasonable times for the purpose of making inspections or examinations, conferring with and assisting you and your employees, examining any and all business and accounting records, determining whether the business is being operated and maintained in accordance with the requirements of this Agreement and the Operations Manual/Franchise Portal and the documents and materials described herein and for any and all other purposes reasonably related to this Agreement and the conduct of the Franchised Business thereunder. You agree to provide access and administrative rights to all social media pages, Point of Sale, Chamber operating data and customer management systems for internal review and royalties calculations.

B. You agree that all statements, reports and information required to be submitted to us, as provided for in this Agreement, the documents and materials provided by us as herein provided for, shall be submitted on time and on forms or in a format supplied by or acceptable to us. You agree that all information so supplied shall be true, accurate and complete, and shall not contain any misleading or false statements, whether as a result of inclusion or exclusion from the required reportable information.

4.8 Collection of Taxes and Fees. You are solely responsible for the timely collection, reporting and payment of any and all sales, use, personal property and withholding taxes, as well as any other tax or fee required to be paid with respect to the conduct of your Franchise Business hereunder and you agree to hold harmless and indemnify us with respect thereto.

4.9 Compliance with Laws and Good Business Practices. It is your sole and absolute obligation to research all applicable federal, state and local laws and regulations governing the operation of your Franchised Business and to ensure that such operation does not violate any federal, state or local law, ordinances or regulation and that all business and professional licenses and permits are acquired and maintained during the term of this Franchise. Your Franchised Business must, in all dealings with your customers, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which might injure the Franchise System or the goodwill associated with the Marks or other franchisees. You must notify us in writing within five (5) days of: (1) the commencement of any action, suit or proceeding relating to your Franchised Business; (2) the issuance of any order writ, injunction, award or decree of any court, agency or other governmental instrumentality which might adversely affect your operation or financial condition or that of the Franchised Business (including, without limitation, the revocation or threatened revocation of any license, permit or certification applicable to your Franchised Business); and (3) any notice of violation of any law, ordinance or regulation relating to your Franchised Business.

ARTICLE V

TRAINING AND ASSISTANCE

5.1 Prior Experience. We will require any prospective franchisee to: (i) be employed full-time by us for not less than one year; or (ii) be employed full-time by a health enhancing business (ie massage, spa, health club) for not less than one (1) year, or longer in our sole discretion; or (iii) have at least two (2) years of prior experience in the ownership and/or management of a service oriented business that we, in our discretion, determine constitutes qualification of the proposed franchisee to conduct the Franchised Business under the terms of this Agreement.

5.2 Initial Training. We will conduct training for you (or, if you are an Entity, your Operating Principal) which will address the material aspects of operating a Cryotherapy Center. The initial training program will include approximately 18 hours of training either online via the modular system, or direct with the Operations team or Franchise Relations team. Required attendees will be the franchise owner/Operating Principal and two all office/operations staff. We will provide the initial training, for no additional fee, for your initial required and any onboarding new staff and we may from time to time create new modules that require your adherence. In addition, if you choose at your expense, you are welcome to participate in on-the-job training at any of our designated Corporate locations for on-site experience.

You (or your Operating Principal), and the two office/operations managers must satisfactorily complete initial training. If you (or your Operating Principal) or your two office managers fail to complete the initial training to our satisfaction, then you may repeat the course. Among the current criteria for satisfactory completion of training are completion of all online training modules, passing all final tests and exams, and demonstrating a capability and willingness to comply with System Standards.

All required attendees and any other personnel that we designate, must receive our training certification, prior to managing the Franchised Business or training other personnel. We may, at any time during the term of this Agreement, decertify any previously certified personnel if we learn or determine that a person is regarded as no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete a training or retraining program to receive our certification. We reserve the right to charge for training personnel that have been decertified if such is required in person on-site.

5.3 On-Site Opening Assistance. We will provide on-site training support around and near your opening regarding use of the point of sale, customer management system, reinforce equipment use and protocol training, review marketing programs and general operations through various Corporate individuals in the vicinity of your soft or grand opening time period. Estimated time of on-site training is 25-50 hours. We will provide, at no additional cost to you, this on-site training, advice, guidance and support which, in most cases, will be provided in conjunction with the opening and initial operations of your US Cryotherapy Center. We shall determine, in our sole discretion, the composition of the on-site assistance/training team. If you determine that additional on-site assistance is necessary or beneficial, we will, at our option, provide such additional on-site assistance. You will be required to pay reasonable fees for any such additional on-site assistance and will also be responsible for the reasonable travel and living expenses incurred by our personnel in providing such additional on-site assistance.

5.4 Ongoing Training. We may require you and/or previously trained and experienced employees of the Franchised Business to attend up to five (5) days of additional or refresher training courses each year and a national business meeting or convention of up to three (3) days per year at the times and locations we designate. We may charge a reasonable fee for these courses, conventions and programs. You are responsible for all travel and other expenses relating to the attendance at these events. We provide frequent all-franchisee update calls, email communications, business reviews, and have a dedicated Franchise Relations team responsible for interacting with you regarding daily operations and strategies for growth of the business. Your failure to attend a training, convention, program or participate in a call or meeting we deem mandatory is a material default.

5.5 General Guidance. We will advise you from time to time regarding your Franchised Business operation based on your reports or our inspections. We will provide guidance to you in our Operations Manual/Franchise Portal, Corporate Communications, and through Franchise Relations and other technical manuals and policies; in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or your place of business. If you request and we agree to provide additional or special guidance, assistance or training, you must pay our then applicable charges, including our personnel's per diem charges and any reasonable travel and living expenses. Our right to provide ongoing assistance and monitoring may be delegated to an Area Developer if and when one is appointed covering your Territory.

ARTICLE VI

INITIAL FRANCHISE FEE

6.1 Initial Franchise Fee. As consideration for the grant of the Franchise described in this Agreement and the Territory described in Article II and Exhibit A, you agree to pay to us an Initial Franchisee Fee of Thirty Thousand Dollars ($30,000.00) at the time you sign this Agreement.

6.2 Additional Territories. An Initial Franchise Fee of Thirty Thousand Dollars ($30,000) will be charged for each additional Territory acquired by you for use of a C4 Dual Chamber Cryotherapy Chamber.

6.3 Additional Start-up Costs. In addition to the Initial Franchise Fee provided for under this Article VI, you will be required at the time of granting of and commencing with the business under this Franchise Agreement to pay to us or to third party suppliers, additional sums, either in cash or pursuant to financing or lease arrangements, respecting the following:

(1) Inventories of supplies, components and expendables;

(2) Equipment lease or purchase agreements or cash with respect to equipment required to perform the services at the business location;

(3) The cost of leasehold improvements required at the Center to conduct the Franchised Business;

ARTICLE VII

FRANCHISE FEES

7.1 Monthly Royalty Fees

A. You agree to pay to us a Monthly Royalty Fee equal to six percent (6%) of the Monthly Gross Revenues generated at your US Cryotherapy Center as defined in Section 7.2, for the immediately preceding calendar month.

B. All royalties due are to be paid directly to and received by us on or before the twentieth (20th) day of each and every successive month beginning the twentieth (20th) day of the calendar month immediately following the month in which your Cryotherapy Center opens for business and continuing until the twentieth (20th) day of the calendar month immediately following the termination/expiration of this Franchise.

7.2 Monthly Gross Revenue. The term "Monthly Gross Revenues" used herein, is defined as all revenue generated on the accrual basis of accounting directly or indirectly resulting from operation of your US Cryotherapy Center. Monthly Gross Revenue shall include all revenue from services and products sold whether received as cash, check, credit or debit card, barter exchange, trade credit or other credit transaction. No deductions may be made from Monthly Gross Revenues in computing those fees and charges, excepting the parties agree that:

A. Sales, use or service taxes lawfully collected from customers for transmittal to appropriate taxing authorities shall not be included in Monthly Gross Revenues.

B. Discounts, refunds and revenues previously reported but not collected shall be deductible from the Monthly Gross Revenues.

7.3 Method of Payment. The Monthly Royalty Fee shall be paid in cash or business check and delivered to us on or before the due date specified in Section 7.1 (B) above. When and if we determine to do so, you agree to sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Monthly Royalty Fee and other amounts due under this Agreement and for your purchases from us and/or our affiliates (the "**Electronic Depository Transfer Account**" or "**EDTA**"). We will debit your EDTA for these amounts on their due dates. You agree to ensure that funds are available in the EDTA to cover our withdrawals. Notwithstanding the foregoing, our access to your business checking account by EDTA shall be utilized by us only for your payments required under this Agreement.

If you fail to report your Franchised Business's Monthly Gross Revenues, we may debit your EDTA for one hundred twenty percent (120%) of the highest weekly Monthly Royalty Fee that we debited during the previous three (3) months. If the amounts that we debit from your EDTA are less than the amounts you actually owe us (once we have determined the Franchised Business's true and correct Monthly Gross Revenues), we will debit your EDTA for the balance on the day we specify. If the amounts that we debit from your EDTA are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your EDTA during the following month. We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check) whenever we deem appropriate. We may require the payments, or automatic debits, be made more or less frequently than specified in Section 7.1(B), but not more frequently than once a week. You agree to comply with our payment instructions as they may be modified from time to time.

You must comply with all of our payment policies, procedures, and requirements, as described in the Operations Manual/Franchise Portal.

7.4 Late Fees. If you fail to pay us the monthly Royalty Fees or any other sums due to us hereunder, we will apply funds from you first to any delinquent monthly royalty payments and then to any other fees or costs owed to us. Furthermore, you acknowledge this will cause us to incur costs not contemplated by this Franchise Agreement, the exact amount of which would be extremely difficult to ascertain. Such costs include, but are not limited to, process and accounting charges and other charges or expenses for which we may be obligated or may necessarily incur as a result of your late payments. Accordingly, if any such sum due from you shall not be received by us or our designee within ten (10) calendar days after such amount shall be due then, without any requirement for notice to you, you shall pay to us a Late Charge equal to ten percent (10%) of each overdue payment amount not to exceed Three Hundred Dollars ($300.00). It is agreed between us and you that such Late Charges represent a fair and reasonable estimate of the costs we will incur by reason of late payment by you. Acceptance of such Late Charge by us shall in no event constitute a waiver of your default or breach with respect to such overdue amount, nor prevent us from exercising any of the other rights and remedies granted under this Franchise Agreement including termination pursuant to Article XVII. The Late Charge under this provision shall be a part of the payment obligation which is delinquent and shall be added to the underlying payment amount and constitute a part of the default under your obligation from date of default and thereafter.

ARTICLE VIII

ADVERTISING EXPENDITURES BY FRANCHISEE

8.1 Initial Advertising Expenses. You shall spend at least Two Thousand Five Hundred Dollars ($2,500) per Territory during the first ninety (90) days of operation to promote your new Franchised Business.

8.2 Monthly Advertising Expenditures.

A. You agree to spend a total of at least five percent (5%) of your Monthly Gross Revenues on local advertising, marketing and promotional programs for your Franchised Business (the "Marketing Spending Requirement"). The Marketing Spending Requirement may include your Marketing Fund contributions and Cooperative contributions (described below), if any, amounts spent for telephone directory advertising, and any other amounts you spend to advertise, market or promote your Franchised Business within your Territory. You must spend on local marketing the amount by which the Marketing Spending Requirement exceeds the total of your Marketing Fund and on other Franchisor sponsored marketing programs. We may review your books and records from time to time and/or require you to submit reports periodically to determine your advertising, marketing and promotion expenditures. Any percentage of the 5% monthly Marketing spend can at any time be designated to all franchisees as collectable by the Franchisor toward national marketing efforts and will be line itemed in the royalties agreement and accounted for through year-end marketing expense validation.

B. You agree that your advertising, promotion and marketing will be clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. Before you use them, all such advertising without limitations shall be first approved by us as to copy, form and content. Formal approval policy requires you to submit (before implementation) any newly created social media, promotional material, flier or other piece through Franchise Relations for Corporate review and approval. We and you recognize and agree that the enforcement of these provisions is necessary to and constitutes an inherent element and part of the maintenance, continuance and promotion of your Franchised Business and the Franchise System as a whole.

You agree that your advertising plans and expenditures shall generally be in accordance with our existing advertising plans and further agree that you will not use any advertising that has not been first approved by us or our representative. You must send us for approval samples of all advertising, promotional and marketing materials which we have not prepared or previously approved during the last twelve (12) months. If we do not disapprove the materials within ten (10) days of our receipt of them, they shall be deemed approved. You expressly agree to change or discontinue any advertising if requested to do so by us for reasonable cause. "Reasonable Cause" shall include advertising which violates any provision of this Agreement, which is unduly blatant, false, or misleading, immoral or unduly offensive, including advertising which might violate the provisions of applicable State or City Codes or other regulatory provisions or regulations; which is materially out of character with the US Cryotherapy's image; or which is specifically designed or appears to have the effect or import of undercutting or undermining the Franchise System's business or standards.

C. You are not limited in advertising expenditures and may make but are not required to make additional advertising expenditures above those required under this Article VIII. Your personal time devoted to participating in social media posts does not count toward your monetary advertising expenditures.

D. We may develop from time to time advertising aids, programs, folders, signage and other materials for use and assistance to all franchisees. You agree to avail yourself of these aids to the extent reasonably consistent with initiating and maintaining contact with customers in your Territory.

E. We expect most of the material required to market your business has been created and is available at cost of materials via the Franchise Portal. We are constantly working through and Advisory Board of Franchisees and Corporate centers to add material as needed. From time to time, as needed, you may either develop your own flier/social media content and/or employ a local or our agency for a project at your cost for time and material with proper approvals.

8.3 Marketing Fund.

Recognizing the value of advertising and marketing to the goodwill and public image of our Franchise System, we may establish at any time a marketing fund (the "Marketing Fund") for the advertising, marketing or promotional campaigns and public relations programs and materials we deem appropriate. You agree to contribute to the Marketing Fund the amounts that we periodically prescribe, not to exceed one percent (1%) of your Monthly Gross Revenues designated to marketing, payable in the same manner as the Royalty (or in such other manner as we periodically prescribe). Any contribution to the

Marketing Fund will be credited against your Marketing Spending Requirement of 5%. Any US Cryotherapy Center that we or our affiliates own will contribute to the Marketing Fund on the same basis as our franchisees.

We will collect and control the money collected in the Marketing Fund and designate all programs that the Marketing Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, 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 Marketing Fund periodically will give you samples of advertising, marketing and promotional formats and materials at no cost and will sell you multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges.

We will account for the Marketing Fund separately from our other funds and not use the Marketing Fund for any of our general operating expenses, except to compensate the reasonable portion of salaries, administrative costs, travel expenses and overhead we incur in administering the Marketing Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for Marketing Fund contributions. The Marketing Fund will not be our asset. The Marketing Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total marketing fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement upon written request. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section.

