FRANCHISE DISCLOSURE DOCUMENT

Vibe House Pilates Franchising, LLC
An Indiana limited liability company
1123 Merrillville Road
Crown Point, Indiana 46307
(219) 213-2398
Email: info@vibehousepilates.com
www.vibehousepilates.com

We offer qualified parties a franchise for the right to independently own and operate a business offering heated, music-driven, mat-based classes in a high-energy environment (each, a "Studio") utilizing our then-current proprietary marks, including our current primary mark VIBE HOUSE PILATES (collectively, the "Proprietary Marks") and the system of business operations developed by us (the "System").

We also offer qualified parties the right to develop multiple Studios within a given geographical area we designate and in accordance with an agreed-upon and mandatory development schedule.

The total investment necessary to begin operation of a single Vibe House Pilates franchised business ranges from $297,100 to $466,700. This includes between $72,700 to $102,700 that must be paid to us or our affiliates.

The total investment necessary to operate multiple Studios (a minimum of 2) under our form of area development agreement depends on the number of franchises we grant you the right to open. By way of example, the total investment necessary to enter into a development agreement for the right to develop three (3) franchised Studios is $372,100 to $541,700. This includes between $147,700 to $177,700 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 our Franchise Administration team at 1123 Merrillville Road, Crown Point, Indiana 46307 or at (219) 213-2398.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as ''*A Consumer's Guide to Buying a Franchise*,'' which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTCHELP 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: January 23, 2026

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
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 approved vendors and other suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D 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 Vibe House Pilates 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 Vibe House Pilates franchisee?	Item 20 and Exhibits H and I list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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What You Need to Know About Franchising *Generally*

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

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

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates (approved vendors). 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 that 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 A.

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

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Special Risks to Consider About *This* Franchise

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

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

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

3. **Unregistered Trademark.** We do not have a federal registration for our principal trademark. Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

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

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

6. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" pages (Exhibit E) for your state.

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

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

The Franchisor

We are Vibe House Pilates Franchising, LLC, an Indiana limited liability company. Our principal business address is 1123 Merrillville Road, Crown Point, Indiana 46307 and our telephone number is (219) 213-2398. We only do business under our corporate name and our then-current Proprietary Marks.

We grant franchises for the right to independently own and operate Franchised Businesses (Studios) that provide heated, music-driven, mat-based Pilates instruction featuring the following as of the Issuance Date: group Pilates classes delivered in a high-energy environment, in our then-current signature formats, which currently include Vibe Sculpt, Vibe Power, and Vibe Restore; the provision of app-based online exercise and wellness content; and the retail sale of branded apparel, accessories, mats, water bottles and other authorized retail items. Each Franchised Business must operate under our designated Proprietary Marks and in accordance with our then-current System standards and specifications.

We first began offering franchises as of the issuance date of this disclosure document. We have never directly owned or operated a business of the type being franchised, but certain of our management have owned and/or operated businesses similar to those offered under this disclosure document.

We do not sell franchises in any other line of business and, except as disclosed in this Disclosure Document, we are not otherwise engaged in any other business activity.

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

Our Parent, Predecessors and Affiliates

We have no predecessors or parents required to be disclosed in this Item.

Our affiliate, VHP Equipment & Merchandise, LLC ("VHPEM"), an Indiana limited liability company formed in November 2025 with the same business address as us, is our approved supplier for certain products that our franchisees (i) utilize in the operation of the Franchised Business, and (ii) offer for retail sale on-premises at the Franchised Business, including but not limited to Pilates mats, props, weights, accessories, and other ancillary items and equipment. VHPEM has not offered franchises in this or in any line of business.

Our affiliate, Swet, LLC ("Swet") an Indiana limited liability company formed in December 2021 with the same business address as us, currently operates two (2) mat-based Pilates studios that are substantially similar to franchised Studios offered under this disclosure document in Crown Point and Valparaiso, Indiana, respectively (the "Affiliate-Owned Studios"). From April 2023 until October 31, 2025, the Affiliate-Owned Studios operated under the trade name "Sweat 219." As of November 1, 2025, the Affiliate-Owned Studios each operate our current Mark, "Vibe House Pilates." Swet has not previously offered franchises in this or in any line of business.

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The Franchised Business

System Studio(s) Generally

Your franchised Studio will be authorized to offer and provide (a) Pilates instruction and related fitness instruction, wellness and recovery services, app-based fitness platforms, and any other Pilates- or fitness-related services we require or authorize you to provide in writing, (collectively, the "Approved Services"), and (b) small equipment and props used in mat-based Pilates (for example, mats and similar items), branded apparel, accessories and other merchandise, as well as any other products we require or authorize for retail sale (collectively, the "Approved Products").

The Approved Services provided at your Studio must be performed by individuals that you independently determine have sufficient Pilates instruction experience or similar group fitness instruction experience prior to engaging. You (or if you are an entity, your principal(s)) and the lead trainer of the Franchised Business (your "Master Trainer") must attend and complete the appropriate components of our initial training program designed to provide instruction on how to provide the Approved Services in accordance with our then-current System standards and methodologies. If a Master Trainer is required to have certification as a Pilates instructor in order to provide certain of the Approved Services, our standard franchise offering assumes and expects that your Master Trainer will already have such certification at the time they commence their engagement or employment at your Franchised Business.

Your Franchised Business must be operated using our Proprietary Marks and in accordance with our proprietary operating System, which is comprised of various components, including: (i) methodologies and know how, information, trade secrets regarding the provision of the Approved Services, sourcing and resale of certain Approved Products and the establishment and operation of a franchised Studio generally; our confidential franchisee operations manual (the "Manual") and other proprietary manuals we may provide you with access to via hard copy or online (collectively, the "Manuals"); proprietary training (both initial and ongoing) related to the operation of a Studio, as well as all related training materials; designated sources and existing relationships with suppliers that you are either required or pre-approved to purchase certain items or services from that are necessary to establish and./or operate a franchised Studio; information and, if we determine appropriate, prototypical plans for the design and layout of a franchised Studio; specified small equipment and props, inventory, mats, furniture and any fixtures that are necessary to build out a typical Studio; our Proprietary Marks, as well as any other interior and exterior design, décor, color schemes, advertising and marketing specifications, and other standards, specifications, techniques, and procedures that we designate for developing, operating, and managing one (1) or more Studios. We may update, supplement, change or otherwise modify the System, as well as corresponding System suppliers, standards and specifications, as we determine appropriate from time to time via the Manuals or otherwise in writing.

Franchise Agreement and Approved Location

In order to own and operate a Franchised Business, you must enter into our then-current form of franchise agreement, attached to this Disclosure Document as Exhibit B (the "Franchise Agreement"). If the franchisee is a business entity (for example, a corporation, partnership or limited liability company), then all of the individuals that have any type of ownership interest in the franchisee entity, as well as their spouses, must sign our form of personal guaranty (attached as an Exhibit to the Franchise Agreement) where each owner agrees to be personally bound by, and personally guarantee, the entity's obligations under all terms of the Franchise Agreement (the "Personal Guaranty"). If the franchisee is an individual, then the franchisee's spouse will be required to execute the Personal Guaranty unless the spouse also signs the Franchise Agreement directly.

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If you already have secured the Approved Location for your Franchised Business at the time you sign your Franchise Agreement, that approved site will be listed in the Data Sheet attached to your Franchise Agreement as Exhibit A (the "Data Sheet"). Otherwise, we will (a) designate a non-exclusive "Site Selection Area" on your Data Sheet wherein you will have the right to locate and secure your Approved Location, and (b) subsequently designate and approve your Approved Location, once secured, in an updated form of the Data Sheet.

Once you have secured your Approved Location, we will designate a geographic area around that Approved Location in which we will agree not to open or locate, or license any other third party the right to open or locate, another Studio using the Proprietary Marks and System (the "Designated Territory"), as described more fully in Item 12 of this Disclosure Document.

Multi-Unit Offering

We also offer qualified individuals and entities the right to open and operate multiple Franchised Businesses within a designated geographic area (the "Development Area") and in accordance with a mandatory development schedule (the "Development Schedule") under our current form of area development agreement that is attached to this Disclosure Document as Exhibit C (the "Development Agreement").

Typically, you will be required to sign a Franchise Agreement for your initial Franchised Business at the same time you sign your Development Agreement, but we also have the option of waiting until you have found an approved Premises for that initial Franchised Business before you are required to sign the corresponding Franchise Agreement. Regardless, you will eventually need to sign our then-current form of franchise agreement for each of the Franchised Businesses you open under the Development Schedule, which terms may differ from the franchise agreement included within this disclosure document.

You will be required to pay us a one-time development fee that will be calculated based on the number of Franchised Businesses we award you the right to develop within the Development Area you are awarded under your Development Agreement (the "Development Fee").

Market and Competition

The market for mat-based hot Pilates studios is highly competitive. You will compete with businesses, including national, regional and local operators, offering products and services similar to those offered by your Franchised Business, including other Pilates, yoga, barre and boutique fitness studios offering individual or group exercise sessions, as well as general health clubs and gyms. There are other class-based fitness, Pilates and related boutique studio franchises, as well as independent businesses throughout the United States, that may offer similar products and services to those offered by your Franchised Business. Sales are not typically seasonal in nature.

Your competitive advantage in the marketplace will be based on your adherence to our System standards and guidelines, as well as your entrepreneurial and managerial abilities and focus on customer service.

Industry-Specific Regulations

You should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits which may be required for your business.

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You must comply with any health club laws applicable to your business, which may require you to register with your state's consumer protection agency and, if pre-selling memberships, provide a bond or other form of financial security.

Most states and local jurisdictions have also enacted other laws, rules, regulations and ordinances that may apply to the operation of your business, including those that: (i) establish general standards, specifications and requirements for the construction, design and maintenance of the business premises; (ii) regulate matters affecting the health, safety and welfare of your customers, such as restrictions on smoking; (iii) set standards pertaining to employee health and safety; (iv) regulate matters affecting requirements for accommodating disabled persons, including the Americans with Disabilities Act; (v) set standards and requirements for fire safety and general emergency preparedness; and (vi) regulate, or otherwise relate to or govern, the operation of a Studio generally (including those that may require you to obtain certain permits, certificates, licenses or approvals to provide the Approved Products and Approved Services at your Franchised Business).

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

Please be advised that you must investigate and comply with all of these applicable laws and regulations.

ITEM 2
BUSINESS EXPERIENCE

Rosalie Black: Chief Executive Officer

Rosalie Black has served as our Chief Executive Officer since our inception. In addition to this role, Ms. Black has served since April 2023 as President and CEO of our affiliate Swet, LLC, which owns and operates two (2) Studios in Crown Point and Valparaiso, respectively, since April 2023 and February 2025. In addition to these roles, Ms. Black is also a Realtor at Better Homes + Gardens Real Estate in Crown Point, Indiana since August 2015. Ms. Black maintains her office in Crown Point, Indiana.

Jeanette Fredericksen – Chief Training Officer

Jeanette Fredericksen has been our Chief Training Officer since our inception. In addition to this role, Ms. Fredericksen serves as Chief Training Officer of our affiliate, Swet, LLC since April 2023, and is also the owner of Driip LLC (our System designated supplier for retail and operational inventory at franchised Studios) in Merrillville, Indiana since February 2022. Ms. Fredericksen was not employed prior to this time. Ms. Fredericksen maintains her office in Crown Point, Indiana.

Adrianna Saenz – Director of Marketing

Adrianna Saenz has served as our Director of Marketing since our inception, and as the Director of Marketing at our affiliate, Swet, LLC, since January 2022. Ms. Saenz previously served as a Sales Advisor at STRIDE Fitness from January 2021 to May 2022, as a receptionist at Lakes of Valparaiso/Weiss Entities from August 2022 to March 2023, and as Sales Development Representative at Sutra Fitness, Inc. in Manhattan, New York from June 2024 to December 2024. Ms. Saenz maintains her office in Crown Point, Indiana.

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ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Franchise Agreement: Initial Franchise Fee

New Studio

You must pay us an initial franchise fee amounting to $60,000 (the "Initial Franchise Fee") in a lump sum upon execution of your Franchise Agreement, which covers the franchise license to operate your Franchised Business within your Designated Territory.

Your Initial Franchise Fee is uniformly imposed, deemed fully earned upon payment and is not refundable under any circumstances.

Veteran Discount

We are proud to offer a discount of $5,000 on the initial franchise fee for a single Studio to honorably discharged veterans of U.S. Armed Forces who otherwise meet our requirements. This discount is only applicable for the first Franchised Business awarded to you. You qualify for a veteran discount if you or your majority owners (those individuals who own and control more than 50% of the equitable interest and voting rights in you if you are any type of legal entity) are a member of any branch of the United States military or are a veteran of any such military branch who has received an honorable discharge.

Grand Opening Advertising

Commencing approximately twelve (12) weeks prior to the opening of your Studio and continuing for four (4) weeks following its grand opening, you must expend a minimum of $30,000 on the initial marketing and advertising of the Franchised Business, including its grand opening event (the "Grand Opening Advertising" requirement). You will expend the Grand Opening Advertising requirement with third-party vendors, however, we reserve the right to require that all or a portion of such funds (i) be expended with designated suppliers, which may include us or our affiliate, and (ii) to collect the funds and expend them in your Territory on your behalf. The Grand Opening Advertising requirement is uniformly imposed and, if paid to us or our affiliate, will be due in lump sum, deemed fully earned when paid, and is not refundable under any circumstances.

Class Supplies and Affiliate Inventory Package

Prior to opening, you must purchase from our affiliate, VHPEM, a package consisting of (i) certain

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equipment, accessories, props, and other items necessary for the provision of classes at the Franchised Business ("Class Supplies"), and (ii) certain inventory that you will use both for the provision of Pilates classes and sell at retail from the Franchised Business ("Initial Inventory"). Class Supplies include dumbbells, yoga blocks, Pilates rings, resistance bands, and similar items, while Initial Inventory includes yoga mats, hot Pilates towels, grip socks, and ankle/wrist weights. The estimated cost for the Class Supplies and Affiliate Inventory Package is $12,700, due in lump sum at the time of purchase. You must purchase additional supply of initial inventory prior to the opening of the Franchised Business, but certain inventory items are not provided by VHPEM and therefore the estimate for such items is not included in this Item 5. See Item 7 for the estimated initial investment associated with initial inventory. The Class Supplies and Affiliate Inventory Package fee is uniformly imposed, deemed fully earned when paid and is not refundable under any circumstances.

Development Agreement: Development Fee

If we grant you the right to develop multiple Franchised Businesses under a Development Agreement, you must pay us a one-time development fee (the "Development Fee") that is based on the number of franchises we grant you the right to open within your Development Area. The Development Fee is as follows:

# of Franchised Business	Development Fee
2	$110,000
3	$135,000
4	$180,000
5	$225,000
6	$240,000
7	$280,000
8	$320,000
9	$360,000
10 and Subsequent	An additional $35,000 per Franchised Business

The minimum number of Studios required to be opened under our form of development agreement is two (2). The Development Fee is paid in lump sum, deemed fully earned by us upon payment and is not refundable under any circumstances.

Except as otherwise disclosed in this Item, all fees described above are calculated and imposed uniformly on new System franchisees.

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ITEM 6
OTHER FEES

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Royalty Fee	The greater of (a) 7% of Gross Sales, or (b) $500 per week (the "Minimum Royalty").	Currently weekly, on or before the day we designate each week based on the Gross Sales generated during the preceding calendar week.	We may change the interval at which we collect the Royalty Fee upon 30 days' prior written notice via the Manual(s) or otherwise. Your obligation to pay the Minimum Royalty commences in the 13th month of operation of the Franchised Business. See Note 3 for the definition of "Gross Sales."
Brand Development Fund Contribution	2% of Gross Sales	At the same time and in the same manner as your Royalty Fee.	We currently require that franchisees make contributions to our Brand Development Fund (the "Fund"). We reserve the right to increase the amount of the required Fund contribution upon 30 days' written notice; provided that the amount of such required contribution will not exceed 3% of Gross Sales during the initial term of the Franchise Agreement. Please see Item 11 of this Disclosure Document for additional information about the Fund.
Local Advertising Requirement (LAR)	The greater of (i) 3% of Gross Sales, or (ii) $2,500 per month.	If required, this expenditure must be made monthly based on the Gross Sales generated in the preceding calendar month	We reserve the right to require that you expend LAR funds with one (1) or more Approved Supplier(s) that we designate.
Technology Fee	$350 per month (per Studio)	As agreed.	As of the Issuance Date, we provide access to certain technology and related services necessary to operate your Franchised Business in accordance with our current

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TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
			System, and we charge a Technology Fee to help defray the costs and expenses. Such technology and services includes three (3) business email addresses, access to the System intranet, access to our learning management software (LMS), our designated design platform, and our designated social media management platform. We reserve the right to modify our Technology Fee and/or the services/technology we cover as part of this fee upon prior written notice via the Manuals or otherwise, provided that we will not increase the Technology Fee by more than 10% each year during the initial term of the Franchise Agreement.
Third-Party Required Software	The then-current amounts charged by our Approved Supplier(s) for any Required Software we designate. Currently: (a) $708 per month for our required third-party business management system, and (b) $37.50 per month for our designated accounting software (QuickBooks Online).	As invoiced or otherwise agreed with our then-current Approved Supplier(s).	We have the right to designate various software for use in connection with your Computer System and Franchised Business via the Manuals or otherwise in writing (each, a "Required Software"), which we expect will typically be licensed from the Approved Supplier we designate (third-party or otherwise). As of the Issuance Date, none of these amounts are paid to us or our affiliate. These fees are subject to increase only up to the amount of any increase by our third-party providers.
Training Fee	$500 per trainer per day, plus our trainers' costs and expenses	As incurred.	We may charge you our then-current training fee in the following circumstances: (i) if you or one of your managers/personnel that is required to complete our initial training is replaced and/or fails to complete initial training and is required to re-attend; (ii) if you

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
			request that we provide you with any additional training or otherwise request that we provide you with any on-site assistance in connection with your Franchised Business that is not already covered by us as described more fully in Item 11; and (iii) any remedial training that we require you to attend and complete as part of the cure actions in connection with your default under the Franchise Agreement ("Remedial Training"). We may increase these fees by up to 10% per year during the term of the franchise agreement. In other circumstances where we require you to attend additional or refresher training at our request, we will not charge you a Training Fee.
Renewal Fee (Franchise Agreement only)	$10,000	Prior to our approval of your request to renew	There are other conditions that must be met in order to renew the franchise rights awarded under your Franchise Agreement. Please see Item 17 of this Disclosure Document for additional information.
Transfer Fee (both Franchise Agreement and Development Agreement)	FA: $10,000 ADA: $10,000 per undeveloped franchise	Prior to us approving any transfer or assignment proposal in connection with the Franchised Business or Franchise Agreement	In certain instances, we will not charge a Transfer Fee (individual to a wholly-owned entity form; transfer due to death or disability) and, in such instances, may request reimbursement of our costs/expenses in preparing the applicable form of assignment and consent to transfer agreement. There are other conditions that must be met or satisfied in order for us to approve any proposed "transfer" of your franchise rights or your ownership (if you

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
			are an entity), which are disclosed more fully in Item 17.
Audit Expenses	Amount of our costs for conducting the audit	Upon invoice	Payable if we audit your books and records and we determine that you have misstated any financial statement or report that you submitted to us by 2% or more of the Gross Sales or other amount owed.
Annual Franchisee Convention Registration Fee	Not currently assessed.	N/A	You pay all expenses for your attendees. If we host an annual convention or meeting, we reserve the right to charge a fee up to $2,000, whether or not you and your representatives attend the convention.
Evaluation Fee (if and as applicable)	We reserve the right to charge a fee in connection with the evaluation of any (a) alternative supplier to substitute for a current Approved Supplier, and/or (b) any product or item that is not an Approved Product, amounting to $500.	If and as invoiced prior to our evaluation or approval	We also reserve the right to collect amounts to reimburse us for the out-of-pocket costs we incur in connection with any such evaluation. Please see Item 8 for additional information.
Relocation Fee	We reserve the right to charge a fee up to $2,500, plus actual costs/expenses incurred in connection with evaluating the proposed relocation site.	Before we grant our consent	There are a number of conditions that must be met in order for us to consider and approve your request for relocation, including appropriate prior notice of the contemplated relocation.
Regional Advertising Cooperative Contribution	Not currently assessed.	As incurred.	We have the right, as we deem necessary in our sole discretion, to establish and maintain advertising cooperatives for the benefit of franchised businesses in a particular region. If such a cooperative is established, then (i) the required amount of the contribution will not exceed the

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
			amount of Local Advertising Requirement, and (ii) cooperative contribution expenditures will be credited toward the LAR.
Interest on Late Payments	18% per annum or maximum amount allowed by law, whichever is less	As incurred	Payable in connection with amounts that are past due and owing us and/or our affiliates in connection with your Franchised Business.
Declined Payment Charge	The greater of (a) $35 or (b) our actual expenses	Upon invoice or written demand	Due if your credit or debit card payment is declined or your check or electronic payment is dishonored by the bank.

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Indemnification	All expenses and liabilities from, relating to or connected to the operation of your Studio, including, for example, claims for errors or omissions of you or your employees, contractors, officers, directors, managers, shareholders, members, invitees and vendors	Upon invoice	If we are made a party to any legal proceeding because of your operation of your franchised Studio, we can hire counsel and bill you for all expenses and fees we incur. You are required to indemnify, defend and hold us and our related parties harmless from any damages, costs or claims associated with any breach or misrepresentation under the Franchise Agreement or otherwise arising out of the operation of the Franchised Business.
Attorney's Fees and Costs; Enforcement-Related Costs	Our costs and expenses	As invoiced or ordered	You are responsible for covering our costs and expenses in connection with (a) enforcing the terms of your Franchise Agreement against you and/or your guarantors, and (b) any action or proceeding that either party initiates if we prevail.
Management Fee	Eight percent (8%) of the Gross Sales of the Franchised Business during the time period that Franchisor's representatives are operating the Franchised Business, plus all reasonable costs and overhead that Franchisor incurs in connection with its operation of the Franchised Business.	As incurred	Due when we (or a third party) manage your Franchised Business after your default or abandonment.

Explanatory Notes

Generally. Except as otherwise stated in this Item, all fees listed in this Item 6 Chart are imposed by, and payable to, us and are uniformly imposed on all of the franchisees in our System. These fees are payable in U.S. dollars and are non-refundable unless otherwise stated in this Item. Unless otherwise stated, the fees outlined in the Chart above apply to the Franchise Agreement only (and not the Development Agreement).

1. **Royalty Fee and Other Fees – Payment Method.** Your Royalty Fee, as well as any other fees payable to us or our affiliates under the Franchise Agreement, may be collected by us via EFT from the bank account you are required to designate solely for use in connection with your Franchised Business (your "EFT Account"). You must provide us with the details of your EFT Account prior

to opening and execute all documents necessary to authorize us to make withdrawals from this account throughout the term of your Franchise Agreement, including our then-current EFT Withdrawal Authorization form that is attached as an Exhibit to our current form of Franchise Agreement. You must provide us with advance written notice of any change to the information related to your EFT Account.

2. **Collection Interval.** We reserve the right to change the interval at which we collect your Royalty Fee, Fund Contribution and other recurring fees payable to us or our affiliates under the Franchise Agreement upon written notice to you. For example, we may collect these recurring fees on a monthly, rather than weekly, basis.

3. **Definition of Gross Sales.** "Gross Sales" means the total revenue generated at, through or otherwise by your Franchised Business or any other activities conducted at the Premises, including all revenue generated from the sale and provision of (i) Approved Services, including all Pilates instruction and class services and Studio membership revenue, (ii) Approved Products, including all retail apparel and merchandise you are authorized to offer at your Franchised Business, (iii) gift cards, (iv) other activities offered and provided by the Franchised Business, and (v) all proceeds from any business interruption insurance related to the non-operation of your Franchised Business, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. "Gross Sales" does not include (a) any sales tax and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, or (b) the value of any allowance issued or granted to any member or patron of the Franchised Business that is credited in good faith by Franchisee in full or partial satisfaction of the price of the Approved Services or Approved Products as part of a *bona fide* refund transaction.

4. **Right to Inspect/Audit.** We have the right to inspect your books and other financial information associated with your Franchised Business during the term of the Franchise Agreement. If we conduct an audit and it reveals that you have underreported your Gross Sales by two percent (2%) or more, then we may require you to (a) pay the costs we incur in connection with conducting the audit of your Franchised Business (including any fees paid to auditors and/or attorneys), and/or (b) provide us with annual audited financial statements regarding the operation of your Franchised Business.

5. **Interest on Late Payments.** Interest begins to accrue on the due date of any payment that has not been timely received or is not paid in full.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

A. **Franchise Agreement**

Type of Expenditure	Amount (Low Estimate)	Amount (High Estimate)	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[1]	$60,000	$60,000	Lump sum	At signing of Franchise Agreement	Us
Buildout/Leasehold Improvement[2]	$110,000	$220,000	As arranged	As invoiced	Third-Party Suppliers
Construction Management[3]	$0	$17,500	As arranged	As invoiced	Third-Party Suppliers
Architect/Design[4]	$12,500	$17,500	As arranged	As invoiced	Third-Party Suppliers
Furniture, Fixtures & Equipment[5]	$4,000	$6,000	As incurred	As invoiced	Third-Party Suppliers
Lease Deposits[6]	$3,000	$5,000	As incurred	Lease signing	Landlord
Utilities[7]	$500	$1,000	As arranged	Lease signing	Landlord/Utility Company
Grand Opening Advertising[8]	$30,000	$30,000	As arranged	As arranged	Third-Party Suppliers, or Us
Initial Retail Inventory & Uniforms[9]	$8,000	$10,000	As incurred	As invoiced	Affiliate Supplier, Third-Party Approved Supplier
Class Supplies[10]	$7,500	$7,500	As incurred	As invoiced	Affiliate Supplier
Computer Equipment[11]	$1,600	$3,200	As arranged	As arranged	Third-Party Suppliers
Audio-Visual Equipment[12]	$15,000	$25,000	As arranged	As arranged	Third-Party Suppliers
Signage[13]	$15,000	$20,000	As arranged	As arranged	Third-Party Suppliers
Office and Studio Supplies[14]	$1,000	$2,000	As arranged	As arranged	Third-Party Suppliers
Insurance[15]	$3,000	$5,000	As incurred	As incurred	Third-Party Suppliers
Professional Fees[16]	$5,000	$7,000	As arranged	As arranged	Attorney(s), Accountant(s), Third Parties
Initial Training Costs and Expenses[17]	$5,000	$7,500	As incurred	As arranged	Third-Party Suppliers
Licenses & Permits[18]	$1,000	$2,500	As incurred	As incurred	State and Local Agencies
Additional Funds (3 Months)[19]	$15,000	$20,000	As incurred	As incurred	Various
TOTAL	**$297,100**	**$466,700**			

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Explanatory Notes to Charts 7(A) Above

Generally. None of the expenses shown in the Charts above are refundable, unless you are able to negotiate that with any third-party provider/supplier (where permitted). As disclosed in Item 10 of this Disclosure Document, we do not offer direct or indirect financing for the initial franchise fee. We will not guarantee your note, lease, or obligation.

1. *Initial Franchise Fee.* The Initial Franchise Fee is described in more detail in Item 5.

2. *Buildout/Leasehold Improvement.* The estimate above is based on the following assumptions and characteristics of a typical Franchised Business: (i) your premises will be a "vanilla box" that is approximately 1,600 to 2,000 square feet; and (iii) your business will be located in a moderately populated suburban area. Please note that if your Franchised Business is (a) larger than 2,000 square feet, (b) requires substantial buildout of essential infrastructure, (c) consists of more than one floor/story, and/or (d) is located in a major city or densely populated metropolitan area, your costs may be higher. The estimate above is based on our management teams' experience in operating similar Studios. When calculating the low and high end of this range, we accounted for (a) an estimated minimum tenant improvement allowance in the amount of $25,000, and (b) information we have received from various third-party sources regarding tenant improvement credits and/or allowances (i.e., free or reduced rent) for a Premises that has the kind of square footage described above. If you are able to negotiate a tenant improvement allowance from your landlord, the landlord typically may require you to provide proof that you have paid for the leasehold improvements before reimbursing you. As a result, your actual out-of-pocket costs and the cost of any construction financing that you may need to obtain may be higher than the leasehold improvement costs presented in this table. Your actual costs will depend on, among other factors, the Studio location, the size of the Studio, the condition of the premises being remodeled, national and local economic factors, the local costs of materials and labor, and the amount of tenant improvement allowances, rent abatement, or other comparable credits that you are able to obtain, if any. In certain major metropolitan markets such as Boston, Chicago, New York, Los Angeles, San Diego, San Francisco, Seattle, and Washington, D.C., costs could be significantly higher than the estimates provided here due to local market rates for materials and labor.

   If you determine to finance your build-out and construction costs, your down payment, interest rate, loan term, payment schedule, collateral requirements and other loan terms will vary depending on your creditworthiness and the lender's underwriting standards and credit policies.

3. *Construction Management*. You are strongly encouraged, but not required, to use our approved vendor for real estate and construction project management services. If you elect not to use the approved vendor, you will be solely responsible for all aspects of securing real estate, finding a contractor, securing permits, signage, and furniture, fixtures, and equipment, and otherwise meeting all aspects of brand standards.

