



FRANCHISE DISCLOSURE DOCUMENT

CURVES NA, INC.
a Texas corporation
400 Schroeder Drive
Waco, Texas 76710
254-399-9285
buycurves@curves.com
www.curves.com

The franchisee will operate a thirty-minute fitness and weight-loss club to offer instruction to the public on weight reduction and fitness.

The initial investment necessary to begin operation of a Curves franchised business ranges from \$71,801.47 to \$101,245. This includes \$53,275 to \$57,325 that must be paid to the franchisor or affiliate. This sum does not include any real estate costs.

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 to you. To discuss the availability of disclosures in different formats, contact Franchise Development at 400 Schroeder Drive, Waco, Texas 76710 (254) 399-9285, Franchisedevelopment@curves.com.

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

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

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

Issuance Date: May 12, 2022

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you 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 creditors.

Some States Require Registration

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. Registration of a franchise by the state does not mean that the state recommends the franchise or has verified the information in this disclosure document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Attachment A.

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

Special Risks to Consider About *This Franchise*

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

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

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

2. You must make minimum royalty, advertising, and other payments, regardless of your sales levels. Your inability to make payments may result in termination of your franchise and loss of your investment.
3. During the last 3 years, a large number of franchised outlets were terminated, not renewed, transferred, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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Exhibits

- A. Financial Statements
- B. Franchise Agreement
- C. Personal Guaranty
- D. Promissory Note and Security Agreement
- E. Bank Draft Authorization Form

F. Transfer of Service Agreement

G. Sample Copy of Termination of License Agreement and Mutual Release Document

H. State Specific Franchise Disclosure

Attachments

A. List of State Administrators and Agents for Service of Process

B. List of our Current Franchise Locations

C. List of Franchisees Who Have Left the System

Item 1.

The Franchisor and any Parents, Predecessors, and Affiliates

To simplify the language in this Disclosure Document, “**Franchisor**”, “**we**”, “**us**” or “**our**” means CURVES NA, INC. “**You**,” “**your**” and “**Franchisee**” means the person who is buying the franchise. If you are a corporation, partnership or limited liability company, “Franchisee,” “you,” or “your” includes any person with an ownership interest in the corporation, partnership or limited liability company (hereinafter referred to as an “**Owner**”).

We are a Texas corporation that was incorporated in February 2018. We maintain our principal place of business at 400 Schroeder Drive, Waco, Texas 76710. We do business under our corporate name and under the names *Curves*®. We do not engage in any other business activity. Our agents for service of process are listed on Attachment A.

On or about March 30, 2018, our parent, Curves DF Holdings, Inc., acquired a 100% interest in us. Curves DF Holdings, Inc. is a Texas corporation that was incorporated in March 2018. The principal business address of Curves DF Holdings, Inc. is 400 Schroeder Drive, Waco, Texas 76710. Curves DF Holdings, Inc. does not offer, and has never offered, any franchises in any lines of business, nor does Curves DF Holdings, Inc. perform services or sell products to our franchisees. Curves DF Holdings, Inc. is majorly owned and controlled by Elizabeth Krishea Holloway, our President as listed in Item 2.

Elizabeth Krishea Holloway purchased Curves DF Holdings, Inc. from NCP-Curves, L.P. effective August 15, 2019. NCP-Curves, L.P. is partially owned and controlled by NCP-Curves G.P., L.L.C., a Delaware limited liability company formed on June 29, 2012, with a principal business address of 183 East Putnam Avenue, Greenwich, Connecticut 06830.

Our predecessor was Curves International, Inc., a Texas corporation that was incorporated in October 1995. On or about March 30, 2018, Curves Holdings Co., Ltd. acquired a 100% interest in Curves International, Inc. As part of that transaction, we entered into a Master Franchise Agreement, whereby we are the Master Franchisee for the North American region and have the exclusive right to grant *Curves*® franchises in the United States and Canada. Curves International, Inc. does not offer, and has never offered, any franchises in any other lines of business.

Three C’s, Inc., a Nevada corporation formed in April 2004 as Member Dues for Curves, Inc., is owned by Curves DF Holdings, Inc. and is our affiliate. The principal business address of Three C’s Inc. is 400 Schroeder Drive, Waco, Texas 76710. Three C’s, Inc. does not offer, and has never offered, any franchises in any lines of business. Three C’s, Inc. operates three *Curves*® franchises, opening one located in Minnesota on March 1, 2020, second location in Waco, Texas on August 31, 2020, and third location in Austin, Texas on December 3, 2020. Three C’s, Inc. does not operate any other businesses similar to the *Curves*® franchises.

We are in the business of granting and providing services to our franchisees consisting of the opportunity to open and operate a thirty-minute fitness and weight-loss club (hereinafter “**Club**”) under the *Curves*® trade names, trademarks and system of operating procedures (hereinafter “**Curves System**”) (the “**Franchise**”). References to either *Curves*® or *Curves for Women*® within this Disclosure Document are the same. Curves International, Inc. has offered *Curves*® franchises since October 1995; we have offered *Curves*® franchises since April 2018 pursuant to our Master Franchise Agreement. We do not own or operate any franchises for an extended period of time. Other than the co-branded *Curves*®/Jenny Craig® (“**Curves Co-Brand franchises**”) which Curves International, Inc. began offering in the United States and Canada in October 2014, and which we took over as franchisor on March 30, 2018, we do not sell franchises in other lines of business. As of December 31, 2021, there are 3 Curves Co-Brand franchises sold in the United States and 1 in Canada.