When and if established, we intend the Marketing Fund to maximize recognition of the Marks and advertising opportunities for the Franchise System. Although we will try to use the Marketing Fund to develop promotional and marketing materials and programs to benefit all franchisees, we need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions by franchisees operating in that geographic area or that any franchisee benefits directly or in direct proportion to its Marketing Fund contribution from the development or placement of advertising and marketing materials. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Subsection, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the Marketing Fund.

We may at any time defer or reduce the Marketing Fund contributions of a particular franchisee (and can later reinstate the Marketing Fund contributions at any time) and, upon thirty (30) days' prior written notice to you, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will distribute all unspent monies to our franchisees, and to us and our affiliates, in proportion to their, and our, respective Marketing Fund contributions during the preceding twelve (12) month period.

8.4 Advertising Cooperatives

Franchisees sharing a common geographic or marketing area may wish to establish an advertising cooperative in which each participating franchisee will contribute funds to develop and use advertising specifically designed to promote the Franchised Businesses of the participating franchisees within the targeted marketing area. Such funding may or may not represent a portion of the participant's Monthly Marketing Spending Requirement. Such advertising cooperative will be operated by the participating franchisees and we will not be responsible for the operation or funding of such advertising cooperative. All advertising developed by such advertising cooperative would be subject to our review and approval as specified in Section 8.2(B) above. Any franchisees desiring to establish such a cooperative must first submit any such proposed cooperative and its terms and conditions for operation and funding to us for our approval. We will have the right, in our sole discretion, to approve the cooperative as proposed or require additional or revised provisions as a condition to our approval. Any such advertising cooperative must be voluntary as to participation by individual franchisees.

8.5 Websites.

You specifically acknowledge and agree that any Website (as defined below) shall be deemed "advertising" under this Agreement, and will be subject to (among other things) our approval under Section 8.2(B) of this Agreement. As used in this Agreement, the term "Website" means an interactive electronic document, contained in a network of computers linked by communications software that refers to your Franchised Business, our Franchise System or the Marks. The term Website includes, but is not limited to, Internet and World Wide Web home pages. If we approve, in writing, a separate Website for you, then each of the following provisions shall apply:

(1) You shall not establish or use any Website without our prior written approval; You will not link to any third-party or other promotional site.

(2) In establishing your website, you will utilize website format template developed by us; Your site is customizable, optimized by local market with all social media site conversions and tags.

(3) you shall not use or modify such Website without our prior written approval as to such proposed use or modification beyond the scope of the site as it is provided for your use

(4) In addition to any other applicable requirements, you shall comply with our standards and specifications for Websites as we prescribe from time to time in the Operations Manual/Franchise Portal, policies, or otherwise in writing.

(5) We may revoke our approval at any time, in writing, and require that you discontinue use of a Social Media or website content.

ARTICLE IX

ACCOUNTING REPORTS AND RECORDS

9.1 You agree as follows:

A. To keep true, complete and correct books of account and business records in accordance with methods and procedures established by us.

B. To send written or computer generated reports to us respecting the operation of the Franchised Business and both the income received by and expenses incurred by the US Cryotherapy Center by categories, as set forth on our prescribed forms or format, on or before the date due including but not limited to the monthly report of "Monthly Gross Revenues" and “Monthly Expenses” due with the monthly payment of the Royalty Fee.

C. You shall be required to submit to us on or before ten (10) calendar days after submittal by you to the appropriate taxing authorities copies of the Franchised Business’s Federal and State Income Tax Returns (if Franchisee is an entity) or copies of the personal Federal and State Income Tax Returns for Principals (if Franchisee is one or more individuals) and your Sales Tax Returns.

D. To notify us in writing of your Fiscal Year and any change thereto.

E. To timely file and provide a copy to us concurrently of any Licenses, Permits, renewals, other necessary documents or forms required to be prepared and/or filed in the conduct of the business at the Center, including those provided for in Section 4.8 of this Agreement or elsewhere in this Agreement. You are required to provide us copy of your insurance with US Cryotherapy Franchising LLC as named additionally insured upon inception and any subsequent renewals.

F. You represent and warrant that all information required of you under this Agreement, and under the materials and documents herein referred to, whether required to be provided to us or to any third party, shall in all instances be provided in a timely manner and shall be true, accurate and not misleading. You further warrant and acknowledge that in all instances there shall be no concealment of any pertinent data either by misstatement or by exclusion in whole or in part, and whether as a result of negligent or intentional act. Any and all representations and assurances by you in this Agreement shall, where the franchisee includes more than one Principal, constitute representations individually as well as jointly by each and all Principal(s).

G. If determined by us for "reasonable cause," we can have an audit made of your Franchised Business affairs by an independent, actively practicing Certified Public Accounting Firm, approved and paid for by us, and to direct said firm to furnish us or our representative a full copy of the audit report upon its completion. You agree to cooperate fully with such accountants while conducting such audit procedures and to make all books and records of your Franchised Business available to such accountants. Should the audit result in a discovery of material irregularities or discrepancies, or should the audit disclose understatement of gross revenues for the period audited of one and one-half percent (1-1/2%) or more, you shall promptly pay the costs of such audit in addition to any amounts found to be owing to us.

H. Wherever in this Article or elsewhere in this Agreement you are required to prepare and submit a document of any nature, whether to us or to a third party, including any regulatory agency, the obligation to do so is solely yours and not ours. Any failure of compliance or breach by failure to provide such documents or to provide timely the information in the form required in any such documents shall likewise be your sole responsibility and the failure to do so shall constitute an event of Default under this Agreement.

9.2 Recording And Service of Customer Incidents/Complaints. You are expressly obligated to timely and properly document and service any and all customer complaints with respect to your conduct of business at your US Cryotherapy Center. You shall maintain a record showing customer name and address, nature and date of complaint and corrective action taken with respect to each such complaint. That record shall be available to us or our representative upon request, and we shall as well have the right to make a copy of that record. In addition, any incident involving a customer (whether or not a complaint is made) will be reported to us within twenty-four (24) hours of the occurrence of such incident. An "incident" shall include any event occurring in the cryotherapy process which was unexpected, compromised customer safety or resulted in injury, was caused by a failure to follow System Standards or occurred despite following System Standards.

9.3 Application of Payments. In the event you owe an amount to us and we receive a payment from you for any purpose, you hereby agree that we have the sole and exclusive right to elect to apply such sums toward payment of any Royalty or other amount then due and payable by you to us in which event we will give you written notice thereof, stating the amount due and unpaid and the use of the funds received. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

ARTICLE X

RIGHTS TO NAMES AND MARKS

10.1 The parties agree that the Marks "US Cryotherapy," and logos, the US Cryotherapy services, technology, designs, concepts, market acceptance and reputation are a substantial part of the value of the Franchise. We therefore agree to maintain reasonably uniform standards for all US Cryotherapy franchisees, including those that are operated by us and you agree to perform the obligations under this Agreement to establish and maintain those standards at your Franchised Business, as an essential part of the value of the Franchise granted and the rights and obligations of each party with respect thereto.

10.2 Ownership and Goodwill Of Marks. Your right to use the Name(s) and Mark(s) associated with US Cryotherapy is derived only from this Agreement and is limited to your operating the Franchised Business according to this Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes on our rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are for our exclusive benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchised Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional and substitute names, trademarks and service marks we authorize you to use.

10.3 Limitations On Your Use Of Marks. You agree to use the Marks as the Franchised Business' sole identification (subject to the notices of independent ownership we designate). You may not use any Mark: (1) as part of any corporate or legal business name; (2) with any prefix, suffix or other modifying words, terms designs or symbols (other than logos we have licensed to you); (3) in promoting any unauthorized services or products; (4) as part of any domain name, electronic address or search engine you maintain on any website as defined above except as prescribed by us; or (5) in any other manner we have not expressly authorized in writing. You may not use any Mark in advertising the transfer, sale or other disposition of your Franchised Business or an ownership interest in the Franchisee (if a corporation, partnership, limited liability company or another business entity (an "Entity") holds the Franchise at any time during this Agreement's term) without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trademark and service mark registrations both pending and issued, that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

10.4 Notification Of Infringements And Claims. You agree to notify us in writing within forty eight (48) hours of any apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, regarding any such infringement, challenge or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office ("PTO") proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. You agree to sign any documents and take any actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interest in any litigation or PTO or other proceeding or otherwise to protect and maintain our interest in the Marks.

10.5 Discontinuance Of Use Of Marks. If we believe at any time that it is advisable for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute names, trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs you might incur in changing or modifying the Franchise System's name or replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute name, trademark or service mark.

10.6 Indemnification For Use Of Marks. We agree to reimburse you for all damages and expenses you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of the proceeding, have complied with this Agreement, and comply with our directions in responding to the proceeding. At our option, we may defend and control the defense of any proceeding relating to any Mark.

10.7 You shall be responsible to us and for claims or demands by third parties respecting any use or alleged use of the Name(s) or Mark(s) associated with your Franchised Business which is in violation of the terms of this Agreement or our rights herein and shall hold harmless and indemnify us with respect thereto.

ARTICLE XI

CONFIDENTIAL INFORMATION

11.1 A. We will provide to you (and you will continue to develop and acquire) certain confidential information relating to the development and operation of the Franchised Business (the "**Confidential Information**"), which includes (without limitation):

(1) the Operations Manual/Franchise Portal, Training, and all of its contents;

(2) demographic criteria and surveys;

(3) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating the Franchised Business;

(4) marketing and demographic research and promotional marketing and advertising programs for the Cryotherapy business including customer lists;

(5) knowledge of specifications for and suppliers of, and methods and equipment, including the C4 Dual Chamber Cryotherapy Chamber used in your Franchised Business;

(6) knowledge of the operating results and financial performance of the Franchise System in addition to your individual Franchised Business;

(7) advertiser identification, communication and retention programs, along with data used or generated in connection with those programs;

(8) graphic designs, editorial content and related intellectual property;

(9) information generated by, or used or developed in, the Franchised Business' operation, including advertiser and customer names, addresses, telephone numbers and related information and any other information obtained from time to time in the operation of your Franchised Business; and

(10) any other information designated as confidential or proprietary by us.

B. You acknowledge and agree that by entering into this Agreement and/or acquiring the Franchised Business you will not acquire any interest in Confidential Information, other than the right to use such Confidential Information in operating the Franchised Business during this Agreement's term and according to the System Standards and this Agreement's other terms and conditions, and that your use of any Confidential Information in any other business, either during or after the term of this Agreement, would constitute an unfair method of competition with us and our franchisees. You further acknowledge and agree that the Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you do agree, that you:

(1) will not use any Confidential Information in any other business or capacity;

(2) will keep the Confidential Information absolutely confidential during and for a period of five (5) years after this Agreement's termination or expiration;

(3) will not make unauthorized copies of any Confidential Information including the Operations Manual/Franchise Portal disclosed via electronic medium or in written or other tangible form;

(4) will adopt and implement all reasonable procedures that we periodically prescribe to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to your personnel and others needing to know such Confidential Information to operate the Franchised Business, and using confidentiality and non-disclosure agreements with those having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights;

(5) will not sell, trade or otherwise profit in any way from the Confidential Information, except using methods approved by us in the operation of your Franchised Business;

(6) will use the Confidential Information only during the term of this Agreement and upon termination or expiration of this Agreement, you and any Principal(s) of the Franchisee: (i) will return to us any and all Confidential Information of ours, in any form, and will not retain copies thereof, and (ii) will not utilize any Confidential Information in any subsequent business nor permit or assist others in utilizing any Confidential Information in any other business.

11.2 All ideas, concepts, techniques or materials relating to a the Franchised Business, whether or not protectable intellectual property and whether created by or for you or your employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to sign whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the item.

11.3 "Confidential Information" does not include information, knowledge or know-how which is or becomes generally known in the health and wellness industry or which you knew from previous business experience before we provided it to you (directly or indirectly) or before you began training or operating the Franchised Business. If we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one or more of the exclusions described in this paragraph is satisfied.

ARTICLE XII

SERVICES AND EQUIPMENT

12.1 Price levels and Policies. You have the right to select your pricing and packages from the pre-approved Corporate list and policies for all goods and services you sell and provide for use and presentation at your US Cryotherapy Center. We will issue the approved list price schedules periodically as we see fit. We expect you to maintain our suggested list prices (excepting where a price is limited in some way by law or government regulations and excepting where a customer, such as a National/Regional/Group Account, has negotiated a specific price schedule that you and we must adhere to), you agree that any variation in price will be motivated by reasonable and sound business consideration independent of competition with our other franchisees, will be submitted and pre-approved by USCF, and also agree that you will not, without our prior written consent, use a price or package offering not listed on the approved list.

12.2 Approved Products, Equipment And Suppliers. We have designated suppliers, which is some cases may be us, from whom you are required to purchase certain parts, accessories and equipment, including the proprietary cryotherapy chamber and services required in the conduct of your Franchised Business. It is agreed that with our prior written consent and except for the cryotherapy chamber, you may purchase from suppliers other than as specified by us but only in the event such alternate suppliers provide on a continuing and consistent basis products and services of comparable or higher quality, compatibility and dependability to those of the suppliers we have designated. To protect, maintain and further the reputation, good will, quality and uniformity and public acceptance of the business reputation of the Franchised System, the parties agree that all such products must be of comparable quality and performance, must be consistent with the purposes of this Agreement and must further be appropriate to your Franchised Business, and must accordingly not detract therefrom. Any variance from the suggested supplies list on the Franchise Portal must be approved by USCF in advance of use.

In making all such purchases whether from us, suppliers designated by us or from other approved suppliers, pursuant to this Agreement, you agree:

A. To use prescribed purchase order forms if any; and

B. To include revenues from all sales of said merchandise and services within Monthly Gross Revenues as defined and provided in Article VII.

12.3 Procedure to Approve Alternate Products, Equipment And Suppliers. If you want to use any services or products that we have not noted on the approved services list, we have not yet evaluated or purchased any item from a supplier or service provider that we have not yet approved (for items that we require you to purchase from designated or approved suppliers or service provider), you first must submit sufficient information, specifications and samples for us to determine whether the item complies with our standards and specifications or the supplier or service provider meets our criteria. We may condition our approval of a supplier or service provider on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, content compatibility, advertiser relations, frequency of delivery, standards of service (including prompt attention to complaints) or other criteria. We have the right to inspect the proposed supplier's or service provider’s facilities and to require the proposed supplier or service provider to deliver product samples or items, at our option, either directly to us or to any independent evaluator which we designate for review. We may require you to reimburse us for any out-of-pocket expenses (not to exceed the reasonable cost of the inspection and the actual cost of any outside review) to make the evaluation. We reserve the right periodically to re-inspect the facilities and products of any approved supplier or service provider and to revoke our approval if the supplier or service provider does not continue to meet our standards.

12.4 We will actively and continuously exercise our best efforts to locate the highest quality products and services from various vendors at prices which will give you the best competitive advantages without compromising quality, compatibility and efficiency.