4. *Architect/Design*. The estimate above is for the engagement of our Approved Supplier for architecture and design services to prepare and provide you with architectural and design drawings for the construction and buildout of your approved Premises in accordance with our current System standards and specifications.

5. *Furniture, Fixtures & Equipment*. The estimate above includes the cost of a lobby mirror, retail racks/shelving, storage shelving, instructor seating, vacuum cleaner, and steam cleaner.

6. *Lease Deposits*. Premises lease deposits vary widely from market to market and from landlord to landlord. The range above expects and assumes a security deposit that amounts to one (1) month of rent.

7. *Utilities*. Utility costs will vary depending upon the size of your Studio and your utility provider's deposit requirements.

8. *Grand Opening Advertising*. Commencing approximately twelve (12) weeks prior to the opening of your Studio and continuing for four (4) weeks following its grand opening, you must expend a minimum of $30,000 on the initial marketing and advertising of the Studio, including its grand opening event (the "Grand Opening Advertising" requirement). See Item 5 for additional information.

9. *Initial Retail Inventory and Uniforms*. This category includes your opening inventory of retail apparel and other products, staff uniforms, and other products used for training. Certain of these items must be purchased through our affiliate supplier.

10. *Class Supplies*. These investment ranges are expected and intended to cover all designated exercise and/or other operational equipment necessary to the provision of the Approved Services from the Premises.

11. *Computer Equipment*. The high end of this estimate includes the cost of required equipment including 2 tablet computers, 1 laptop, 1 card reader and cash drawer, printer, and telephone. The low end assumes you have some pieces of equipment that meet our standards that may be used, subject to our approval.

12. *Audio-Visual Equipment*. This estimate is designed to cover the cost of purchasing and installing our required audio-visual equipment package, including but not limited to an audio control system, microphones, and speakers. We may require you to use our preferred vendors for the installation of these items.

13. *Signage*. This range is intended to cover one (1) dedicated exterior sign and one (1) dedicated interior sign at the Studio, as well as interior graphics and window vinyls.

14. *Office and Studio Supplies*. This estimate includes general office supplies, cleaning products, and smallwares.

15. *Insurance*. Your insurance costs will vary depending on the size of your Studio, the coverage and policy limits you select and the geographic location of your Studio. We assume that, in most cases, you will be required to pay the first month's premium in advance when the insurer or the broker issues your policy(s). See Item 8 for our current insurance requirements.

16. *Professional Fees*. The range above includes an estimate of the professional fees you may incur for (i) your attorney to review your franchise agreement and any related documents, the premises lease for your Studio and any loan documents or equipment leases for your Studio; and for (ii) your accountant to set up your financial books and records to comply with your federal, state, and local tax obligations.

17. *Initial Training Costs and Expenses.* Before you open your Studio (and as a condition for any renewal or transfer of your franchise agreement), you (or your successor, or the transferee if

applicable), your designated manager and Master Trainer must satisfactorily complete our initial training program. The range above is estimated to cover the travel, lodging, meals and other expenses that you will incur for you, your designated manager, and your Master Trainer to attend and participate in our initial training program. This estimate does not include the wages of your employees and other initial training team during the time they are participating in the portion of the Initial Training Program we provide on-site at your Franchised Business closer to the expected opening of your Franchised Business.

18. *Licenses and Permits.* The estimate above is for the general business license(s) you may be required to obtain prior to opening your Studio. Please note that in certain states, Studios and similar businesses must be bonded before they can begin to sell memberships to the public. You should investigate your state's laws to determine the exact amount of any such bonding prior to investing in a franchise.

19. *Additional Funds (3 Months)*. This category includes the estimated working capital, employee wages and benefits, marketing and promotion expenses, operating cash and other miscellaneous expenses that you incur before your Studio opens and during the first 90 days that it is open and operating. The estimate above does not account for any finance charges or owner salary/draw. We relied on our management team's experience in developing these figures.

B. <u>Development Agreement</u>

YOUR ESTIMATED INITIAL INVESTMENT – DEVELOPMENT AGREEMENT FOR NEW FRANCHISED STUDIOS (Using Development of Three Studios as an Example)				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Development Fee (Notes 1, 2 and 3)	$135,000	Lump Sum	Upon execution of Development Agreement	Us
Estimated Investment to Develop Initial Studio within Development Area	$237,100 to $406,700	See Chart 7(A) for the initial investment associated with the opening and initial operations of a new franchised Studio.		
Total	**$372,100 to $541,700**	This is the total estimated initial investment to enter into a Development Agreement for the right to own a total of three (3) Studios, as well as the costs to open and commence operating your initial Studio for the first three (3) months (as described more fully in Chart A of this Item 7).		

Explanatory Notes to Chart 7(D) Above

1. *Generally.* All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Development Agreement for the right to own and operate three (3) Franchised Businesses, as well as the initial investment to open your first Franchised Business under your Development Schedule.

2. *Development Fee.* The Initial Development Fee is described in greater detail in Item 5 of this Disclosure Document, and this Initial Development Fee is for the right to open and operate, by way of example, a total of three (3) Franchised Businesses (provided you comply with your development obligations under the Development Agreement). The minimum number of Studios required to be opened under our form of development agreement is two (2).

3. *Estimated Investment to Develop Initial Franchised Business.* This figure represents the total estimated initial investment required to open the initial Franchised Business you agreed to open and operate under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for the initial Franchised Business you open under your Development Agreement. The range includes all the items outlined in Chart 7.A. of this Item, except for the Initial Franchise Fee (because you are not required to pay any Initial Franchise Fee for those Franchised Businesses you open under the Development Agreement).

   Additional Note: This Chart 7(D) does not include any of the costs you will incur in opening any additional Franchised Business(es) that you are granted the right to open and operate under your Development Agreement – because such amounts are not likely to be incurred until after you have operated your initial Franchised Business over the initial ramp up period described in Chart 7(A).

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

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

Approved Products and Approved Services

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

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

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Approved Suppliers

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

As of the Issuance Date, we have Approved Suppliers for the following items that you are required to purchase or lease or license in connection with your Franchised Business: (i) required software you must use for accounting, class scheduling, Studio management, member intake and marketing, and various other primary functions of the Studio operations, including the software provided as part of the Technology Fee; (ii) required point-of-sale system ("POS System") and related software; (iii) construction management services for the buildout of the Studio premises; (iv) architecture and engineering services for the buildout of the Studio premises; (v) certain mats, weights, and other equipment/supplies necessary to provide the Approved Services; (vi) uniforms; (vii) marketing/advertising services; (viii) the services provided in consideration of the Technology Fee; and (ix) certain furniture and fixtures necessary to build out your Franchised Business.

Currently, we are the Approved Supplier only for any training we provide to you as consideration for our then-current Training Fee. As disclosed in Item 1, our affiliate, VHPEM, is our Approved Supplier for certain items, equipment, and inventory you must purchase for use in the operation of the Franchised Business, as well as for retail sale from the Franchised Business. You may not use an independent consultant for studio operations and management consulting services without our prior written consent, which we may grant or withhold in our sole discretion.

Except as provided above, we and our affiliates are not the designated or Approved Supplier for any required purchase. Our officer, Rosalie Black, is the owner of VHPEM, our Approved Supplier for certain operational and retail inventory you must acquire for the Franchised Business. Our officer, Jeanette Fredericksen, is the owner of Driip, LLC, our System designated supplier for clothing and apparel. Except as disclosed above, we do not have any officers that own an interest in any of our Approved Suppliers.

Insurance

Upon execution of the Franchise Agreement, you must purchase and maintain the minimum insurance coverage that we specify. This includes (a) commercial general liability insurance, including coverage for professional liability and sexual abuse of at least $1 million per occurrence and $2 million aggregate, with additional umbrella insurance coverage of $1 million; (b) worker's compensation coverage in the limits required by the state in which the Franchised Business is located; (c) employer liability coverage with a minimum limit of $500,000 each occurrence, or, if higher, the statutory minimum limit as required by state law; (d) business interruption insurance; (e) property insurance for the full replacement value of furniture, fixtures, equipment, vehicles, inventory, and leasehold improvements; (f) comprehensive automobile insurance of $1 million for any vehicle operated on behalf of the Franchised Business; (g) Employment Practices Liability Insurance ("EPLI") of at least $500,000, with both first-party and third-party coverage. Each policy must be written by a responsible carrier or carriers acceptable to us, and all general liability policies must name us and our respective officers, directors, partners, agents and employees as additional insured parties, as their interests may appear along with a waiver of subrogation in favor of the franchisor for the general liability and workers compensation policies. We must also be named as an additional insured on the general contractor's general liability policy under your Tenant Improvement Property Coverage policy. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

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Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your "Required Purchases." We estimate that your Required Purchases will account for approximately 70% to 90% of your total costs incurred in establishing your Franchised Business, and approximately 50% to 75% of your ongoing costs to operate the Franchised Business after the initial start-up phase.

We may receive revenues from your required purchases in the form of rebates by third party vendors. We were first organized in 2026; therefore, during the fiscal year ended December 31, 2025, we did not derive any revenue on account of our System franchisees' purchases.

Non-Approved Product/Service and Alternative Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Franchised Business that are not Approved Products and Approved Services; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier. We are not likely to approve an alternative supplier for the nutritional supplements, other inventory or certain marketing services as of the Issuance Date given our System standards are, in part, based on the current supplier arrangements.

We approve suppliers after careful review of many applicable factors including the quality of the products they provide to us and our franchisees. If you would like us to consider another item or supplier, you must make such a request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the item and/or supplier meets our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will make a good-faith effort to notify you whether we approve or disapprove of the proposed item or supplier within 60 days after we receive all required information to evaluate the product or service. Such notification is only valid where it is in writing from one of our executives (email notification being sufficient written notice where you reply to confirm receipt of the email). If we do not approve any request within 60 days, it is deemed unapproved. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge for our actual costs of product testing and evaluation.

We do not currently charge any evaluation fee but reserve the right to do so in the future (in an amount not to exceed $500 per request). We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternative supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products and request that you reimburse our actual costs associated with the testing/inspection.

We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously approved product or alternative supplier is effective immediately when you receive written notice from us

of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

Purchasing Cooperatives and Right to Receive Compensation

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

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

Currently, there are no purchasing or distribution cooperatives. However, we reserve the right to create purchasing cooperatives in the future, and we can require that you make your purchases through a cooperative if one is formed. Although we have not yet done so, from time to time, we may negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.

Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements. Please note that failure to use approved items or designated suppliers may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

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. In the following table, "FA" refers to the Franchise Agreement, and "DA" refers to the Development Agreement.

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	FA 2.B DA 6.1	11
b. Pre-opening purchases/leases	FA 6	5, 8
c. Site development and other pre-opening requirements	FA 6.D DA 6.1	11
d. Initial and ongoing training	FA 4.A.5, 5.A, 5.C & 5.G;	11
e. Opening	FA 6.D.1	
f. Fees	FA 4.A.1-8; DA 3, 5	5, 6, 7
g. Compliance with standards and policies/operating manual	FA 8.A	11
h. Trademarks and proprietary information	FA 7	13, 14
i. Restrictions on products/services offered	FA 6.G	16
j. Warranty and customer service requirements	FA 6.U	Not applicable
k. Territorial development and sales quotas	FA 2.D DA 4;	11
l. Ongoing product/service purchases	FA 6.K	8
m. Maintenance, appearance and remodeling requirements	FA 6.I	17
n. Insurance	FA 11.A	8
o. Advertising	FA 9	11
p. Indemnification	FA 11.C DA 9.4	6, 13
q. Owner's participation/management/staffing	FA 6.W DA 7.2	15
r. Records and reports	FA 10.A	17
s. Inspections and audits	FA 5.K; 6.B; 10.B	6

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
t. Transfer	FA 13.A-G DA 7 SBA Addendum	17
u. Renewal	FA 3.B DA 4.4.3 – 4.4.5	17
v. Post-termination obligations	FA 16; DA 8.2, 8.3	17
w. Non-competition covenants	FA 14.B.3; 14.C DA 8	17
x. Dispute resolution	FA 21 DA 10.3, 10.8, 10.9	17
y. Related Party and manager agreements	FA Exhibit E, DA 7	22
z. Guaranty	FA Exhibit B DA Attachment 3B	17

ITEM 10
FINANCING

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

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

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

A. Pre-Opening Obligations

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

1. If you have entered into a Development Agreement, we will designate your Development Area where you will have the right to secure an Approved Location for each of your Franchised Businesses. (Development Agreement, Section 1 and Exhibit A);

2. We may provide site selection guidelines and assistance (as described more fully below in this Item 11), as we deem appropriate in our discretion, in connection with selecting the Premises for each of your Franchised Business(es). We will also review, and subsequently approve/reject, any prospective site you propose for any Franchised Business. (Franchise Agreement, Sections 2(B) and 5(E));

3. Once you secure an Approved Location from which to operate your franchised Studio, we will define the Designated Territory for that Franchised Business and include its boundaries in the Data Sheet of your corresponding Franchise Agreement. (Franchise Agreement, Section 2(D));

4. We will provide you with online access to, or otherwise loan you, one (1) copy of our confidential and proprietary Manuals. You must operate your Franchised Business in accordance with the Manuals and all applicable laws and regulations. The Manuals may be amended or modified by us to reflect changes in the System. You must keep the Manuals confidential and current, and you may not copy any part of the Manuals. You are required to keep a copy of the Manuals at your Premises, and if there is a dispute relating to the contents of the Manuals, then the master copy (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to the Manuals in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The table of contents for our Operations Guide (our primary operations "Manual"), which consists of a total of approximately 38 modules and approximately 94 pages as of the Issuance Date of this Disclosure Document, is attached to this Disclosure Document as Exhibit G. You will be solely responsible for ensuring compliance with all directives and standards in the Manuals, including those set forth in any update to the Manuals that is circulated online (via a System website or other System-required software) or otherwise (Franchise Agreement, Section 5(D));

5. We will provide you with a list of our Required Items and Approved Suppliers (to the extent we have designated them), either as part of the Manuals or otherwise in writing. (Franchise Agreement, Section 5(D)). We do not deliver or install any Required Items;

6. We will review and approve your signage, the proposed layout and design of your Premises – whether created by our Approved Supplier or other contractor you select (which you may only use if we do not require you to use our Approved Supplier) – as well the equipment, furniture and fixtures used in connection with your Franchised Business, as we deem appropriate and advisable in our discretion. (Franchise Agreement, Section 6(D));

7. Provide you with guidance and/or directives in connection with how to expend the required funds associated with the promotion and advertisement of the grand opening of your Franchised Business. (Franchise Agreement, Section 5(F));

8. Provide direction, as we determine appropriate, on your monthly "LAR" expenditures and/or any Approved Supplier(s) from which certain marketing/advertising services must be acquired (Franchise Agreement, Section 9); and

9. We will provide you and up to two (2) additional individuals you designate with our Initial Training Program designed to provide instruction and education on our System methods and techniques related to establishing and operating your Franchised Business.

B. Initial Training Program

1. The Initial Training program may be provided by us through a number of different methods, including: (a) remote training via an online learning management system (or "LMS"), webinars and/or similar methods of online instruction, (b) instruction that takes place at our designated training Studio or location, and (c) on-site instruction and assistance that our training personnel provides to you and your designated trainees at the approved Premises of your Studio closer to the time you are ready to open. Currently, our initial training program is provided in two modules: Franchisee training, and Master Trainer training. Both you (or if you are an entity, your principal(s)) and your Master Trainer must attend both training modules, and your Master Trainer must attend the Master Training module.

2. You will be responsible for all costs and expenses you (and other attendees) incur in connection with attending or otherwise participating in our Initial Training Program (including any travel, lodging, meals and other expenses associated with attending those portions of the program that are provided from our designated training Studio or other training location we designate).

3. The details of our Initial Training Program are set forth in the Chart below:

TRAINING PROGRAM – FRANCHISEE TRAINING

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Brand Overview	3	0	Our designated training facility in Valparaiso, Indiana, or another location we designate.
Programming	4.5	2	Our designated training facility in Valparaiso, Indiana, or another location we designate.
Studio Operations	9	0	Our designated training facility in Valparaiso, Indiana, or another location we designate.
Sales & Marketing	6	0	Our designated training facility in Valparaiso, Indiana, or another location we designate.
Staffing	3	0	Our designated training facility in Valparaiso, Indiana, or another location we designate.
Launch Planning	3.5	0	Our designated training facility in Valparaiso,

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			Indiana, or another location we designate.
TOTAL HOURS	**29**	**2**	

TRAINING PROGRAM – MASTER TRAINER TRAINING

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Brand Overview	3	0	Our designated training facility in Valparaiso, Indiana, or another location we designate.
Programming	4.5	12.25	Our designated training facility in Valparaiso, Indiana, or another location we designate.
Studio Operations	4.5	0	Our designated training facility in Valparaiso, Indiana, or another location we designate.
Sales & Marketing	4.5	0	Our designated training facility in Valparaiso, Indiana, or another location we designate.
Staffing	3	0	Our designated training facility in Valparaiso, Indiana, or another location we designate.
Launch Planning	3.5	0	Our designated training facility in Valparaiso, Indiana, or another location we designate.
TOTAL HOURS	**23**	**12.25**	

Additional Training Disclosures

1. Portions of any "Classroom" training may be provided to you via LMS or other online/electronic method that allows us to administer, provide, track report and deliver e-learning education courses and training via a software application (and, if applicable, confirm that you have passed any corresponding test in connection with such training).

2. In addition to the remote instruction/classes and the portion of our Initial Training Program that is provided at our training Studio as described in the Training Chart above, and provided you have

complied with all opening requirements, we will send one (1) or more of our trainers to your Franchised Business to provide additional on-site instruction and assistance. This on-site assistance will typically take place at or close to the time you are authorized to open your Franchised Business, and such assistance will typically last between one (1) to three (3) days. Please note, however, that certain of the "On-the-Job" training described in the Training Chart above may be provided or covered during the training we provide at our designated training Studio or location.

3. We do not currently have a set training schedule, but our Initial Training Program will be made available on an as-needed basis subject to the availability of our personnel. Instructional materials, including components of the Manuals, will be provided to you and used as necessary as you proceed through the Initial Training Program. The Initial Training Program is subject to change without notice to reflect updates in the materials, methods and Manuals, as well as changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained. Our training supervisor and his/her experience within the industry and with our System are listed below. Our training managers may utilize other employees to assist them with all aspects of training.

4. You must complete the entirety of the Initial Training Program prior to opening your Franchised Business, unless we agree otherwise in writing. Failure by you or any other required attendee to complete the Initial Training Program prior to opening is grounds for terminating your Franchise Agreement. (Franchise Agreement, Sections 5(A) and 6(O)).

5. Our Initial Training Program is supervised by our CEO, Rosalie Black. Ms. Black has been President and CEO of our affiliates since April 2023 and has approximately 3 years of experience in the topics of instruction provided in the Initial Training Program. Technical portions of the Initial Training Program, including the Master Trainer module, may be covered by our Director of Training, Jeanette Fredericksen, who has been with is or our affiliate since April 2023 and has 15+ years of experience in Pilates instruction.

   We reserve the right to appoint and substitute other individuals to assist in providing training, but all of our training personnel will have at least six (6) months of experience with respect to any subject matters that they teach.

6. We expect that our Manuals and training materials, as well as other content we develop and create over time, will comprise the primary training tools used during the Initial Training Program, all of which we will have the right to update, supplement or otherwise modify as part of our System.

7. You, or another person that successfully completes our Initial Training Program, will be required to train all other personnel that works at your Franchised Business. (Franchise Agreement, Sections 6(O) and 6(P)).

In addition to the Initial Training Program, we reserve the right to require that our System franchisees require each of their respective teams to: (i) successfully participate in and complete any webinars, LMS and other training classes that can be completed at your Studio and are designed to instruct such personnel on how to provide such Approved Services in accordance with our System standards; and (ii) successfully pass the appropriate test, if any, that you will administer to ensure personnel understand the content of this instruction. Such instruction is designed to build on the skills, licensed or otherwise, that such personnel already have in the Pilates instruction and group fitness industries, with a focus on providing the Approved Services in accordance with our then-current System standards. (Franchise Agreement, Section 5(B)).

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C. Site Selection

You must assume all costs, liabilities, expenses and responsibility for: (i) locating, obtaining and developing Premises for your Franchised Business; and (ii) constructing, equipping, remodeling and/or building out the Premises for use as a Franchised Business, all in accordance with our System standards and specifications. We may provide you with our current written site selection guidelines, to the extent such guidelines are in place, and any other site selection counseling and assistance we believe is advisable. If you elect not to use our recommended third-party provider of site selection services, our guidelines for site selection may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location. We may then use these factors in determining the suitability of your proposed site for the Premises of your Franchised Business. (Franchise Agreement, Sections 5(E) and 6(A)).

In addition we may also consider the following – among other things – when evaluating your proposed site: (i) size and current design/layout of the useable square footage, demographic characteristics, traffic patterns, allowed design and building, parking, visibility, allowed signage, and the predominant character of the neighborhood surrounding the proposed site; (ii) competition from other Pilates studios and fitness facilities that are offering or providing services that are similar or directly competitive with the Approved Services, as well as the proximity of the site to these businesses, as well as the nature of all other businesses in proximity to the proposed site; (iii) zoning restrictions, soil and environmental issues, and other commercial characteristics; and (iv) the size, appearance, and other physical characteristics of the proposed site.

We must also have the opportunity to review any lease or purchase agreement for a proposed Approved Location before we approve that site. We may condition our approval of your proposed site on a number of conditions, including: (i) an agreement by you and the landlord of the Premises to enter into our prescribed form of Collateral Assignment of Lease; and (ii) receiving a written representation from the landlord of the Premises that you will have the right to operate the Franchised Business, including offering and selling the Approved Products and Approved Services, throughout the term of your Franchise Agreement. Under the Collateral Assignment of Lease, we will have the option, but not the obligation, to assume or renew the lease for the Premises (the "Lease") for all or part of the remaining term of the Lease if you are in material default of your Franchise Agreement and/or Lease and/or fail to timely cure that default. (Franchise Agreement, Sections 5(E) and 6(A); Exhibit C to Franchise Agreement).

We will use reasonable efforts to approve or reject any proposed location within 30 days of the date you provide us with all requested materials. If we determine that an on-site evaluation is necessary, then you must: (i) submit to us in the form we specify a description of the site prior to our representative conducting its on-site evaluation, including evidence that the site satisfies our site selection guidelines and any other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site; and (ii) reimburse us for the expenses incurred in connection with such an evaluation. If we do not provide in writing our specific approval of a proposed location within this 30-day period, the proposed location will be deemed rejected. Our approval only means that the site meets our minimum requirements for a Franchised Business. (Franchise Agreement, Section 5(E)).

You must secure a Premises that we approve within six (6) months of executing your Franchise Agreement for that Franchised Business or we may terminate that Franchise Agreement. (Franchise Agreement, Section 6(A)).

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If you do not have an Approved Location at the time you execute your Franchise Agreement with us, we will designate a Site Selection Area on your Data Sheet wherein you will be permitted to search for, locate and secure your Approved Location. (Franchise Agreement, Section 2).

D. Time to Open

Single Studio under Franchise Agreement

Except as provided in this Item, you must open and commence operations of your Franchised Business within 12 months of the date you execute your Franchise Agreement for that Franchised Business.

We estimate that it may take between nine (9) to twelve (12) months to open your Franchised Business from the time you execute your Franchise Agreement. Your total timeframe may be shorter or longer depending on the time necessary to obtain an acceptable Premises, to obtain financing, to obtain the permits and licenses for the construction and operation of the Franchised Business, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Franchised Business, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Franchised Business, including purchasing any inventory or supplies needed prior to opening. If you do not open or operate your Franchised Business within the prescribed time period, then we may terminate your Franchise Agreement (unless we agree to extend your opening deadline in a writing signed by both parties) (Franchise Agreement, Section 6(D)).

We may, in our sole discretion, provide you with a reasonable extension of time not to exceed ninety (90) days to complete the development of your Franchised Business and open to the public, provided you make written request for such an extension to us not less than thirty (30) days prior to expiration of the 12-month opening deadline. Such an extension will not affect any of your other obligations under the Franchise Agreement at issue or any Development Agreement you have entered into with us. (Franchise Agreement, Section 6(D)).

Multiple Studios under Development Agreement

If you have entered into a Development Agreement to open and operate multiple Franchised Businesses, your Development Agreement will include a Development Schedule containing a deadline by which you must have each of your Franchised Businesses open and operating. Your Development Schedule may depend on the number of Franchised Businesses you are granted the right to open and operate. If you have entered into a Development Agreement to open and operate multiple Franchised Businesses, then our then-current site selection and territorial criteria will apply to the site selection and location of your second and any subsequent Franchised Business. (Development Agreement, Section 1 and Exhibit A).

If you fail to open and/or maintain any Franchised Business within the appropriate time period outlined in the Development Agreement, we may terminate your Development Agreement. You will not have any further development rights within the Development Area upon termination of your Development Agreement, except to continue operating the Franchised Business(es) that were already open and operating as of the termination date from their respective Approved Location(s).

E. Post-Opening Obligations

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

1. We may offer, and require you and/or your Designated Manager to attend and/or participate in, additional training programs and/or refresher courses, as we deem necessary in our sole discretion ("Additional Training"). While you have the option to attend any Additional Training we offer, subject to the availability of our classes, we may require that you and your Designated Manager (a) attend up to five (5) days of Additional Training each year, which may be at the training location we designate or via an online, virtual meeting, in our sole discretion, and (b) successfully complete up to 20 hours of LMS training (which can be completed remotely), each year. You will be required to pay our then-current Additional Training Fee for any Additional Training you and your employees attend. You will also be solely responsible for all expenses incurred in attending Additional Training. (Franchise Agreement, Section 5(C));

2. We may provide you with continuing consultation and advice, as we deem necessary in our sole discretion, regarding the management and operation of the Franchised Business. We may provide this assistance by telephone, intranet communication, online video meeting, or any other communication channel, as we deem advisable and subject to the availability of our personnel. Certain of this advice and consultation may be provided based on certain reports, guest satisfaction surveys and other brand quality measurements we impose in connection with the operation of your Franchised Business, and such advice/consultation will be subject to your timely provision of any reports we require you to submit. (Franchise Agreement, Section 5(G)).

3. We may also provide you with additional on-site assistance, subject to the availability of our field representatives and, upon our request, payment of the appropriate Training Fee. (Franchise Agreement, Section 5(G));

4. Continue to direct and approve certain digital marketing activities and campaigns you are required to engage our Approved Supplier(s) to manage and implement (as we determine appropriate). We will also approve or deny any other advertising/marketing materials you wish to use in connection with your Franchised Business as described more fully below in this Item 11 under the heading "Advertising and Marketing." (Franchise Agreement, Section 5(H));

5. We may also, as we deem necessary in our discretion, provide you with marketing templates or materials that you will be required to use in connection with your Franchised Business. (Franchise Agreement, Sections 6(N));

6. We will approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Section 6(L));

7. We may schedule and hold a franchise conference, as we deem advisable in our sole discretion, to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. In the event we schedule a conference, we may require you to attend for up to three (3) days each year. You will be responsible for the costs and expenses you incur in connection with any franchise conference, and when established, we reserve a right to charge a reasonable registration fee, not to exceed $2,000, whether or not you and/or your representatives attend such conference. (Franchise Agreement, Section 5(P));

8. We will display the contact information of your Franchised Business on the website that we or our designee maintains to advertise and promote our brand, our Proprietary Marks and other Studio locations, provided you are in compliance with the terms of your Franchise Agreement. Please see below

in this Item 11 under the heading "Advertising and Marketing" for further information. (Franchise Agreement, Sections 5(I));

9. We will assist franchisees in establishing prices, which may include setting minimum and/or maximum prices for the Approved Services and Approved Products, subject to applicable law.

10. We may administer and maintain the brand development Fund for the benefit of the System, as we deem necessary in our sole discretion. (Franchise Agreement, Section 9(D));

11. We may, as we deem appropriate in our discretion, establish and maintain a System-associated website that will be accessible by System franchisees, which may be used for purposes of (a) providing updates, supplements and supplemental information that will constitute part of one (1) or more Manuals, (b) providing webinars and other training, including portions of our Initial Training Program, (c) providing advertising templates or other marketing/promotional materials, as well as information related thereto, and (d) otherwise communicate with our franchisees regarding the brand, System and/or specific operational/promotional aspects of a Franchised Business (a "System Site"). (Franchise Agreement, Section 5(D));

12. We may conduct, as we deem advisable in our sole discretion, inspections of the premises and audits of the Franchised Business and your operations generally to ensure compliance with our System standards and specifications. We may also prepare written reports outlining any recommended or required changes or improvements in the operations of a franchised Studio, as we deem appropriate in our sole discretion, and detail any deficiencies that become evident as a result of any inspection or audit. (Franchise Agreement, Section 5(K));

13. We may supplement, revise or otherwise modify the Manuals, Initial Training Program and/or any System Site as we deem necessary or prudent in our sole discretion, which may, among other things, provide new operations concepts and ideas. We may provide you with these updates through various mediums, including mail, e-mail and our System-wide intranet. (Franchise Agreement, Section 2(G)); and

14. We may: (i) research new Pilates class formats and related services, inventory items and other products, equipment and methods of doing business and provide you with information we have developed as a result of this research, as we deem appropriate in our sole discretion; and (ii) develop additional products and services to be offered or provided as Approved Services and Approved Products, including proprietary products and services that may be sold under the Proprietary Marks we designate. (Franchise Agreement, Section 6(G)).

F. Advertising

All advertising and promotion that you use in connection with your Franchised Business must be approved by us and conform to the standards and requirements that we specify. We may make available to you from time to time, at your expense, certain promotional materials, including digital content, social media and other "profile" templates, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. Subject to applicable laws, you must participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. (Franchise Agreement, Section 9(A)).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to

use to us for our prior written approval at least 15 days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 15 days of the date we receive the materials from you. If you do not receive our written approval during that time period, however, the proposed materials are deemed disapproved and you may not use such materials. Once approved, you may use the proposed materials for a period of 90 days, unless we: (i) prescribe a different time period for use; or (ii) require you to discontinue using the previously-approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 9(B)). Except as otherwise disclosed in this Item, we are not required to spend any amount on advertising in your Designated Territory.

Local Advertising Requirement. We require that you expend a designated amount each month on the local advertising of your Franchised Business in your Designated Territory. Currently, you must expend the greater of (i) 3% of Gross Sales, or (ii) $2,500 per month as your Local Advertising Requirement. We reserve the right to require that you expend any portion of these funds on (a) products or services we direct or approve, or (b) services that you must acquire from an Approved Supplier. In all instances, we must approve all advertising in writing before it is used in connection with the Franchised Business, including all use of the Proprietary Marks. (Franchise Agreement, Section 9).

Brand Development Fund. We currently administer a brand development Fund (the "Fund") for the benefit of the System and brand generally. As of the issuance date of this disclosure document, you must contribute 2% of Gross Sales per month to the Fund. We may increase the amount of the required contribution upon 30 days' written notice to you, however the amount of such required contribution will not exceed 3% of Gross Sales per month during the initial term of the Franchise Agreement. We will administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System. We will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our sole discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing. (Franchise Agreement, Section 9(D)).

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

separate entity if we deem appropriate. Our affiliate-Owned Studios may, but are not currently required to, contribute to the Fund.

We are not required to spend any of your Fund Contributions in the Designated Territory you are granted under your Franchise Agreement. We will provide you with an unaudited accounting of the Fund within 120 days after our fiscal year end (upon your written request). We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. If we do not spend all Fund Contributions in a given year, we may rollover any excess contributions into the Fund for use during the following year. We will have the right to modify or discontinue the Fund, as we deem appropriate in our sole discretion. (Franchise Agreement, Section 9(D)).

We were first organized in 2026; accordingly, during the fiscal year ended December 31, 2025, we did not collect nor expend any Fund contributions.

Advertising Council. Currently, we have not established an advertising council (the "Advertising Council"), but we reserve the right to do so in the future. If we establish an Advertising Council, it will serve in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund (if established in the future). At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. We will have the right to modify or dissolve an Advertising Council (if created) at any time. (Franchise Agreement, Section 9(E)).

Regional Advertising Cooperatives ("Cooperatives"). We reserve the right to establish regional advertising cooperatives that are comprised of a geographical market area that contain two or more Studios (whether a Franchised Business or Affiliate-owned) (each a "Cooperative"). If we assign your Franchised Business to a Cooperative we establish, you must work with the other Studio owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the Studios within the geographical boundaries of the Cooperative. We have not established any Cooperatives as of the Issuance Date of this Disclosure Document. If a Cooperative is established, you will be required to contribute up to a maximum amount equal to your current Local Advertising Requirement as directed or approved by us upon a vote of the members, unless members unanimously vote to pay a higher amount. We will have the right to establish, modify, merge and dissolve Cooperatives as we deem appropriate. Any amounts you expend on Cooperatives will be credited towards your Local Advertising Requirement. (Franchise Agreement, Section 9(G)). In the event a Cooperative is established in a region in which our affiliate operates one or more Studios, our affiliate-owned Studios will contribute to such Cooperative on the same basis as any franchisees in the Cooperative.

G. Computer System

You must have a computer system that is capable of running fitness studio management software, including electronic funds transfer and billing functions, or subscribing to an online studio management application, as described below. If you are opening a new Studio, including any second or subsequent Studio, you must obtain your studio management software from our Approved Vendor. Your computer system must be able to receive and send e-mail and access our Intranet, if we establish one.

You must have an electronic cash register that records the sale of apparel, accessories, merchandise, and other approved retail items. If you are opening a new Studio, you must buy your point-of-sale system from our Approved Vendor.

As of the Issuance Date, we do not have a required computer brand or model that we require you to use – provided you can demonstrate that the laptop or desktop model at issue is (a) no more than 2 years old, (b) available for use in connection with the Franchised Business only, and (c) capable of running all Required Software and other Computer System components we require as part of our System. You must also acquire all hardware components of our System's then-current POS system/hardware, which must be acquired from our third-party Approved Supplier as of the Issuance Date of this Disclosure Document.

You are required to utilize various software in connection with your Franchised Business, some of which you will license directly from a third-party and some of which you will receive as part of the Technology Fee we currently require you to pay to us.

We estimate the initial costs associated with acquiring and installing the initial Computer System will be between $1,600 to $3,200. You will be solely responsible for updating all required software, hardware and other Computer System components. As of the Issuance Date, we do not require that you acquire any kind of support or maintenance agreement in connection with the Computer System components but reserve the right to do so in the future. We estimate that you may expend between $500 and $1,500 annually in connection with any upgrades or updates or improvements to the Computer System, which does not include the Technology Fee or other recurring software fees paid directly to third parties.

You must have the components necessary to ensure that the entire Premises of the Franchised Business has access to the Internet via Wi-Fi connection. We may require that (i) you comply with our standards and specifications for Internet access and speed; and (ii) the Computer System be programmed to automatically transmit data and reports about the operation of the Franchised Business to us. We also have the right to, at any time without notice, electronically and independently connect with your Computer System to monitor or retrieve data stored on the Computer System (or for any other purpose we deem necessary). There are no contractual limitations on our right to access the information and data on any component of your Computer System. We may also require you to use a Computer System and/or related software that is administered through us and provides us with automatic access to all data and reports that might be created by such Computer System and/or software. (Franchise Agreement, Sections 4(C) and 6(K)).

You are also required to participate in any System Site (as defined earlier in this Item 11) that we implement, and may be required to use such networks or system to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved local advertising materials; (iv) communicate with us and other System franchisees; and (v) complete certain components of any ongoing training we designate. (Franchise Agreement, Section 5(I)).

H. Website and Internet Use

Except as approved in advance in writing by us, you must not establish or maintain a separate website, landing page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including any profile on Facebook®, Instagram®, LinkedIn®, Instagram, Pinterest®, X®, YouTube® or any other social media and/or networking site. Any such Internet website or presence is considered "advertising" and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more of the above presences on the Internet, you must: (i) establish and operate your Internet site in accordance with System standards and any other policies we designate in the Manuals or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s). (Franchise Agreement, Section 9(F)).

We have the right to establish and maintain a website, that may, without limitation, promote the Proprietary Marks and/or the System (the "Website"), including the contact information of your Franchised Business. We agree to establish an interior page on our corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) the Franchise Agreement governing that Franchised Business is not subject to termination. (Franchise Agreement, Section 5(I)). We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We (or our affiliate) are the sole registrant of the Internet domain name www.vibehousepilates.com, as well as any other Internet domain names that we or our affiliates register in the future. You must not register any Internet domain name or e-mail address that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

ITEM 12
TERRITORY

Premises and Relocation

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

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

Franchise Agreement: Designated Territory

Once you have secured the Premises of your Franchised Business, we will define the Designated Territory on the Data Sheet attached to your Franchise Agreement. Your Designated Territory will be located in all or a portion of a listed town, city, or county. The size of your Designated Territory may vary from other System franchisees based on the location and demographics surrounding your Premises, but will typically include a minimum population of 50,000, or encompass a three (3) mile radius.

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

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another Studio or grant the right to anyone else to open a Studio, from a physical location within the Designated Territory. We reserve all rights to sell our products and services under the Marks in the Territory through alternative distribution channels, as discussed below.

You will not receive an exclusive Designated 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. Your Designated Territory cannot be modified except by mutual written agreement signed by both parties.

There is no minimum sales requirement, market penetration, or other contingency that will affect your limited territorial rights awarded within your Designated Territory during the term of your Franchise Agreement, unless you are in default of your obligations to us.

Limitations on Soliciting and Other Activities Outside of Your Designated Territory

You may only solicit sales from customers in your Designated Territory. You may not use Alternative Distribution Channels, such as the Internet, catalog sales, telemarketing or other direct marketing to make sales inside or outside your Designated Territory; however, we will include a listing on our website of your Studio location. You may not actively advertise the Franchised Business outside of the Designated Territory, unless (a) the area in which you wish to advertise is contiguous to the Designated Territory and is not granted to another franchisee or other Studio location, and (b) you obtain our prior written consent.

Development Agreement: Development Area

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

Each Franchised Business you timely open and commence operating under our then-current form of franchise agreement will be operated: (i) from a distinct Premises located within the Development Area; and (ii) within its own Designated Territory that we will define once the Premises for that Franchised Business has been approved.

Under the Development Agreement, 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. During the term of your Development Agreement, provided that you are not in default of your Agreement(s) or Development Schedule, we will not open another Studio or grant the right to anyone else to open a Studio within your Development Area until the expiration or sooner termination of your Development Agreement. However, notwithstanding this limited protection right we grant to you, we reserve all rights to sell our products and services under the Marks in the Development Area through alternative distribution channels, as further discussed in this Item 12.

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your rights within the Development Area. Upon the completion of the Development Schedule and the expiration of the Development Agreement, you will no longer have any territorial protection in the Development Area other than in the Designated Territories awarded in connection with any franchise agreements executed pursuant to the Development Agreement. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

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Reserved Rights

We and our affiliates reserve the exclusive right to conduct the following activities under the Franchise Agreement and/or Development Agreement (as appropriate): (i) establish and operate, and license any third party the right to establish and operate, other Studios and Franchised Businesses using the Proprietary Marks and System at any location outside of your Designated Territory(ies) and, if appropriate, Development Area; (ii) market, offer and sell products and services that are similar to the products and services offered by the Franchised Business under a different trademark or trademarks at any location, within or outside the Designated Territory(ies) and Development Area; (iii) use the Proprietary Marks and System, other such marks we designate, to distribute our Approved Products and/or Approved Services in any alternative channel of distribution, within or outside the Designated Territory(ies) and Development Area (including provision of the Approved Services via "On Demand" video and/or live streaming services or otherwise via the Internet, as well as distribution of the Approved Products via toll-free numbers, catalogs, wholesale stores, etc.); (iv) open and operate, as well as license third parties the right to open and operate, any Studio or other location that utilizes the Proprietary Marks and System at non-traditional or "captive" locations such as malls, institutions (such as schools and university campuses), airports, parks, military installations, sports arenas and/or other like venues (collectively, the "Non-Traditional Sites"), within or outside the Designated Territory, without compensation to you; (v) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Approved Services (but under different marks), within or outside your Designated Territory(ies) and, if appropriate, Development Area; and (vi) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited in your Franchise Agreement and, if appropriate, your Development Agreement.

Neither the Franchise Agreement nor Development Agreement grants you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our affiliates or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders (via alternative channels of distribution) within your Designated Territory.

Additional Disclosures

Neither the Franchise Agreement nor the Development Agreement provides you with any right or option to open and operate additional Franchised Businesses (other than as specifically provided for in your Development Agreement if you are granted multi-unit development rights). Regardless, each Franchised Business you are granted the right to open and operate must be governed by its own specific form of Franchise Agreement.

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

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ITEM 13
TRADEMARKS

We grant you a limited, non-exclusive license to use our then-current Proprietary Marks in connection with the operation of your Franchised Business only at your Premises and within your Designated Territory, provided you use these Proprietary Marks as outlined in your Franchise Agreement(s) and our Manuals. You do not obtain any additional rights to use any of our Proprietary Marks under any Development Agreement you enter into.

Our affiliate, Swet, LLC ("TM Owner") has filed for registration of the following Proprietary Marks on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Trademark	Filing Date	Serial Number	Register
Vibe House Pilates (word mark)	August 28, 2025	99363483	Principal
VIBE | HOUSE HOT PILATES	October 22, 2025	99456146	Principal
VH	October 22, 2025	99456194	Principal

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

TM Owner has licensed us the right to use, and to sub-license the right to use, the Proprietary Marks to our System franchisees pursuant to a perpetual, royalty-free trademark license agreement dated January 19, 2026. We expect and intend to maintain the registrations listed in the chart above, subject to any decisions to file and/or substitute the same with a modified or updated version of the Proprietary Marks.

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

As of the Issuance Date of this Disclosure Document, there is no litigation pending against us or TM Owner arising out of our Proprietary Marks, and we are not aware of any superior rights in, or infringing uses of, our Proprietary Marks that could materially affect your right to use these marks. Presently, there are not

any effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, province, territory, or region, or any court adverse to our rights in the Proprietary Marks, nor are there any pending infringement, opposition or cancellation proceedings, or any material litigation, involving the Proprietary Marks.

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

You must immediately notify us, in writing, if you become aware of any unauthorized use of our Proprietary Marks or other proprietary information, and you must permit us to participate in any litigation involving you and our Proprietary Marks. We will take the action we think appropriate. We will indemnify, defend and hold you harmless in connection with any third-party claims that are brought against you that arise solely out of your authorized use of any Proprietary Marks in the manner we prescribe, provided you immediately notify us of the proceeding (within 3 days) and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel, unless we approve of your use of such counsel in writing prior to you engaging counsel. We will not reimburse you for disputes where we challenge your use of our Proprietary Marks.

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

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

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

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

During the term of the Franchise and/or Development Agreement, you will receive information which we consider trade secrets and confidential information. You may not, during the term of the

Franchise/Development Agreement or any time after that, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any of these trade secrets, copyrighted materials, methods and other techniques and know-how concerning the operation of the Franchised Business (the "Confidential Information"). You may divulge such Confidential Information only to your employees who must have access to it in order to perform their employment obligations.

You must require your Designated Manager and any personnel having access to any of our Confidential Information to sign our then-current form of Confidentiality and Non-Competition Agreement that is attached to the Franchise Agreement as Exhibit "E", under which these individuals agree that they will maintain the confidentiality of information they receive in connection with their employment and restrict their right to work for a competitor while they are employed by you. This confidentiality agreement, which will be in a form that we prescribe, will identify us as a third-party beneficiary to the agreement and will give us independent enforcement rights. You will promptly forward to us via email all such signed Agreements.

The Franchise and Development Agreement provide that if you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of any Franchised Business, you will promptly notify us and provide us with all necessary related information, without compensation. Any new concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related to such new concepts. You and your principals will assign to us any rights you may have or acquire in new concepts you or your employees develop, including the right to modify such concept, process or improvement, and otherwise will waive and/or release all rights of restraint and moral rights to any new concepts you or your employees develop. You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your principals will irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that these provisions in the Franchise and/or Development Agreement are found to be invalid or otherwise unenforceable, you and your principals will grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent the Franchise Agreement, directly or indirectly infringe on your rights to the new concepts.

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

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

While we generally recommend that you personally participate and manage the day-to-day operations of your Franchised Business, you may hire a Designated Manager to manage daily operations with our prior written consent. You and/or your Designated Manager will be required to complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities). We will not unreasonably withhold our approval of any Designated Manager you propose, provided the Designated Manager has completed our Initial Training Program and otherwise demonstrated that he/she has a good handle on our System standards and specifications for daily operations of a Studio. If the franchisee is a business entity, we do not require the Designated Manager to own an interest in the entity, but the

Designated Manager must sign our prescribed form of Confidentiality and Non-Competition Agreement. The Designated Manager must devote sufficient time and best effort to the job and cannot have an interest or business relationship with any of our competitors.

Your Franchised Business must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our Initial Training Program, unless we agree otherwise in a signed addendum to your Franchise Agreement. In the event that you operate more than one Franchised Business, you must have a properly trained Designated Manager at each System Studio you own and operate. You must keep us informed at all times of the identity of any personnel acting as Designated Manager, and obtain our approval before substituting a new Designated Manager at any of your locations.

It is important to note that we are not your employer and that you will have the right to control all decisions related to recruiting, hiring or firing any personnel, including any coaches or other specialized/licensed personnel you use to perform the Approved Services at your System Studio. Please note that nothing in this Disclosure Document or any agreement you enter into with us will create any type of employer or joint employer relationship between you and/or your personnel, and us.

If you are an individual, then your spouse will also be required to sign the Franchise Agreement or, in the alternative, the form of Personal Guaranty attached to the Franchise Agreement as an Exhibit (the "Guaranty"). If you are a business entity (limited liability company, corporation, partnership, etc.), then (a) each of your shareholders/members/partners (the "Owners"), as applicable, must sign the Guaranty, and (b) at our option, the spouses of each such Owner must sign the Guaranty.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

If we discontinue any Approved Product or Approved Service offered by the Franchised Business, then you must cease offering or selling such product/service within a reasonable time, unless such product/service represents a health or safety hazard (in which case you must immediately comply upon receipt of notice from us). You may not use the Premises of your Franchised Business for any other business purpose other than the operation of your Franchised Business. You may not lease, sublease, sublicense, or otherwise assign any portion of the Premises of your Franchised Business to any third party for the operation of (a) a retail establishment, and/or (b) an establishment selling juices, smoothies, and/or café-style food and drink items.

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ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

A. Franchise Agreement

	Provision	Section in Franchise Agreement	Summary
a.	Term of the Franchise	Section 3(A)	The initial term is for ten (10) years commencing on the Effective Date set forth in the Franchise Agreement.
b.	Renewal or extension of the term	Section 3(B)	Your renewal rights permit you to remain as a franchise after the initial term of your franchise agreement expires. If you wish to renew and you satisfy the required pre-conditions to renew, we will offer you an additional ten (10) year term. You must sign our then-current franchise agreement for the renewal term and this new agreement may have different terms and conditions (including higher royalty and/or advertising fees) from the agreement that covered your original term.
c.	Requirements for franchisee to renew or extend	Section 3(B)	In order to renew (which means renewing your franchise relationship with us), you must: not have any uncured material defaults under your Franchise Agreement (including any monetary defaults) or any other agreement between you and us or the landlord of the Premises; not have received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date; be in good financial standing; have continued right of possession to the Premises; complete required renovation and modernization of your Franchised Business; pay us our then-current Renewal Fee; execute our then-current form of franchise agreement (which may contain materially different terms and conditions than your original franchise agreement); complete our then-current refresher training course, and pay the appropriate training fee; pay the Renewal Fee; execute a general release in our favor (as well as related parties); and agree to re-image, renovate, refurbish, and modernize the Premises and Studio within the time frame required by Franchisor no later than three (3) months after any renewal date, at your sole expense.
d.	Termination by franchisee	Not Applicable	Not Applicable. Subject to state law.
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with "cause"	Section 15	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g.	"Cause" defined – curable defaults	Section 15(B)	You must cure all monetary defaults under your Franchise Agreement within 10 days of being provided with notice by us, as well as the following defaults: failure to purchase any Required Item; failure to purchase from our Approved Suppliers; any purchase of a non-approved item or offering of a product/service at the Franchised Business that we have not authorized (including Ancillary Products without our consent); failure to pay us, our Affiliates, or our Approved Suppliers any amount due, and failure to obtain any necessary permit/certificate/approval to operate the Franchised Business.

	Provision	Section in Franchise Agreement	Summary
			If you receive notice that you have failed to provide us with access to your POS system and/or any other Required Software tied to the financial performance of your Studio and/or Confidential Information, you must cure such a default within 3 days.
		Section 15(C)	Except as provided above and those defaults listed in (h) of this Item 17 Chart, you must cure all other defaults and violations of any provision of your Franchise Agreement or any other agreement with us or our affiliates within 30 days of being provided with notice of your default(s).
h.	"Cause" defined - defaults which cannot be cured	Section 15(A)	Your Franchise Agreement may be terminated automatically and without notice from us if: you become insolvent or make a general assignment for the benefit of creditors; a bankruptcy petition if filed by or against you and not dismissed within 30 days; a bill in equity or appointment of receivership is filed in connection with you or the Franchised Business; a receiver or custodian of your assets of property is appointed; a final judgment in the amount of $10,000 or more is entered against you and not satisfied within 60 days (or longer period if we consent); you attempt to make an invalid transfer in violation of Section 13 of your Franchise Agreement.
		Section 15(B)	Your Franchise Agreement may be terminated by us upon written notice and no opportunity to cure if: you commit any fraud or misrepresentation in connection with your Franchised Business; you or other required attendees fail to timely complete our Initial Training Program; you receive three (3) or more notices to cure the same or similar defaults under Section 15(C) of your Franchise Agreement in any 12-month period (whether or not subsequently cured); you violate any in-term restrictive covenants; you misuse the Proprietary Marks, Proprietary Information or other confidential information provided to you; misuse any proprietary software that might be developed in a competitive or other manner that constitutes misappropriation of said intellectual property or license; you fail to cure any default under any other agreement you have with our affiliates or any Approved Supplier within the appropriate cure period; you default under your lease for the Premises and fail to timely cure; you fail to open and commence operations within the required time period; you abandon your Franchised Business; you are convicted of a felony or any crime of moral turpitude or offense that will adversely affect the System; you take any property of the Franchised Business for personal use; there are insufficient funds in your EFT Account on three (3) or more occasions in any 12-month period; or if you commit repeated violations of any applicable law.

	Provision	Section in Franchise Agreement	Summary
i.	Franchisee's obligations on termination/non-renewal	Section 16	Upon termination or early expiration of the Franchise Agreement, your obligations include: immediately discontinuing the use of the Proprietary Marks and trade dress; cease doing business in a form or manner that may give the general public the impression that you are operating a Franchised Business; return of the Manuals of any other Proprietary Information to us; provide us with all customer information, lists and applicable contracts; cancel or, at our option, assign us all telephone/facsimile numbers and domain names (if permitted) used in connection with the Franchised Business (as well as all related listings) to us or our designee; comply with all post-term restrictive covenants; at our written option, assign the lease for the Premises to us; pay us all outstanding amounts; comply with our option to purchase the business, if we so choose; and provide us with written confirmation of compliance with these obligations within 30 days.
j.	Assignment of contract by franchisor	Section 13(G)	No restrictions on our right to assign.
k.	"Transfer" by franchisee – defined	Sections 13(A) and 13(C)	Includes any transfer of Franchise Agreement, assets of the Franchised Business, or ownership change in you.
l.	Franchisor approval of transfer by franchisee	Section 13(A)	We must approve all transfers, but we will not unreasonably withhold our approval if you meet our conditions.
m.	Conditions for franchisor approval of transfer	Section 13(E)	We have the right to impose the following conditions on any transfer by you: all of your obligations under the Franchise Agreement have been satisfied; you cure all existing defaults; the new franchisee must meet our then-current qualifications and criteria for a new franchisee; transferee must assume all of your obligations under the Franchise Agreement; transferee must complete our training program; transferee must execute our then-current form of franchise agreement; transferee must pay our Transfer Fee and successfully complete our Initial Training Program (and pay the applicable training fee); and you must execute a general release in our favor (as well as related parties).
		Section 13(F)	You will not be required to pay any transfer fee in the event: (i) you wish to transfer your rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by you and established solely for purposes of operating the Franchised Business under that Franchise Agreement; or (ii) you are required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest with respect to the Franchised Business) in order to receive SBA or other traditional bank financing, provided we otherwise approve of the transfer.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 13(D)	Except in certain circumstances (death/disability or transfer from individual franchisee to business entity), you must provide us with a period of 30 days to match any third-party bona fide offer to purchase any interest in the Franchise Agreement or Franchised Business. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o.	Franchisor's option to purchase franchisee's business	16(G)	We have the right, but not the obligations, to purchase all or any portion of the assets of your Franchised Business upon expiration/termination of your Franchise Agreement at book value.
p.	Death or disability of franchisee	Section 13(B)	You will have a period of 90 days to find a suitable legal representative that we approve to continue the operation of your Franchised Business, provided that

	Provision	Section in Franchise Agreement	Summary
			person completes our Initial Training Program and pays the appropriate tuition fee. During this 90-day period, we may step in and operate the Franchised Business on your behalf and pay ourselves a reasonable amount to reimburse our costs associated with this operation on your behalf. We are not under any obligation to step in and operate your business during this period.
q.	Non-competition covenants during the term of the franchise	Section 14(A)	Neither you, your principals, guarantors, owners or Designated Managers, nor any immediate family member of you, your principals, guarantors, owners or Designated Managers, may: (i) own, operate, or otherwise be involved with, a Competing Business (as defined in the Franchise Agreement); or (ii) divert, or attempt to divert, any prospective customer to a Competing Business.
r.	Non- competition covenants after the franchise is terminated or expires	Section 14(B)(1)	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with any business that is involved in the licensing or franchising of Competing Businesses at any location within the United States where we can demonstrate we have offered this franchise offering.
		Section 14(B)(2)	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with any Competing Business within a fifteen (15) mile radius of: (i) the perimeter of your Designated Territory; or (ii) any other Competing Business location that exists or is under development as of the date your Franchise Agreement is terminated, expires or is transferred. During this two (2) year period, these parties are also prohibited from: (i) soliciting business from customers of your former Franchised Business; or (ii) contacting any of our suppliers/vendors for a competitive business purpose.
s.	Modification of the agreement	Section 18(D)	Your Franchise Agreement may not be modified, except by a writing signed by both parties. With that said, we may modify the System and Manuals as we deem appropriate in our discretion from time to time.
t.	Integration/merger clause	Section 23(A)	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 21(B)	You must first submit all dispute and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally.
		Section 21(C)	At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, and then to arbitration, each of which (as applicable) will take place in Crown Point, Indiana (or Franchisor's then-current headquarters), or a nearby location that Franchisor designates or otherwise agrees to in writing. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.

	Provision	Section in Franchise Agreement	Summary
v.	Choice of forum	Sections 21(D) and 21(E)	Subject to Sections 21(C), 21(D), and 21(E) of the Franchise Agreement, all claims and causes of action arising out of the Franchise Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is within or closest to Crown Point, Indiana, or, if appropriate, the USDC for the Northern District of Indiana (subject to applicable state law).
w.	Choice of law	Section 21(A)	The Franchise Agreement is governed by the laws of the State of Indiana, without reference to this state's conflict of laws principles (subject to applicable state law).

B. Development Agreement

	Provision	Section in Development Agreement	Summary
a.	Term of franchise	6.1	The Development Agreement will commence on the Effective Date set forth in the Agreement and end on the earlier of (a) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule or (b) the day that the final Franchised Business is opened.
b.	Renewal or extension of the term	Not Applicable	Not Applicable.
c.	Requirements for you to renew or extend	Not Applicable	Not Applicable.
d.	Termination by you	Not Applicable	Not Applicable. Subject to state law.
e.	Termination by us without cause	Not Applicable	Not Applicable.
f.	Termination by us with cause	6.2	We may terminate your Development Agreement with cause.
g.	Cause defined - default which can be cured	Not Applicable	Not Applicable.
h.	Cause defined - default which cannot be cured	6.2	Your Development Agreement can be terminated by us if: (i) you cease to actively engage in development activities in the Development Area or otherwise abandon your development business for three (3) consecutive months, or any shorter period that indicates an intent by you to discontinue development of the Franchised Businesses within the Development Area; (ii) you become insolvent or are adjudicated bankrupt, or if any action is taken by Franchisee, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit or creditors or a receiver is appointed by you; (iii) you fail to meet your development obligations under the Development Schedule for any single Development Period, and fail to cure such default within 30 days of receiving notice thereof; and (iv) any Franchise Agreement that is entered into in order to fulfill your development obligations under the Development Agreement is terminated or subject to termination by us, pursuant to the terms of that Franchise Agreement.
i.	Your obligations on termination/ non-renewal	Not Applicable	Not Applicable.
j.	Assignment of contract by us	8	We have the right to assign our rights under the Development Agreement.