12.5 We will make a profit or markup on the purchase by you of any of the items required to be purchased from designated suppliers who are affiliates of USCF as specified in the Operations Manual/Franchise Portal.

12.6 You agree to maintain inventory levels of products sold and supplied and of parts and accessories adequate to serve your US Cryotherapy Center. In this regard, you agree to initially and regularly and continuously thereafter consider, evaluate and act upon factors such as local competition, comparison with other franchisees and competitive businesses similarly situated, general practice among comparable health and wellness retail facilities.

ARTICLE XIII

STATIONARY, FORMS AND SUPPLIES

13.1 You agree to use in the operation of the Franchised Business only those standard contracts, reports, stationary, printed materials and apparel uniformly used by all franchisees and provided for in the Operations Manual/Franchise Portal.

13.2 You shall be required to purchase all forms and apparel designed and developed by us and which you are required to use from us and no other source. We agree that we will make every reasonably effort to maintain a competitive cost for these forms and we will not charge you for those forms and supplies for the purpose of generating profit for us.

13.3 You may voluntarily elect to purchase all other generic stationary, forms and supplies required in the conduct of your business (and not specified above) from any source you select. You may not create any newly branded apparel or items for give away or sale without pre-approval from USCF. We continuously update the soft goods and retail items made available to all Franchisees through the franchise portal at wholesale cost with appropriate retail margins. The Advisory board helps with content development to represent all new concepts on behalf of the Franchisee ownership group.

ARTICLE XIV

RESTRICTIVE COVENANTS

14.1 During the term of this Franchise, you and any and all of the Principals of Franchisee shall not be involved directly or indirectly with, or promote or assist in, any activity in or through any other business, whether as an owner or active participant, which operates a competing business with the Franchised System or Franchised Business under the terms of this Agreement, or which will interfere with your full performance under this Agreement. The term "**competing business**" shall mean any business which provides "cold air" therapy for the treatment of muscle or joint pain or performance. A competing business also includes any business which grants franchises or licenses to others to operate such a business.

14.2 You may have an ownership interest or interests in other completely separate and distinct businesses so long as said businesses are separately maintained and identified by names dissimilar from US Cryotherapy, do not detract from the time and effort expected of you under this Agreement and do not violate this Agreement or the Franchised System.

14.3 You agree that you will require as a condition of employment that all of your personnel sign a Non-Competition and Confidential Information Covenant or Agreement on a form(s) provided by us.

14.4 You acknowledge and agree that your failure to adhere strictly to the covenants, agreements and restrictions as provided for in this Franchise Agreement, including each covenant, agreement and restriction, as well as collectively, all covenants, agreements and restrictions, would cause substantial and irreparable injury to the Franchised System, and that damages therefore would be difficult if not impossible to determine. You therefore agree that:

(a) you consent to the issuance of an Injunction enjoining you and Franchisee's Principals and owners from directly or indirectly violating any covenants or restrictions in this Agreement, including but not limited to those contained in this Article; and

(b) the term "directly" used here includes acts of parties under your control, and officers, directors, members and stockholders of the Franchisee, and those parties under their control.

In addition thereto, you agree to pay reasonable attorneys fees and all other reasonable costs incurred by us in prosecution of any action between the parties to enforce the covenants in this Article XIV, in which we prevail.

14.5 You shall never negligently or intentionally allow nor engage or permit your agents and employees to engage in any deceptive, fraudulent or unethical practices of any kind in connection with the Franchised Business, nor suffer nor allow any part thereof to be used for immoral or illegal purposes; nor allow use thereof for any legal activity other than a Franchised Business.

14.6 You and Franchisee's Principal(s), jointly and severally, covenant that they will not alienate any ownership interest, whether voluntary or involuntary, except within the standards and requirements and subject to our prior consent as provided for in Article XVI.

ARTICLE XV

LIABILITY INSURANCE

15.1 The parties are each responsible for their own torts or alleged torts, whether negligent or intentional, and respectively agree to protect, indemnify, defend and hold harmless each other and any affiliate from and against any and all claims, losses, demands and liabilities, including attorney costs, which may arise therefrom.

15.2 You shall at your expense be required to maintain the following insurance in the following minimum amounts in full force and effect, without any period of failure to insure whether as a result of cancellation or non-renewal:

A. Franchised Business premises and operations, for not less than:

Bodily Injury:	$1,000,000 each person
	$1,000,000 each accident
Property Damage:	Cost of Replacement

(including business interruption)

Errors & Omissions Coverage: $1,000,000 per incident

B. Automobile and other automotive coverage, including acts of employees while driving non-owned vehicles, and acting within the scope of their employment:

Bodily Injury:	$1,000,000.00 each person
	$1,000,000.00 each accident
Property Damage:	$1,000,000.00 each accident

C. Worker's Compensation to meet statutory requirements.

D. Any other insurance that we specify in the Operations Manual/Franchise Portal under Operations or otherwise is required from time to time. You will be required to provide us certificate of insurance and endorsements with USCF as named additionally insured upon inception and any renewal annually.

15.3 You shall provide to us at all times that this Agreement is in effect, a duplicate copy of the insurance coverage obtained by you. Each policy, except Worker's Compensation Insurance and the E & O insurance, shall name us as an additional insured and shall provide that the policy may not be cancelled except after a minimum of twenty (20) days prior written notice from the insurance company to us, addressed to us at our principal business address. You shall provide to us evidence of renewal and of payment of premiums on all such insurance, as well as provide to us copies of all endorsements, amendments or changes to such insurance policies. You shall give written notice to us of all claims under each such insurance coverage with the exception of Worker's Compensation Insurance.

ARTICLE XVI

TRANSFER AND ASSIGNMENT

16.1 Transfer By Us. We may assign and transfer this Franchise Agreement and all rights granted under this Agreement, and, if so, this Agreement and all rights hereunder will be binding upon and inure to the benefit of our successors and assigns. We must give sixty (60) days notice of any proposed transfer. We will only transfer or assign this Agreement to a transferee or assignee which: (i) is financially responsible; (ii) in our reasonable judgment, possesses the economic and business resources necessary to fulfill our obligations to franchisees; and (iii) expressly agrees in writing to assume our obligations under this Agreement.

16.2 Transfer By You. You understand and acknowledge that the rights and duties this Agreement creates are personal to you and that we have granted you this Franchise and License in reliance upon our perceptions of your character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither: (i) this Agreement (or any interest in this Agreement); (ii) your or any Entity's interest in the Franchised Business or its assets (or any right to receive all or a portion of the profits or losses or any capital appreciation relating to the Franchised Business); nor (iii) any ownership interest in any Entity holding the Franchise, may be transferred without our prior written approval. A transfer of your (or the Entity's) interest in this Franchise or the Franchised Business assets may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. In this Agreement, the term "transfer" includes any voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events:

A. transfer of record or beneficial ownership of twenty-five percent (25%) or more of capital stock (if the Entity holding the Franchise is a corporation), a partnership or membership interest (if the Entity holding the Franchise is a partnership or limited liability company), or any other ownership interest or right to receive all or 25% or more of your profits or losses;

B. a merger, consolidation or exchange of shares or other ownership interests, or issuance of additional ownership interests or securities representing or potentially representing shares or other ownership interests, or a redemption of shares or other ownership interests representing twenty-five percent (25%) or more of such outstanding shares or ownership interests;

C. any sale or exchange of voting interests or securities convertible to voting interests representing twenty-five percent (25%) or more of the total voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any owner representing twenty-five percent (25%) or more of the total voting rights or to control your operations or affairs;

D. transfer of an interest in the Franchisee, this Agreement, or the Franchised Business or its assets (or any right to receive all or a portion of your or the Franchised Business' profits or losses or any capital appreciation relating to the Franchised Business) in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law;

E. if you or an owner of the Entity holding the Franchise dies, transfers an interest in the Entity, this Agreement, or the Franchised Business or its assets (or any right to receive all or a portion of your or the Franchised Business' profits or losses or any capital appreciation relating to the Franchised Business) by will, declaration of or transfer in trust, or under the laws of intestate succession; or

F. pledge of this Agreement (to someone other than us) or of an ownership interest in the Entity holding the Franchise as security, foreclosure upon the Franchised Business, or your transfer, surrender or loss of possession, control or management of the Franchised Business.

16.3 Conditions For Approval Of Transfer.

A. If you and your owner(s) are in full compliance with this Agreement, we shall not unreasonably withhold our approval of a sale or transfer of this Franchise or ownership interests in the Franchisee, provided that the proposed buyer(s) are, in our opinion, individuals of good moral character who have sufficient business experience, aptitude and financial resources to own and operate the Franchised Business and otherwise meet our then applicable standards for franchisees, and further provided that the following conditions are met prior to, or concurrently with, the effective date of the sale:

(1) all your obligations incurred in connection with this Agreement have been discharged or assumed by the transferee(s) including all vendor and supplier agreements associated with the Franchised Business;

(2) you shall have paid such Royalty Fees, Marketing Spending Requirements and all other fees which are then due and unpaid;

(3) the transferee(s) shall have completed the training program required of new franchisees;

(4) the transferee(s) shall have proven to us its or their financial viability to undertake and perform the requirements of this Agreement;

(5) the lessor of your business location shall have consented to your assignment of any premises lease to the transferee(s), or the transferee(s) shall have secured substitute premises for the Franchised Business which is approved by us;

(6) the transferee(s) and its or their owner shall have executed a new franchise agreement and agreed to be bound by the form of franchise agreement and such ancillary agreements as are then customarily used by us in the granting of franchises for the US Cryotherapy franchise for the term remaining on your franchise agreement;

(7) you and/or the transferee(s) shall have paid a transfer and assignment fee to us in an amount equal to 25% of the Initial Franchise Fee being charged at the time of the transfer to defray expenses incurred by us in connection with the transfer, including, without limitation, training, legal and accounting fees, credit and other investigation charges and evaluation of transferee(s) and the terms of the transfer;

(8) you and your owner(s) shall have executed a general release, in a form satisfactory to us, of any and all claims against us and our members, managers, officers, directors, employees and agents;

(9) we shall have approved the material terms and conditions of such transfer, including, without limitation, that the price and terms of payment are not so burdensome as to adversely affect the future viability of the Franchised Business by the transferee(s) in compliance with our then standard franchise agreement and ancillary agreements;

(10) you and your owner(s) shall provide a covenant not to compete in favor of us and the transferee(s) having at a minimum the time periods required in Section 18.2 below, which shall be contained within the Sale Agreement between Franchisee and transferee(s);

(11) you and your owner(s) shall have entered into an agreement with us to subordinate any of transferee(s)' continuing obligations to you or your owner(s) to those obligations owed to us; and

(12) we have not exercised our right of first refusal under Subsection 16.6 of this Agreement.

B. The transfer application process shall be as follows:

(1) You shall notify us in writing of your desire to transfer or sell your Franchised Business to another person(s) or entity (the "Transferee(s)).

(2) Within 15 calendar days of the receipt of the above notification, we will provide the forms and then-existing standards for the approval of the proposed Transferee(s).

(3) As soon as practicable after receipt of the application forms referred to above, we shall notify, in writing, you and the proposed Transferee(s) of any additional information or documentation necessary to complete the transfer application.

(4) We shall, within 60 days after receipt of all the necessary information and documentation required pursuant to Subsection 2 and 3 above, notify you in writing of the approval or disapproval of the proposed sale, assignment or transfer of the Franchised Business. If the proposed sale, assignment or transfer is disapproved, we will include in the notice of disapproval a statement setting forth the reasons for the disapproval.

C. If the proposed transfer is to or among immediate family members (defined as parent, spouse or child), or to an entity described in Subsection 16.4 below, then Subsection 16.3 above will not apply, although you must reimburse us for the actual costs we incur in documenting the transfer. We may review all information regarding the Franchised Business that you give the transferee and give the transferee copies of any reports that you have given us or we have made regarding the Franchised Business.

D. Our consent to any transfer is not a representation of the fairness of the terms of any contract between you and the Transferee(s), a guarantee of the Franchised Business or Transferee's prospects of success, or a waiver of any claims we have against you or of our right to demand the Transferee's full compliance with the terms or conditions of this Agreement.

16.4 Assignment To Entity Principally Controlled By You. The Franchise and the Franchised Business assets and liabilities may be assigned to a newly-formed corporation or other legal entity (the “Entity”) that conducts no business other than the operation of the Franchised Business and in which you and any of your principals own and control in the aggregate not less than eighty percent (80%) of the equity and voting power of all outstanding capital stock or ownership interest, provided as follows:

(1) that the proposed Entity-transferee assumes this Franchise Agreement and complies with the provisions of this Agreement;

(2) that you are empowered to act for said corporation or other legal entity;

(3) that you shall submit to us documentation that we may reasonably request to effectuate the transfer, including the approving and acknowledging execution of this Agreement;

(4) that you shall submit to us a true and complete list of the shareholders, members or partners, showing number of shares or interests owned, and a list of the officers and directors if a corporation, or managers if a limited liability company, or managing partners if a partnership. We shall be promptly notified of any changes in said lists;

(5) that all certificates of shares or interests issued by transferee at any time shall have endorsed thereon an appropriate legend to conform with state law, referring to this Agreement by date and name of parties hereto, and stating "Transfer of This Certificate is Limited by the Terms and Condition of a Franchise Agreement Dated ______________”;

(6) that a copy of this Agreement shall be given to every shareholder, member or partner of the legal entity, all of whom shall execute an Assignment Agreement in the form prepared by us to affect this assignment;

(7) that a copy of the organizational documents and any corporate resolutions, and a Certificate of Good Standing, will be furnished to us at our reasonable request, and prompt notification in writing of any amendments thereto will be provided to us;

(8) each shareholder, member or partner who owns 25% or more of the entity, along with their respective spouses, shall also execute a Guaranty and Assumption of Obligations (to the extent we deem appropriate);

(9) that the number of shares or interests issued or outstanding in the transferee will not be increased or decreased without prior written notice to us, which notice will in its terms guarantee compliance with this Agreement. In addition, new shareholders, members or partners must agree to be bound by this entire Agreement. Shareholders, members or partners may make a separate agreement among them providing for purchase by the survivors among them of the shares of any shareholders or interests of any members or partners upon death, or other agreements affecting ownership or voting rights, so long as voting control and a majority representation of the board of directors or members or partners remains with those individuals who initially applied for and were approved as franchisees under this Agreement. Shareholders,

members or partners must notify us in writing of any such agreement which affects control of the transferee entity; and

(10) You will maintain the Entity on an active status and in good standing and maintain the existence and operation of that Entity during the full term of this Agreement.