	Provision	Section in Development Agreement	Summary
k.	"Transfer" by you - definition	8	Any transfer in you (if you are an entity) or your rights/obligations under the Development Agreement.
l.	Our approval of transfer by franchisee	8	You may not transfer any rights or obligations under the Development Agreement without our prior written consent.
m.	Conditions for our approval of transfer	Not Applicable	Not Applicable.
n.	Our right of first refusal to acquire your business	Not Applicable	Not Applicable.
o.	Our option to purchase your business	Not Applicable	Not Applicable.
p.	Your death or disability	Not Applicable	Not Applicable.
q.	Non-competition covenants during the term of the franchise	Not Applicable	Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the Development Agreement.
r.	Non-competition covenants after the franchise is terminated or expires	Not Applicable	Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the Development Agreement.
s.	Modification of the Franchise Agreement	27	Any modification of the Development Agreement must be in writing and signed by both parties.
t.	Integration/ merger clauses	27	Only the terms of the Development Agreement are binding (subject to state law). Any representations or promises made outside of the disclosure document and the Development Agreement may not be enforceable.
u.	Dispute resolution by mediation	13	At our option, all claims or disputes between you and us must be submitted first to mediation in Crown Point, Indiana, or a nearby location that Franchisor designates or otherwise agrees to in writing, in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect and if mediation is not successful, then by arbitration.
v.	Choice of forum	15	Subject to Sections 13 and 14 of the Development Agreement, all claims must be brought before a court of general jurisdiction nearest to Crown Point, Indiana or the United States District Court for the Northern District of Indiana. You consent to the personal jurisdiction and venue of these courts (subject to applicable state law).
w.	Choice of law	9	The Development Agreement is governed by the laws of the State of Indiana, without reference to this state's conflicts of law principles. (subject to applicable state law)

ITEM 18
PUBLIC FIGURES

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

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ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Historic Financial Performance Representation

This Item 19 contains certain historic financial performance information of our two (2) Affiliate-Owned Studios, each of which operate in a manner substantially similar to how we expect System franchised Studios will operate.

As of the issuance date of this disclosure document, we have two (2) Affiliate-Owned Studios open and in operation, both located in the State of Indiana (in Crown Point and Valparaiso, respectively). The Crown Point Studio first opened in April 2023, and the Valparaiso Studio opened in February 2025. As disclosed in Item 1, from April 2023 until October 31, 2025, the Affiliate-Owned Studios operated under the trade name "Sweat 219." As of November 1, 2025, the Affiliate-Owned Studios each operate under our current Mark, "Vibe House Pilates."

The Affiliate-Owned Studios are located in close proximity to each other, and certain of the trainers and instructors of the Affiliate-Owned Studios provide training and instruction at both Studios. Because of the Studios' close proximity to each other and the overlap in trainers/instructors, in the calendar year 2025 (following the opening of the Valparaiso Studio), the Affiliate-Owned Studios reported their financial performance to us together using one set of financial statements. Please see the notes following the table below for additional characteristics regarding the Affiliate-Owned Studios.

Part I of this Item 19 discloses (i) the Gross Revenue, certain disclosed expenses, and associated data for the Crown Point Studio during the 2024 calendar year (the "2024 Measurement Period"), and (ii) the combined Gross Revenue, certain disclosed expenses, and associated data for both the Crown Point and Valparaiso Studios for the 2025 calendar year (the "2025 Measurement Period").

Part II of this Item 19 discloses the monthly Gross Revenue of the Crown Point Studio since its inception in April 2023 through the end of the 2023 calendar year (the "2023 Measurement Period") and the 2024 Measurement Period, as well as the combined Gross Revenue of both the Crown Point and Valparaiso Studios for the 2025 Measurement Period.

Part III of this Item 19 sets forth (i) certain membership information of both the Crown Point and Valparaiso Studios as of the end of the 2025 Measurement Period, as well as (ii) combined membership information for both Studios as of the ends of the 2023, 2024, and 2025 Measurement Periods.

Part IV of this Item 19 discloses certain pricing information of the Affiliate-Owned Studios as of the issuance date of this disclosure document, including monthly membership and "class pack" pricing information.

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Part V of this Item 19 discloses attendance information for both the Crown Point Studio and Valparaiso Studio, broken out by time of day, along with certain associated data, for the indicated Measurement Periods.

The information below has been reported to us by the Affiliate-Owned Studios, and we have not audited this information. Written substantiation of the information provided below will be provided to the prospective franchisee upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

PART I

Table 1.A: Gross Revenue and Certain Disclosed Expenses of Crown Point Studio During 2024 Measurement Period

Crown Point Studio (1 Studio) 1/1/2024 – 12/31/2024 (2024 Measurement Period)	
Gross Sales[1]	$753,558
Cost of Goods Sold (COGS)[2]	*$14,163*
Gross Sales Less Cost of Goods Sold	**$739,395**
Additional Disclosed Expenses	
Advertising & Marketing	*$17,871*
Dues & Subscriptions[3]	*$18,625*
Legal & Professional Fees	*$5,382*
Merchant & Bank Fees	*$19,549*
Office Supplies, Postage, & Software	*$3,942*
Studio Equipment & Supplies[4]	*$46,191*
Training & Development[5]	*$1,500*
Licenses[6]	*$381*
Rent[7]	*$42,090*
Utilities	*$18,167*
Repairs & Maintenance[8]	*$16,471*
Payroll (incl. tax)[9]	*$196,704*
Total Additional Disclosed Expenses	***$386,873***
Gross Sales Less COGS and Disclosed Expenses	**$352,523**
Imputed Fees[10]	
Royalties (Imputed)	*$52,749*
Brand Fund (Imputed)	*$15,071*
Local Advertising (Imputed)	*$22,607*
Tech Fee (Imputed)	*$4,200*
Gross Sales Less COGS, Disclosed Expenses, and Imputed Fees	**$257,896**

Table 1.B: Combined Gross Revenue and Certain Disclosed Expenses of Crown Point and Valparaiso Studios During 2025 Measurement Period

Crown Point and Valparaiso Studios (2 Studios) 1/1/2025 – 12/31/2025 (2025 Measurement Period)	
Gross Sales[1]	$1,828,108
Cost of Goods Sold (COGS)[2]	*$15,094*
Gross Sales Less Cost of Goods Sold	**$1,813,013**
Additional Disclosed Expenses	
Advertising & Marketing	*$43,132*
Dues & Subscriptions[3]	*$29,938*
Legal & Professional Fees	*$5,000*
Merchant & Bank Fees	*$77,068*
Office Supplies, Postage, & Software	*$16,399*
Studio Equipment & Supplies[4]	*$64,470*
Training & Development[5]	*$1,119*
Licenses[6]	*$526*
Rent[7]	*$80,767*
Utilities	*$36,538*
Repairs & Maintenance[8]	*$28,699*
Payroll (incl. tax)[9]	*$510,028*
Total Additional Disclosed Expenses	***$893,684***
Gross Sales Less COGS and Disclosed Expenses	**$919,329**
Imputed Fees[10]	
Royalties (Imputed)	*$127,968*
Brand Fund (Imputed)	*$36,562*
Local Advertising (Imputed)	*$54,843*
Tech Fee (Imputed)	*$8,400*
Gross Sales Less COGS, Disclosed Expenses, and Imputed Fees	**$691,556**

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PART II

Table 2: Monthly Gross Revenue of Affiliate-Owned Studios During Indicated Measurement Period

	2023	# of Studios	2024	# of Studios	2025*	# of Studios
Jan	-	-	$40,263	1	$93,718	1
Feb	-	-	$50,186	1	$129,589	2
Mar	$198	1	$51,745	1	$159,322	2
Apr	$17,103	1	$57,328	1	$133,815	2
May	$23,955	1	$65,202	1	$163,252	2
Jun	$21,676	1	$57,181	1	$160,700	2
Jul	$26,063	1	$66,187	1	$151,699	2
Aug	$29,144	1	$73,290	1	$158,573	2
Sep	$30,086	1	$55,952	1	$179,165	2
Oct	$33,988	1	$71,669	1	$165,894	2
Nov	$35,294	1	$88,087	1	$161,446	2
Dec	$36,345	1	$83,855	1	$172,219	2
Total	**$253,851**	**1**	**$760,943**	**1**	**$1,829,392**	**2**

PART III

Table 3.A: Active Memberships at Crown Point and Valparaiso Studios as of 12/31/2025 (End of 2025 Measurement Period)

Active Memberships as of 12/31/25				
	Crown Point	**Valparaiso**	**Multi-Location**	**Total**
Unlimited Membership	331	186	9	526
Student Membership*	155	107		262
8 Sessions/Month	74	51		125
4 Sessions/Month	5			5
Class Packs			611	611
Total Active Memberships	**565**	**344**	**620**	**1529**
Presale Memberships at Opening	*100*	*133*		

Table 3.B: Combined Active Memberships (Excluding Class Packs) for Crown Point and Valparaiso Studios at Ends of 2023, 2024 and 2025 Measurement Periods

Active Members (excluding Class Packs), 2023-2025		**# of Studios**
Dec. 31, 2023	289	1
Dec. 31, 2024	421	1
Dec. 31, 2025	918	2

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PART IV

Table 4: Pricing Information for Affiliate-Owned Studios as of the Issuance Date

Monthly Memberships	Tier 1	Tier 2	Tier 3	Tier 4
Unlimited Membership	$149/month	$199/month	$249/month	Location Dependent
Student/Teacher Membership*	$119/month	$159/month	$179/month	
8 Sessions/Month	$99/month	$129/month	$149/month	

Class Packs	Tier 1	Tier 2	Tier 3	Tier 4
Intro Offer - 3 Class Special	$38	$49	$59	Location Dependent
Single Drop-In	$28	$35	$39	
5-Pack	$125	$150	$175	
10-Pack	$240	$275	$300	
20-Pack	$400	$500	$550	

PART V

Table 5.A: Attendance Information by Time of Day for Crown Point Studio During 2025 Measurement Period

Attendance by Time of Day Crown Point Studio 2025 Measurement Period (1/1/2025 - 12/31/25)						
Hour	**Total Sessions**	**Avg Paid Registration**	**Median**	**Sessions Exceeding Avg**	**Max**	**Min**
5:00	234	**35**	36	121	49	5
6:00	102	**30**	30	49	41	14
7:00	284	**34**	35	144	45	11
8:00	342	**38**	40	205	46	3
9:00	308	**34**	36	170	47	1
10:00	103	**33**	33	49	47	10
4:00	203	**35**	35	92	47	14
5:00	206	**39**	41	128	46	10
6:00	213	**36**	37	118	45	5
7:00	39	**23**	22	15	45	10
Total	**2034**	**35**	**36**	**1089**	**49**	**1**

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Table 5.B: Attendance Information by Time of Day for Valparaiso Studio During 2025 Measurement Period

Attendance by Time of Day Valparaiso Studio 2025 Measurement Period (2/3/25 - 12/31/25)						
Hour	**Total Sessions**	**Avg. Paid Registration**	**Median**	**Sessions Exceeding Avg**	**Max**	**Min**
5:00	184	**27**	28	80	33	7
7:00	210	**26**	27	115	33	7
8:00	292	**28**	29	169	35	2
9:00	216	**25**	27	131	35	1
10:00	88	**24**	25	44	33	6
11:00	28	**22**	24	15	33	10
4:00	126	**30**	31	65	36	4
5:00	169	**30**	31	94	35	8
6:00	89	**27**	29	51	35	12
7:00	80	**26**	26	37	35	15
Total	**1482**	**27**	**29**	**871**	**36**	**1**

Notes to Item 19:

General Notes

(A) The historical financial performance representation included in this Item 19 includes certain performance information reported by the Affiliate-Owned Studios for the indicated Measurement Periods only.

(B) You are strongly encouraged to develop your own business plan for your franchise, including capital budgets, financial statements, projects, pro forma financial statements, and other elements appropriate to your circumstances before you invest in this franchise opportunity. We encourage you to consult with your own accounting, business, and legal advisers to assist you in preparing your business plan.

(C) Other than the payroll taxes disclosed in Part I above, the information presented in this Item 19 excludes tax liabilities. You will be responsible for all taxes incurred in connection with the operation of your franchised Studio. You are strongly encouraged to consult with a tax professional before investing in this franchise opportunity.

Notes to Part I

(A) The information presented in Part I of Item 19 discloses only the Gross Sales and certain additional disclosed expenses as reported by the Affiliate-Owned Studios during the applicable Measurement Periods, as reflected in the above chart. It does not include or reflect all operating expenses incurred by the Affiliate-Owned Studios, including but not limited to automobile expenses, financing costs, owners' compensation, certain professional fees, travel expenses, meals and entertainment expenses, charitable contributions, and other expenses that you will incur in operating a franchised Studio.

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(2) Defined Terms

1) *Gross Sales* means the total reported revenues and receipts from the sale of all products and services sold through the Affiliate-Owned Studios during the indicated Measurement Period, as reported to us by the Affiliate-Owned Studios. Gross Sales does not include sales tax or any other taxes collected by the Affiliate-Owned Studios and transmitted to the applicable tax authorities.
2) *Cost of Goods Sold (COGS)* means the costs incurred by the Affiliate-Owned Studios during the indicated Measurement Period for the goods and services offered for sale at the Affiliate-Owned Studios, including but not limited to the costs for the Approved Products offered for retail sale on-premises.
3) *Dues and Subscriptions* means the costs incurred by the Affiliate-Owned Studios during the indicated Measurement Period for point-of-sale software fees, as well as additional software fees and subscriptions.
4) *Studio Equipment and Supplies* means the costs incurred by the Affiliate-Owned Studios in connection with the items, equipment, and supplies used in the provision of classes at the Studios, including but not limited to Pilates balls, weights, bars, bands, and similar equipment.
5) *Training and Development* means the amounts expended by the Affiliate-Owned Studios in connection with providing the Studios' Master Trainer with certain third-party Pilates and associated fitness training and certification.
6) *Licenses* means the amounts expended by the Affiliate-Owned Studios in connection with broadcast music and font licenses during the applicable Measurement Period.
7) *Rent* means the rent and occupancy expenses incurred by the Affiliate-Owned Studios during the indicated Measurement Period and includes common area maintenance (CAM) charges. The Crown Point Studio is approximately 2,500 square feet in size, while the Valparaiso Studio is approximately 1,590 square feet in size.
8) *Repairs & Maintenance* means the costs incurred by the Affiliate-Owned Studios during the indicated Measurement Period on the repair and maintenance of the premises of the Studios, as well as the repair and maintenance of Studio equipment and supplies.
9) *Payroll (inc. tax)* means the total cost of salaries and wages for the employees of the Affiliate-Owned Studios during the indicated Measurement Period, including bonuses and additional employee compensation, as well as payroll taxes and workman's comp costs for such employees.
10) *Imputed Fees*. The Affiliate-Owned Studios did not pay any of the "Imputed Fees" listed in the above charts to us during the applicable Measurement Periods. The Imputed Fees are defined as the Imputed Royalty (7% of Gross Sales), Imputed Brand Fund Contribution (2% of Gross Sales), Imputed Local Advertising Requirement (3% of Gross Sales), and Imputed Technology Fee ($350 per month). The amounts set forth in Tables 1.A and 1.B above are representations of what the Affiliate-Owned Studios would have paid to us for each of these items had the Affiliate-Owned Studios entered into our current form of Franchise Agreement. You will be required to pay these fees, as well as all other fees due under the Franchise Agreement.

Notes to Part II

(A) As disclosed above, the Crown Point Studio first opened in April 2023. The Valparaiso Studio first opened in February 2025. The financial performance information during the 2025 Measurement Period as disclosed in Table 2 above includes, commencing from February 2025 until the end of the 2025 Measurement Period, the combined monthly Gross Sales for both the Crown Point Studio and the Valparaiso Studio.

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Notes to Part III

(A) The Affiliate-Owned Studios offer reduced rate "Student" and "Teacher" membership options. Currently, we do not require you to offer the same or similar reduced membership rates for students and/or teachers.

Notes to Part IV

(A) As of the issuance date of this disclosure document, both the Crown Point Studio and the Valparaiso Studio offer "Tier 1" membership pricing.

(B) "Tier 4" pricing is subject to mutual agreement by the franchisee and Franchisor and may vary depending on market rates, rent costs, and other factors.

(C) The Affiliate-Owned Studios offer reduced rate "Student" and "Teacher" membership options. Currently, we do not require you to offer the same or similar reduced membership rates for students and/or teachers.

Notes to Part V

(A) The Crown Point Studio has a maximum class capacity of 40. The Valparaiso Studio has a maximum class capacity of 32.

(B) Tables 5.A and 5.B reflect all paid registrations for the indicated Measurement Periods for the Crown Point Studio and Valparaiso Studio, respectively, including late cancellations and "no-shows," for which there are associated fees. Of a total of 71,075 bookings at the Crown Point Studio during the 2025 Measurement Period, there were 8,996 late cancellations and 122 "no-shows." Of a total of 44,317 bookings at the Valparaiso Studio during the 2025 Measurement Period, there were 4,330 late cancellations and 95 "no-shows."

(C) The "Hours" indicated in Tables 5.A and 5.B include all classes that start within the indicated hour. For example, a class that starts at 6:30pm would be reflected under the "6:00" row in these Tables.

Other than the above representations, Vibe House Pilates Franchising, LLC does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. Vibe House Pilates Franchising, LLC also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our Chief Executive Officer, Rosalie Black, c/o Vibe House Pilates Franchising, LLC, 1123 Merrillville Road, Crown Point Indiana 46307, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2023 - 2025*

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	0	1	+1
	2024	1	1	0
	2025	1	2	+1
Totals	**2023**	**0**	**1**	**+1**
	2024	**1**	**1**	**0**
	2025	**1**	**2**	**+1**

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2023 - 2025

State	Year	Number of Transfers
Totals	**2023**	**0**
	2024	**0**
	2025	**0**

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

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
Totals	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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

	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Indiana	2023	0	1	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	1	0	0	0	2
Totals	**2023**	**0**	**1**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**1**	**0**	**0**	**0**	**2**

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

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
TOTAL	0	0	0

A list of the names of all of our current franchisees in the United States, along with the addresses and telephones numbers of their franchised Studios, are set forth in Exhibit F to this Disclosure Document. The name, city, state and current business telephone number (if known) of every franchisee who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable franchise agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document, will be listed on Exhibit F to this Disclosure Document when applicable.

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

During the last three (3) fiscal years, no franchisees have entered into confidentiality provisions that would restrict their ability to speak openly about their experience with the System.

As of the Issuance Date, there are no trademark-specific organizations formed by our franchisees that are associated with the System.

ITEM 21
FINANCIAL STATEMENTS

Our audited initial financial statement dated January 23, 2026, is attached as Exhibit D. We have not been franchising for three or more years, and therefore do not have, and are not required to provide, audited financial statements for the past three fiscal years.

Our fiscal year ends on December 31.

ITEM 22
CONTRACTS

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

Franchise Agreement (and Exhibits)	Exhibit B
Development Agreement (and Exhibits)	Exhibit C
State Specific Addenda	Exhibit E
Sample Termination and Release	Exhibit H
Franchisee Questionnaire	Exhibit I

ITEM 23
RECEIPTS

Exhibit K to this Franchise Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to our CEO, Rosalie Black, c/o Vibe House Pilates Franchising, LLC, 1123 Merrillville Road, Crown Point, Indiana 46307.

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EXHIBIT A
TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

California Department of Financial Protection and Innovation
TOLL FREE 1-(866) 275-2677

LA Office
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Sacramento Office
651 Bannon Street, Suite 300
Sacramento, CA 95811
(866) 275-2677

San Diego Office
1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

San Francisco Office
One Sansome St., Suite 600
San Francisco, CA 94104
(415) 972-8565

Florida Department of Agricultural
and Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(904) 922-2770

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

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

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-11
Indianapolis, IN 46204
(317) 232-6681

Kentucky Office of the Attorney General Consumer Protection Division
P.O. Box 2000
Frankford, KY 40602
(502) 573-2200

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

Michigan Department of the Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48933
(517) 373-7117

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1600

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509-5006
(402) 471-3445

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

North Dakota Securities Department
State Capital, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-2910

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Oregon Department of Consumer
and Business Services
Division of Finance and Corporate
Securities labor and Industries
350 Winter Street, NE, Room 410
Salem, OR 97310-3881
(503) 378-4140

Director, Department of Business Regulations
Rhode Island Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903-4232

South Dakota, Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501-2017
(605) 773-3563

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, TX 78711
(512) 475-1769

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

State of Washington
Washington Department of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin Commissioner of Securities
345 W Washington Ave., 4th Floor
Madison, WI 53703
(608) 266-8550

AGENTS FOR SERVICE OF PROCESS

Rosalie Black, CEO
Vibe House Pilates Franchising, LLC
1123 Merrillville Road
Crown Point, Indiana 46307

California Commissioner of the Department of
Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013

Commissioner of the Department of Financial
Protection and Innovation
One Sansome St., #600
San Francisco, California 94104

Commissioner of the Department of Financial
Protection and Innovation
651 Bannon Street, Suite 300
Sacramento, CA 95811

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

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
P.O. Box 30054, 6546 Mercantile Way
Lansing, MI 48909

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231
(518) 473 2492

North Dakota Securities Commissioner
State Capitol – 5th Floor
600 E. Boulevard Avenue
Bismarck, ND 58505

Director, Department of Business Regulation
Division of Securities
Suite 232
233 Richmond Street
Providence, RI 02903-4232

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501-3185

Clerk of the State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, VA 23219

Washington Department of Financial Institutions
Securities Division
150 Israel Road, Southwest
Tumwater, WA 98501

Wisconsin Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703
(608) 261-9555

EXHIBIT B
TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

VIBE HOUSE PILATES FRANCHISING, LLC

FRANCHISE AGREEMENT

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Exhibit A: Data Sheet
Exhibit B: Form of Personal Guaranty
Exhibit C: Form of Collateral Assignment of Lease
Exhibit D: EFT Withdrawal Authorization Form
Exhibit E: Form of Confidentiality and Non-Competition Agreement (for use by Franchisee for Management Personnel of the Franchised Business and Officers/Directors of the Franchisee)
Exhibit F: Conditional Assignment of Telephone/Facsimile Numbers and Domain Names

VIBE HOUSE PILATES FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on this ___day of _____, 20___ ("Effective Date,") by and between: (i) Vibe House Pilates Franchising, LLC, an Indiana limited liability company with its principal place of business at 1123 Merrillville Road, Crown Point, Indiana 46307 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Franchisee" or "you").

RECITATIONS

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the "System") related to the establishment, development, opening, and operation of a Pilates studio (each, a "Studio") that provides (a) heated, music-driven, mat-based Pilates instruction, including group Pilates classes delivered in a high-energy environment (the "Approved Services"), and (b) branded apparel, accessories, mats, and any other products that Franchisor requires or authorizes for retail sale (the "Approved Products").

B. Franchisor's System is comprised of various distinguishing elements, including without limitation: proprietary methodology and procedures for the establishment and operation of a Studio; site selection guidance and criteria; specifications for the design, layout and construction of the interior of the Studio; standards and specifications for the furniture, fixtures and equipment located within a Studio; established relationships with approved or designated suppliers for certain products and services; and standards and specifications for advertising, bookkeeping, sales, marketing, and other aspects of operating a Studio. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information which makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System, which may, in whole or part, be contained in the relevant Franchisor's manuals that are proprietary and confidential.

C. Franchisee's Studio must be operated using Franchisor's Proprietary Marks and in accordance with Franchisor's proprietary operating System that is generally comprised of various components, including: (i) methodologies and know how, information, trade secrets regarding the provision of the Approved Services, sourcing and resale of certain Approved Products and the establishment and operation of a franchised Studio generally; Franchisor's confidential operations manual (the "Operations Manual") and other proprietary manuals Franchisor may provide Franchisee with access to via hard copy or online (collectively, the "Manuals"); (ii) proprietary training (both initial and ongoing) related to the operation of a Studio, as well as all related training materials; (iii) designated sources and existing relationships with suppliers specified by Franchisor from whom Franchisee is either required or pre-approved to purchase certain items or services that are necessary to establish and/or operate a franchised Studio; (iv) information and, if Franchisor determines appropriate, prototypical plans for the design and layout of a franchised Studio; (v) specified equipment, inventory, mats, furniture and any fixtures that are necessary to build out a prototypical Studio; (vi) Franchisor's Proprietary Marks, as well as any other interior and exterior design, décor, color schemes, advertising and marketing specifications, and other standards, specifications, techniques, and procedures that Franchisor designates for developing, operating, and managing the Studio. Franchisor may, in its discretion, update, supplement, change or otherwise modify the System; as well as (vii) corresponding System suppliers, standards and

specifications, as Franchisor determines appropriate from time to time via revisions to the Manuals or otherwise in writing.

D. Franchisee agrees and acknowledges that certain of the Approved Services provided at and from the Franchised Business must be performed by an individual that has been trained by Franchisee's lead trainer (the "Master Trainer"), and such Master Trainer must attend and complete the appropriate instructor-related components of Franchisor's initial training program designed to provide instruction on how to provide the Approved Services in accordance with Franchisor's then-current System standards and methodologies.

E. The System and Studios are identified by Franchisor's then-current and proprietary marks, as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor may modify, update, supplement or substitute in the future (collectively, the "Proprietary Marks"). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

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

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

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

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

AGREEMENT

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

1. PREAMBLES, ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE. As material consideration for Franchisor entering into this Agreement, Franchisee agrees and acknowledges as follows:

A. The business venture contemplated by this Agreement involves business risks.

B. Franchisee's success will be largely dependent upon Franchisee's ability as an independent businessperson.

C. Franchisee has received, and will review and ensure it understands the provisions contained in, this Agreement and any exhibits hereto prior to executing this Agreement.

D. Franchisee understands that the Pilates industry (and the fitness industry generally) is highly competitive with constantly changing market conditions.

E. Franchisor has fully and adequately explained each provision of this Agreement to Franchisee's satisfaction prior to entering into this Agreement.

F. Franchisee has either (a) consulted with Franchisee's own advisors with respect to the legal, financial, and other aspects of this Agreement, the business franchised hereby, and the prospects for such business, or (b) has voluntarily and unilaterally declined to do so.

G. Any written inquiries made to Franchisor by Franchisee pertaining to the nature of this franchise were answered in writing to the satisfaction of Franchisee.

H. Franchisee has had the opportunity and adequate time to independently investigate and analyze both the franchise being offered hereunder and the terms and provisions of this Agreement utilizing the services of legal counsel, accountants, and other advisors (if Franchisee so elects).

I. Any and all applications, financial statements, and representations submitted to Franchisor by Franchisee, whether oral or in writing, were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement unless the same has been otherwise amended in writing. Franchisee states that he/she is not presently involved in any business activity that could be considered competitive in nature, unless heretofore disclosed to Franchisor in writing.

J. Franchisee will not contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Marks, trade secrets, methods, procedures, know-how, or advertising techniques which are part of Franchisor's business, or contest Franchisor's sole right to register, use, or license others to use such names or Proprietary Marks, trade secrets, methods, procedures, or techniques.

K. Franchisee represents and warrants that Franchisee is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by Franchisee of the obligations under this Agreement and that Franchisee is not a party, and has not within the last ten (10) years been a party, to any litigation, bankruptcy, or legal proceedings other than those heretofore disclosed to Franchisor in writing.

L. Franchisee agrees and acknowledges that it is solely responsible for ensuring that: (i) it acquires and maintains all business licenses, permits and approvals, including those that are specifically required to offer and provide Pilates and any related services that are necessary to operate the Franchised Business at the Premises (defined below) and within the Designated Territory (defined below); and (ii) the Franchised Business is otherwise operated in full compliance with all federal, state and local laws and regulations where the Franchisee is located.

M. Franchisee agrees and acknowledges that: (i) Franchisor may enter into franchise agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of a Studio; and (ii) the existence of different forms of

agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.

2. GRANT OF FRANCHISE

A. **Grant of Franchise**. Franchisor hereby grants Franchisee, subject to the terms, conditions, and obligations of this Agreement, a non-exclusive right and license to use the Proprietary Marks and receive the other benefits of the System in connection with the establishment and operation of a single franchised Studio (the "Franchised Business"), which the parties agree and acknowledge must be developed pursuant to System standards and under the terms and conditions of this Agreement.

B. **Approved Premises; Site Selection Area.** The Franchised Business must be operated from a single location that Franchisor approves (the "Premises"). If the parties have not agreed on a Premises as of the date this Agreement is executed, Franchisor will designate a general marketing area (the "Site Selection Area") on the data sheet attached to this Agreement as Exhibit A (the "Data Sheet") wherein Franchisee must locate and secure the Premises as detailed more fully in Section 6(A) of this Agreement. Franchisee acknowledges and agrees that: (i) it does not have any territorial rights within the Site Selection Area; (ii) Franchisor may permit other new franchisees to search for the location of their franchised Studio within the same Site Selection Area that is assigned to Franchisee under this Agreement if Franchisor determines in its discretion that the Site Selection Area is large enough to contain additional franchises; and (iii) potential locations for each franchised Studio, and resulting Designated Territories (as defined below), within the Site Selection Area will be reviewed and rejected/granted on a first-to-propose basis.

C. **Relocation of Premises**. Once the Franchisor approves the Premises of the Franchised Business, the location will be set forth in the Data Sheet. Franchisee may only use the Premises to operate the Franchised Business. Franchisee may not relocate the Franchised Business to any location other than the Premises without Franchisor's prior written consent, which Franchisor will not unreasonably withhold, provided: (i) Franchisee secures an alternative location for the Franchised Business within the Designated Territory (as defined below) that meets Franchisor's then-current site selection criteria for the premises of a Studio; and (ii) Franchisee pays Franchisor a relocation fee amounting to up to $2,500 prior to Franchisor's approval of the relocation, plus any actual costs/expenses incurred in connection with evaluating the proposed relocation site.

D. **Designated Territory**. Upon locating and securing a Premises for the Franchised Business, Franchisor will designate a geographical area surrounding the Premises wherein Franchisor will not open or locate, or license a third party the right to open or locate, another Studio utilizing the System and Proprietary Marks (the "Designated Territory"), for so long as Franchisee is in compliance with this Agreement. The boundaries of the Designated Territory, once determined by Franchisor, will be described in the Data Sheet. Franchisee acknowledges that it does not have any other territorial rights within the Designated Territory.