16.5 Death or Disability.

A. Transfer Upon Your Death or Disability. Upon your death or disability, your executor, administrator, conservator, guardian or other personal representative must transfer your interest in this Agreement, the Franchised Business and its assets, or your ownership interest in the Entity holding the Franchise, to a third party. That transfer (including, without limitation, transfer by bequest or inheritance) must occur, subject to our rights under Subsections 16.5 (B) and 16.6 below, within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in Section 16.3 (A) (l) through (6), (8), (10) (11) and (12) of this Agreement. A failure to transfer such interest within this time period is a breach of this Agreement. The term **"disability"** means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you from supervising the Franchise Business' management and operation for ninety (90) or more consecutive days.

B. Operation Upon Your Death or Disability. If, upon your death or disability, a trained manager who we approve is not managing the Franchised Business' day-to-day operations, then your executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint an Administrator we approve to operate the Franchised Business. The Business Administrator must at your estate's expense satisfactorily complete the training that we designate within the time period we specify.

In the event of your death or disability, we may, but need not, assume the management of your Franchised Business. All funds from the Franchised Business' operation while we assume its management will be kept in a separate account, and all of the Franchised Business' expenses will be charged to this account. If we assume the Franchised Business' management under this Section we may charge (in addition to the Royalty and Marketing Spending Requirement and other Fees due under this Agreement) a reasonable management fee we specify, up to eight percent (8%) of the Franchised Business' Monthly Gross Revenue, plus our direct out-of-pocket costs and expenses.

16.6 Our Right Of First Refusal.

A. If you at any time determine to sell or transfer for consideration an interest in this Agreement and the Franchised Business or a controlling ownership interest in the Entity holding the Franchise, you agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer relating exclusively to an interest in you or this Agreement and the Franchised Business. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a fixed dollar amount and without any contingent payments of purchase price (such as earn-out payments).

We may, by delivering written notice to you within fifteen (15) days after we receive both a copy of the offer and all other information we may request, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: (1) we may substitute cash for any form of payment proposed in the offer; (2) our credit will be deemed equal to the credit of any proposed buyer; (3) the closing will be not less than thirty (30) days after notifying you of our election to purchase or, if later, the closing date proposed in the offer; and (4) we must receive, and you agree to make, all customary representations and warranties given by the seller of the assets of a business or ownership interests in a legal entity, as applicable, including, without limitation, representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests and validity of contracts and the liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased. If we exercise our right of first refusal, you agree that, for two (2) years beginning on the closing date, you and members of your immediate family as well as any Principals of the Entity owning the Franchised Business, will be bound by a covenant not to compete with the Franchised Business within its designated Territory being purchased.

B. In the case of your death or disability, if we exercise our right of first refusal and in the absence of any other offer to purchase the Franchised Business, we will determine the purchase price as specified in Section 18.3 below.

C. The purchase price shall be paid on terms at least as favorable as follows:

(1) not less than twenty percent (20%) in cash paid at the time the purchase transaction closes; and

(2) the balance in the form of a Promissory Note bearing interest at the prime rate charged by Bank of America National Trust and Savings Association at its San Francisco Main Office on the date of closing which shall also be the date of the Note, payable in equal monthly installments with interest at said rate, for up to a thirty-six (36) month term.

A transfer pursuant to this Subsection 16.6 shall transfer to us the ownership interest of Franchisee, subject to the provisions of this Agreement and for the term that remains under the provisions of this Agreement.

D. If we do not exercise our right of first refusal, you may complete the sale to the proposed buyer on the original offer's terms, subject to our approval of the transfer as provided in Subsections 16.2 and 16.3 above. If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you must tell us promptly), we will have an additional right of first refusal during the fifteen (15) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, to purchase your Franchised Business either on the terms originally offered or the modified terms, respectively.

ARTICLE XVII

TERMINATION OF FRANCHISE

17.1 This Agreement will only be terminated for "good cause" which shall be limited to your failure to substantially comply with the lawful requirements imposed upon you as a Franchisee under this Agreement.

17.2 Events of Default Causing Immediate Termination. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following events:

(1) if you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or allow the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or allow the appointment of a trustee or receiver for you or the Franchised Business;

(2) if proceedings are commenced to have you or the Franchised Business adjudicated bankrupt or to seek to have you or your Franchised Business reorganized under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for you or the Franchised Business without your consent, and the appointment is not vacated within sixty (60) days; or

(3) if you purport to or are compelled (e.g. in a divorce proceeding) to sell, transfer or otherwise dispose of or surrender any of your interest in the Franchised Business in violation of Article XVI above.

17.3 Events of Default Upon Notice Without Right to Cure. We may terminate this Agreement, due to the occurrence of any of the following events each of which shall constitute an Event of Default with such termination, effective immediately upon delivery of written notice of termination to you:

(1) you have made or make a material misrepresentation or omission in acquiring the Franchise or operating the Franchised Business;

(2) if you, after curing any previous failure to comply with Article V of this Agreement, knowingly and repeatedly breach Article V of this Agreement;

(3) you do not satisfactorily complete the initial training;

(4) you abandon or fail actively to operate the Franchised Business for five (5) or more consecutive business days, unless you close the Franchised Business for a reason we

approve which shall include acts of God, Terrorism, and/or disruption to business conditions such as landlord or city mandated renovations, relocation or repairs;

(5) you are convicted by a trial court of, or plead no contest to, a felony;

(6) you fail to maintain the insurance we require from time to time and do not cure such failure within ten (10) days of the expiration of your insurance policy(ies);

(7) you interfere with our right to inspect the Franchised Business or observe its operation, as provided in Section 6.6 of this Agreement on four (4) or more occasions;

(8) you engage in any dishonest, unethical or illegal conduct or any other conduct which, in our opinion, adversely affects your Franchised Business', the reputation of other franchisees or the goodwill associated with the Marks;

(9) you make a voluntary transfer, without our prior written consent, of (i) an ownership interest of more than 50% in the Entity holding the Franchise, (ii) this Agreement, (iii) your (or the Entity's) interest in the Franchised Business or its assets, or (iv) the right to receive all or any part of your or the Franchised Business profits or losses or any capital appreciation relating to the Franchised Business;

(10) any license or permit necessary for the Franchise Business' proper operation is suspended, revoked or not renewed and not reinstated or reissued within ten (10) days of the date you receive notice of the suspension, revocation or nonrenewal;

(11) you fail within ten (10) days of notification of failure to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business;

(12) you knowingly make any unauthorized use or disclosure of any part of the Operations Manual/Franchise Portal or any other Confidential Information;

(13) you fail to pay when due any federal, state or local income, service, sales or other taxes due on the operation of the Franchised Business, or repeatedly fail to make or delay making payments to your suppliers or lenders, unless you are in good faith contesting your liability for these taxes or payments;

(14) you understate your reported Monthly Gross Revenue: (i) three (3) times or more during this Agreement's term or (ii) by more than five percent (5%) on any one occasion;

(15) you fail on three (3) or more separate occasions within any twenty-four (24) consecutive month period to: (i) submit when due reports or other data, information or supporting records, (ii) pay when due any amounts due to us (or our affiliates), or (iii) otherwise comply with this Agreement, whether or not you correct any of these failures after we deliver written notice to you; or

(16) you admit in writing your insolvency or inability to pay your debts generally as they become due.

17.4 Events of Default With Right to Cure. We may terminate this Agreement due to the occurrence of any of the following events each of which shall constitute an Event of Default after giving you notice and an opportunity to correct the problem:

(1) the failure of you and/or any Principal of the Franchisee (if an entity) to secure his/her spouses consent to this Agreement on or before the effective date of this Agreement and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(2) if you fail to commence operation of your Franchised Business in the time prescribed in this Agreement plus any reasonable extension granted by us not to exceed sixty (60) days;

(3) you fail to comply with any mandatory System Standards and do not correct the failure within sixty (60) days after we deliver written notice of the failure to you;

(4) the lease for the business location of the Franchised Business is terminated for any reason or you otherwise lose possession of the Center premises and you do not find another site approved by us and sign a lease within ninety (90) days of such lease termination;

(5) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) calendar days after we deliver written notice of that failure to you;

(6) you voluntarily make an unauthorized transfer of (1) an ownership interest of less than 50% in the entity holding the Franchise, or (2) the right to receive less than 50% of your or the Franchised Business profits or losses or any capital appreciation relating to the Franchised Business and such transfer is not approved by us (pursuant to Section 16.3) or revoked by the transferor within sixty (60) calendar days after we deliver written notice of such unauthorized transfer by you;

(7) if you are found to be offering and selling unauthorized products or services or purchasing supplies, equipment or inventory from an unapproved supplier and fail to cease such activity within sixty (60) calendar days after we deliver written notice to you;

(8) you fail to maintain the insurance we require from time to time and do not cure such failure within ten (10) calendar days of the expiration of your insurance policy(ies);

(9) you interfere with or deny our right to inspect the Franchised Business or observe its operations, as provided by Section 4.7(A) and such inspection or observation is not allowed by you within sixty (60) calendar days after such denial or interference occurs; or

(10) you fail to comply with any other provision of this Agreement and do not correct the failure within sixty (60) calendar days after we deliver written notice of the failure to you.

17.5

17.6 Right to Manage Your Franchised Business in Event of Default. In the event that we are entitled to terminate this Agreement in accordance with this Section 17, we may, but need not, assume the management of your Franchised Business. There is no time limit on the length of time which we may manage your Franchised Business, except that our management shall not extend past the end of the 10 year term of this Agreement or any contractually agreed extension. All funds from the Franchised Business' operation while we assume its management will be kept in a separate account, and all of the Franchised Business' expenses will be charged to this account. We may charge you (in addition to the Royalty and Marketing Spending Requirement and other Fees due under this Agreement) a reasonable management fee we specify, up to eight percent (8%) of the Franchised Business' Monthly Gross Revenue, plus our direct out-of-pocket costs and expenses, if we assume the Franchised Business' management under this Section. We have a duty to utilize only reasonable efforts and will not be liable to you for any debts, losses or obligations the Franchised Business incurs, or to any of your creditors for any products or services the Franchise Business purchases, while we manage it.

17.6 Monetary Damages for Default. We shall have the right to charge the following fees for your defaults under this Agreement, regardless of whether you cure the defaults, except as noted below:

(1) $250 for the first event of default under this Agreement;
(2) $1,000 for the second event of default under this Agreement;
(3) $2,500 for the third event of default under this Agreement; and
(4) In the event of your voluntary abandonment of operation of the Franchised Business which is not cured or excused within five (5) days, we have the right to collect the average monthly royalty based on your last 12 months of full operation, excluding any months in which you slowed or stopped operation in preparation for your abandonment, multiplied by the number of months remaining under the full term of this Agreement.

17.7 Rights to Purchase upon Termination.

A. In the event of Termination of this Agreement by us due to one or more Event(s) of Default, or in the event of non-renewal of this Agreement by us, we shall have the option, exercisable by written notice by us to you within thirty (30) calendar days from the date of Termination or non-renewal, to purchase the Franchised Business assets (but not its liabilities), including any inventory, supplies, equipment, fixtures and furnishings(the "Assets") that are, at the time of the notice of termination or nonrenewal, in your possession and used in the Franchised Business. The Purchase Price for the Assets shall equal the value of price paid, minus depreciation. For purposes of determining depreciation of all equipment (including the Quad Cryotherapy Chamber used in operating the Franchised Business), the equipment shall be depreciated on a straight-line basis with a useful life of no more than seven (7) years and all equipment being purchased must be in reasonably good working condition.

B. Our option to purchase your Franchised Business assets set forth in Paragraph A above, shall not apply if any of the following events occur:

(1) Your failure to deliver clear title and possession of any item to be purchased by us;

(2) You decline a bona fide offer of renewal from us;

(3) We permit you to retain control of the principal place of the Franchised Business;

(4) Any termination or nonrenewal of a Franchise due to a publicly announced and nondiscriminatory decision by us to completely withdraw from all franchise activity within the relevant geographic market area in which the Franchised Business is located.

(5) Any items identified in Paragraph A above which are sold by you between the date of the notice of termination or nonrenewal, and the cessation of operations of the Franchised Business by you, pursuant to the termination or nonrenewal.

17.8 You will be responsible for any and all costs, expenses and liabilities incurred by us, including attorney's fees incurred by us, in exercising this option and in acquiring said business assets as well as any and all monies or other performance due and owing from you or the Entity operating the Franchised Business hereunder to us or to third parties (if we are also obligated to pay the obligation if not paid by you), plus any damages, expenses and costs incurred or suffered by us by reason of any Event of Default, breach or violation of this Agreement by you. All money owed to us or our affiliates pursuant to this Agreement or any ancillary or collateral agreement between you and us shall be deducted from the Purchase Price payable by us to you as determined and provided above. Any royalties or other amounts due to us or damages, expenses or costs incurred by us which remain due to us as a result of said Event of Default, in addition to offset of the Purchase Price, shall remain outstanding and payable to us.

17.9 In the event either party disputes an Event of Default and the right to termination, the obligation to pay Royalties and Fees shall continue until such dispute is settled and specifically during any period of arbitration or litigation in accord with the provisions of this Agreement. If it is determined that the Franchise is terminated, payment of Royalty and Fees shall be due on all revenues earned through the termination date, and any overpayment refunded. In the event it is determined that termination was proper, you shall be liable to us for the value of any services rendered after the determined termination date.

ARTICLE XVIII

RIGHTS AND OBLIGATION OF PARTIES UPON EXPIRATION OR TERMINATION

18.1 Termination of Franchised Business. Upon termination or expiration of this Agreement, you shall immediately cease to be an authorized Franchised Business and shall comply with the following:

A. Payment Of Amounts Owed.

(1) You agree to pay within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we permit, the amounts due to us, the Royalties, interest and all other amounts owed to us or our affiliates which then are unpaid. Said sums shall include all damages, costs and expenses, including reasonable attorneys' fees, if any, incurred by us resulting from the termination or expiration of this Agreement whether or not such occurs prior to or subsequent to the termination or expiration of this Agreement, and said sums shall include all costs and expenses, including reasonable attorneys' fees, incurred by us in obtaining injunctive or other relief to enforce the provisions of this Agreement or in collecting unpaid amounts due to us or our affiliates.

(2) You will have no obligation to pay the then current value of any future royalties or lost profits for periods after the effective date of any termination of this Agreement if you have executed, as of the effective date of such termination, a general release, in form prescribed by us, of any and all claims, known or unknown, against us.