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

2. Franchisee may not actively advertise the Franchised Business outside of the Designated Territory, unless (a) the area wherein Franchisee wishes to advertise is contiguous to the Designated Territory and is not granted to another franchisee or other Studio location, and (b) Franchisee obtains Franchisor's prior written consent.

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

F. **Reservation of Rights**. Notwithstanding anything contained in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) open and operate, and license third parties the right to open and operate, other Studios utilizing the Proprietary Marks and System outside the Designated Territory; (ii) market, offer and sell products and services similar to those offered by the Franchised Business and other Studios (such as private label products that Franchisor may develop) through alternative channels of distribution, including without limitation, via the Internet and other e-commerce channels, catalog sales, direct mail or wholesale, at any location; (iii) acquire, or be acquired by, any company, including a company operating one or more businesses offering products or services similar to those offered by a Studio, located within or outside the Designated Territory, and subsequently operate (or license a third party the right to operate) these locations; (iv) open and operate, or license third parties the right to open or operate, businesses that offer products and services similar to the Franchised Business under marks other than the Proprietary Marks at any location; (v) open and operate, or license third parties the right to open or operate Studios in non-traditional sites, including, but not limited to, sports and entertainment stadiums, arenas, entertainment complexes, malls, other shopping outlets, food courts, and train stations and airports, both within and outside of Franchisee's Designated Territory, with determination of what constitutes a non-traditional site subject to Franchisor's sole discretion; and (vi) use, and license others the right to use, the Proprietary Marks and System to engage in any other activity not expressly prohibited by this Agreement.

G. **Modification of System**. Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System. Any change or modification that Franchisor makes to the System will not materially alter Franchisee's fundamental rights under this Agreement. Franchisor will provide Franchisee with a reasonable amount of time to comply with any change or modification to the System once Franchisee has been notified of such change/modification in writing (via the Operations Manual or otherwise).

3. TERM AND RENEWAL

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

B. **Renewal**. Franchisee may submit a request to renew this Agreement for up to one (1) additional, consecutive term of ten (10) years, and must provide such request to renew no less than six (6) months and no more than twelve (12) months prior to the end of the initial term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:

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

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

3. Franchisee pays Franchisor the then-current renewal fee which currently amounts to Ten Thousand Dollars ($10,000) at least ninety (90) days prior to the expiration of the then-current term. Franchisee will not be required to pay an additional Initial Franchisee Fee (as defined in Section 4) upon renewal.

4. Franchisee and/or the Designated Manager (as defined in this Agreement and as applicable) attends a prescribed training refresher course at least thirty (30) days before the expiration of the then-current term of this Agreement, and Franchisor's then-current Training Fee for any required refresher training that Franchisor determines appropriate. Franchisee will also be responsible for all expenses incurred in connection with attending this refresher training.

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

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

7. Franchisee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Premises and Studio within the time frame required by

Franchisor no later than three (3) months after any renewal date hereunder, including the design, equipment, signs, interior and exterior décor items, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly opened Studio.

4. FEES AND PAYMENTS

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

1. *Initial Franchise Fee.* Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee of Sixty Thousand Dollars ($60,000) (the "Initial Franchise Fee"), which fee shall be deemed fully earned and non-refundable under any circumstances upon payment.

2. *Royalty Fee.* On a weekly basis and on the day of the week designated by Franchisor, Franchisee must pay Franchisor an ongoing royalty fee amounting to seven percent (7%) of Gross Sales (as defined herein) (the "Royalty Fee"), commencing as of the date the Franchised Business opens to the public (or is required to be opened under this Agreement). Commencing in the thirteenth (13^{th}) month of operations of the Franchised Business, Franchisee shall pay to Franchisor, on a weekly basis, the greater of (i) the Royalty Fee, or (ii) $500 per week (the "Minimum Royalty").

3. *Brand Development Fund*. Franchisor has established a brand development fund (the "Fund") for the benefit of the System and the Franchisor's brand generally and requires Franchisee to contribute a specified amount weekly to the Fund (the "Fund Contribution"). As of the Effective Date of this Agreement, Franchisee shall make a Fund Contribution each week in the amount of two percent (2%) of Gross Sales. Franchisor reserves the right to increase Franchisee's required Fund Contribution to an amount equal to three percent (3%) of Gross Sales during the Term of this Agreement upon thirty (30) days' written notice to Franchisee. The Fund Contribution shall be payable at the same time and in the same manner as the Royalty Fee.

4. *Technology Fee; Required Software-Related Fees.* In connection with certain technology and related systems that Franchisor designates for use in connection with the System, Franchisee must pay: (i) Franchisor its then-current technology fee (the "Technology Fee") for the technology and services that Franchisor determines to provide (as of the Effective Date of this Agreement, $350 per month); and (ii) any other license fees or other amounts necessary to acquire and maintain access to such required software (the "Required Software") and other technology, including without limitation, any Studio management system and/or CRM system that Franchisee must use in connection with the Franchised Business, and/or online app or other platform that Franchisor permits Franchisee to offer and sell to Studio members/customers. The Technology Fee shall be payable at the same time and same manner as the Royalty Fee or monthly, as Franchisor designates in the Manuals or otherwise.

5. *Training Fee(s)*. Upon execution of this Agreement and throughout the term thereof, Franchisee must pay Franchisor the then-current applicable training fee for the type of training at issue (collectively, the "Training Fee(s)").

6. *Class Supplies and Affiliate Inventory Package*.

   a. Franchisee must purchase its initial stock of mats, accessories, retail apparel, and other inventory from Franchisor's approved supplier before Franchisee opens its business. This amount is due to Franchisor's approved supplier for these inventory items at or around the time the order is placed for the inventory.

   b. Franchisee will be required to purchase ongoing inventory, including certain proprietary and/or branded inventory necessary to provide the Approved Services on an on-going basis and in the amounts required by Franchisor and/or otherwise as required to meet client demand for certain Approved Products.

7. *Annual Franchisee Convention*. Franchisor may establish and conduct an annual convention for all Studio owners and operators and may require Franchisee and its Designated Manager to attend this convention. Franchisor reserves the right to charge Franchisee its then-current registration fee in connection with any convention conducted pursuant to this Section, as required under this Agreement and/or the Manuals, and Franchisee will be solely responsible for all expenses incurred in attending such conferences. Franchisor reserves the right to charge Franchisee a non-attendance fee amounting to $2,000 if Franchisee (or its Designated Manager or other owner) does not attend and participate in the convention.

8. *Definition of Gross Sales.* "Gross Sales" means the total revenue generated at, through or otherwise by the Franchised Business or any other activities conducted at the Premises, including all revenue generated from the sale and provision of (i) Approved Services, including all Pilates and fitness training services and Studio membership revenue, (ii) Approved Products, including all retail apparel and merchandise Franchisee is authorized to offer at the Franchised Business, (iii) gift cards, (iv) other activities offered and provided by the Franchised Business, including but not limited to income or other consideration earned by Franchisee as a result of a tenant or sub-tenant of the Franchised Business utilizing space (pursuant to our prior written approval) within the Studio, or otherwise at the Premises, and (v) all proceeds from any business interruption insurance related to the non-operation of the Franchised Business, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. "Gross Sales" does not include (a) any sales tax and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, or (b) the value of any allowance issued or granted to any member or customer of the Franchised Business that is credited in good faith by Franchisee in full or partial satisfaction of the price of the Approved Services or Approved Products as part of a *bona fide* refund transaction.

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

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

C. **Access to Computer System**. Franchisor may, without notice to Franchisee, have the right to independently and remotely access and view Franchisee's computer system and all software applications used in connection with the Franchised Business (the "Computer System") via the Internet, other electronic means or by visiting the Studio, in order to obtain Gross Sales, membership rates, counts and other membership-related information, and other available information that Franchisor reasonably requests about the Franchised Business. Franchisee hereby consents to Franchisor using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by Franchisor or disclosed to Franchisor in accordance with this Agreement. Franchisee must obtain and use the Computer System hardware, software and other components that Franchisor prescribed for use in connection with the Franchised Business, and utilize and participate in any intranet/extranet that Franchisor establishes in connection with the System. Franchisor may require Franchisee to use a Computer System and/or related software that is administered through Franchisor and that provides Franchisor with automatic access to all data and reports that might be created by such Computer System and/or software.

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

1. The parties agree and acknowledge that Franchisor may require Franchisee to use a Computer System and/or software in connection with the Franchised Business that provides Franchisor with automatic access to Gross Sales Reports and any other data/reports generated by such Computer System and/or software, but in no event shall such access by Franchisor affect Franchisee's obligation to provide all

reports required under this Franchise Agreement unless Franchisor agrees otherwise in writing.

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

E. **Late Payments**. If any payment due under this Agreement is not received by Franchisor by the scheduled date due, Franchisee shall be in default under this Agreement. If any payment is overdue, Franchisee shall pay interest in connection with the overdue amount, at a rate of one and one-half percent (1.5%) per month, beginning from the date of non-payment or underpayment, until paid. Entitlement to collect such interest shall be in addition to any and all other remedies Franchisor may have. Franchisee agrees to pay the greater of (a) Thirty-Five Dollars ($35.00) or (b) Franchisor's actual expenses for each check given or electronic transfer made to Franchisor that is dishonored, fails to process, or is returned.

F. **Taxes Owed by Franchisee**. No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor. All taxes, charges, or assessments shall be paid by Franchisee to the taxing authorities when due, in addition to the amounts due to Franchisor.

G. **Security Interest**. Franchisee hereby grants to Franchisor a security interest in all of Franchisee's interests in the real estate where the franchise is located (if Franchisee purchases its Premises), as well as all improvements to that real estate. Franchisee further grants to Franchisor a security interest in all furniture, furnishings, equipment, fixtures, inventory, and supplies located at or used in connection with the Franchised Business, whether now or hereafter leased or acquired, together with all attachments, accessions, accessories, additions, substitutions, and replacements therefore, as well as all cash and non-cash proceeds derived from insurance, the disposition of any such collateral to secure payment and performance of all debts, liabilities, and obligations of any kind of Franchisee to Franchisor under this Agreement, whenever and however incurred, any promissory note given by Franchisee to Franchisor, or any other agreement between them. Franchisee hereby authorizes Franchisor to file and record all financing statements, financing statement amendments, continuation financing statements, fixture filings, and other documents necessary or desirable to evidence, perfect, and continue the priority of the security interests granted herein. Franchisee agrees and understands that it must promptly execute and deliver any such documents to Franchisor upon request.

1. Notwithstanding anything contained in Section 4(G) of the Franchise Agreement to the contrary, Franchisee does not grant Franchisor any security interest in any real property associated with the Franchised Business if such real property is being leased by the Franchisee.

2. The parties agree that Franchisor will not execute on any security interest granted to Franchisor under Section 4(G) of the Franchise Agreement unless Franchisee

fails to cure a material default under the Franchise Agreement within the applicable time period for cure after Franchisor has provided Franchisee with proper notice of such default(s).

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

I. **Compliance with Membership Reciprocity and Gift Card Redemption Policies**. Franchisee agrees and acknowledges that Franchisor has set forth policies and guidelines regarding (i) Franchisee's provision of certain Approved Products and Approved Services to clientele at the Franchised Business that have purchased a membership at a Studio other than the Franchised Business (and vice versa), and (ii) Franchisee's redemption of gift cards at the Franchised Business that were purchased at a Studio other than the Franchised Business (and vice versa), along with directives and guidelines for how any compensation (membership fee or otherwise) will be allocated amongst the Franchised Business and the other Studio(s) at issue. Franchisee agrees and acknowledges that such policies and guidelines may affect Franchisee's payment obligations under this Agreement, whether to Franchisor and/or to a different Studio location, but agrees to strictly comply with such directives, policies and guidelines as set forth and updated by Franchisor in the Manuals or otherwise in writing.

5. DUTIES OF FRANCHISOR

A. **Initial Training Program**. Franchisor shall offer and make available an initial training program (the "Initial Training Program") for Franchisee and up to two (2) additional persons designated by Franchisee, provided these individuals attend at the same time. One of the trainees must be Franchisee (or one of Franchisee's principals responsible for the Franchised Business if Franchisee is an entity) and one of the trainees must be Franchisee's Master Trainer. If applicable, another of the attendees must be the individual that Franchisee appoints that will be responsible for the day-to-day management of the Franchised Business and that Franchisor approves (the "Designated Manager").

1. The Initial Training Program will be provided by Franchisor and its training personnel through: (i) remote/online instruction and classes that may be completed via a Learning Management System (or "LMS") or other technology that Franchisor can use to prepare, deliver, and track progress/completion of such instruction by Franchisee and any other required trainees; (ii) training that will be provided at Franchisor's designated training facility; and (iii) on-site assistance that Franchisor's training personnel provides at the Franchised Business prior to or at around the time it is opening (the "On-Site Assistance").

2. The portions of the Initial Training Program that cannot be conducted and completed remotely will be provided subject to the schedule and availability of Franchisor's training personnel.

3. Franchisor will provide the Initial Training Program to additional owners of Franchisee or managers of the Franchised Business (subject to the availability of Franchisor's staff), provided Franchisee pays Franchisor its then-current Training Fee for each individual that attends in addition to the first three (3) persons (as well as any expenses incurred).

B. **Personnel Training; Replacement Training (Initial Training Program)**

1. Franchisor will, as it deems appropriate in its discretion, provide Franchisee with certain online training, LMS and other instructional materials designed to help Franchisee train and certify any individual that will be providing training or other of the Approved Services at the Franchised Business (the "Training Materials"). Franchisee must ensure that: (i) each individual that Franchisee wishes to have provide Approved Services at the Franchised Business successfully reviews and completes the appropriate Training Materials; (ii) each such individual takes and completes any test or other device designed to ensure that the personnel providing the Approved Services fully understand the System standards and specifications surrounding those Approved Services; and (iii) at Franchisor's request, Franchisee provides a written representation to Franchisor that all personnel providing the Approved Services at the Franchised Business have completed the Training Materials and successfully passed all corresponding tests described in this Section prior to performing any such Approved Services at the Franchised Business.

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

C. **Additional and Refresher Training**. Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee and its management to attend such courses. Franchisor may require Franchisee and its designated attendees to pay its then-current training fee in connection with attending additional/refresher training (in addition to Franchisee's obligation to pay for any expenses incurred by Franchisor and its personnel in providing such training). Franchisor will not require Franchisee and its management to attend more than: (i) five (5) days of additional/refresher training each year; and (ii) 20 hours of additional LMS Training remotely each year.

D. **Manuals**. Franchisor will provide access to, or otherwise loan, Franchisee one (1) copy of its proprietary and confidential operations manual prior to the opening of the Franchised Business, as well as any other instructional manuals as Franchisor deems appropriate (collectively, the "Manuals"). Franchisor will also loan Franchisee a list of: (i) all furniture, fixtures, equipment, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Business (collectively, the "Required Items"), (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items, which may be Franchisor or its affiliates (collectively, the "Approved Suppliers"); and (iii) a list of the Approved Products and Approved Services that Franchisee is authorized to offer, sell or provide at and from the Franchised Business, including membership programs and services. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to

opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to you. Franchisor may also establish and maintain a System website portal (the "Team Site"), wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed on the Team Site. In the event Franchisee or its personnel saves or prints out a hard copy of any Manual, then such electronic/hard versions of said Manual must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose). The provisions of this Section shall survive the termination or expiration of this Agreement.

E. **Site Selection Assistance**. Franchisor will provide Franchisee with site selection assistance and guidance with regards to Franchisee's selection of a Premises for the Franchised Business, including Franchisor's then-current site selection criteria, as it deems appropriate in its sole discretion. Franchisor may require that Franchisee use an Approved Supplier for site selection assistance. Franchisor will also review and approve of any location the Franchisee proposes for the Franchised Business. Franchisor must approve of Franchisee's proposed location, as well as the lease for the Premises (the "Lease") or purchase agreement for the location, in writing prior to Franchisee entering into any such agreement for that location to serve as the Premises of the Franchised Business. Franchisor may condition its approval of any Lease for the proposed Premises on the landlord's execution of Franchisor's form of Consent and Agreement of Landlord attached to this Agreement at Exhibit C. Franchisor will use reasonable efforts to review and approve of any proposed Premises location and corresponding Lease within thirty (30) days of receiving all reasonably requested information from Franchisee.

F. **Grand Opening Advertising Assistance**. Franchisor may assist Franchisee, as it deems appropriate in its discretion, in developing and conducting its Grand Opening Advertising spend (as defined and described more fully in Section 9 of this Agreement), which program shall be conducted at Franchisee's expense.

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

H. **Review of Advertising Materials**. Franchisor will review and approve/reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Business as described more fully in Section 9 of this Agreement.

I. **Website**. For so long as Franchisor has an active website containing content designed to promote the brand, System and Proprietary Marks (collectively, the "Website"), Franchisor will list the contact information of the Franchised Business on this Website, provided

Franchisee is not in material default under this Agreement. Franchisor may also provide Franchisee with one or more email addresses, as it deems appropriate in its discretion, which Franchisee must use only in connection with all communications related to the Franchised Business.

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

K. **Inspections of the Franchised Business and Premises**. Franchisor will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Business and Premises to ensure that Franchisee is operating its Franchised Business in compliance with the terms of this Agreement, the Manuals and the System standards and specifications. Such inspections may include inspections of the Premises, taking photographs and/or videotapes of the Studio's common area, taking samples of any Approved Products for sale at the Studio, interviewing and surveying Franchisee's personnel and customers, inspecting any and all books and records, and conducting mystery shop services. Franchisor is not responsible for ensuring that the Franchised Business is being operated in compliance with all applicable laws and regulations.

L. **Administration of Fund**. Franchisor will administer the Fund as it deems appropriate in its sole discretion as described more fully in Section 9 of this Agreement.

M. **No Assumption of Liability**. Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site selection or other approval provided under this Section 5, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its nominee in relation to the selection or development of the Premises is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Premises, that the development of the Premises is free of error, nor that the Franchised Business is likely to achieve any level of volume, profit or success.

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

O. **Pre-Opening Obligations Acknowledgement**. If Franchisee believes Franchisor has failed to provide adequate pre-opening services as provided in this Agreement, Franchisee shall notify Franchisor in writing within sixty (60) days following the opening of the Franchised Business. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor fully complied with all of its pre-opening and opening obligations set forth in this Agreement.

6. DUTIES OF FRANCHISEE

A. **Secure a Premises**. Franchisee must secure a Premises within the Designated Territory within six (6) months of executing this Agreement unless Franchisor agrees to an extension of time in writing. If Franchisor has designated an Approved Supplier for site selection assistance, then Franchisor may require that Franchisee use this Approved Supplier. If Franchisee is entering into a Lease for the proposed Premises, the form of Lease must be approved by Franchisor and Franchisee must ensure that both Franchisee and the party leasing the Premises to Franchisee under the Lease execute the form of Collateral Assignment of Lease attached to this Agreement as Exhibit C prior to, or at the same time, the Lease is executed.

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

C. **Compliance with Lease**. Franchisee must comply with both the Lease and any additional leasehold covenants and regulations of the building in which the Premises is located. In the event the landlord of the Premises terminates the Lease due to Franchisee's default thereunder, this termination will also constitute a material breach of this Agreement by Franchisee. In the event Franchisor provides appropriate notice as described in Section 6(A) above and assumes control of the Premises and the operation of the former Franchised Business upon the termination or expiration of the Lease, the future operation of that Studio by Franchisor shall not be as an agent of Franchisee and Franchisor shall not be required to account to Franchisee as a result thereof.

D. **Construction and Build-Out**. Franchisee must complete all construction and build-out of the Premises in a manner consistent with Franchisor's System standards and specifications and must otherwise open the Franchised Business to the public no later than twelve (12) months after the date this Agreement is executed. Franchisor may require that Franchisee use one or more Approved Suppliers for certain pre-opening project and construction management services, which may also include services related to preparation of the architectural plans. Franchisor must provide its prior written consent before Franchisee may open the Franchised Business, and Franchisor reserves the right to inspect the construction and/or build-out of the Franchised Business at any reasonable time prior to the opening date. Should Franchisee fail to open the Franchised Business for operation within the prescribed period (or, if applicable, within any extended period of time Franchisor approves in writing), this Agreement will be deemed terminated upon written notice from Franchisor to Franchisee without the necessity of further action or documentation by either party.

1. Notwithstanding anything contained in this Section, Franchisor will provide Franchisee with a reasonable extension of time not to exceed ninety (90) days to complete the build-out/construction of the Franchised Business and open to the public, provided: (i) Franchisee has already executed a lease for, or otherwise obtained, a Premises that Franchisor approves; and (ii) Franchisee notifies Franchisor of its need for such an extension no less than thirty (30) days prior to expiration of the twelve (12) month timeline to open and commence operations

described herein. Any extension granted under this Section will not affect any of Franchisee's other obligations under this Agreement or any of the development obligations set forth in any ADA (as defined below).

2. The parties further agree and acknowledge that if Franchisee is opening and operating the Franchised Business pursuant to its development obligations under an Area Development Agreement that Franchisee (or its affiliate) has entered into with Franchisor (an "ADA"), then that ADA will control the timeline for opening and operating the Franchised Business in the event there is an inconsistency between the ADA and this Agreement. Franchisee must open and commence operations of the Franchised Business within the time period prescribed in the development schedule set forth in the ADA (regardless of when Franchisee executes this Agreement).

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

F. **Licensing Requirements for Master Trainers, Instructors, and Trainers**. If and as required by applicable laws where the Franchised Business is located, Franchisee must ensure that the applicable Approved Services provided at the Franchised Business are only performed by personnel that are licensed by the appropriate authorities to provide the Approved Services at issue. Franchisee must also comply with any and all state laws and regulations that (i) require any examination and certification of Pilates instructors, and (ii) restrict the types of services that Pilates instructors or other Franchised Business personnel may offer. For purposes of clarification, Franchisee must also ensure that any prospective Master Trainer has completed and received all required training to be certified as a group fitness and/or Pilates instructor in accordance with the applicable requirements of the state where the Franchised Business is located.

G. **Approved Products and Approved Services**. Franchisee must only offer and sell only the Approved Products and Approved Services at the Franchised Business. Franchisee may not offer or provide any other products/services and must not deviate from Franchisor's System standards and specification related to the manner in which the Approved Products and Approved Services are offered and sold, unless Franchisor provides its prior written consent. Franchisor has the right to add to, delete or otherwise modify certain of the Approved Products and Approved Services from time to time in the Manuals and otherwise in writing, as it deems appropriate in its sole discretion. In the event of a dispute between Franchisee and Franchisor concerning Franchisee's right to carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory, remove the disputed service from those services offered at the Premises, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute. Franchisee must grant access and extend certain privileges of membership services to all members of a System-associated membership program, no matter where such membership was issued or purchased, so long as such membership is current and in good standing. Franchisee shall accept as payment for services or products any valid gift card or other such indication of prepayment or credit, no matter where such credit was issued or such prepayment was

made. Franchisee shall be compensated for providing membership services and fulfilling prepaid services as specified in the Manual or otherwise in writing by Franchisor.

1. *Compliance with Gift Card Policies.* Franchisee must accept as payment for Approved Products and Approved Services any valid gift card or other such indication of prepayment or credit, no matter where such credit was issued or such prepayment was made. Franchisee shall be compensated for providing membership services and fulfilling prepaid services at the Franchised Business as specified in the Manual or otherwise in writing by Franchisor. Franchisee must sell or otherwise issue gift cards or certificates (together "Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by Franchisor, and only in the manner specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall fully honor all Gift Cards that are in the form provided or approved by Franchisor regardless of whether a Gift Card was issued by Franchisor via its website, Franchisee or another Studio location. Franchisee must sell, issue, and redeem (without any offset against any Royalty or other amounts owed to Franchisor) Gift Cards in accordance with procedures and policies specified by Franchisor in the Manual or otherwise in writing, including those relating to procedures by which Franchisee shall request reimbursement for Gift Cards issued by other Studio locations and for making timely payment to Franchisor, other operators of a Studio, or a third-party service provider for Gift Cards issued from the Franchised Business that are honored by another Studio location.

2. *Compliance with Membership Policies.* Franchisee must grant access and extend certain privileges of membership services to all members of a System-associated membership program, no matter where such membership was issued or purchased, so long as such membership is current and in good standing. Franchisee must institute membership programs as specified in the Manual. Franchisee agrees and acknowledges that all member information and membership data is (a) confidential, (b) the exclusive property of Franchisor, and (c) may only be used by Franchisee in strict adherence to Franchisor's policies and procedures as stated in the Manual.

H. **Other Devices Prohibited at Premises; Restrictions on Sublease**. Franchisee is specifically prohibited from installing, displaying, or maintaining any vending machines, gaming machines, automatic teller machines, Internet kiosks, beverage coolers or other related equipment, or any other electrical or mechanical device in the Studio other than those that Franchisor prescribes or approves.

I. **Fixtures, Furniture, Signs and Inventory**. Franchisee must maintain at all times during the term of this Agreement and any renewals hereof, at Franchisee's expense, the Premises and all fixtures, furnishings, signs, artwork, décor items and inventory therein as necessary to comply with Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. Franchisor will not require Franchisee to make material renovations or refurbishments to the Premises of the Franchised Business more than once every five (5) years unless such renovation/refurbishment is in connection with a renewal or transfer of this Agreement. The parties agree and acknowledge, however, that the limitation set forth in the preceding

sentence will not apply to any request to modify the Proprietary Marks as provided for in this Agreement.

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

K. **Required Items**. Franchisee must: (i) purchase any and all Required Items that Franchisor designates for use in connection with the Franchised Business, including without limitation, all products, supplies, inventory, fixtures, Computer System, parts, and materials required for the operation of the Franchised Business; (ii) ensure that all Required Items meet Franchisor's standards and specifications; and (iii) purchase all items Franchisor specifies from the Approved Supplier(s) that Franchisor designates, which may include Franchisor or its affiliate(s). Franchisee agrees and acknowledges that Franchisor and/or its affiliates may derive revenue from the offer and sale of Required Items.

L. **Alternative Supplier Approval**. If Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, to the extent known. Franchisee must then follow Franchisor's then-current procedure for evaluating and approving such request and pay Franchisor's then-current product/supplier evaluation fee, currently, $500 (the "Evaluation Fee"). At Franchisor's request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee's request is approved or denied within thirty (30) days of: (i) Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied. Franchisor may, but is not obligated to, provide Franchisee's proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with Franchisor's usual and customary requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract. Franchisor may re-inspect and revoke Franchisor's approval of particular products or

suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate.

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

N. **Promotional Materials Display**. Franchisee must openly and prominently display franchise promotional materials provided or designated by Franchisor and participate in any ongoing System-wide sales, specials, or other promotions that Franchisor designates, including without limitation, participating in any seasonal sales/promotions and displaying all designated signage in connection therewith.

O. **Initial Training Program and Other Training/Conference Attendance**. Franchisee and each of its management personnel must attend and successfully complete all training and annual conferences that are prescribed by Franchisor under this Agreement:

1. Franchisee, its Designated Manager (if applicable) and any other trainees that Franchisee designates to participate in the Initial Training Program prior to opening must attend (or otherwise participate in) and complete all portions of the Initial Training Program other than the On-Site Assistance at least 4 weeks (but no more than 8 weeks) before the earlier of the date the Franchised Business (a) opens, or (b) is required to be open under this Agreement.

2. Franchisee and its required trainees must be on-site at the Franchised Business when Franchisor's training personnel provides the On-Site Assistance at the Premises, and must actively participate in and complete such On-Site Assistance.

3. Franchisee must also cover all costs associated with the costs and expenses that Franchisee and any of its personnel incur in connection with attending any part of the Initial Training Program, including costs associated with travel, lodging, meals and personnel compensation.

4. Franchisee and, if applicable, Franchisee's Designated Manager must: (i) attend and complete any additional or refresher training the Franchisor is permitted to require Franchisee to attend each year; and (ii) attend Franchisor's annual conference if such a conference is conducted by Franchisor (and pay Franchisor's then-current registration fee).

5. Any failure to attend and complete the Initial Training Program or other training/conferences described in this Section will be a material default of this

Agreement and grounds for termination if not cured within the appropriate cure period set forth in this Agreement (if any).

6. In addition to the Initial Training Program, we reserve the right to require that each of your Master Trainer(s): (i) successfully participates in and completes any webinars, LMS and other training classes that can be completed at your Studio and are designed to instruct such personnel on how to provide such Approved Services in accordance with our System standards; and (ii) successfully passes the appropriate test, if any, that you will administer to ensure personnel understand the content of this instruction. Such instruction is designed to build on the skills, licensed or otherwise, that such personnel already have in the personal training and fitness instruction industries with a focus on providing the Approved Services in accordance with our then-current System standards. (Franchise Agreement, Section 5(B)).

P. **Training of Employees**.

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

2. Franchisee must strictly comply with the obligations regarding the Training Materials and corresponding tests that Franchisor provides to Franchisee for use in connection with training those that will be providing Approved Services at the Franchised Business, as set forth more fully in Section 5(B) of this Agreement. Franchisee must provide any reports that Franchisor reasonably requires to demonstrate that all personnel at the Franchised Business have been adequately trained by Franchisee.