B. De-Identification. When this Agreement expires or is terminated for any reason:

(1) you shall immediately discontinue all use of the Names and Marks, trade dress, telephone numbers, websites and signage associated with the Franchised Business and you shall not directly or indirectly at any time thereafter or in any manner (except in connection with other US Cryotherapy franchises you own and operate): (a) identify yourself or any business as a current or former US Cryotherapy franchise or as one of our franchisees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any of our Names or Marks, or other indicia of a US Cryotherapy franchise in any manner or for any purpose; or (c) use for any purpose any trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us within thirty (30) days: (i) all advertising, marketing and promotional materials, forms, and other materials containing any Mark or otherwise identifying or relating to a US Cryotherapy franchise; (ii) all copies of the Operations Manual/Franchise Portal and any and all Confidential Information of Franchisor, in whatsoever form, and will not retain copies thereof; and (iii) deliver to us the proprietary cold therapy chamber utilized at the Center;

(4) if applicable, notify all search engines of the termination or expiration of your right to use all domain names, Websites and other search engines associated directly or indirectly with your Franchised Business and authorize those search engines to transfer to us or our designee all rights to the domain names, Websites and search engines relating to the Marks or your Franchised Business. We have the absolute right and interest in and to all domain names, Websites and search engines associated with the Marks or the franchise, and you hereby authorize us to direct all applicable parties to transfer your domain names, Websites and search engines to us or our designee if this Agreement expires or is terminated for any reason. All parties may accept this Agreement as conclusive of our right to such domain names, Websites and search engines and this Agreement will constitute the authority from you for all parties to transfer all such domain names, Websites and search engines to us;

(5) you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy or other numbers and telephone directory listings associated with any Mark, authorize the transfer of these numbers and directory listings to us or at our direction, and/or instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to affect these events; and

(6) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

C. Abandonment. In the case of Abandonment, upon a declaration of Abandonment of the Franchise by us and our retaking possession of the abandoned Center, all equipment, inventory, furniture, supplies and any other property remaining in the Center will become the property of the Franchisor. In addition, in the case of Abandonment, we will also be entitled to liquidated damages relating to such Abandonment in an amount equal to three (3) months of rent and the cost of all reasonable repairs required to be performed by us on the abandoned Center.

D. Prohibited Use of Confidential Information. The methods, operations, promotional data, periodic reports, inventory, customer lists, price lists and other information pertaining to the Franchised Business and the US Cryotherapy System including the terms of this Agreement and the Franchised Business are Confidential and Proprietary Information and represent Trade Secrets that are owned by and remain the Exclusive Property of the Franchisor. You agree that for a period of five (5) years following the termination or expiration of this Agreement, you and you affiliates (if Franchisee is an entity) will not use or disclose to others any Confidential or Proprietary Information or Trade Secrets of the Franchised Business or the US Cryotherapy System, whether by direct or by indirect means, except with our prior written permission and consent.

E. Right to Transfer and Enter Center. Without any obligation other than to exercise due care, we shall have the right and are hereby granted authority by you:

(1) To transfer to Franchisor, or its designee, all of Franchisee's rights and interest in (i) all telephone numbers and listings, including white page and yellow page listings in advertising and (ii) all e-mail addresses or websites using the name "US Cryotherapy" or any derivatives or abbreviations thereof.

(2) To enter the Center or any office premises of Franchisee, at Franchisor's option, to remove from the Center or such premises all data and Confidential Information relating to the Franchisee's Franchised Business. If any office premises is located in the Franchisee's home, any such entrance will be with prior notice to Franchisee and in the presence of the Franchisee.

18.2 Covenant Not To Compete.

A. Upon:

(1) our termination of this Agreement according to its terms and conditions,

(2) your termination of this Agreement without cause, or

(3) expiration of this Agreement (if we offer, but you elect not to execute, a successor franchise agreement upon renewal, or if we do not offer you a successor franchise agreement upon renewal due to your failure to satisfy the conditions for renewing your franchise agreement set forth in Sections 2.3 and 2.4), you and your owners agree that, for two (2) years beginning on the later to occur of (i) the effective date of termination or expiration or (ii) the date on which all persons restricted by this Section 18 begin to comply with provisions of this Section 18 or (iii) if litigation is necessary to enforce this Agreement, the date of entry of an order by a court of competent jurisdiction enforcing the Agreement, you and your owners, and your and their immediate family members, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, will not own, maintain, operate, engage in, franchise or license, or have any direct or indirect controlling or noncontrolling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, manager, employee, consultant, representative, or agent in any Competitive Business, that is or may be located or operating:

(a) at your Center;
(b) within your Territory;
(c) within five (5) miles of the border of your Territory; or
(d) within the territory, area, or market area of any other US Cryotherapy Center in operation on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section begin to comply with this Section.

B. In further consideration hereof, in the event of termination of this Franchise, you agree that for a period of two (2) years from date of termination or expiration, that the Principal(s) will not, either directly or indirectly, either for himself or for any other person, firm, corporation, or other legal entity, solicit any then employee of ours or any of our franchisees in any of the areas described in subparagraphs (a), (b), or (c) above: (i) to either cease to be an employee of ours, or of any of our franchisees, or (ii) to terminate or act in a manner which is in violation of this Agreement.

C. For purposes of Section 18.2(A) above a "Competing Business" shall be defined as set forth in Section 14.1 above.

These restrictions also apply after transfers, as provided in Section 16.3 above. If any person restricted by this Section refuses voluntarily to comply with these obligations, the two (2) year restriction period for that person will commence with the entry of a court order enforcing this provision. You and your Principal(s) expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting those skills. Consequently, our enforcing the covenants made in this Section 18.2 will not deprive you of your personal goodwill or ability to earn a living.

The parties acknowledge that the provisions of this Section 18.2 may not be enforceable in all States.

18.3 Our Right To Purchase Franchised Business.

A. Exercise of Option. Upon your declining a bona fide offer from us to renew this Franchise, our termination of this Agreement for cause, your termination of this Agreement without cause, your death, physical or mental disability or incompetency, or the expiration of this Agreement, we have the option, exercisable by giving you written notice within thirty (30) days after the date of termination or expiration, to purchase your (or the Entity's) interest in the Franchised Business and/or those operating Assets and inventory that we designate. We have the unrestricted right to assign this option to purchase.

B. Purchase Price. The purchase price for the interest in your Franchised Business and any Assets we choose to acquire will be their fair market value, provided that these items will not include any value for the Franchise or any rights granted by this Agreement or any lease, goodwill attributable to the Marks, our brand image, and other intellectual property or participation in the network of US Cryotherapy franchises. For purposes of determining the fair market value of all equipment (including the Quad Cryotherapy Chamber used in operating the Franchised Business), the equipment shall be depreciated on a straight-line basis with a useful life of no more than seven (7) years and all equipment being purchased must be in reasonably good working condition.

C. Appraisal. If we and you cannot agree on a fair market value, fair market value will be determined by an independent appraiser, who in doing so will be bound by the criteria specified in subparagraph (B). A qualified appraiser, mutually acceptable to you and us will be selected within fifteen (15) days after we deliver our notice of exercise to you (if you and we have not agreed on fair market value before then). We and you will each pay 50% of the fees and expenses of the appraiser. Within thirty (30) days after an appraiser is designated, he/she will evaluate and calculate a fair market value according to the criteria specified in sub-paragraph (B) above. The appraisers' determination of fair market value shall be conclusive as establishing the purchase price.

D. Closing. We (or our assignee) will pay the purchase price at the closing, which will take place not later than thirty (30) days after the purchase price is determined, although we (or our assignee) may decide after the purchase price is determined, not to exercise our purchase option. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. At the closing, you agree to deliver instruments transferring to us (or our assignee): (1) good and merchantable title to the assets purchased, free and clear, of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (2) all of the Franchised Business' licenses and permits which may be assigned or transferred.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective shareholders, officers, directors, employees, agents, representatives, successors and assigns.

E. Covenant Not To Compete. If we exercise our right to purchase the Franchised Business upon our termination of this Agreement according to its terms and conditions, the Purchase Agreement reflecting such purchase shall include a provision that you and members of your immediate family and any member, shareholder or partner (if you are doing business as a corporation or partnership) shall be subject to the noncompetition provisions of Section 18.2 above.

18.4 Continuing Obligations. All of our and your obligations hereunder which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire.

ARTICLE XIX

INDEPENDENT CONTRACTORS AND INDEMNIFICATION

19.1 Independent Contractors. This Agreement does not constitute you as an agent, legal representative, joint venturer, partner, employee, or servant of ours for any purpose whatsoever; and it is understood between the parties hereto that you are an independent contractor and are in no way authorized to make any contract, agreement, warranty or representation on behalf of us or to create any obligation, express or implied, on behalf of us.

A. Neither we nor you shall have the authority to bind or obligate the other except as and then only in the manner and to the degree expressly set forth herein.

B. Neither party shall have the authority to hire, fire or direct any employees of the other, except as explicitly set forth herein.

C. Neither party is responsible for the collection, withholding or payment of any taxes of the other.

D. You shall prominently display, in your place of business, a notice stating that the Franchised Business is operated by you independent of and separate from us or any of our affiliates.

19.2 Indemnification by Franchisor. We agree to indemnify you against any claims arising out of your use of the Name(s) and Mark(s) identified in Article X solely as authorized herein. In addition, we will protect, defend or indemnify you for any claims arising out of your actions taken at our direction, including but not limited to any use of the Marks in the manner prescribed by us. You similarly agree to indemnify us against all claims arising from your improper or unauthorized use of said Name(s) or Mark(s) as well as any claims arising from the operation of your Franchised Business.

19.3 Indemnification by Franchisee. Under no circumstances shall we be liable for any act, omission, debt, tax or any other obligation or liability of yours or any subcontractor employed by you. To the fullest extent permitted by law, you agree to indemnify, defend and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, representatives, successors and assigns (the **"Indemnified Parties")** from and against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, obligations and damages directly or indirectly arising out of: (a) the operation of your Franchised Business, (b) the business you conduct under this Agreement, (c) your breach of this Agreement, or (d) noncompliance or alleged noncompliance with any law, ordinance, rule or regulation concerning the Franchised Business' operation. For purposes of this indemnification, **"claims"** include all obligations, damages (actual, consequential, punitive or otherwise) and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses and other expenses of litigation, arbitration or alternative dispute resolution, regardless of whether litigation, arbitration or alternative dispute resolution is commenced. Each Indemnified Party may defend and control the defense of any claim against it which is subject to this indemnification at your expense, and you may not settle any claim or take any other remedial, corrective or other actions relating to any claim without our consent. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you.

ARTICLE XX

DISPUTE RESOLUTION; ARBITRATION

20.1 General. You and we will make reasonable attempts to settle any controversy or dispute relating to this Agreement or your Franchised Business without arbitration. You and we may utilize the services of a mediator to resolve our dispute, the cost of which will be shared by both parties.

20.2. Mandatory Arbitration. Any controversy, dispute, litigation, action, or claim arising out of or relating to this Agreement, performance hereunder or breach thereof, which cannot be amicably settled between Franchisor and Franchisee, shall be settled by arbitration conducted in the county in California in which we maintain our principal office (currently Placer County, California). Said arbitration shall be conducted in accordance with the then current Commercial Arbitration Rules of: (i) the Franchise Arbitration and Mediation, Inc. ("FAM"); (ii) the American Arbitration Association; or (iii) any other arbitration service approved by all parties. Mandatory arbitration will not apply to claims relating primarily to (i) the validity of any of our trademarks or service marks; (ii) our rights to obtain and enforce a temporary restraining order, preliminary injunction, or permanent injunction; or (iii) any class-wide or multiple plaintiff or similar claims.

A. Initiation of Arbitration. After thirty (30) days prior written notice to the other, either party hereto may formally initiate arbitration under this Agreement by filing a written request therefore, and paying the appropriate filing fees, if any.

B. Arbitration Procedure. The parties will agree upon one arbitrator to conduct the arbitration proceeding. If the parties shall fail to select an arbitrator within twenty-one (21) days after arbitration has been formally initiated, then an arbitrator shall be selected by FAM or the American Arbitration Association upon application by either party.

C. Costs of Arbitration. The parties to any arbitration will bear their own costs, including attorneys' fees and will share equally the filing fee and all other fees charged by the arbitration service.

D. Injunctive Actions. Nothing herein contained shall bar the right of either party to seek to obtain injunctive relief or other provisional remedies against threatened or actual conduct that will cause loss or damages under the usual equity rules including the applicable rules for obtaining preliminary injunctions and other provisional remedies, provided an appropriate bond against damages is provided.

20.3 Execution of Arbitration Award. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and non-appealable.

20.4 Enforcement of Arbitration Provisions. The provisions of this Article XX will be deemed to be self-executing, will survive the term of this Agreement and remain in full force and effect notwithstanding this Agreement's expiration, rescission, termination or otherwise for any reason. The provisions of this Agreement (including but not limited to those relating to mandatory arbitration, limitation of damages, prior notice of claims, costs and attorney's fees, or otherwise) will be construed as independent of each other provision of this

Agreement and if any provisions are deemed to be unenforceable in any way, such provisions will be modified or interpreted to the minimum extent necessary to have them comply with the law and the remaining provisions of this Agreement. The parties' agreement to submit claims to binding arbitration, will remain in full force and effect, the parties agreeing, in consideration of their mutual judgment, that mediation and arbitration are generally superior methods of resolving disputes, that the unenforceability of any provisions of this Section 20 shall not affect the remainder of this Section 20 or otherwise, notwithstanding any statutory or decisional law to the contrary. Notwithstanding any provisions of this Agreement or otherwise relating to which state or provincial laws this Agreement will be governed by and construed under, all issues relating to arbitrability and/or the enforcement of the provision to arbitrate contained herein will be decided by the arbitrator and will be governed by the Federal Arbitration Act (916 U.S.C. § 1 et seq.) and the federal common law of arbitration. Notwithstanding any provisions of state law to the contrary, we intend to fully enforce the provisions of this Agreement and other documents, including all venue, choice-of-law and mediation/arbitration provisions, and to rely on federal preemption under the Federal Arbitration Act (916 U.S.C. § 1 et seq.).

20.5 Litigation, Venue, Limitation of Damages in Arbitration and/or Litigation, etc.

A. Without in any way limiting or otherwise affecting the obligations regarding binding arbitration, you and we agree that any litigation between us whether to enforce an arbitration award or involving any litigation, dispute, controversy, claim, proceeding, or otherwise between or involving you and us which is not subject to the foregoing provisions regarding arbitration (or in the event that a court having jurisdiction should hold that the foregoing provisions regarding arbitration are not enforceable) and bearing in mind your and our interest in having a single court determine issues in a consistent manner for application throughout the Franchised Business and not have us or our franchisees exposed to inconsistent decisions, will be held exclusively before a court in the most immediate judicial district encompassing our headquarters and having subject matter jurisdiction, you and we consenting to the exclusive jurisdiction of such court. In this Agreement, all references to our headquarters refer to our headquarters, currently located in the city of Roseville, Placer County, California.

B. So as to achieve many of the advantages which would normally be associated with arbitration (such as lower expense, more rapid resolution of controversies, fewer protracted and complex proceedings, reduced instances of costly and time-consuming appeal, etc.) and for your and ours mutual benefit, you and we agree that in any arbitration, litigation or otherwise, in any arbitration, litigation or otherwise, you and we each waive any right to recover, and any claims for (whether by claim, counter-claim, way of defense or otherwise), punitive, exemplary, multiple, pain-and-suffering, mental distress, incidental, consequential, special, lost income and/or profits (except as expressly provided below) and/or similar damages under any theory whatsoever. However, we may recover the then-current value of any franchise fees, royalties, advertising fees and/or other fees and payments you are, or would be, obligated to make, or would normally make, in the absence of a breach or termination, to us or any affiliated company, whether by agreement or otherwise.

20.6 Construction, Agreement Limited to Express Terms. You and we, each believing that having written documents as the only basis for their legal relationship which benefits each of the parties and reduces the risk of uncertainty or other persons imposing obligations which neither you nor we expressly consented to, agree that this Agreement should be strictly interpreted according to its express terms so as to avoid a court or arbitrator from imposing (or expanding) duties on the parties to this Agreement that were not expressly agreed to by you and us.

Pursuant to the preceding understandings, you and we agree that no liability will result from the exercise of discretion permitted by this Agreement so long as there is no finding that such exercise of discretion was done in bad faith.

20.7 No Withholding Payments to Us. If you believe that we or any other person/entity has violated any legal duty to you, you will, notwithstanding such dispute, pay as designated all sums specified under this Agreement or otherwise (including royalties, any unpaid portion of the initial franchise fee, and other fees, etc.) and will not withhold any payments until and unless such dispute has been finally determined in your favor and any refund of royalties and/or fees is ordered.

ARTICLE XXI

NOTICES AND PAYMENTS

21.1 All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Operations Manual/Franchise Portal will be deemed so delivered:

(1) at the time delivered via computer transmission if the sender has confirmation of a successful transmission and, in the case of the Royalty, Fees, any Marketing Fund contributions and other amounts due, at the time we actually debit your account (if we institute an automatic debit program for your Franchised Business);

(2) one (1) business day after transmission by telecopy, facsimile, email or other electronic system if the sender has confirmation of successful transmission;

(3) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or

(4) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice. However, if your check for payment of Royalties, any Marketing Fund contributions, or other amounts due is dishonored by your bank, such payment will not be deemed to be made until your replacement check is cleared by your bank. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least three (3) days before then) will be deemed delinquent.

21.2 If you or any of your employees receive service of legal process or notice of suit, court hearing, or other proceedings, concerning a matter arising out of or related to the terms of this Agreement, you shall immediately send us a true copy of such service together with an explanation or knowledge you or any of your employees or those acting under your authority may have respecting the subject matter. The parties agree to cooperate mutually if a defense shall be jointly necessary.

ARTICLE XXII

JURISDICTION, INTERPRETATION, MODIFICATION, EXECUTION AND MISCELLANEOUS

22.1 This Agreement shall be governed by and construed in accordance with the laws of the State of California. The parties agree to the jurisdiction of the Placer County Superior Court and the Federal District Court, Eastern District of California, in Sacramento, California.

22.2 Failure of either party to enforce any provision, or waiver by either party of any default, shall not operate as a waiver of successive defaults, and all the rights of the parties shall continue notwithstanding one or more such failures or waivers. The failure of either party to insist at any time upon strict performance or enforcement of any one or more or all terms, conditions or obligations herein, or the failure to exercise any rights hereunder, shall not be deemed abandonment thereof, and the same shall continue in full force and effect notwithstanding one or more waivers. At any and all times, each party may exercise all its rights hereunder, plus all legal and equitable remedies.

22.3 No right, remedy or election hereunder shall be deemed exclusive, but in each instance, shall be cumulative with all other remedies.

22.4 The failure to perform or delays in the performance of any duties hereunder which are not the fault of and not within the reasonable preventive control of the party obligated to perform, due to an event of *force majeure,* including but not limited to government regulations, labor disputes, natural disasters, acts of God, civil disorders, riots, slowdowns or disputes, or other similar events, shall not cause a Default in said performance, but, in the event of delay, the parties shall extend the time of performance for a period of time equivalent to the length of the delay, or for such other reasonable period of time as agreed to between the parties.

22.5 You and we recognize and agree that the enforcement of some of the provisions of this Agreement would not be adequate both with respect to the parties and, as well, with respect to other franchisees and our Franchise System, except in the event that equitable relief is available to enforce provisions of this Agreement. Therefore, it is mutually agreed between the parties and each party consents to the enforcement of the terms of this Agreement entitling either party to injunctive relief for the purpose of enforcing any provision of this Agreement as and when required during its term and at any termination of its term for whatsoever reason.

22.6 You agree to reimburse us, upon demand, for all costs and expenses incurred by us in connection with: (i) collecting or attempting to collect any indebtedness or any part thereof due us or for which we are obligated to pay third parties, although a debt or obligation of yours; (ii) maintaining or defending us or our security interests or liens or the priority thereof; (iii) the enforcement of our rights or remedies under this Agreement or the other documents contemplated by this Agreement, both at time of execution of this Agreement and during the term thereof; and (iv) any other matters or proceedings (the payment of which is not otherwise provided for in this Agreement) arising out of or in connection with this Agreement or the performance thereof, which include without limit sums advanced to pay obligations of yours which you are required to pay under this Agreement or the other documents contemplated hereby, expenses related to any default or alleged default by you, including legal fees and other costs incurred to protect our interests and all of our other costs and expenses incurred in connection with any of the foregoing and any of the provisions of this Agreement.

22.7 This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and the respective successors and assigns of each; provided, however, that you may not assign or transfer your rights or obligations hereunder except in accordance with the provisions of this Agreement.

22.8 If any of the provisions of this Agreement are ever held by a Court of competent jurisdiction to violate any applicable law of the United States or any State or Municipality, or to be unenforceable for any reason, said provision shall be construed and interpreted to be severable from the remainder of this Agreement.

22.9 This Agreement may be signed in any number of counterparts with the same effect as if the signatures were upon the same instrument.

22.10 This Agreement and the Exhibits executed in connection herewith are integrated agreements. Except as set forth specifically otherwise herein or in the Exhibits executed in connection herewith, this Agreement and the Exhibits executed in connection herewith supersede all prior representations and agreements, if any, between the parties to this Agreement. This Agreement and the Exhibits hereto and the documents constituting a part of the Franchise, including the Franchise Disclosure Document, when executed, contain the entire and only understanding between the parties regarding the terms of this Agreement and the Exhibits hereto and may not be altered, amended or extinguished, except by a writing which expressly refers to this Agreement and is signed by all parties. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

ARTICLE XXIII

ACKNOWLEDGEMENTS

23.1 To induce us to sign this Agreement and grant you the Franchise, you acknowledge:

(1) That you have independently investigated the US Cryotherapy franchise opportunity and recognize that, like any other business, the nature of "cold" therapy for

benefiting the recuperation of muscles and joints may, and probably will, evolve and change over time.

(2) That an investment in a US Cryotherapy franchise involves business risks.

(3) That your business abilities and efforts are vital to your success.

(4) That obtaining and retaining customers for your US Cryotherapy Center will require a high level of diligence and service and strict adherence to the Franchise System and our System Standards as expressed in our Operations Manual/Franchise Portal and that you are committed to implementing and maintaining our System Standards.

(5) That except as set forth in our Franchise Disclosure Document you have not received or relied upon, and we expressly disclaim making, any representation, warranty or guaranty, express or implied, as to the revenues, profits or success of your US Cryotherapy franchise.

(6) That any information you have acquired from other US Cryotherapy franchisees regarding their sales, profits or cash flows is not information obtained from us, and we make no representation about that information's accuracy.

(7) That you have no knowledge of any representations made about the US Cryotherapy franchise opportunity by us, our subsidiaries or affiliates or any of their respective officers, directors, shareholders or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms and conditions of this Agreement.

(8) That in all of their dealings with you, our officers, Managing Members, employees and agents acted only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are only between you and the Franchisor.

(9) That if an entity is entering into this Agreement as the Franchisee, such entity has satisfied all of the requirements set forth in Subsection 16.4.

(10) That you have represented to us, to induce our entering into this Agreement, that all statements and representations you have made and all materials you have given us in acquiring this US Cryotherapy franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the Franchise and shall be deemed to have been relied upon by us.

(11) That you have read this Agreement and our Franchise Disclosure Document and have had the opportunity to review this Agreement with legal counsel or others of your choosing and understand and accept that the terms and covenants in this Agreement are reasonably necessary for us to maintain our high standards of quality and service, as well as the

uniformity of those standards in our Franchise System, and to protect and preserve the goodwill of the Marks.

IN WITNESS WHEREOF, Franchisor and Franchisee have executed and delivered this Agreement and related documents thereto effective on the date stated on the first page above.

"FRANCHISOR"

US Cryotherapy Franchising LLC, a California limited liability company

By:______________________________
Kevin Kramer, Manager/CEO

"FRANCHISEE"

____

By:________________________________
____

CONSENT OF FRANCHISEE SPOUSE

The undersigned certifies that I am the lawful spouse of the foregoing Franchisee signatory to the US Cryotherapy Franchise And License Agreement; that I acknowledge that I have read the Franchise And License Agreement and know its contents. I agree to be bound and accept the provisions as contained in the Franchise And License Agreement in the same manner and to the same extent as if a party thereto, and thus am a party thereto by Consent.

Dated:_____________________ _________________________________

EXHIBIT A

BUSINESS ADDRESS OF AUTHORIZED CENTER

AND

PROTECTED TERRITORY

Protected Territory and Center Location

1. Franchisee will conduct his, her or its business at the following addressed and phone number ("Center Location"):

Address: ______________________________ Phone #: ___________________________

______________________________ Fax #: ___________________________

______________________________ E-Mail: ___________________________

2. The Franchisee's Territory shall be defined as:

____

____

____

3. **Mandatory Core US Cryotherapy Services (provided by US Cryotherapy):**

- Cold Therapy Chamber (C1 or C4 depending upon Franchise Agreement)
- Localized Cold Air Device (2) minimum required per franchise for use in localized therapy and facial rejuvenation treatments.
- Compression device.
- Deep muscle pulsation device.

US Cryotherapy Approved Added Services (provided by US Cryotherapy):

- Normatec Compression – Recommended, but optional in all centers. Normatec is the brand of choice. US Cryotherapy has established a preferred relationship with Normatec to secure below retail pricing for equipment. Purchases must occur through US Cryotherapy.
- Hydro Massage Bed
- Vibration Plate (Vmax 300 or VibePlate) for lymphatic stimulation and drainage. Optional in all centers – must be through US Cryotherapy if added. US Cryotherapy has a preferred vendor relationship to secure below retail pricing.
- TheraGun – Recommended but optional
- LightStim – Recommended but optional
- Cryoskin – cold laser device for slimming and toning.
- Retail items: US Cryotherapy apparel, other retail goods through US Cryotherapy – optional inventory, highly recommended.
- US Cryotherapy CryoCare retail gel line – optional inventory, recommended, must be through US Cryotherapy. No substitute products accepted for retail sale.

4. You shall operate your Cryotherapy Center from _______ A.M. through _______ P.M. on Monday through Friday; from ______ A.M. through ______ P.M. on Saturday; and from _______ A.M. through _______ P.M. on Sunday.

Franchisor's Initials: ___________ Franchisee's Initials:____________

EXHIBIT B

SERVICE MARKS

USCryotherapy
FASTER RECOVERY ▪ BETTER HEALTH

CryoQueue®

FRANCHISE PORTAL

EXHIBIT C

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

US CRYOTHERAPY
CONFIDENTIALITY AND NONDISCLOSURE
AGREEMENT

1. I acknowledge that in consideration of my owning an interest in or working for ________________________, a franchisee ("Franchisee") of US Cryotherapy Franchising LLC ("Franchisor"), I have agreed to execute, this Confidentiality and Nondisclosure Agreement ("Agreement"). I have read this Agreement and understand its terms and am willing to execute this Agreement in favor of the Franchisee and Franchisor.

2. I hereby agree as follows:

A. Nondisclosure of Trade Secrets and Confidential Information. I agree not to disclose, duplicate, sell, publish, furnish or communicate, either directly or indirectly, any Trade Secrets or Proprietary Information (together referred to as "Confidential Information") of the US Cryotherapy ("Cryotherapy")/Franchised Business (as defined in the Franchise Agreement) to any other person, firm or entity, unless authorized in writing by Franchisor. I agree not to use any Confidential Information for my own personal gain or for purposes of advantage for others except in conjunction with the Franchised Business, whether or not the Confidential Information have been conceived, originated, discovered or developed, in whole or in part, by me or represents my work product. To the extent I have assisted in the preparation of any information which Franchisor considers to be Confidential Information or has itself prepared or created such information, I hereby assign any rights that I may have in such information as its creator to Franchisor.

B. Definition of Confidential Information. For purposes of this Agreement, the term "Confidential Information" means any and all knowledge, techniques, processes or information made known or available to me by Franchisee or Franchisor which is not otherwise known to the general public. Such Confidential Information is defined in Article XI of the Franchise Agreement and shall specifically include methods and procedures of the Cryotherapy operating systems, marketing techniques, customer lists, forms, bookkeeping methods and other techniques and materials relating to the Franchised Business.

C. Return of Proprietary Materials. Upon expiration or termination of the Cryotherapy Franchise Agreement, or my ownership in or employment by the Franchisee, I shall return to Franchisor or Franchisee, respectively, all materials in my possession which is considered confidential or proprietary by Franchisor, technical or non-technical, whether or not copyrighted, which relate to the Cryotherapy System. I expressly acknowledge that any such materials of any kind provided to me shall be and remain the sole property of the Franchisor.

D. Solicitation of Employees. I agree that for as long as the Cryotherapy Franchise Agreement between Franchisor and Franchisee is in full force and effect, and for a period of two (2) years after the termination of the Franchise Agreement (except as otherwise approved in writing by Franchisor), I shall not, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, partnership or corporation:

1. Divert or attempt to divert any business or customer of a Cryotherapy Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Cryotherapy's Marks and franchises; or

2. Employ or seek to employ any person currently employed by any US Cryotherapy franchisee; or

3. Otherwise divulge any Confidential Information including Trade Secrets or Proprietary Information to any person who intends to or may disclose any such information to any US Cryotherapy competitor.

E. Covenant Re: Non-Competition. I agree that I shall not own, maintain, engage in, act as a consultant to, promote, assist or have any interest in, any business (including any business operated by the undersigned prior to executing the Franchise Agreement) which is a member of or associated with any competing muscle and joint therapy service at all times during the term of the Franchise Agreement or for such time as I hold a position or am associated with the Cryotherapy Franchised Business and/or Franchisee. I further understand that even after I am no longer an employee of or associated with the Cryotherapy Franchised Business and/or Franchisee, my use or disclosure of Confidential Information to establish or assist any competing muscle and joint therapy service could be deemed as unfair competition actionable under California law.