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

R. **Image**. Franchisee shall maintain the image of the Franchised Business at all times in accordance with Franchisor's standards and specifications, including: (i) ensuring that the Premises is maintained in a clean and orderly manner; and (ii) ensuring that all equipment, furniture and fixtures remain in good, clean condition and is properly displayed. Franchisor may require Franchisee to refurbish, renovate and/or otherwise substantively modify the interior of the Franchised Business, so that the Premises and Franchised Business conform to Franchisor's then-current System standards and specifications for a new Studio.

S. **Customer Lists and Data/Agreements**. Franchisee must (i) maintain a list of all of its current and former customers, as well as their purchase history and any membership agreements associated therewith, at the Premises; and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly return this information, which is deemed "Confidential Information" and Franchisor's exclusive

property hereunder, to Franchisor upon expiration or termination of this Agreement for any reason. Franchisee acknowledges that Franchisor may have automatic access to any or all of this information via the Computer System and related software that Franchisor requires for use in connection with the Franchised Business.

T. **Promotional/Minimum Prices; Pricing Guidelines**. To the extent permitted under applicable law, Franchisee must follow Franchisor's general pricing guidelines, including any promotional or minimum prices set by Franchisor for a particular membership program or other Approved Product or Approved Service. As an independent contractor, however, Franchisee may exercise flexibility in meeting competition with respect to the pricing of certain Approved Products and Approved Services offered at the Franchised Business. Franchisor may request information from Franchisee that has been used to substantiate any reduction or increase in pricing made by Franchisee to meet market conditions.

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

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

W. **Personal Participation by Franchisee**. Franchisee must personally participate in the direct management operation of the Franchised Business on a full-time basis, unless Franchisee engages a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the Franchised Business when Franchisee is not present. If Franchisee designates a manager at any time, that manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the Franchised Business. Regardless, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

X. **Credit Cards**. Franchisee must accept credit cards at the Premises to facilitate sales, including Visa, MasterCard, American Express and any other major credit cards designated by Franchisor.

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

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

7. PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

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

B. **Permitted Use**. It is understood and agreed that (a) the use by Franchisee of Franchisor's Proprietary Marks applies only in connection with the operation of the Franchised Business at the Premises, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor).

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

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

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

3. Upon Franchisor's request, Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Premises, a sign containing the following notice: "This business is owned and operated independently by (*name of franchisee*) who is an authorized licensed user of the trademark, VIBE HOUSE PILATES, under a license agreement with Vibe House Pilates Franchising, LLC."

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

E. **Legal Action Involving Proprietary Marks**. Furthermore, Franchisee agrees to cooperate with and assist Franchisor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the Manuals and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.

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

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

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

I. **Disconnection of Telephone Number on Termination/Renewal**. Franchisee acknowledges that there will be substantial confusion among the public if, after the termination or expiration and non-renewal of this Agreement, Franchisee continues to use advertisements and/or the telephone number listed in the telephone directory under the then-current Proprietary Mark(s) that Franchisor designates, or any name similar to it. Thus, effective upon the termination or

expiration and non-renewal of this Agreement, Franchisee agrees to direct the telephone company servicing Franchisee, per Franchisor's request, to disconnect the telephone number used in connection with the Franchised Business or transfer such number to Franchisor or to any person or location of Franchisor's choosing. If Franchisee fails to take these steps, Franchisee shall be deemed to have hereby irrevocably appointed Franchisor as Franchisee's attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company or yellow pages directory company, Franchisor will be deemed for purposes hereof to be the subscriber of such telephone numbers, with full authority to instruct the applicable telephone or yellow pages directory company as to the use and disposition of telephone listings and numbers. Franchisee hereby agrees to release, indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor's instructions.

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

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

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

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

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

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

M. **Notification of Infringement**. Franchisee shall notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the

Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.

N. **Indemnification Regarding Marks**. Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Business, provided: (i) such use is in full compliance with Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section 7. Notwithstanding anything in this Section to the contrary, Franchisor's liability under this Section shall be limited to no more than the Initial Franchise Fee paid under this Agreement.

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

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

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

8. OPERATIONS MANUALS AND CONFIDENTIAL INFORMATION

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

B. **Franchisee's Obligation to Control Studio and Ensure Compliance.** Franchisee acknowledges the Manuals provided by Franchisor to Franchisee is intended to protect Franchisor's standards, methodologies/systems, names, and marks and is not intended to control day-to-day operation of Franchisee's business. Franchisee further acknowledges and agrees that Franchisee's Business will be under the control of the Franchisee at all times. Franchisee will be responsible for the day-to-day operation of the business.

C. **Confidential Information**. Franchisee agrees that all documents, papers, notes, and other materials, as well as work products containing or derived from the proprietary information or from the knowledge of, or in connection with, the operation of the Franchised Business, will be Confidential Information (as defined in this Agreement) that is the exclusive property of Franchisor. Franchisee agrees that it will have no proprietary interest in any work product developed or used by it that arises out of the operation of the Franchised

Business. Franchisee will, from time to time as may be requested by Franchisor, do all things that may be necessary to establish or document Franchisor's ownership of any such work product, including without limitation, the execution of assignments. In connection with the operation of the Franchised Business, Franchisee will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or proprietary information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business.

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

1. The Manuals;

2. Any information or materials, whether technical or non-technical, that is used in connection with or otherwise related to the establishment and operation of a Studio or the System that is not commonly known by, or available to, the public, including without limitation: (i) information and materials related to the architectural plans, design, layout, equipping, build-out and/or construction of a Studio; (ii) methodology, protocol and System standards/specifications for the promotion, offer and sale of any Approved Product(s) or the offer/provision of any Approved Service(s), including any programs developed for provision within a given System Studio, including Franchisor's policies regarding Gift Cards and membership programs/reciprocity, from any franchised Studio; (iii) information related to Franchisor's relationship with existing or prospective Approved Suppliers or other third-party vendors (whether or not Franchisee is required to use such vendors); (iv) the reservations system, as well as Computer System and related software generally, that has been customized in any manner for use by Franchisor and/or a Studio; (v) marketing and advertising materials, as well as any other items that display the Proprietary Marks in any manner, as well as Franchisor's designated marketing/advertising/promotional campaigns; and (vi) any passwords, logins or other keys necessary to access Franchisee's point-of-sale system ("POS System") and/or business management/scheduling software, reservation system, Computer System or related software used in connection with the Franchised Business; and

3. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential (collectively, the "Confidential Information").

E. **Confidential Information as Property of Franchisor**. Franchisee acknowledges and agrees that the Confidential Information and any business goodwill of the Franchised Business are Franchisor's sole and exclusive property and that Franchisee will preserve the confidentiality thereof. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings incorporating any Confidential Information will be immediately turned over by Franchisee, at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

F. **Information Not Proprietary**. Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as defined in Section 8(H) below) is information that:

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

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

G. **Reasonable Efforts to Maintain Confidentiality**. Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such information secret and confidential, including without limitation, all logins/passwords/keys necessary to access any component of the Computer System or related software used in connection with the Franchised Business. The Manuals must remain at the Premises and be kept in a secure location, under lock and key, except when it is being studied by Franchisee or Franchisee's employees. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.

H. **Prevention of Unauthorized Use or Disclosure**. Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its officers, agents, directors, shareholders, trustees, beneficiaries, partners, employees, and independent contractors who may obtain or who are likely to obtain knowledge concerning the Confidential Information (collectively, "Restricted Persons") execute Franchisor's prescribed form of confidentiality agreement that will be in substantially the same form attached to this Agreement as Exhibit E (the "Confidentiality and Non-Competition Agreement"). Franchisee must obtain a signed copy of the Confidentiality and Non-Competition Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee's spouse or significant other shall also be bound by the same requirement and shall sign the same Confidentiality and Non-Competition Agreement. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Non-Competition Agreement within ten (10) days of Franchisor's request.

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

J. **Modification of Manuals**. In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions (at its expense). Franchisee agrees at all times to keep its copy of the Manuals current and up-to-date. In the event of any dispute as to the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained

by Franchisor at its home office shall be controlling. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

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

9. ADVERTISING

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

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

or to be used by a Cooperative, including, but not limited to, the phrase "Franchises Available" and references to Franchisor's telephone number and/or website.

C. **Grand Opening Advertising**. Commencing twelve (12) weeks prior to the opening of the Franchised Business and continuing for four (4) weeks following its grand opening, Franchisee must expend a minimum of $30,000 on the initial marketing and advertising of the Franchised Business, including its grand opening event. Franchisee shall expend the Grand Opening Advertising monies with third-party vendors. Franchisor may (i) require that all or a portion of such funds be expended with designated suppliers, which may include Franchisor or its affiliates, and/or (ii) collect such funds and expend them on Franchisee's behalf.

D. **Local Advertising Requirement**. Franchisee shall expend a minimum of the greater of (a) three percent (3%) of Gross Sales, or (b) $2,500 each calendar month as Franchisee's "Local Advertising Requirement." Franchisee must commence spending its Local Advertising Requirement in the first full calendar month following the opening of the Franchised Business and shall expend the Local Advertisement Requirement each month that the Franchised Business is open and operating in connection with the local advertising and promotion of the Franchised Business within the Designated Territory. Franchisor reserves the right to require Franchisee expend any portion of these funds on (a) products or services Franchisor directs or approves, or (b) services that Franchisee must acquire from an Approved Supplier, which may be Franchisor or one of its affiliates.

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

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

3. Franchisee may not advertise and promote the Franchised Business outside of the Designated Territory, unless: (i) the geographic area wherein Franchisee wishes to advertise is (a) contiguous to the Designated Territory, (b) that area has not been granted to any other System franchisee/developer; and (c) Franchisor has provided its prior written consent in writing.

E. **Brand Development Fund**. Franchisor has established a System-wide brand development Fund (the "Fund") designed to promote, market, and otherwise develop the System, Proprietary Marks and brand generally, and may require Franchisee to contribute up to three percent (3%) of Gross Sales each week to the Fund. As of the Effective Date of this Agreement, Franchisee must contribute two percent (2%) of Gross Sales per week to the Fund (the "Fund Contribution"). The Fund Contribution shall be payable at the same time and in the same manner as the Royalty Fee. All contributions by Franchisee to the Fund are non-refundable upon payment, and Franchisor will account separately for all sums paid to the Fund. The Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

1. Franchisor will use the Fund and all contributions to it and any earnings on it, exclusively for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and

materials, and any other activities, that Franchisor believes would enhance the image of the System, Proprietary Marks, and Approved Products or Services.

2. Franchisor is not obligated to spend monies from the Fund in any particular franchisee's market in proportion to the payments to the Fund made by the Franchisee in that market. Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.

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

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

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

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

F. **Advertising Council**. Franchisor may establish, if and when it deems appropriate in its sole discretion, a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). If Franchisor establishes an Advertising Counsel, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned Studios, or other management/employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and

procedures by which it operates, will be determined by Franchisor. The recommendations of the Advertising Council shall not be binding on Franchisor.

G. **Website**. Franchisor will establish an interior page on its corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) Franchisee is not in default of this Agreement. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System or Proprietary Marks without Franchisor's prior written consent. If approved to establish a separate website, Franchisee shall comply with Franchisor's policies, standards, and specifications with respect to the creation, maintenance and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook, LinkedIn, Instagram, Pinterest, X or YouTube, without Franchisor's prior written consent. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate.

H. **Cooperatives**. Franchisor may establish regional advertising cooperatives that are comprised of multiple Studio owners located within a geographical region that Franchisor designates (each, a "Cooperative"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisee may be required to contribute to the Cooperative in a maximum amount equal to Franchisee's then-current Local Advertising Requirement, unless approved by a majority vote of the Cooperative members. All amounts paid to a Cooperative will be credited towards Franchisee's Local Advertising Requirement. Franchisor shall have the right to specify the governing rules, terms and operating procedures of any Cooperative.

10. ACCOUNTING AND RECORDS

A. **Maintenance of Records**. Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, prepare monthly financial statements, and maintain original, full, and complete register tapes, computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records, including bank account statements, Franchisor may require. All of this information must be kept for at least three (3) years, even if this Agreement is no longer in effect. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 shall belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).

B. **Examination and Audit of Records**; **Approved Accountant During Initial Operations.**

1. Franchisor and its designated agents shall have the right to examine and audit Franchisee's records, accounts, books, computer files, and data at all reasonable times to ensure that Franchisee is complying with the terms of this Agreement. If such audit discloses that Franchisee has underreported the Gross Sales of the Franchised Business or any amount due to Franchisor by two percent (2%) or more in any given reporting period (weekly, monthly or otherwise), then Franchisee must: (i) reimburse Franchisor any costs/expenses incurred in connection with conducting the inspection and audit; and (ii) pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts.

2. Franchisor may require Franchisee to engage its Approved Supplier for accounting services or, at Franchisor's discretion, another third-party accountant that Franchisor approves to handle the bookkeeping and related accounting work associated with the Franchised Business for the period beginning before the Franchised Business is open and ending once the Franchised Business has been open for a period of one (1) year.

C. **Computer System for Records.** Franchisee shall record all transactions and Gross Sales of the Franchised Business on a Computer System that is designated or approved by Franchisor, which must contain software that allows Franchisee to record accumulated sales without turning back, resetting or erasing such sales. Franchisor will, at all times and without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System as described in Section 4 of this Agreement.

D. **Computer System Files and Passwords**. Franchisee will not install or load any computer software, whether in the Cloud or on the hard drives of the Computer System used in connection with the Franchised Business, without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to such list. The passwords to access the Computer System located at the Premises or used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement. Consistent with the other provisions of this Agreement, Franchisee agrees and acknowledges that Franchisor may have automatic access to Franchisee's specific passwords/keys/logins through the Computer System components and related software that Franchisor requires Franchisee to use in connection with the Franchised Business.

E. **Current Contracts, Listings and Projects**. At any time and upon request of Franchisor, Franchisee shall provide Franchisor with a copy or summary listing, at Franchisor's discretion, of all current contracts, listings, agreements, and projects that Franchisee is involved in or working with.

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

G. **Required Reports**. Franchisee must provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a signed Gross Sales Report as described more fully in Section 4 of this Agreement on or before Monday of each week; (ii) on or before the twentieth (20^{th}) of each month, an unaudited profit and loss statement for the Franchised Business for the preceding calendar month; (iii) within ninety (90) days after the close of each fiscal year of Franchisee, financial statements which shall include a statement of income and retained earnings, a statement of changes in financial position, a statement of cash flows, and a balance sheet of the Franchised Business, all as of the end of such fiscal year; and (iv) any other financial information or performance metrics of the Franchised Business that Franchisor may reasonably request.

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

11. INSURANCE AND INDEMNIFICATION

A. **Required Insurance**. Franchisee shall, at its own expense upon execution of this Agreement, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Manuals or otherwise in writing (whether the Franchised Business is open or not). This insurance shall be in such amounts Franchisor or the lessor of the Premises designates from time to time. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure the minimum following coverages (subject to the below provisions):

1. Commercial general liability insurance, including coverage for professional liability and sexual abuse of at least $1 million per occurrence and $2 million aggregate, with additional umbrella insurance coverage of $1 million;

2. Workers' compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a minimum limit of $500,000 or, if higher, the statutory minimum limit as required by state law;

3. Business interruption insurance;

4. Property insurance for the full replacement value of furniture, fixtures, equipment, vehicles, inventory, and leasehold improvements;

5. Comprehensive automobile insurance to include all owned, non-owned and hired operated by the Franchised Business or on behalf of the Franchised Business, with a combined single limit of at least $1,000,000.00 or, if higher, the statutory minimum limit required by state law;

6. Employment Practices Liability Insurance ("EPLI") of at least $500,000 with both first-party and third-party coverage; and

7. Such insurance as necessary to provide coverage under the indemnity provisions set forth in this Agreement.

Franchisor may supplement, update and/or otherwise modify the insurance requirements set forth in this Section above upon written notice via the Manual(s) or otherwise. Franchisee shall consult with its insurance broker and give careful consideration to procuring earthquake and/or flood insurance coverage if the Franchised Business location is in an earthquake and/or flood-prone zone.

Franchisee must buy insurance only from carriers rated A-VIII or better by A.M. Best and Company, Inc. (or similar criteria as Franchisor periodically specifies), unless Franchisor designates specific carriers from which Franchisee must purchase coverage (in which case Franchisee may only purchase from the designated carrier(s)). Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies Franchisee purchases must name Franchisor and any other party that Franchisor designates as additional insureds, and provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification or cancellation. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee shall promptly deliver certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor. The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

B. **Failure to Procure and Maintain Insurance**. If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must: (i) reimburse Franchisor for the costs incurred to obtain the required insurance (including any premium amounts paid); and (ii) pay Franchisor its then-current administrative fee, as may be reasonably charged by Franchisor as consideration for securing the required insurance on Franchisee's behalf.

C. **Indemnification**. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's directors, officers, principals/owners, managers, shareholders, affiliates, subsidiaries, employees, servants, agents, successors and assignees (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement, and/or (b) ownership, construction, development, management, or operation of the Franchised Business in any manner. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and

may require immediate reimbursement from Franchisee of all expenses and fees incurred in connection with such defense.

12. INDEPENDENT CONTRACTOR

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

B. **Independent Contractor Relationship**. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor. Upon Franchisor's request, Franchisee must display a sign in its Franchised Business displaying the following phrase (or something similar that Franchisor designates in the Manuals or otherwise in writing): "This franchised Studio is independently owned and operated pursuant to a license agreement with Vibe House Pilates Franchising, LLC."

C. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors, or vice versa.

13. TRANSFER AND ASSIGNMENT

A. **No Transfer by Franchisee without Franchisor's Approval.** Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Business (or undertake any of the actions identified in Section 13(C) of this Agreement) without Franchisor's prior written consent. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

B. **Death or Disability**.

1. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's principals/owners/guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the operation of the Franchised Business as "Franchisee" under this Agreement if: (i) within ninety (90) days from the date of death, disability or incapacity (the "90 Day Period"), such person has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company guaranteeing Franchisee's obligations to Franchisor and Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's then-current training fee). Such assignment by operation of law will not be deemed in

violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Franchisor.

2. Franchisor is under no obligation to operate the Franchised Business, or incur any obligation on behalf of any incapacitated franchisee, during or after the 90 Day Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously approved acting interim manager to operate the Franchised Business during the 90 Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate the Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

3. Franchisor will not collect any transfer fee if there is a transfer under this Section 13(B) to an immediate family member of the Franchisee that Franchisor approves pursuant to Section 13(E).

C. **Ownership.** In addition to those acts described in Section 13(A), a transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's voting stock or any increase in the number of outstanding shares of Franchisee's voting stock which results in a change of ownership or control, (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company. Any new partner, shareholder, or member or manager having an ownership interest in the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to (i) and (iii) above shall not be subject to Franchisor's right of first refusal as set forth in Section 13(D).

D. **Right of First Refusal.** If Franchisee proposes to transfer either this Agreement or all, or substantially all, of the assets used in connection with the Franchised Business or any interest in Franchisee's lease to any third party (other than a corporation or limited liability company as set forth in Section 13(C) hereof or in the event of Franchisee's death/disability as set forth in Section 13(B)), Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the

conditions for approval set forth in Section 13(E) of this Agreement. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

E. **Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement or any other acts of transfer described in Section 13(C) upon satisfaction of the following occurrences:

1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;

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

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

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

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

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

7. Franchisee shall pay Franchisor's then-current transfer fee, which is currently $10,000, and shall be responsible for the payment of any third-party broker fees that are due in connection with the proposed transfer;

8. The transferee shall satisfactorily complete Franchisor's Initial Training Program at the transferee's expense within the time frame Franchisor sets forth, and pay Franchisor its then-current Training Fee for initial training for transferee and one (1) other person to attend training (the transferee will also be responsible for all costs and expenses associated with attending the initial training program);

9. Franchisee (and Franchisee's principals/guarantors if Franchisee is a partnership, corporation or limited liability company) must comply with the post-termination provisions of this Agreement;

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

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

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

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

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

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

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

F. **Transfer from an Individual Franchisee to Business Entity**. If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation, limited

liability company, or other business entity, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee or training tuition fees set forth in Section 13(E)(7)-(8), and such assignment will not be subject to Franchisor's right of first refusal in Section 13(D): (i) the corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business; (ii) Franchisee is, and at all times remains, the owner of 51% or more of the outstanding shares of the corporation or has a controlling interest in the limited liability company; (iii) the corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and (iv) all stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and execute the Personal Guaranty attached to this Agreement as Exhibit B.

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

14. COVENANTS

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

A. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee, its principals, owners, guarantors or Designated Manager(s), nor any immediate family of Franchisee, nor any person with whom the Franchisee co-habits, its principals, owners, guarantors or Designated Manager(s), may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with, any other business that (a) offers, sells or provides any kind of Pilates and other fitness classes or any of the other Approved Products and Approved Services offered by any System Studio location (each, a "Competing Business"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include: (i) any business operated by Franchisee under a Franchise Agreement with Franchisor; or (ii) any business operated by a publicly-traded entity in which Franchisee owns less than two percent (2%) legal or beneficial interest;

2. Subject to and as permitted by applicable law, employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

3. Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

B. **After the Term of this Agreement.**

1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

2. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

   a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business: (i) at the Premises; (ii) within the Designated Territory; or (iii) within a 15-mile radius of the perimeter of the Designated Territory being granted hereunder or any other designated territory or development area licensed by Franchisor to a Studio (whether franchised or company-owned) at any time from the date of expiration or termination of this Agreement through the date Franchisee attempts to undertake the competitive activity at issue; or

   b. Subject to and as permitted by applicable law, solicit business from customers of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose, nor solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

C. **Intent and Enforcement**. It is the parties' intent that the provisions of this Section 14 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14 by Franchisee, any of Franchisee's principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 15 are necessary to protect Franchisor's procedures and know-how transmitted

during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 15 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation on the restrictive covenants set forth in Section 14(B) shall be tolled during any default under this Section 14.

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

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

15. DEFAULT AND TERMINATION

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

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

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

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

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

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

5. A final judgment in excess of Ten Thousand Dollars ($10,000.00) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to

satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or

6. Franchisee attempts to sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13 hereof.

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

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

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

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

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

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

6. If Franchisee misuses any proprietary software that Franchisor designates for use in connection with the Franchised Business in a competitive or other manner that constitutes misappropriation of said intellectual property or license;

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

8. If Franchisee defaults under the lease for the Premises and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control the Premises to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);

9. If Franchisee fails to open and commence operations of the Franchised Business within the time period prescribed in Section 6 of this Agreement;

10. If Franchisee fails to cure any of the following violations under this Agreement within ten (10) days of being notified by Franchisor: (i) failure to offer only those Approved Products and Approved Services that Franchisor authorizes at the Franchised Business; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; (iii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates; and (iv) the operation of the Franchised Business without a Master Trainer on-site to provide the Approved Services.

11. If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;

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

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

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

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

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

17. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including but not limited to inventory, employee taxes, FICA, insurance or benefits;

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

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

C. **Termination upon Notice and 30 Days' Cure**. Except for those defaults set forth in Sections 15(A)-(B) of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) does not comply with any Manual or other obligations hereunder, and/or otherwise breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Business as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

D. **Step-In Rights**. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any), then Franchisor has the right, but not the obligations, to enter the Premises and exercise complete authority with respect to the operation of the Franchised Business until such time that Franchisor determines, in its reasonable discretion, that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. In the event Franchisor exercises these "step-in rights," Franchisee must (a) pay Franchisor a management fee amounting to eight percent (8%) of the Gross Sales of the Franchised Business during the time period that Franchisor's representatives are operating the Franchised Business (the "Management Fee"), and (b) reimburse Franchisor for all reasonable costs and overhead that Franchisor incurs in connection with its operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any Claims that may arise out of Franchisor's operation of the Franchised Business.

16. POST-TERM OBLIGATIONS

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

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

B. **Return Manuals and Confidential Information; Pay Outstanding Amounts Due**.

1. Return to Franchisor the Manuals and all trade secrets, Confidential Information (including customer lists and information) and other confidential materials, equipment,

software, and property owned by Franchisor, and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law; and

2. Pay any outstanding amounts due to Franchisor, its affiliates, or any Approved Supplier within 30 days of the date this Agreement is terminated or expires.

C. **Assignment of Customer Agreements, Telephone Numbers, Domain Names and/or Social Media/Network Medium Handles and any Corresponding Account Information.** Take such action that Franchisor may designate to: (i) provide and assign to Franchisor the then-current and up-to-date customer list and any membership contracts to Franchisor; and (ii) transfer, disconnect, forward, or assign all telephone numbers, domain names, social media accounts and/or handles used in connection with the Franchised Business, as well as any white and yellow page telephone references, advertisements, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached to this Agreement as Exhibit F.

D. **Cease Using Proprietary Marks**. Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest; cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System; and remove all trade dress, physical characteristics, color combinations, and other indications of operation under the System from the Premises. Without limiting the generality of the foregoing, Franchisee agrees that, in the event of any termination or expiration and non-renewal of this Agreement, Franchisee will remove all signage bearing the Proprietary Marks, deliver the fascia for such signs to Franchisor upon Franchisor's request, and remove any items that are characteristic of the System "trade dress" from the Premises. Franchisee agrees that Franchisor or a designated agent may enter upon the Premises at any time to make such changes at Franchisee's sole risk and expense and without liability for trespass.

1. Franchisee must provide all materials bearing the Proprietary Marks to Franchisor upon expiration or termination of this Agreement for any reason, without cost to Franchisor; and

2. Franchisee must cease holding itself out as a present franchisee of Franchisor or the Franchisor's franchise system and as a past franchisee of Franchisor or the franchise system.

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

F. **Written Evidence of Compliance**. Provide Franchisor with written evidence that they have complied with the post-term obligations, within thirty (30) days' notice of termination or scheduled expiration of the franchise; and

G. **Purchase of Assets**. Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and all of Franchisee's assets from the Franchised Business at a purchase price equal to net depreciated book value. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

17. TAXES AND INDEBTEDNESS

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

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

18. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

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

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

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

D. **Modification of System and Manuals**. Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement shall be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.

E. **No Disclaimers of Franchise Disclosure Document**. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document.

19. ENFORCEMENT

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

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

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

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

20. NOTICES

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

To Franchisor:	Vibe House Pilates Franchising, LLC Attn: Rosalie Black 1123 Merrillville Road Crown Point, Indiana 46307 info@vibehousepilates.com
With a copy to:	Attn: Daniel Nussbaum, Esq. Fisher Zucker, LLC 21 South 21st Street Philadelphia, PA 19103 dnussbaum@fisherzucker.com
To Franchisee:	_____ _____ _____

Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address. Franchisor may also provide notice to Franchisee via email, and such notice shall be valid only where Franchisee replies with an email confirming receipt.

21. GOVERNING LAW AND DISPUTE RESOLUTION

A. **Governing Law**. This Agreement is governed by the laws of the state of Indiana, without reference to this state's conflict of laws principles.

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

C. **Mediation**. Other than an Excluded Claim brought by Franchisor or a Franchisor Related Party (as defined herein), and with the exception of injunctive relief or specific performance actions, before the filing of any arbitration, Franchisee and Franchisor agree to mediate any dispute, controversy or claim between Franchisor and/or any of Franchisor's affiliates, officers, directors, managers, members, owners, guarantors, employees or agents (each a "Franchisor Related Party"), on the one hand, and Franchisee and/or any of Franchisee's affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisee Related Party"), including without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the parties' relationship; or (c) the events occurring prior to the entry into this Agreement. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action,

including any action to interpret or enforce this Agreement. This agreement to first attempt resolution of disputes internally and through mediation shall survive termination or expiration of this Agreement.

Mediation will be conducted in Crown Point, Indiana (or, if Franchisor's corporate headquarters is no longer in Crown Point, Indiana, the county where Franchisor's corporate headquarters is then-located). Persons authorized to settle the dispute must attend each mediation session in person. The party seeking mediation (the "Initiating Party") must commence mediation by sending the other party/parties a written notice of its request for mediation (the "Mediation Notice"). The Mediation Notice must specify, to the fullest extent possible, the nature of the dispute, the Initiating Party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other such relief such party claims, and must identify one or more persons with authority to settle the dispute for the Initiating Party. Upon receipt of the Mediation Notice, the parties will endeavor, in good faith, to resolve the dispute outlined in the Mediation Notice. If the parties have been unable to resolve any such dispute within thirty (30) days after the date the Mediation Notice is provided by the Initiating Party to the other party, either party may initiate a mediation procedure in accordance with this provision. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible, within sixty (60) days of the date of the Mediation Notice. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section.

The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful after reviewing the position papers, the mediator shall give both himself or herself and the authorized person designated by each party an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the authorized persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party.

The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible. The mediation may be concluded: (a) by the signing of a settlement agreement by the parties; (b) by the mediator's declaration that the mediation is terminated; or (c) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

The fees and expenses of the mediator shall be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert, or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual, or audio

record of the proceedings may be made. Any conduct, statement, promise, offer, view, or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view, or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in the mediation.

D. **Arbitration**. With the exception of "Excluded Claims" (as defined below), and if not resolved by the negotiation and mediation procedures set forth in Sections 21(B) and 21(C) above, any dispute, controversy or claim between Franchisee and/or any Franchisee Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, including, without limitation, any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement, (b) the parties' relationship, (c) the events leading up to the entry into this Agreement, (d) the Designated Territory, (e) the scope or validity of the arbitration obligation under this Agreement, (f) any System standard; and/or (g) any claim based in tort or any theory of negligence shall be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures.

Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action, associational claim, or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate shall become null and void and the parties shall submit all claims to the jurisdiction of the courts.

The arbitration must take place in Crown Point, Indiana (or, if Franchisor's corporate headquarters is no longer in Crown Point, Indiana, the county where Franchisor's corporate headquarters is then-located). The arbitration will be heard before one arbitrator. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least five (5) years of significant experience in franchise law. Any issue as to whether a matter is subject to arbitration will be determined by the arbitrator. A judgment may be entered upon the arbitration award by any state or federal court in Crown Point, Indiana.

In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be forever barred. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; (3) certify a class or a consolidated action; or (4) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that Franchisor sets. The arbitrator shall have the right to make a determination as to any procedural matters that a court of competent jurisdiction would be permitted to make in the State of Indiana. Further, the arbitrator shall decide all factual,

procedural, or legal questions relating in any way to the dispute between the parties, including, without limitation, questions relating to whether Sections 21(B), 21(C), or 21(D) is applicable and enforceable as against the parties; the subject matter, timeliness, and scope of the dispute; any available remedies; and the existence of unconscionability and/or fraud in the inducement.

The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

The arbitrator shall have subpoena powers limited only by the laws of the State of Indiana. The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness in order to minimize the time and expense of arbitration. The parties to the dispute shall otherwise have the same discovery rights as are available in civil actions under the laws of the State of Indiana. All other procedural matters shall be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in the State of Indiana.

Other than as may be required by law, the entire arbitration proceedings (including, without limitation, any rulings, decisions or orders of the arbitrator), shall remain confidential and shall not be disclosed to anyone other than the parties to this Agreement.

The judgment of the arbitrator on any preliminary or final arbitration award shall be final and binding and may be entered in any court having jurisdiction.

Franchisor reserves the right, but has no obligation, to advance Franchisee's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished Franchisor's right to seek recovery of those costs against Franchisee.

E. **Exceptions to Mediation and/or Arbitration (the "Excluded Claims")**. Notwithstanding Section 21(C) or 21(D), the parties agree that the following claims will not be subject to internal dispute resolution, mediation, or arbitration:

(a) any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief pursuant to 21(F) below, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder;

(b) any action in ejectment or for possession of any interest in real or personal property; or

(c) any claim by Franchisor and/or any Franchisor Related Party: (a) relating to Franchisee's failure to pay any fee due to Franchisor and/or its affiliates under this Agreement or any other agreement; (b) relating to Franchisee's or any Franchisee Related Party's failure to comply with the confidentiality and non-competition covenants set forth in this Agreement; (c) relating to Franchisee's indemnification obligations under this

Agreement; and/or (d) relating to Franchisee's use of the Marks and/or the System, including, without limitation, claims for violations of the Lanham Act.

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

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

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

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

J. **No Withholding of Payments**. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

K. **Limitation of Actions**. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought

before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

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

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

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

22. SEVERABILITY AND CONSTRUCTION

A. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement

without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make fully the provisions hereof. Franchisee understands and acknowledges that Franchisor shall have the right in its sole discretion on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.

B. This Agreement may be executed in any number of counterparts, which may include PDF or comparable electronically-signed pages, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute the same instrument.

C. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement shall be construed independently of any other Section or provision of this Agreement.

23. ACKNOWLEDGMENTS

A. Franchisee acknowledges that it received a complete copy of this Agreement for a period not less than fourteen (14) calendar days, during which time conducted an independent investigation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, that Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits, or success. Franchisee acknowledges that this Agreement, the franchise disclosure document ("FDD"), and the exhibits hereto constitutes the entire Agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter.

B. Franchisee agrees and acknowledges that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

(***Signature Page Follows***)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written above.

FRANCHISOR:

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____

Print Name: Rosalie Black

Title: Chief Executive Officer

Date: _____

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

Spouse Signature: _____

Spouse Name: _____

Date: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

1. SITE SELECTION AREA

Pursuant to Section 2(B) of the Franchise Agreement, Franchisee must locate and secure a Premises for the Franchised Business within the following Site Selection Area:

_____
_____
_____

2. PREMISES

Pursuant to Section 2(C) of the Franchise Agreement, the Franchised Business shall be located at the following approved Premises:

_____
_____
_____

3. DESIGNATED TERRITORY

Pursuant to Section 2(D) of the Franchise Agreement, Franchisee's Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

_____
_____
_____
_____

4. Franchisee Contact Person. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: _____

Daytime Telephone No.: _____

Evening Telephone No.: _____

Cellular Telephone No.: _____

E-mail Address: _____

5. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

Name	Position/Title	Interest (%)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

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

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

FRANCHISEE

_____

By: _____

Name:_____

Title:_____

FRANCHISOR

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____
Rosalie Black, CEO

©2026 Vibe House Pilates Franchising, LLC

EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/ PARTNERS/ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

ARTICLE I
PERSONAL GUARANTY

The undersigned persons (individually and collectively "you") hereby represent to Vibe House Pilates Franchising, LLC (the "Franchisor") that you are all the owners/principals/members/shareholders/managers/partners, as applicable, of the business entity named _____ (the "Franchisee"), as well as their respective spouses, as of the date this Personal Guaranty (the "Personal Guaranty" or "Guaranty") is executed.

In consideration of the grant by Franchisor to the Franchisee as herein provided, each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing Vibe House Pilates Franchising, LLC Franchise Agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement.

ARTICLE II
CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Guaranty, you will receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, including without limitation: (i) site-selection criteria; (ii) methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor and its affiliates have developed (the "System") for the establishment and operation of a System franchised business (hereafter, a "Franchised Business"); (iii) marketing research and promotional, marketing and advertising programs for the Franchised Business; (iv) knowledge of specification for and suppliers of, and methods of ordering, certain products, fixtures, furnishings, equipment and inventory used at the Franchised Business (v) knowledge of the operating results and financial performance of other Studios operated utilizing the System (a "Studio"); (vi) customer communication and retention programs, along with data used or generated in connection with those programs; (vii) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection

with the System; (viii) information regarding the development of Franchisor's proprietary marks (the "Proprietary Marks"); (ix) information generated by, or used or developed in, the Franchised Business's operation, including customer names, addresses, telephone numbers and related information and any other information contained in the Franchised Business's computer system; (x) the design, build-out and any construction/remodeling plans for the interior and exterior of the Franchised Business; (xi) Franchisor's proprietary Operations Manual and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (xii) as well as any other proprietary information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "Confidential Information"). You shall not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; price marketing mixes related to the offer and sale fitness services and other Approved Services and Products (as defined in the Franchise Agreement); standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System franchisees; methods and other techniques and know-how concerning the of operation of the Franchised Business, which may be communicated to you or of which you may become apprised by virtue of your role as a guarantor of the Franchisee's obligations under the Franchise Agreement. You also acknowledge and agree that the following also constitutes Confidential Information under this Section: (i) former, current and prospective customer information, including customer names and addresses, contracts/agreements (collectively "Customer Lists"), and (ii) sources and pricing matrices of any approved or designated suppliers; and (iii) any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential.

ARTICLE III
NON-COMPETITION

You acknowledge that as a participant in the Franchisor's System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1. **During the Term of the Franchise Agreement and this Guaranty.** During the term of the Franchise Agreement and this Personal Guaranty, each of the undersigned may not, directly or in-directly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1.1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money, lease space or extend credit to (or otherwise have any interest in or involvement with), any other business that (a) offers, sells or provides any kind of fitness classes and/or any of the other Approved Products and Approved Services that are offered at a System Studio (each, a "Competing Business"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; provided, however, that this Section does not apply to your operation of a System franchise pursuant to a valid franchise agreement with Franchisor, or your ownership of less than two percent (2%) of the interests in a publicly traded company.

1.2. Subject to and as permitted by applicable law, employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

1.3. Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses 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 the Proprietary Marks or the System.

2. **After the Term of This Agreement.**

2.1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with Franchisor in offering or granting franchises or licenses, or establishing joint ventures, for the ownership or operation of a Competing Business.

2.2. For a period of two (2) years after the expiration, transfer or termination of the Franchise Agreement, regardless of the cause, the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

2.2.1. Own, maintain, engage in, be employed by, lend money to, have any interest in, or be employed as an officer, director, executive, or principal of any other Competing Business at or within the following areas: (i) at the Premises of the Franchised Business; (ii) within the Designated Territory granted under the Franchise Agreement; or (iii) within a radius of 15 miles of (a) the perimeter of the Designated Territory granted under the Franchise Agreement or (b) the perimeter of any other designated territory or development area granted by Franchisor to any System Studio at any time beginning from the expiration, transfer or termination of this Agreement through the date of your involvement in any Competing Business.

2.2.2. Contact any of Franchisor's suppliers or vendors for any competitive business purpose; or

2.2.3. Subject to and as permitted by applicable law, solicit any of Franchisor's employees, or the employees of Franchisor's affiliates, or any other System franchisee to discontinue employment.

3. **Intent and Enforcement**. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV
DISPUTE RESOLUTION

1. **Acknowledgment**. You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

2. **Governing Law.** This Agreement is governed by the laws of the State of Indiana without reference to this state's conflict of laws principles.

3. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor's management. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Agreement.

4. **Mediation.** At Franchisor's option, all claims or disputes between you and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Guaranty or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, at Franchisor's then-current headquarters or nearby location that Franchisor designates or otherwise approves in writing, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor that specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elect to exercise our option to submit such claim or dispute to mediation. You may not commence any action or other proceeding against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor may specifically enforce our mediation rights under this Section. Each party shall bear its own cost of mediation, except that you and Franchisor shall share the mediator's fees and costs equally. This agreement to mediate at Franchisor's option shall survive any termination or expiration of the Franchise Agreement and this Guaranty.

4.1. *Excepted Claims.* The parties agree that mediation shall not be required with respect to any claim or dispute involving: (i) any of your payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Guaranty; or (v) any claims arising out of or related to fraud or misrepresentation by you, or your insolvency (collectively, the "Excepted Claims").

5. **Jurisdiction and Venue**. Subject to the other dispute resolution provisions in this Guaranty, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to conclusion (unless settled) only in any court of competent jurisdiction located closest to Franchisor's then-current headquarters or, if appropriate, the United States District Court for the Northern District of Indiana. The undersigned hereby irrevocably consent to the jurisdiction of these courts.

6. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation and other dispute

resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

7. **Right to Injunctive Relief.** Nothing contained in this Guaranty shall prevent Franchisor from applying to or obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding, or pending the trial or handing down of a decision or award pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

8. **JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.**

9. **Limitation of Action.** You further agree that no cause of action arising out of or under this Guaranty may be maintained by you unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

10. **Punitive Damages.** You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

11. **Costs and Attorneys' Fees.** Whether or not formal legal proceedings are initiated, in the event Franchisor incurs any legal fees or other costs associated with enforcing the terms of this Guaranty or the Franchise Agreement against you, then Franchisor will be entitled to recover from you all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Guaranty or the Franchise Agreement.

12. **No Waiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by us respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be

cumulative. Your election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13. **No Personal Liability.** You agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to you for any reason. This is an important part of this Guaranty. You agree that nothing that you believe you have been told by us or our representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty. Do not sign this Agreement if there is any question concerning its contents or any representations made.

14. **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

15. **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

16. **Successors.** References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty on the date stated on the first page hereof.

PERSONAL GUARANTORS

_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]
_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]
_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]
_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]

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EXHIBIT C TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made, entered into and effective on this ___day of _____, 20____Effective Date,") by and between: (i) Vibe House Pilates Franchising, LLC, an Indiana limited liability company with its principal place of business at 1123 Merrillville Road, Crown Point, Indiana 46307 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Franchisee").

BACKGROUND INFORMATION

The Franchisor entered into that certain Franchise Agreement (the "Franchise Agreement") dated as of _____, 20__ with the Franchisee, pursuant to which the Franchisee plans to own and operate a VIBE HOUSE PILATES franchised business (the "Franchised Business") located at _____ (the "Site"). In addition, pursuant to that certain Lease Agreement (the "Lease"), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from _____ (the "Lessor"). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.

2. **Incorporation of Terms**: Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.

3. **Indemnification of Franchisor**: Franchisee agrees to indemnify and hold Franchisor and its affiliates, stockholders, directors, officers, principals, franchisees/licensees and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee's breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

4. **Conditional Assignment**: Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee's rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor's option be

deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination**: Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Exercise of Remedies**: In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;

b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

c) to exclude the Franchisee, its agents or employees from the Site;

d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor; and

g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately

terminated as of the date of Franchisee defaults under the Lease and fails to cure said default within the applicable cure period (if any).

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The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Site or otherwise exercise of its other rights described in this Assignment. In the event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Site, it will provide written notice to Franchisee in writing and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

7. **Power of Attorney**: Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies**: It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6 hereof, but shall have the irrevocable right to do so.

9. **Binding Agreements**: This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control**. This Assignment governs and controls over any conflicting provisions in the Lease.

11. **Attorneys' Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

12. **Severability**. If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section

or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

FRANCHISEE

By:_____
Name:_____
Date:_____

FRANCHISOR

VIBE HOUSE PILATES FRANCHISING, LLC

By:_____
Name: Rosalie Black
Title: Chief Executive Officer
Date:_____

The Lessor hereby consents, agrees with, approves of and joins in with this COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE.

LESSOR

_____

By: _____
Name:_____
Title:_____
Date:_____

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EXHIBIT D TO THE FRANCHISE AGREEMENT

EFT AUTHORIZATION FORM

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

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

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

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

AGREED:

FRANCHISEE

[INSERT FRANCHISEE NAME]

By: _____

Name (Print): _____

Its: _____

FRANCHISOR APPROVAL

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____
Rosalie Black, CEO

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

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EXHIBIT E TO THE FRANCHISE AGREEMENT
CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT
(for trained employees, officers, directors, general partners, members, Designated Managers, Master Trainers, and any other management personnel of Franchisee)

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

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

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

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

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

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

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

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

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business that: (i) offers, sells or provides any kind of fitness classes and/or any of the other Approved Products and Approved Services offered by a System Studio; or (iii) grants or has granted franchises or licenses, or establishes or has established joint ventures, for one or more businesses that earn revenue from services including fitness classes and/or the other Approved Products and Approved Services offered by a System Studio (collectively, a "Competing Business"). I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business, or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

7.1 *Post-Term Restrictive Covenant for Designated Manager of Franchised Business or Manager/Officers/Directors of Franchisee*. In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a Personal Guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of two (2) years after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a 15-mile radius of the Premises; or (ii) within a 15-mile radius of any other System business that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location, or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose, during this two-year period following the termination or expiration of my employment with the Franchisee.

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

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

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

Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

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

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

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

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

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

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

17. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile or electronic mail, (provided that the sender confirms the facsimile or electronic mail, by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective party at the following address unless and until a different address has been designated by written notice.

The notice shall be addressed to

Vibe House Pilates Franchising, LLC
Attn: Rosalie Black
1123 Merrillville Road
Crown Point, Indiana 46307

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

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

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

UNDERSIGNED

Signature: _____

Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: _____

Title: _____

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EXHIBIT F TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS, DOMAIN NAMES AND/OR SOCIAL MEDIA ACCOUNTS/HANDLES

1. _____, (the "Assignor"), in exchange for valuable consideration provided by Vibe House Pilates Franchising, LLC (the "Assignee"), receipt of which is hereby acknowledged hereby conditionally assigns to Assignee all telephone numbers, domain names, social media handles and/or accounts, as well as any listings associated therewith, utilized by Assignor in the operation of its franchised business operating under Assignor's licensed marks at the following location: _____ (collectively, the "Assigned Property"). The Assigned Property includes the following:

Telephone Number(s): _____
Domain Name(s) Use in Connection with the Franchised Business and/or that Contain the Proprietary Marks in any Manner: _____; and
Social Media Accounts and/or Handles used in Connection with Franchised Business and/or that Contain the Proprietary Marks in any Manner: _____

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

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

ASSIGNOR

BY: _____ Date: _____

TITLE:_____

ASSIGNEE

VIBE HOUSE PILATES FRANCHISING, LLC

BY: _____
Rosalie Black, CEO

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EXHIBIT C
TO FRANCHISE DISCLOSURE DOCUMENT

DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") entered into this ___ day of _____, 20__ (the "Effective Date"), between: (i) Vibe House Pilates Franchising, LLC, an Indiana limited liability company with its principal place of business at 1123 Merrillville Road, Crown Point, Indiana 46307 (the "Franchisor"); and (ii) _____ ,a/n _____ with a business address at _____ (the "Developer").

BACKGROUND

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the "System") related to the establishment, development, opening, and operation of a fitness studio (each, a "Studio") that provides (a) heated, music-driven, mat-based Pilates instruction, including group Pilates classes delivered in a high-energy environment (the "Approved Services"), and (b) branded apparel, accessories, mats, merchandise, and any other products that Franchisor requires or authorizes for retail sale and other merchandise (the "Approved Products").

B. Franchisor's System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: proprietary methodology and procedures for the establishment and operation of a Studio; site selection guidance and criteria; specifications for the design, layout and construction of the interior of the Studio; standards and specifications for the furniture, fixtures and equipment located within a Studio; established relationships with approved or designated suppliers for certain products and services; and standards and specifications for advertising, bookkeeping, sales, marketing, and other aspects of operating a Studio. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Developer hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information which makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System, which may, in whole or part, be contained in the relevant Franchisor's manuals that are proprietary and confidential.

C. Developer's Studios must be operated using Franchisor's Proprietary Marks and in accordance with Franchisor's proprietary operating System that, as of the Issue Date of the Franchise Disclosure Document, is comprised of various components, including: methodologies and know how, information, trade secrets regarding the provision of the Approved Services, sourcing and resale of certain Approved Products and the establishment and operation of a franchised Studio generally; Franchisor's confidential operations manual (the "Operations Manual") and other proprietary manuals Franchisor may provide Developer with access to via hard copy or online (collectively, the "Manuals"); proprietary training (both initial and ongoing) related to the operation of a Studio, as well as all related training materials; designated sources and existing relationships with suppliers specified by Franchisor from whom Developer is either required or pre-approved to purchase certain items or services that are necessary to establish and/or operate a franchised Studio; information and, if Franchisor determines appropriate, prototypical plans for the design and layout of a franchised Studio; specified equipment, inventory, mats, furniture and any fixtures that are necessary to build out a typical Studio; Franchisor's Proprietary Marks, as well as any other interior and exterior design, décor, color schemes, advertising and marketing specifications, and other standards, specifications, techniques, and procedures that Franchisor designates for developing, operating, and managing one (1) or more Studios. Please note that Franchisor may update, supplement, change or otherwise modify the System, as well as corresponding System suppliers, standards and specifications, as Franchisor determines appropriate from time to time via the Manuals or otherwise in writing.

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D. The System and Studios are identified by Franchisor's then-current and proprietary marks, as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor may modify, update, supplement or substitute in the future (collectively, the "Proprietary Marks"). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

E. Franchisor grants qualified third parties the right to develop a certain number of Studios within a defined geographical area (the "Development Area"), in accordance with the terms of this Agreement and with a mandatory development schedule to which Developer must strictly adhere, with each Studio within the Development Area being opened and operating utilizing the Proprietary Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor's then-current form of franchise agreement (each, a "Franchise Agreement").

F. Developer recognizes the benefits of receiving the right to operate a Studio utilizing the System and desires to: (i) become a multi-unit operator subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

G. Developer has applied for the right to open and operate a certain number of Studios within the Development Area as set forth in this Agreement (each, a "Franchised Business"), and Franchisor has approved such application in reliance on Developer's representations made herein.

H. Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications, are essential to the operation of all Studios and the System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Development Area**.

1.1 Subject to the terms and conditions set forth herein, Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish a total of _____ Franchised Businesses within the Development Area defined in the Data Sheet attached hereto as Exhibit A (the "Data Sheet"), provided Developer opens and commences operations of such Franchised Businesses in strict accordance with the mandatory development schedule also set forth in the Data Sheet (the "Development Schedule") and otherwise subject to the terms and conditions set forth herein.

1.2 Except as provided in Section 1.3 and otherwise herein, during the term of this Agreement, Franchisor will not open or operate, or license any third party the right to open or operate, any Studio utilizing the Proprietary Marks and System within the Development Area.

1.3 Developer agrees and acknowledges that Franchisor will have the right to modify the boundaries of the Development Area upon written notice to Developer to account for any designated territory that is granted to another System franchisee or developer in connection with a premises for a Studio at a location that (a) Developer secures, and (b) is close to the outer boundaries of the Development Area, to the extent necessary to avoid overlap between that designated territory and the Development Area. In the event Franchisor notifies Developer that it is modifying the Development Area as set forth in this Section, Developer agrees to work in good faith with Franchisor to enter into an addendum to this Agreement detailing the modified Development Area.

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2. **Development Fee.**

2.1 Developer shall pay Franchisor the development fee set forth in Section 3 of the Data Sheet (the "Development Fee") immediately upon execution of this Agreement for the right to develop the foregoing Franchised Businesses within the Development Area under this Agreement. Franchisor and Developer agree and acknowledge that the Development Fee is deemed fully earned upon payment and is not refundable under any circumstances. The parties further agree and acknowledge that the Development Fee is consideration solely for the territorial rights that are being granted to Developer within the Development Area under this Agreement, and that such Development Fee is not tied to (a) any particular franchise, or (b) the pre-opening or other obligations of either party in connection with any particular franchise.

2.2 Once the Development Fee is paid, Developer shall not be required to pay Franchisor any initial franchise fee in connection with the Franchised Businesses that Developer is awarded the right to develop under this Agreement (the "Initial Franchised Business").

2.3 The parties agree and acknowledge that the Development Fee will be deemed fully earned and non-refundable upon execution of this Agreement.

3. **Initial Franchise Agreement**. Contemporaneous with the execution of this Agreement, Developer must enter into Franchisor's current form of Franchise Agreement for the Initial Franchised Business that Developer is required to open within the Development Area. In the event Developer is a business entity of any kind, then Developer's principals/owners must each execute the form of personal guaranty attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.

4. **Additional Franchise Agreements.** Developer agrees and acknowledges that it must: (i) enter into Franchisor's then-current form of Franchise Agreement for each Additional Franchised Business that Developer is required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times as are required for Developer to timely meet, and strictly adhere to, its obligations under the agreed-upon Development Schedule.

5. **Development Obligations.** Developer must ensure that, at a minimum, Developer: (i) opens and commences operations of the number of new Franchised Businesses during each of the development periods defined in the Development Schedule (each, a "Development Period"); and (ii) has the minimum cumulative number of Franchised Businesses open and operating at the expiration of each such Development Period. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule in any manner with respect to any Development Period is grounds for immediate termination of this Agreement if not timely cured as set forth in Section 6.2 of this Agreement (and any future development rights granted hereunder).

6. **Term and Termination.**

6.1 This Agreement will commence as of the date it is fully executed and, unless earlier terminated by Franchisor, will expire on the earlier of: (i) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule; or (ii) the date Developer actually opens the last Franchised Business that Developer is granted the right to open under this Agreement. Upon expiration or termination of this Agreement for any reason, Developer will not have any rights within the Development Area other than the territorial rights granted in connection with any "Designated Territory" associated with a Franchised Business that Developer has opened and commenced operating as of

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the date this Agreement is terminated or expires (as such rights are granted by Franchisor under the respective Franchise Agreement(s) into which Developer has entered for such Franchised Business(es)).

6.2 Franchisor will have the right to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) if Developer ceases to actively engage in development activities in the Development Area or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an objective intent by Developer to discontinue development of the Franchised Businesses within the Development Area; (ii) if Developer becomes insolvent or is adjudicated bankrupt, or if any action is taken by Developer, or by others against the Developer, under any insolvency, bankruptcy or reorganization act, or if Developer makes an assignment for the benefit of creditors or a receiver is appointed by the Developer; (iii) if Developer fails to meet its development obligations under the Development Schedule for any single Development Period, and fails to cure such default within 30 days of receiving notice thereof; or (iv) if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

6.3 In the event this Agreement is terminated prior to its natural expiration for any reason, the parties agree and acknowledge that the geographic scope of the post-term non-compete described in Section 14(B) of the Initial Franchise Agreement shall also include (a) the Development Area, and (b) a fifteen (15) mile radius around the perimeter of the Development Area.

7. **Reservation of Rights.** Except as provided in Section 1 of this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein.

8. **Sale or Assignment.** Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer according to the same terms and conditions as provided in Developer's initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.

9. **Acknowledgment**. Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Proprietary Marks or System.

10. **Notices**. Notices, requests and reports to be given under this Agreement are to be in writing, and delivered either by hand, overnight mail via recognized courier such as UPS or FedEx, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice). Franchisor may also provide notice to Developer via email, and such notice shall be valid only where Developer replies with an email confirming receipt.

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

12. **Internal Dispute Resolution.** Developer must first bring any claim or dispute between Developer and Franchisor to Franchisor's management, after providing Franchisor with notice of and a reasonable opportunity to cure an alleged breach hereunder. Developer must exhaust this internal dispute resolution procedure before bringing a dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

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13. **Mediation**. Other than an Excluded Claim brought by Franchisor or a Franchisor Related Party (as defined herein), and with the exception of injunctive relief or specific performance actions, before the filing of any arbitration, Developer and Franchisor agree to mediate any dispute, controversy or claim between Franchisor and/or any of Franchisor's affiliates, officers, directors, managers, members, owners, guarantors, employees or agents (each a "Franchisor Related Party"), on the one hand, and Developer and/or any of Developer's affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Developer Related Party"), including without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the parties' relationship; or (c) the events occurring prior to the entry into this Agreement. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement. This agreement to first attempt resolution of disputes internally and through mediation shall survive termination or expiration of this Agreement.

Mediation will be conducted in Crown Point, Indiana (or, if Franchisor's corporate headquarters is no longer in Crown Point, Indiana, the county where Franchisor's corporate headquarters is then-located). Persons authorized to settle the dispute must attend each mediation session in person. The party seeking mediation (the "Initiating Party") must commence mediation by sending the other party/parties a written notice of its request for mediation (the "Mediation Notice"). The Mediation Notice must specify, to the fullest extent possible, the nature of the dispute, the Initiating Party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other such relief such party claims, and must identify one or more persons with authority to settle the dispute for the Initiating Party. Upon receipt of the Mediation Notice, the parties will endeavor, in good faith, to resolve the dispute outlined in the Mediation Notice. If the parties have been unable to resolve any such dispute within thirty (30) days after the date the Mediation Notice is provided by the Initiating Party to the other party, either party may initiate a mediation procedure in accordance with this provision. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible, within sixty (60) days of the date of the Mediation Notice. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section.

The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful after reviewing the position papers, the mediator shall give both himself or herself and the authorized person designated by each party an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the authorized persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party.

The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible. The mediation may be concluded: (a) by the signing of a settlement agreement by the parties; (b) by the mediator's declaration that the mediation is terminated; or (c) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

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The fees and expenses of the mediator shall be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert, or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual, or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view, or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view, or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in the mediation.

14. **Arbitration**. With the exception of "Excluded Claims" (as defined below), and if not resolved by the negotiation and mediation procedures set forth in Sections 12 and 13 above, any dispute, controversy or claim between Developer and/or any Developer Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, including, without limitation, any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement, (b) the parties' relationship, (c) the events leading up to the entry into this Agreement, (d) the Development Area, (e) the scope or validity of the arbitration obligation under this Agreement, (f) any System standard; and/or (g) any claim based in tort or any theory of negligence shall be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures.

Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action, associational claim, or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate shall become null and void and the parties shall submit all claims to the jurisdiction of the courts.

The arbitration must take place in Crown Point, Indiana (or, if Franchisor's corporate headquarters is no longer in Crown Point, Indiana, the county where Franchisor's corporate headquarters is then-located). The arbitration will be heard before one arbitrator. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least five (5) years of significant experience in franchise law. Any issue as to whether a matter is subject to arbitration will be determined by the arbitrator. A judgment may be entered upon the arbitration award by any state or federal court in Crown Point, Indiana.

In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be forever barred. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; (3) certify a class or a consolidated action; or (4) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that Franchisor sets. The arbitrator shall have the right to make a determination as to any procedural matters that a court of competent jurisdiction would be permitted to make in the State of Indiana. Further, the arbitrator shall decide all factual, procedural, or legal questions relating in any way to the dispute between the parties, including, without limitation, questions relating to whether Sections 13, and/or 14 is applicable and enforceable as against the parties; the subject matter, timeliness, and scope of the dispute; any available remedies; and the existence of unconscionability and/or fraud in the inducement.

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The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

The arbitrator shall have subpoena powers limited only by the laws of the State of Indiana. The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness in order to minimize the time and expense of arbitration. The parties to the dispute shall otherwise have the same discovery rights as are available in civil actions under the laws of the State of Indiana. All other procedural matters shall be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in the State of Indiana.