F. Irreparable Harm to Cryotherapy System and/or Franchisee. I understand and agree that any breach of this Agreement shall cause irreparable harm to the Cryotherapy Franchised Business and/or Franchisee and, therefore, in the event of a breach or threatened breach of the provisions of this Confidentiality Agreement, Franchisor and/or Franchisee shall be entitled to seek an injunction restraining me from disclosing or appropriating, in whole or in part, any Confidential Information, or from rendering any services to any person, corporation, or other entity to whom such Confidential Information, in whole or in part, has been disclosed or is threatened to be disclosed. Nothing herein shall be construed as prohibiting Franchisor and/or Franchisee from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages and attorney fees.

By my signature hereof, I hereby agree to abide by the provisions of this Agreement.

Dated: ___________

____
Signature

____
Print Name

EXHIBIT D

STATE REGULATIONS WHICH SUPERSEDE AGREEMENT

[Franchisor to add – see the State Addenda in the FDD]

EXHIBIT E

FRANCHISEE GUARANTEE AGREEMENT

FRANCHISE GUARANTY AGREEMENT

US CRYOTHERAPY FRANCHISING, LLC

FOR VALUE RECEIVED, and in consideration for, and as an inducement to Franchisor's entering into a US Cryotherapy Franchise Agreement, dated __________ (the "Franchise Agreement") by and between US Cryotherapy Franchising LLC ("Franchisor") and ________________________ a _____________ corporation/limited liability company ("Franchisee"), each of the undersigned representing all of the owners of Franchisee, personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns, that the Franchisee named in the Franchise Agreement will perform each and every covenant, payment, agreement and undertaking on the part of Franchisee contained and set forth in such Franchise Agreement; (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, without limitation, the non-competition, confidentiality, transfer, and arbitration requirements; and (c) guarantees to Franchisor payment and satisfaction of any claim which Franchisor may have against Franchisee for damages resulting from a violation of any covenant or condition in the Franchise Agreement, including, but not limited to, the covenant not to compete, unfair competition as defined under California unfair competition laws, arising out of Franchisee's activities during the course of, in connection with, or upon the termination of the Franchise Agreement.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this guaranty shall be joint and several; (2) he or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refused timely to do so; (3) this liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including 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 guaranty; and (5) this Guarantee shall be continuing and irrevocable during the term of the Franchise Agreement and any renewal, extension, modification or amendment thereof, or as to any assignment or other transfer of Franchisee's interests in the Franchise Agreement.

Each of the undersigned waives: (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (iv) 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 undersigned's execution of and performance under this Guaranty; and (v) any right he or she may require that an action be brought against Franchisee or any other person as a condition of liability.

At the option of Franchisor, the undersigned Guarantors may be joined in any action or proceeding commenced by Franchisor against Franchisee in connection with or based upon the Franchise Agreement or any provision thereof, and that recovery may be had against the undersigned Guarantors in any such action or proceeding, or in any independent action or proceeding against the undersigned Guarantors, without any requirement that Franchisor or its respective successors or assigns first assert, prosecute or exhaust any remedy or claim against Franchisee, its successors or assigns; such that the liability of the undersigned Guarantors hereunder shall be deemed primary.

Each of the undersigned Guarantors represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each of the undersigned Guarantors consents and agrees that:

(a) Guarantor's liability under this Agreement shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other guarantors of Franchisee.

(b) Guarantor shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;

(c) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Franchise Agreement by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this Agreement nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(d) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and

(e) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this Agreement or any negotiations relative to the obligations hereby guaranteed or in enforcing this Agreement against Guarantor. Such costs and expenses shall include all costs and expenses incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding.

(f) This Guarantee shall survive the termination of, expiration or cancellation of the Franchise Agreement.

(g) This Guarantee shall be governed by and construed according to the internal, substantive laws of the state of California.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature as of the date indicated below.

____________________________________ Dated:______________________

Signature of Guarantor

____

Printed Name of Guarantor

____________________________________ Dated:______________________

Signature of Guarantor's Spouse

____

Printed Name of Guarantor's Spouse

____________________________________ Dated:______________________

Signature of Guarantor

____

Printed Name of Guarantor

____________________________________ Dated:______________________

Signature of Guarantor's Spouse

____

Printed Name of Guarantor's Spouse

EXHIBIT F

SBA ADDENDUM

To be executed if the Franchisee seeks Small Business Administration funding

EXHIBIT 3
OPERATIONS MANUAL
CONTENTS SUMMARY

TABLE OF CONTENTS

Content Summary **Digital Directory Location**

Section 3: Training

Section 4: Operational

Section 5: Marketing

EXHIBIT 4.1
CURRENT FRANCHISEES

US CRYOTHERAPY CENTER LIST AS OF DECEMBER 31, 2018

Franchisee	**Address**	**Phone**
Tucson Franchise	5575 E River Rd., Ste 131 Tucson, AZ 85750	(520) 829-7271
Pleasanton CA Franchisee	5684 Stoneridge Drive, Suite A Pleasanton, CA 94588	(925) 399-6533
Redding CA Franchisee	1619 Hilltop Drive Suite A Redding, CA 96002	(530) 691-4488
Via Fria, LLC Franchise owner	3151 Crow Canyon Place #131 San Ramon, CA 94583	(925) 866-6750
Studio City CA Franchisee	11404 Ventura Blvd. Studio City, CA 91604	(818) 358-4870
Fire & Ice LLC	7001 Sunne Lane Suite 112 Walnut Creek CA, 94597	(925) 464-2796
US Cryotherapy Naples, FL	2349 Vanderbilt Beach Road, Suite 504 Naples, FL 34109	(239) 325-9050
Tampa FL Franchisee	1905 W. Kennedy Blvd Tampa FL, 33606	(813) 443-1100
Xperience Fitness, US Cryotherapy Franchise	1555 Queens Drive Woodbury MN 55125	(651) 288-2796
Xperience Fitness, US Cryotherapy Franchise	1663 County Rd B2 West Roseville, MN 55113	651-432-4322
Xperience Fitness, US Cryotherapy Franchise	3340 124th Ave NW Coon Rapids, MN 55433	763-432-1354
Ten Pillars LLC Franchisee	1001 W 5th Ave, Columbus OH 43212	(614) 297-8050
Ten Pillars LLC Franchisee	101 East Alex-Bell Road, #157 Dayton OH, 45459	(937) 259-8316
Cordova TN Franchisee	750 N. Germantown PKWY Cordova, TN 38018	(901) 413-6575
Austin City Cryo LLC dba US	3027 N. Lamar, Suite 202 Austin, TX 78705	(512) 975-2796

Franchisee	**Address**	**Phone**
Cryotherapy – Austin		
Salt Lake City UT Franchisee	675 East 2100 South, Suite F Salt Lake City, UT 84106-1827	(385) 549-1130
US Cryotherapy Kalamazoo, MI	6794 S Westnedge Ste A, Portage MI, 49002	269-993-0947
US Cryotherapy, Sacramento CA	5714 Folsom Blvd, Sacramento CA 95819	916-400-4524

EXHIBIT 4.2
COMPANY-OWNED UNITS

Franchisee	Address	Phone
Remark Enterprises	14747 N. Northsight Blvd., Suite 108 Scottsdale, AZ 85260	(480) 508-2796
Remark Enterprises	2191 Cowell Blvd., Suite C Davis, CA 95618	(530) 757-2796
Remark Enterprises	2607 Manhattan Beach Blvd. Redondo Beach, CA 90278	323-593-2796
Remark Enterprises	8200 Sierra College Blvd. Ste. C Roseville, CA 95661	(916) 788-2796 (916) 780-2796 (fax)
Remark Enterprises	4250 Clearcreek Rd, Fort Hood TX 76554	254-213-3446
Remark Enterprises	1614 Pleasonton Dr Ste D115 Fort Bliss, TX 79906	915-313-4055

EXHIBIT 4.3
FORMER FRANCHISEES

None.

EXHIBIT 5
LIST OF STATE ADMINISTRATORS

LIST OF ADMINISTRATORS	AGENTS FOR SERVICE OF PROCESS
CALIFORNIA	CALIFORNIA
Commissioner of Business Oversight 320 West 4th Street Los Angeles, CA 90013	Commissioner of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94104 1-866-275-2677 ("ASK-CORP")
FLORIDA	FLORIDA
Florida Department of Agriculture and Consumer Services Division of Consumer Services P.O. Box 6700 Tallahassee, FL 32399-6700	Florida Department of Agriculture and Consumer Services Division of Consumer Services P.O. Box 6700 Tallahassee, FL 32399-6700
ILLINOIS	ILLINOIS
Office of the Attorney General 500 South Second Street Springfield, IL 62706	Office of the Attorney General 500 South Second Street Springfield, IL 62706
MINNESOTA	MINNESOTA
Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600
NEW YORK	NEW YORK
New York State Department of Law Investor Protection Bureau 120 Broadway, 23rd Floor New York, NY 10271	New York State Department of Law Investor Protection Bureau 120 Broadway, 23rd Floor New York, NY 10271
TEXAS	TEXAS
Secretary of State Registration Unit P.O. Box 13550 Austin, TX 78711-3550	Secretary of State Registration Unit P.O. Box 13550 Austin, TX 78711-3550
WASHINGTON	WASHINGTON
Washington Department of Financial Institutions 150 Israel Rd SW Tumwater, WA 98501	Washington Department of Financial Institutions 150 Israel Rd SW Tumwater, WA 98501

LIST OF ADMINISTRATORS	**AGENTS FOR SERVICE OF PROCESS**
WISCONSIN	WISCONSIN
Professional Registration & Compliance Bureau Division of Securities Wisconsin Department of Financial Institutions 201 W. Washington Ave. Suite 300 Madison, WI 53703	Wisconsin Department of Financial Institutions 201 W. Washington Ave. Suite 300 Madison, WI 53703

EXHIBIT 6
PLANNING TOOL

USCryotherapy
FASTER RECOVERY • BETTER HEALTH

* THIS IS PROVIDED AS A PLANNING TOOL NOT A PROJECTION OR GUARANTEE OF SALES. OUR MODEL AND PRICING IS PREDICTIVE OF CONSISTENT REVENUE PER CHECK-IN MULTIPLIED BY AVG DAILY CHECK-IN VOLUME

C1 FRANCHISE CENTER TOOL REVENUE PLANNING	Monthly Average goals	SUG PRICE Value	AvgVolume Per Day	Per month	Annual
Wbody Chamber Treat POS		$ 55.00		$ -	$ -
Localized Treatment POS		$ 15.00		$ -	$ -
Exec Membership		$ 99.00		$ -	$ -
Mo Unlimited pass (c+1,2,3)		$ 249.00		$ -	$ -
Starter Pack (3-pak)		$ 119.00		$ -	$ -
Season Pass (3month)		$ 499.00		$ -	$ -
Annual Pass		$ 1,799.00		$ -	$ -
Facial Rejuvenation		$ 30.00		$ -	$ -
addons - Normatec/Theragun		$ 10.00		$ -	$ -
Other modalities (e.g., Cryoskin)		$ 1,500.00		$ -	$ -
Apparel/Drinks/gels		$ 15.00		$ -	$ -
	Daily Checkins/Avg Mo		0		
* Populate from Item 19 with ramp, average or maturity numbers				Rev per check in	#DIV/0!
Variables: awareness, pre-marketing, B2B sales, pre-launch plan					
		Total Income		$ -	$ -

AVG EXPENSES / FIXED	sq ft	Lease per Sq Ft			
Rent	1300	* need to be populated		#VALUE!	#VALUE!
Equip Lease		* need to be populated			
Insurance		* need to be populated			$ -
Employee Salary + taxes		* need to be populated		$ -	$ -
Maintenance (equip)/center		* need to be populated			$ -
Utilties		* need to be populated			$ -
Marketing (4% local)				$ -	$ -
Misc/supplies		* need to be populated			$ -
Monthly Royalty fees	6%	1% national Marketing		$ -	$ -
Total Expenses				#VALUE!	#VALUE!
% of Gross				#VALUE!	#VALUE!
NET OP INCOME				#VALUE!	#VALUE!

Cash Breakdown			
C1 Chamber (single room)	$165,000	*Includes 1st full year service	
Localized Device (2)	$18,000	ship / install /training	
POS/Cryometrics	$14,500		
Normatec (2)/Theragun	$3,349		
Equipment lease items	**$200,849.00**		
Sales Tax rate	**$ 10,594.43**		
7.00%		**Buildout**	**$78,000**
* change rate by locality		Franchise fee	$20,000
		Est Total Open Capital **$313,243**	385,000
Indirect			
Cardio (2-3 units)	$ 1,800.0		
Laundry, Video, Furniture	$ 2,000.0		
Cost per sq ft	$70		
Tenant improvement return	($10)		
	$ 60.0		

VALUE PER SQ FT	$ -
Employee Wages	
Single FTE employee	
Hours per month	
244	
Annual	TOTAL HOURS MO
2928	Payroll
	Annualized
Hourly wage	
$0	$ -
# Employees	
2	
Per Shift	

Chamber
2-year service & warranty: Yr.-2 - $14,800 / $635 mo. (Line E24)

OPTIONAL SERVICE ITEMS PRICING	
Vibration Plate	$ 1,895.00
Light Stim	$ 3,250.00
Normatec Set (leg/Pulse)	$ 1,375.00

USCryotherapy FASTER RECOVERY • BETTER HEALTH

*** THIS IS PROVIDED AS A PLANNING TOOL NOT A PROJECTION OR GUARANTEE OF SALES. OUR MODEL AND PRICING IS PREDICTIVE OF CONSISTENT REVENUE PER CHECK-IN MULTIPLIED BY AVG DAILY CHECK-IN VOLUME. EXPENSES REPRESENT AVERAGES, NOT MARKET VARIED.**

*** SUBURBAN MARKET**
C4 REVENUE PLANNING

REVENUES	Monthly breakdown	Value	Visits Per Day	Per month	Annual
Wbody Chamber Treat POS		$ 55.00	0	$ -	$ -
Localized Treatment POS		$ 15.00	0	$ -	$ -
Exec Membership		$ 99.00	0	$ -	$ -
Mo Unlimited pass (c+1,2,3)		$ 249.00	0	$ -	$ -
Starter Pack (3-pak)		$ 99.00	0	$ -	$ -
Season Pass (3month)		$ 499.00	0	$ -	$ -
Annual Pass		$ 1,799.00	0	$ -	$ -
Facial Rejuvenation		$ 30.00	0	$ -	$ -
addons - Normatec/Theragun		$ 10.00	0	$ -	$ -
Other modalities (e.g., Cryoskin)		$ 1,500.00	0	$ -	$ -
Apparel/Drinks/gels		$ 15.00		$ -	$ -
	Daily Checkins/Avg Mo		0		
* Populate from Item 19 with ramp, average or maturity numbers				Rev per check in	#DIV/0!
Variables: awareness, pre-marketing, B2B sales, pre-launch plan					
		Total Income		$ -	$ -

EXPENSES / FIXED	sq ft	Lease per Sq Ft	Per month	Annual
Rent	2000	* need to be populated	#VALUE!	#VALUE!
Equip Lease		* need to be populated		
Insurance		* need to be populated		$ -
Employee Salary + taxes		* need to be populated		$ -
Maintenance (equip)/center		* need to be populated		$ -
Utilties		* need to be populated		$ -
Marketing (4% local)			$ -	$ -
Misc/supplies		* need to be populated		$ -
Monthly Royalty fees (7%)	6%	1% national Marketing	$ -	$ -
Total Expenses			#VALUE!	#VALUE!
% of Gross			#VALUE!	#VALUE!
NET OP INCOME			#VALUE!	#VALUE!