Other than as may be required by law, the entire arbitration proceedings (including, without limitation, any rulings, decisions or orders of the arbitrator), shall remain confidential and shall not be disclosed to anyone other than the parties to this Agreement.

The judgment of the arbitrator on any preliminary or final arbitration award shall be final and binding and may be entered in any court having jurisdiction.

Franchisor reserves the right, but has no obligation, to advance Developer's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished Franchisor's right to seek recovery of those costs against Developer.

15. **Exceptions to Mediation and/or Arbitration (the "Excluded Claims")**. Notwithstanding Section 13 or 14, the parties agree that the following claims will not be subject to internal dispute resolution, mediation, or arbitration:

(a) any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief pursuant to Section 16 below, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder;

(b) any action in ejectment or for possession of any interest in real or personal property; or

(c) any claim by Franchisor and/or any Franchisor Related Party: (a) relating to Developer's failure to pay any fee due to Franchisor and/or its affiliates under this Agreement or any other agreement; (b) relating to Developer's or any Developer Related Party's failure to comply with the confidentiality and non-competition covenants set forth in this Agreement; (c) relating to Developer's indemnification obligations under this Agreement; and/or (d) claims for violations of the Lanham Act.

16. **Injunctive Relief.** Developer acknowledges and agrees that irreparable harm could be caused to Franchisor by Developer's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Developer's use of the Proprietary Marks and Franchisor's confidential information; (ii) Developer's covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement or any Franchise Agreement with Franchisor; (iii) Developer's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to

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confidentiality under this Agreement; and (vi) prohibiting any act or omission by Developer or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Developer's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Developer waives all damage claims if the injunction is wrongfully issued.

17. **Jurisdiction and Venue.** Subject to Sections 13, 14 and 15 of this Agreement, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction closest to Franchisor's then-current corporate headquarters, or, if appropriate, the United States District Court for the Northern District of Indiana (unless settled by the parties after such action is initiated). Developer acknowledges that Franchisor may bring an action in any other court of competent jurisdiction to seek and obtain injunctive relief as set forth in Section 14 above. Developer hereby irrevocably consents to the personal jurisdiction of the state and federal courts described in this Section.

18. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the dispute resolution procedures contained herein, including without limitation, the right to specifically utilize and exhaust the mediation procedure with respect to any and all claims asserted against such person(s) by Developer or its principals.

19. **JURY TRIAL WAIVER.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR DEVELOPER'S PURCHASE FROM FRANCHISOR OF THE DEVELOPMENT RIGHTS DESCRIBED HEREIN.

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

21. **Waiver of Punitive Damages.** Developer waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) that Developer may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Developer's recovery will be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

22. **Attorneys' Fees.** If either party institutes any judicial or mediation proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and Franchisor prevails in the action or proceeding, Developer will be liable to Franchisor for all costs, including reasonable attorneys' fees and court costs, incurred in connection with such proceeding.

23. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will

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be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

24. **Severability.** The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning, which renders it valid and enforceable. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

25. **Construction of Language.** The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

26. **Successors**. References to "Franchisor" or "Developer" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

27. **Additional Documentation.** Developer must, from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer's attorney-in-fact to execute any and all documents on Developer's behalf, as reasonably necessary to effectuate the transactions contemplated herein.

28. **No Right to Offset.** Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

29. **Entire Agreement**. This Agreement contains the entire agreement between the parties concerning Developer's development rights within the Development Area; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Franchisor reserves the right to change Franchisor's policies, procedures, standards, specifications or manuals at Franchisor's discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement, or any related agreement, is intended to disclaim any of the representations Franchisor made to Developer in the Franchise Disclosure Document that Franchisor provided to Developer.

THE REST OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK
SIGNATURES ON THE FOLLOWING PAGE

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IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

VIBE HOUSE PILATES FRANCHISING, LLC

_____

Print Name: Rosalie Black, CEO

Date: _____

DEVELOPER:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

Spouse Signature: _____

Spouse Name: _____

Date: _____

IF LLC, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

Owner Signature: _____

Owner Name: _____

Owner Signature: _____

Owner Name: _____

Date: _____

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EXHIBIT A to DEVELOPMENT AGREEMENT

DATA SHEET

1. **Development Area.** The Development Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas:

_____

_____.

2. **Development Schedule.** The Development Schedule referred to in Section 5 of the Development Agreement is as follows:

Expiration of Development Period (each, a "Development Period")	**# of New Franchised Businesses Opened Within Development Period**	**Cumulative # of Franchised Businesses that Must Be Open and Operating as of the Expiration of this Development Period**
___ Months from Effective Date	*[Example: 1]*	*[Example: 1]*
___ Months from Effective Date	*1*	*2*
___ Months from Effective Date	*1*	*3*
___ Months from Effective Date	*1*	*4*
___ Months from Effective Date	*1*	*5*

3. **Development Fee**. The Development Fee that is due and payable to Franchisor immediately upon execution of this Agreement shall be $_____.

[Signature Page Follows]

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(*Signature Page to Development Agreement – Data Sheet*)

APPROVED AND ACCEPTED BY:

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____

Print Name: Rosalie Black, CEO

Date: _____

DEVELOPER

_____
(Individual, Partnership or Corporation Name)

By: _____

Title: _____

Date: _____

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EXHIBIT D
TO FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Vibe House Pilates Franchising, LLC

(An Indiana Limited Liability Company)

Balance Sheet with Report of Independent Auditors
January 7, 2026

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Report of Independent Auditors..... Page 1
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Report of Independent Auditors

To the Member of
Vibe House Pilates Franchising, LLC:

Opinion
We have audited the accompanying financial statements of Vibe House Pilates Franchising, LLC, an Indiana limited liability company, which comprise the balance sheet as of January 7, 2026, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 7, 2026, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after January 23, 2026.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Troy, MI
January 23, 2026

Vibe House Pilates Franchising, LLC
BALANCE SHEET
As of January 7, 2026

ASSETS	
Current assets:	
Cash and cash equivalents	$ 100,000
Total current assets	100,000
Total assets	$ 100,000
LIABILITIES AND MEMBER'S EQUITY	
Current liabilities:	$ -
Total current liabilities	
Member's equity	100,000
Total liabilities and member's equity	$ 100,000

see accompanying notes

Vibe House Pilates Franchising, LLC
NOTES TO FINANCIAL STATEMENTS
January 7, 2026

1. Organization

Vibe House Pilates Franchising, LLC (the "Company") is an Indiana limited liability company formed on January 2, 2026. The Company provides franchise opportunities in the health and wellness space. As of January 7, 2026, total member contributions were $100,000 and distributions were $0.

2. Summary of significant accounting policies and nature of operations

Basis of accounting
The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which could exceed federally insured limits. As of January 7, 2026, the cash balance was $100,000 and did not exceed the insured limit.

Income taxes
Income taxes on Company income are levied at the individual level. Therefore, the Company is not subject to corporate income tax and all taxable income or loss will pass through to the individual members of the Company.

3. Subsequent events

Subsequent events have been evaluated through January 23, 2026, which is the date the financial statements were available to be issued. There were no subsequent events noted impacting the financials of the Company as of the balance sheet date.

EXHIBIT E
TO FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.

1. The Special Risks Page is supplemented to include the following:

   If the franchise does not open within twelve (12) months from the date the franchise agreement is signed, you can be terminated for cause.

2. Item 3 is supplemented to include the following:

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

3. Item 17 of the FDD is supplemented to include the following:

   California Business & Professions Code Sections 20000 through 20043 provides rights to the franchisee concerning termination, transfer, or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the California Business & Professions Code Sections 20000 through 20043 will control. The franchise agreement requires the parties to waive their rights to a trial by jury in connection with lawsuits arising out of the franchise relationship. This provision may not be enforceable under California law.

   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.

4. The franchise agreement provides for termination on bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

5. Prospective franchisee/developers are encouraged to consult private legal counsel to determine the applicability of California any 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.

6. This agreement requires application of the laws of the State of Indiana. This provision may not be enforceable under California law.

7. Section 31125 of the California Corporation Code requires the franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

8. You must sign a release if you 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 Professions Code 2000 through 20043).

9. As per California Rule 310.156.3(a)(3):

   OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE

CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

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

11. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

12. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA AMENDMENT
TO FRANCHISE AGREEMENT

In recognition of the requirements of the California Franchise Investment Law, the parties to the attached Vibe House Pilates Franchising, LLC Franchise Agreement agree as follows:

1. Section 21(K) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

> "**Limitation of Action**. In accordance with the California Franchise Investment Law (the "CA Law"), Franchisee agrees that no cause of action arising out of or under this Agreement may be maintained against Franchisor unless brought before the expiration of four years after the act or transaction constituting the violation, the expiration of one year after Franchisee discovers the fact constituting the violation, or 90 days after delivery to Developer of a written notice disclosing any violation of Section 31110 or 31200 of the CA Law, which notice shall be approved as to form by the California Commissioner of the Department of Financial Protection and Innovation, whichever shall first expire. Notwithstanding the foregoing, Franchisee agrees that no cause of action to enforce any liability created under Section 31301of the CA Law (relating to misrepresentation) may be maintained against Franchisor unless brought before the expiration of two years after the act or transaction constituting the violation, the expiration of one year after Developer discovers the fact constituting the violation, or 90 days after delivery to Franchisee of a written notice disclosing any violation of Section 31201 or 31202 of the CA Law, which notice shall be approved as to form by the California Commissioner of the Department of Financial Protection and Innovation, whichever shall first expire."

3. Section 21(L) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

> "18.9 **Damages**. In the event of Franchisor's violation of the California Franchise Investment Law (the "CA Law"), Franchisee may seek all damages allowable pursuant to the CA Law."

4. No disclaimer, questionnaire, clause, or statement signed by Franchisee in connection with the commencement of the franchise relationship, including of the Franchise Agreement, shall be construed or interpreted as waiving any right granted to Franchisee pursuant to the CA Law, or waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by Franchisor, Franchisor's broker or other person acting on behalf of Franchisor that was a material inducement to Franchisee's investment. To the extent that any Section of the Franchise Agreement require Franchisee to represent and/or acknowledge statements contrary to the foregoing, such representations and/or acknowledgements shall be unenforceable against Franchisee.

Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this Amendment.

(Signature Page Follows)

INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS CALIFORNIA RIDER TO BE EXECUTED EFFECTIVE AS OF THE DATE OF THE FRANCHISE AGREEMENT.

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____
Title: _____

FRANCHISEE:

_____

By: _____
Print Name: _____
Title: _____

PRINCPAL:

_____
Print Name: _____

PRINCPAL:

_____
Print Name: _____

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ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 17 is supplemented to include the following disclosure:

   The conditions under which your franchise can be terminated and your rights on nonrenewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

   Illinois law governs the franchise agreement(s).

   Any provision which designates jurisdiction or venue or requires Franchisee/Developer to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except arbitration may take place outside the State of Illinois.

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

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS RIDER
TO FRANCHISE AGREEMENT

This Rider shall pertain to franchises sold in the State of Illinois and shall be for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

1. Section 21(A) of the Franchise Agreement shall be supplemented as follows:

Illinois law governs the franchise agreement(s).

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

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

4. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

> "To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control."

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS ILLINOIS RIDER TO BE EXECUTED EFFECTIVE AS OF THE DATE OF THE FRANCHISE AGREEMENT.

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____

Title: _____

FRANCHISEE:

_____

Print Name: _____

FRANCHISEE:

_____

Print Name: _____

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ILLINOIS RIDER
TO DEVELOPMENT AGREEMENT

1. Illinois law governs the Franchise Agreement.

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

3. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS ILLINOIS RIDER TO BE EXECUTED EFFECTIVE AS OF THE DATE OF THE FRANCHISE AGREEMENT.

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____

Title: _____

FRANCHISEE:

_____

Print Name: _____

FRANCHISEE:

_____

Print Name: _____

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MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 17 is supplemented to include the following disclosures:

   The franchise agreement provides that we may terminate the franchise, if you voluntarily or involuntarily file for bankruptcy, as described in the "Summary of Cause Defined" (provision (h.)). This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 *et. seq.)*

   Any general release signed as a condition to renewal, sale, assignment, or transfer of these agreements will not release us from any liability imposed by the Maryland Franchise Registration and Disclosure Law.

   Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires us to file an irrevocable consent to be sued in Maryland. Accordingly, the Summary of the Choice of Forum (provision (v.)) is amended to provide that you may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.

   Section 14-227 of the Maryland Franchise Registration and Disclosure Law provides that any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND RIDER
TO FRANCHISE AGREEMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD Ann. Code art. 56, Sections 345-365D, the parties to the attached Vibe House Pilates Franchising, LLC Franchise Agreement agree as follows:

1. Section 3(B)(5) of the Franchise Agreement shall be supplemented by the addition of the following language to the end of those respective Section:

> ; pursuant to Code of Maryland Regulations section 02.02.08.16L, any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law. The sections of this Agreement which contradict this Code provision are amended accordingly.

2. Section 13(E)(3) of the Franchise Agreement shall be supplemented to include the following language to the end of those section:

> ; pursuant to Code of Maryland Regulations section 02.02.08.16L, any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law. The sections of this Agreement which contradict this Code provision are amended accordingly.

3. Section 21(G) of the Franchise Agreement shall be supplemented as follows:

> ; provided, however, that franchisee representative may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland.

4. Section 21(K) of the Franchise Agreement shall be supplemented by the addition of the following:

> ;provided however, that all rights enjoyed by franchisee and any causes of action arising in developer's favor from the provisions of the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under Maryland Franchise Registration and Disclosure Law.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Rider shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

(*Signature Page Follows*)

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS MARYLAND RIDER TO BE EXECUTED EFFECTIVE AS OF THE DATE OF THE FRANCHISE AGREEMENT.

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____

Name/Title: _____

FRANCHISEE:

By: _____

Name/Title: _____

FRANCHISEE/PRINCIPAL:

_____

Print Name: _____

FRANCHISEE/PRINCIPAL:

_____

Print Name: _____

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MARYLAND RIDER
TO DEVELOPMENT AGREEMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD Ann. Code art. 56, Sections 345-365D, the parties to the attached Vibe House Pilates Franchising, LLC Franchise Agreement agree as follows:

1. Section 17 of the Development Agreement shall be supplemented as follows:

; provided, however, that franchisee representative may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland.

2. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under Maryland Franchise Registration and Disclosure Law.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Rider shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS MARYLAND RIDER TO BE EXECUTED EFFECTIVE AS OF THE DATE OF THE FRANCHISE AGREEMENT.

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____

Name/Title: _____

FRANCHISEE:

By: _____

Name/Title: _____

FRANCHISEE/PRINCIPAL:

_____

Print Name: _____

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 6, Non-Sufficient Funds Fee, is amended to state:

   Pursuant to Minn. Stat. § 604.113, the Non-Sufficient Funds Fee is $30.00 per occurrence.

2. Item 13 is supplemented to include the following disclosure:

   We will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suitor demand regarding the use of the marks to the extent required by Minnesota law.

3. Item 17 is supplemented to include the following disclosures:

   Minnesota law provides franchisee/developers with certain termination and nonrenewal rights. As of the date of this disclosure document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee/developer be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the franchise.

   Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of §§ 80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

   Minn. Stat. § 80.C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. However, we may seek to obtain injunctive relief without the posting of a bond, if permitted by the court. In addition, nothing in the franchise disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

   To the extent you must sign a general release in our favor, such release will exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. §80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

4. Section 21(F) of the franchise agreement will have no further force or effect and the following is substituted in its place:

   Nothing herein contained shall prevent us from applying to and seeking to obtain from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, and/or other emergency relief available to safeguard and protect our interests.

5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

MINNESOTA RIDER
TO FRANCHISE AGREEMENT

This Rider shall pertain to franchises sold in the State of Minnesota and shall be for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, shall be amended as follows:

1. Minnesota law provides franchisee with certain termination and nonrenewal rights. As of the date of this Agreement, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Franchise rights.

2. We will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

3. Minn. Stat. § 80.C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. However, we may seek to obtain injunctive relief without the posting of a bond, if permitted by the court. In addition, nothing in the franchise disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. To the extent you are required to execute a general release in our favor, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. § 80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

5. Any claims brought under to the Minnesota Franchises Act, § 80.C.01 *et seq*. must be brought within 3 years after the cause of action accrues. To the extent that any provision of the Franchise Agreement imposes a different limitations period, the provision of the Act shall control.

6. Section 21(G) of the Franchise Agreement shall have no further force or effect and the following shall be substituted in lieu thereof:

> Nothing herein contained shall prevent us from applying to and seeking to obtain from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, and/or other emergency relief available to safeguard and protect Franchisor's interests.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS MINNESOTA RIDER TO BE EXECUTED EFFECTIVE AS OF THE DATE OF THE FRANCHISE AGREEMENT.

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____

Name/Title: _____

FRANCHISEE:

By: _____

Name/Title: _____

FRANCHISEE/PRINCIPAL:

_____

Print Name: _____

FRANCHISEE/PRINCIPAL:

_____

Print Name: _____

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NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

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

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

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

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

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

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

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

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law."

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

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

6. Franchise Questionnaires and Acknowledgements - No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts-- Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NEW YORK RIDER
TO FRANCHISE AGREEMENT

In recognition of the requirements of Article 33 of the General Business Law of the State of New York, the parties to the Vibe House Pilates Franchising, LLC Franchise Agreement agree as follows:

1. Section 21(K) of the Franchise Agreement shall be supplemented by adding the following language at the end of the Section:

> provided, however, that all rights enjoyed by Franchisee/developer and any causes of action arising in franchisee favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied;

2. Section 21(A) of the Franchise Agreement, which is generally under the heading entitled "Governing Law," shall be supplemented by the addition of the following language at the end of the Section:

> However, the foregoing choice of law shall not be considered a waiver of any right conferred upon franchisee by the provisions of Article 33 of the General Business Law of the State of New York.

3. Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the General Business Law of the State of New York, Sections 680-695, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

-Remainder of Page Intentionally Blank-

INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS NEW YORK RIDER TO BE EXECUTED EFFECTIVE AS OF THE DATE OF THE FRANCHISE AGREEMENT.

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____

Name/Title: _____

FRANCHISEE:

By: _____

Name/Title: _____

FRANCHISEE/PRINCIPAL:

_____

Print Name: _____

FRANCHISEE/PRINCIPAL:

_____

Print Name: _____

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NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 17 is amended by the addition of the following language:

a. Covenants not to compete on termination or expiration of a franchise are generally unenforceable in North Dakota, except in certain instances as provides by law.

b. Any provision in the franchise agreement which designates jurisdiction or venue or requires the franchisee/developer to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

c. Any provision in the franchise agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

d. Any provision requiring a franchisee/developer to sign a general release on renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

e. Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee/developer is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

f. Any provision in the franchise agreement requiring that the agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

2. Item 17(i) is hereby amended to state that provisions requiring the franchisee to consent to termination or liquidated damages have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, any provisions shall be deleted in their entirety.

3. Item 17(u) is hereby amended to state that the site of arbitration or mediation shall be agreeable to all parties and may not be remote from the franchisee's place of business.

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NORTH DAKOTA RIDER
TO FRANCHISE AGREEMENT

This Rider pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Section 17 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants not to compete may not be enforceable under North Dakota law.

2. Section 21(G) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota.

3. Section 21(A) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

For North Dakota Franchisee, North Dakota law shall apply.

4. Section 3(B)(5) of the Franchise Agreement is hereby amended by the addition of the following language that appears therein:

Provisions requiring North Dakota franchisee to sign a general release upon renewal of the franchise agreement are not enforceable in North Dakota.

5. Section 19(D) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Provisions requiring the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisee, this provision shall be amended to provide that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

6. Any language imposing liquidated damages upon termination or other termination damages in the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Provisions requiring the franchisee to consent to termination or liquidated damages have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisee, this provision shall be deleted in its entirety.

7. Section 21(D) of the Franchise Agreement is hereby amended to state that the site of arbitration or mediation shall be agreeable to all parties and may not be remote from the franchisee's place of business.

8. Section 21(K) of the Franchise Agreement is hereby amended to state that the statute of limitations under North Dakota Law will apply.

9. Section 21(L) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Provisions requiring the franchisee/developer to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

10. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS NORTH DAKOTA RIDER TO BE EXECUTED EFFECTIVE AS OF THE DATE OF THE FRANCHISE AGREEMENT.

VIBE HOUSE PILATES FRANCHISING, LLC

By: _____

Name/Title: _____

FRANCHISEE:

By: _____

Name/Title: _____

FRANCHISEE/PRINCIPAL:

_____

Print Name: _____

FRANCHISEE/PRINCIPAL:

_____

Print Name: _____

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 17 (u) is amended to read: §19-28.1-21 (a) A person who violates any provision of this act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person will be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation. (b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.

2. Item 17 (v)(w) is amended to read: §19-28.1-14 A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $297,100 to $466,700. This amount exceeds the franchisor's stockholder's equity as of January 7, 2026, which is $100,000.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the franchise disclosure document for Vibe House Pilates Franchising, LLC for use in the Commonwealth of Virginia is amended as follows:

The following statements are added to Item 17(h):

Under 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 grounds for default or termination stated in the franchise agreement do 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.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT, AND RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

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

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

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

_____	_____
Signature of Franchisor Representative	Signature of Franchisee Representative
_____	_____
Title of Franchisor Representative	Title of Franchisee Representative

EXHIBIT F
TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF OPEN FRANCHISEES AS OF DECEMBER 31, 2025

None.

LIST OF FRANCHISEES WITH SIGNED FRANCHISE AGREEMENTS FOR A SYSTEM STUDIO THAT IS NOT YET OPEN AS OF DECEMBER 31, 2025

None.

LIST OF FRANCHISEES THAT HAVE LEFT THE SYSTEM IN THE PAST FISCAL YEAR OR THAT HAVE FAILED TO COMMUNICATE WITH US IN THE 10 WEEKS PRECEDING THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT

None.

EXHIBIT G
TO FRANCHISE DISCLOSURE DOCUMENT

OPERATIONS MANUAL TABLE OF CONTENTS

Vibe House Operations Manual

(Online, each of the below is a module)

- Owners Playbook
  - Vibe House Story & Founder
  - Franchise Q&A
  - Roles & Responsibilities
  - Franchise Policies
- Vibe House Programming
  - Choose Your Vibe: Our Class Formats
  - Key Differentiators
  - Memberships & Class Packs
  - Instructor Guidebook
  - How to Build Your Class
  - Quarterly Content Drops
- Studio Operations
  - Contracts, Pricing, & Studio Policies
  - Front Desk SOPs
  - Emergency Protocols
  - Merch Guide
  - Creating the VIBE
- Hiring, Staffing, Training
  - Vibe House Staffing Plan & Job Descriptions
  - Hiring Packets
  - Interview Playbook
  - New Hire Checklist
  - Employee Exit Process
  - VH Instructor Training Program
  - Instructor Audition Templates
- Grand Opening Playbook
  - GO Marketing Manual
  - Pre-Sales
  - Promo Kit
- Marketing
  - Vendors
  - Email Templates

    - Event Marketing Manual
    - Social Media Best Practices
    - Branding – Protect the VIBE
- Technology
    - Mindbody
    - Trainual
    - Canva
    - Social Media
    - Other
- Business Management
    - KPIs & Goal Setting
    - Sales Reporting
    - Chart of Accounts

EXHIBIT H
TO FRANCHISE DISCLOSURE DOCUMENT

SAMPLE RELEASE AGREEMENT

In consideration for the consent of Vibe House Pilates Franchising, LLC, (the "Franchisor"), to the assignment by _____("Franchisee") of its interest in that certain franchise agreement entered into by and between Franchisor and Franchisee dated _____ (the "Franchise Agreement"), Franchisee and its principals hereby remises, releases, and forever discharges Franchisor, its affiliates, parents, subsidiaries, principals, officers, directors and employees and agents, and their respective successors, assigns, heirs and personal representatives, from all debts, covenants, liabilities, actions, and causes of action of every kind and nature through the date of this Release, including but not limited to those arising out of or existing under (a) the Franchise Agreement and the parties respective rights and obligations thereunder, (b) the offer and sale of the VIBE HOUSE PILATES Studio described therein, and (c) the franchise relationship between the parties hereto, whether in law or in equity. Franchisee acknowledges that this Release is intended to release all claims held by any person against the parties to be released, arising out of any of the matters to be released.

*For Washington franchisees: This general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

This Release has been entered into and agreed to as of the _____ day of _____, 20____

FRANCHISEE:

By: _____

Print Name: _____

By: _____

Print Name: _____

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EXHIBIT I

FRANCHISEE QUESTIONNAIRE

DO NOT COMPLETE OR SIGN THIS QUESTIONNAIRE IF YOU RESIDE IN, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES:

CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI

As you know, Vibe House Pilates Franchising, LLC ("we", "us"), and you are preparing to enter into a Franchise Agreement and/or Development Agreement for the right to open and operate one (1) or more VIBE HOUSE PILATES franchises (each, a "Studio"). The purpose of this Questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Development Agreement and/or Franchise Agreement, and pay us the appropriate franchise/development fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes____ No ____ 1. Have you received and personally reviewed the Franchise Agreement and/or Development Agreement, as well as each exhibit or schedule attached to these agreements that you intend to enter into with us?

Yes____ No ____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes____ No ____ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes____ No ____ 4. Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?

Yes____ No ____ 5. Have you reviewed the Disclosure Document and Franchise Agreement (and/or Development Agreement) with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Studio(s) with these professional advisor(s)?

Yes____ No ____ 6. Do you understand the success or failure of your Studio(s) will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your Premises (or Development Area), competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes____ No ____ 7. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

Yes____ No ____ 8. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the VIBE HOUSE PILATES mark or any other mark at any location outside your (a) Designated Territory under the

Franchise Agreement and (b) Development Area is you have entered into a Development Agreement, without regard to the proximity of these activities to the premises of your Studio(s) or Development Area?

Yes____ No ____ 9. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated, at our option, at our then-current headquarters?

Yes____ No ____ 10. Do you understand the Franchise Agreement and Development Agreement provide that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential or other special damages?

Yes____ No ____ 11. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement or Development Agreement is us?

Yes____ No ____ 12. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Designated Managers (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Studio to open or consent to a transfer of that Studio?

Yes____ No ____ 13. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Yes____ No ____ 14. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises (other than those that you timely fulfill your development obligations and have contracted to open under the Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?

Yes____ No ____ 15. Do you understand that we will send written notices, as required by your Franchise Agreement and/or Development Agreement, to either your Franchised Business or home address until you designate a different address by sending written notice to us?

Yes____ No ____ 16. Do you understand that we will not approve your purchase of a Vibe House Pilates franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Yes____ No ____ 17. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 18. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 19. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Development Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 20. Is it true that no broker, employee or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Disclosure Document?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Dated: _____, 20_____	Dated: _____, 20_____
_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Dated: _____, 20_____	Dated: _____, 20_____

GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON BACK OF THIS PAGE (REFER TO QUESTION NUMBER)

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EXHIBIT J
STATE EFFECTIVE PAGE

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Florida, Hawaii, Kentucky, Indiana, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin. This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	February 6, 2026
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	February 5, 2026
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	February 2, 2026

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EXHIBIT K
RECEIPTS (OUR COPY)

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

If Vibe House Pilates Franchising, LLC offers you a franchise it must provide this Disclosure Document to you within 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If Vibe House Pilates Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator identified in Exhibit A of this Franchise Disclosure Document.

The Issuance Date of this Disclosure Document is January 23, 2026.

A list of our agents registered to receive service of process is listed as Exhibit A to this Franchise Disclosure Document.

I have received a Franchise Disclosure Document with an issuance date of January 23, 2026, which contained the following Exhibits:

A. List of State Franchise Administrators/Agents for Service of Process
B. Franchise Agreement (and Exhibits)
C. Development Agreement (and Exhibits)
D. Financial Statements
E. State Specific Addenda
F. List of Franchisees and Franchisees That Left Our System in the Past Fiscal Year or That Have Not Communicated to Us in the 10 Weeks Prior to the Issuance Date of this Disclosure Document
G. Franchisee Manual Table of Contents
H. Sample Termination and Release Agreement
I. Franchisee Questionnaire
J. State Effective Page
K. Receipts

A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows: (1) Rosalie Black, 1123 Merrillville Road, Crown Point, Indiana 46307, (219) 213-2398; (2) Marisa Kochnover & Rachel D. Stender, c/o The Rep'm Group, 19924 Jetton Road, Suite 203, Cornelius, North Carolina 28031 (917) 757-7172, or (3)

_____.

(*Signature Page Below*)

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Date: _____ _____Franchisee

_____(Print Name)

_____(Telephone Number)

Below for a Partnership, Corporation or Limited Liability Corporation:

Name: _____

Title: _____

Name of Company: _____

Address:_____

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RECEIPTS (YOUR COPY)

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

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(*Signature Page Below*)

©2026 Vibe House Pilates Franchising, LLC

Date: _____ _____Franchisee

_____(Print Name)

_____(Telephone Number)

Below for a Partnership, Corporation or Limited Liability Corporation:

Name: _____

Title: _____

Name of Company: _____

Address:_____

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