Cash Breakdown

C4 Chamber (2 room)	$275,000	*Includes 1st full year service	
Localized Device (2)	$18,000	ship / install /training	
POS/Cryometrics	$16,500		
HydroMassage Bed (Optional)	$22,500		
Normatec (2)/Theragun	$3,349	**Buildout**	**$120,000**
		Franchise fee	$30,000
Equipment lease items	**$335,349.00**		
Sales Tax rate	**$ 18,819.43**		
7.00%			
* change rate by locality			
		Est Total Open Capital	
		$510,868	597,900
Indirect			
Cardio (4-6 units)	$ 3,800.0		
Laundry, Video, Furniture	$ 2,900.0		
Cost per sq ft	$90		
Tenant improvement return	($30)		
	$ 60.0		

VALUE PER SQ FT $ -

Employee Wages	
Single FTE employee	
Hours per month	
244	
Annual	
2928	Payroll
Hourly wage	Annualized
$0	$ -
# Employees	
3	
Per Shift	

Chamber
2-year service & warranty: Yr.- 2 - $22,900 / $986mo (Line E25)

OPTIONAL SERVICE ITEMS PRICING	
Vibration Plate	$ 1,895.00
Light Stim	$ 3,250.00
Normatec Set (leg/Pulse)	$ 1,375.00
Theragun	$ 599.00

DISCLAIMERS

*** This tool is provided for you to develop your own budget.**
*** Product prices are estimated, actual invoicing may vary, as will build out expense by market**
*** Revenues in model are not guarantees or projections, they are based on forecast volumes using baseline pricepoints with value per check-in as unit economic strategy**
*** To use this tool, you should update numbers based on your own research**

EXHIBIT 7
STATE ADDENDA

CALIFORNIA RESIDENTS

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

The Franchisee's Initial Franchise Fee will be placed in a separate impound account at the Community Business Bank. The Initial Franchise Fee will not be released to the Franchisor until authorized to do so by the California Department of Business Oversight upon a showing that all pre-opening obligations of the Franchisor to the Franchisee have been fulfilled.

The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement provides for termination upon bankruptcy of the Franchisee. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

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

The Franchise Agreement reserves to the Franchisor the right to establish alternative channels of distribution within a Franchisee's Protected Territory.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning the termination, transfer, or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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 Franchise Agreement requires binding arbitration. The arbitration will occur at the county in California in which US Cryotherapy Franchising LLC maintains its principal office (currently Placer County) with the costs being borne by each party of any such proceeding.

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.

Neither the Franchisor, any person or franchise broker listed in ITEM 2 of the UFDD is subject to any currently effective order or 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 these persons from membership in this association or exchange.

The Franchisor maintains a website at www.uscryotherapy.com OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS

WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT www.dbo.ca.gov

YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE § 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§ 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE § 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§ 20000 THROUGH 20043).

Franchisor: **US Cryotherapy Franchising, LLC**	**Franchisee:** ____________________________
By: ____________________________ Kevin Kramer, Manager	By: __________________________ __________________________ (Print Name and Title)

ILLINOIS RESIDENTS

Illinois law governs the agreement(s) between the parties to this franchise.

Any provision in a franchise agreement that designates jurisdiction or venue outside of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois. 815 ILCS 705/4 (West 2010)

Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act, or any other law of Illinois is void. 815 ILCS 705/41 (West 2010)

The Franchise Agreement provides for termination upon bankruptcy of the Franchisee. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement reserves to the Franchisor the right to establish alternative channels of distribution within a Franchisee's Protected Territory.

The Franchise Agreement requires mandatory arbitration of disputes. The arbitration proceeding will take place in the county in California in which US Cryotherapy Franchising LLC maintains its principal office (currently Placer County). Each party will bear their own costs of any such proceeding.

YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. BY SIGNING THIS FRANCHISE AGREEMENT YOU MAY BE GIVING UP CERTAIN RIGHTS AND REMEDIES AGAINST THE FRANCHISOR.

FRANCHISEE'S PAYMENT OF INITIAL FRANCHISE FEES WILL BE HELD IN ESCROW AT A FEDERALLY-INSURED BANK UNTIL FRANCHISOR HAS MET ALL OF ITS INITIAL OBLIGATIONS TO FRANCHISEE AND FRANCHISEE HAS COMMENCED DOING BUSINESS. THIS FINANCIAL ASSURANCE REQUIREMENT WAS IMPOSED BY THE OFFICE OF THE ILLINOIS ATTORNEY GENERAL DUE TO FRANCHISOR'S FINANCIAL STATUS. A COPY OF THE ESCROW AGREEMENT IS ATTACHED TO THE FRANCHISE AGREEMENT AS EXHIBIT E, AND IS ON FILE WITH THE OFFICE OF THE ILLINOIS ATTORNEY GENERAL.

Franchisor:
US Cryotherapy Franchising, LLC

By: ______________________________
Kevin Kramer, Manager

Franchisee:
____

By: ___________________________
____
(Print Name and Title)

LOUISIANA RESIDENTS

The Franchise Agreement provides for termination upon bankruptcy of the Franchisee. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement requires mandatory arbitration of disputes. The arbitration proceeding will take place in the county in California in which US Cryotherapy Franchising LLC maintains its principal office (currently Placer County). Each party will bear their own costs of any such proceeding.

YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. BY SIGNING YOU MAY BE GIVING UP CERTAIN RIGHTS AND REMEDIES AGAINST THE FRANCHISOR.

The Post-termination non-compete provisions set forth in Section 18.2 of the Franchise Agreement shall be interpreted and enforced pursuant to the laws of the State of Louisiana, and not those of California.

Franchisor: **US Cryotherapy Franchising, LLC**	**Franchisee:** ______________________________
By: ______________________________ Kevin Kramer, Manager	By: __________________________ __________________________ (Print Name and Title)

MINNESOTA RESIDENTS

The Franchise Disclosure Document is hereby amended to modify Item 5 to add the following language:

> The Franchisee's Initial Franchise Fee will be placed in a separate impound account at the Community Business Bank. The Initial Franchise Fee will not be released to the Franchisor until authorized to do so by the Minnesota Department of Commerce upon a showing that all pre-opening obligations of the Franchisor to the Franchisee have been fulfilled.

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _________ between US Cryotherapy Franchising LLC ("Franchisor") and __________________________ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

(1) The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (a) the offer or sale of the 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 Business will be located or operated in the State of Minnesota.

(2) The following sentence is added to the beginning of Article XVII:

> With respect to franchises governed by Minnesota law, with regard to §§ 17.1, 17.2 and 17.3 of the Franchise Agreement, Franchisor will comply with Minnesota Statute §80C.14, Subd. 3,4 and 5 which requires, except in certain specified cases, that: (1) Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement and (2) consent to the transfer of the franchise will not be unreasonably withheld.

(3) The following sentence is added to the end of §2.4(A)(7); §16.3(A)(8); §18.1(A)(2); and §18.3(D):

> 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.

(4) Section 20.2(D) is deleted and replaced with the following:

> Franchisor shall be entitled to entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Franchise Agreement relating to: (1) Franchisee's use of Trademarks; (2) the construction and equipping of the Franchised Business; (3) the obligations of Franchisee upon termination or expiration of this Franchise Agreement; (4) a Transfer of this Franchise Agreement, any ownership interest therein or in the premises lease for the Franchised Business; and (5) as necessary to prohibit any act or omission by Franchisee or its employees that would constitute a violation of any applicable law, ordinance, or regulation, or which is dishonest or misleading to Franchisor and/or Franchisor's other licensees.

(5) The Franchise Agreement requires mandatory arbitration of disputes. However, the following sentences are added to the end of §20.2 and §20.5:

> Minnesota Statutes, §80C.21 and Minnesota Rule 2860.4400J prohibit the Franchisor from requiring arbitration or litigation to be conducted outside of Minnesota. In addition, nothing in the Franchise Disclosure Document or this Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, §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 in this Franchise Agreement.

(7) The Franchise Agreement provides for termination upon bankruptcy of the Franchisee. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

(8) The provisions of Section 18.2 shall be interpreted and enforced pursuant to the laws of the State of Minnesota.

(9) Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

Franchisor: **US Cryotherapy Franchising, LLC**	**Franchisee:** ______________________________
By: ______________________________ Kevin Kramer, Manager	By: __________________________ __________________________ (Print Name and Title)

NEW JERSEY RESIDENTS

The New Jersey Franchise Practices Act provides rights to the franchisee concerning the termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the Franchise Practices Act, the Act will control.

The Franchise Agreement provides for termination upon bankruptcy of the Franchisee. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement requires mandatory arbitration of disputes. The arbitration proceeding will take place in the county in California in which US Cryotherapy Franchising LLC maintains its principal office (currently Placer County). Each party will bear their own costs of any such proceeding.

YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. BY SIGNING YOU MAY BE GIVING UP CERTAIN RIGHTS AND REMEDIES AGAINST THE FRANCHISOR.

The Post-termination non-compete provisions set forth in Section 18.2 of the Franchise Agreement shall be interpreted and enforced pursuant to the laws of the State of New Jersey, and not those of California.

Franchisor: **US Cryotherapy Franchising, LLC**	**Franchisee:** ______________________________
By: ______________________________ Kevin Kramer, Manager	By: __________________________ __________________________ (Print Name and Title)

NORTH DAKOTA RESIDENTS

Any release required as a condition of renewal, sale, assignment/ transfer shall be ineffective as a release from liability. Franchisor fully complies with Section 51-19-09 of the North Dakota Franchise Investment Law.

Item 17(i) of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein: "Franchisor does not require and nothing in this section shall require the franchisee to consent to termination or pay liquidated damages."

Item 17(r) of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein: "Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."

Item 17(u) of the Disclosure Document and the Franchise Agreement are amended to delete the requirement that arbitration of disputes must be held in California and to instead specify that the site of arbitration shall be agreeable to all parties and not remote from the franchisee's place of business. The provisions of Item 17(v) of the Disclosure Document and the Franchise Agreement with regard to venue are hereby deleted and amended by the addition of the following language: "The Franchisee is permitted to enter into litigation with US Cryotherapy Franchising, LLC, the Franchisor, in any court within the county where the Franchised Business operates within the State of North Dakota."

The provisions of Item 17(w) and of the Disclosure Document and the Franchise Agreement with regard to the applicable law are hereby deleted and amended by the addition of the following language: "The Franchise Agreement will be construed and enforced under the laws of North Dakota without regard to the rules of conflict of laws."

Any claims arising under this Agreement shall be subject to the statute of limitations provided under North Dakota law.

The Franchise Agreement is hereby amended to delete the waiver of punitive or exemplary damages.

Franchisor: **US Cryotherapy Franchising, LLC**	**Franchisee:** ______________________________
By: ______________________________ Kevin Kramer, Manager	By: __________________________ __________________________ (Print Name and Title)

VIRGINIA RESIDENTS

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for US Cryotherapy Franchising, LLC's use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground 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.

Franchisor: **US Cryotherapy Franchising, LLC**	**Franchisee:** ______________________________
By: ______________________________ Kevin Kramer, Manager	By: __________________________ __________________________ (Print Name and Title)

WASHINGTON RESIDENTS

The Franchise Agreement is amended to provide all of the following:

The state of Washington has a statute, RCW 19.100.180, that may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your Franchise. There may also be court decisions that may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be in the state of Washington, in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

A release or waiver of rights executed by a Franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Such provisions as those that unreasonably restrict or limit the statute of limitations period for claims under the Act and 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.

The Washington Department of Financial Institutions requires the franchisor to defer payment of the initial franchise fee and other initial payments owed by franchisees in Washington to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

The undersigned does hereby acknowledge receipt of this addendum.

Franchisor: **US Cryotherapy Franchising, LLC**	**Franchisee:** ______________________________
By: ______________________________ Kevin Kramer, Manager	By: __________________________ __________________________ (Print Name and Title)

EXHIBIT 8
STATE EFFECTIVE DATES

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

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

California	Effective Date:	(Pending)
Indiana	Effective Date:	(Pending)

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT 9
RECEIPTS

RECEIPT OF THE DISCLOSURE DOCUMENT
FOR THE US CRYOTHERAPY SYSTEM

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

If US Cryotherapy Franchising LLC, ("we") offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and the State Agencies listed in Attachment A.

This Disclosure Document was provided by Kevin Kramer, 825 Wedgewood Ct, West Sacramento, CA 95606, (866) 279-2796. We authorize the agents listed in Attachment A to receive service of process for the US Cryotherapy system.

The franchise seller(s) offering this franchise is/are below:

- Kevin Kramer, 825 Wedgewood Ct, West Sacramento, CA 95606
- Todd Kramer, 825 Wedgewood Ct, West Sacramento, CA 95606
- Mike Lawn, 825 Wedgewood Ct, West Sacramento, CA 95606
- Linzie (Rob) Kramer, 825 Wedgewood Ct, West Sacramento, CA 95606

Issuance date: August 31, 2020

I received the US Cryotherapy system's Franchise Disclosure Document dated (Pending), which included the following attachments and exhibits:

1 Financial Statements
2 Franchise Agreement with Exhibits C-1/C-4
 A. Franchisee's Business Address of Authorized Location and Protected Territory Designation
 B. Service Marks
 C. Confidentiality and Nondisclosure Agreement
 D. State Regulations Which Supersede Agreement
 E. Franchisee Guarantee Agreement
 F. SBA Addendum
3 Operations Manual Table of Contents
4.1 Current Franchisees
4.2 Company-Owned Units
4.3 Former Franchisees
5 List of State Administrators
6 Planning Tool
7 State Addenda
8 State Effective Dates
9 Receipts

Date: ______________________________

____
Print Name:

____
Prospective Franchisee

____
Signed:

____
Prospective Franchisee

Individually or as an officer or partner of:

____

Please sign and date this page and retain this page in your possession as part of your records.

RECEIPT OF THE DISCLOSURE DOCUMENT FOR THE US CRYOTHERAPY SYSTEM

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Date: ______________________________

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Print Name:

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Prospective Franchisee

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Signed:

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Prospective Franchisee

Individually or as an officer or partner of:

____

Please return a signed and dated copy of this Receipt to Kevin Kramer c/o US Cryotherapy, 825 Wedgewood Ct, West Sacramento, CA 95606, phone (866) 279-2796.