We will grant you the right to operate one (1) Club at a location specified in the Franchise Agreement found in this Disclosure Document as Exhibit B. You will offer thirty-minute fitness and weight-loss services to the public

as an independently owned and operated entity using our system of operations, logos and trademarks. We will advise and assist you in the following areas to enhance your ability to open and operate a Club: site selection; training you and your staff; designing and laying out an efficient Club.

Your competitors include other national fitness chains and weight-loss clubs and local fitness and weight-loss clubs. You will offer your services in a developed market. We believe the fitness and weight-loss programs we provide for you will give you a distinctive product in comparison to your competition and thus provide you with a competitive edge in the fitness and weight-loss industry for women.

There are no specific national standards regulating the fitness or weight-loss industry or the franchise except that the FTC maintains rules and regulations regarding advertising related to weight-loss products and services. Many states have laws regulating fitness club contracts, weight-loss instruction, weight-loss products, operations and licenses. These regulations vary from state to state and could affect your operations.

Item 2.

Business Experience

Chief Executive Officer, President and Director: Elizabeth Krishea Holloway

Ms. Holloway has served as our President since November 2018. From April 2014 to November 2018, Ms. Holloway served as the Vice President and Senior Director of Curves International, Inc. Ms. Holloway's previous positions with Curves International, Inc. included: Director of Franchise Development (2012 to 2013), Resale Coordinator (2009 to 2012) and Area Director (2007 to 2009). Ms. Holloway also was a *Curves*® franchisee from 1998 to 2010.

Vice President: Amanda Merriam

Ms. Merriam has served as our Vice President since July 2019. Ms. Merriam previously served as our Director of Training from September 2013 to July 2019.

Director of Information Systems: Katy Bauer

Ms. Bauer has served as our Director of Information Systems since July 2019. She previously served as our Senior Manager of Global Applications & Communication from February 2017 to July 2019. From April 2013 to February 2017, Ms. Bauer served as Operations OS Specialist for Curves International, Inc. Ms. Bauer's previous positions with Curves International, Inc. included: Area Director (August 2006 to April 2013) and Special Projects Mentor (February 2003 to August 2006). Ms. Bauer also was a multi-unit *Curves*® franchise Owner/Manager from 2002 to 2014.

Item 3.

Litigation

Harold M. Hoffman, et al v. Curves International, Inc.; Docket No. BER-L-229-15; In the Superior Court of New Jersey Bergen County–Law Division. On January 12, 2015, Plaintiff filed a putative class action on behalf of himself and other consumer purchasers, alleging receipt of an unsolicited and unwanted email from Curves International, Inc. which was allegedly difficult to unsubscribe from. Plaintiff is seeking recovery of an unspecified amount of damages for alleged violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-2, including unconscionable commercial practice, deception, fraud, concealment or omission of a material fact, and conversion. On December 8, 2015, the parties entered an agreement wherein Curves International, Inc. paid a settlement amount of \$15,000 to Plaintiff.

Anne Armstrong, et al. v. Curves International, Inc., et al. Case No. 15SL-CC01852 filed in the Circuit Court of the County of St. Louis, State of Missouri. On June 1, 2015, an action was filed against Curves International,

Inc. by franchisees and former franchisees in the Circuit Court of the County of St. Louis, State of Missouri. Curves International, Inc. filed a Notice of Removal on June 25, 2015, and this case was moved to the U.S. District Court, Eastern District of Missouri, Eastern Division and assigned Case No. 4:15-cv-01006-TCM. In response to a Motion to Dismiss filed by Curves International, Inc. on September 9, 2015, plaintiffs filed a Notice of Partial Dismissal on September 16, 2015, and agreed to have their action transferred to the U.S. District Court, Western District of Texas, Waco Division and assigned Case No. 6:15-cv-00294-WSS.

In their action, franchisees and former franchisees allege that they were induced to buy a Curves franchise by false and misleading information provided by Curves International, Inc. in violation of the Texas Business Opportunities Act and the Texas Deceptive Trade Practices–Consumer Protection Act. Additionally, plaintiffs allege that once they began operating their franchises, Curves International, Inc. violated the implied covenant of good faith and fair dealing and breached their contracts by not providing assistance, concealed facts and took affirmative actions that hurt each plaintiff, all in violation of the Texas Business Opportunities Act, the Texas Deceptive Trade Practices–Consumer Protection Act, and Federal Trade Commission Regulations. This lawsuit went to trial on April 10, 2017. The jury returned a verdict in favor of the plaintiffs. The parties entered a settlement agreement wherein Curves International, Inc. settled with each plaintiff for approximately an average of \$11,765.

Bonita Arruda, ET AL. v. Curves International, Inc. ET AL. Case No. 6:20-CV-00092-ADA-JCM filed in United States District Court Western District of Texas. On February 7, 2020, an action was filed against Curves International, Inc. by former franchisees in the United States District Court of Texas Waco Division. On July 27, 2020, the District Court in the Western District of Texas granted Defendants’ Motion to Dismiss the amended complaint. On August 28, 2020, Plaintiffs’ Appealed this Judgment to the Court of Appeals for the Fifth Circuit. On February 3, 2021, Defendants filed Appellee’s Brief. The Court has not yet issued an opinion or set the matter for oral argument. Jury trial is set for July 25, 2022.

BV Boomers, Inc. and Tonya Grandmaiter v. Curves NA, Inc. ET AL. Cause No. 2020-2624-5 filed in the District Court 414th Judicial District, McLennan County, Texas. On August 21, 2020, an action was filed against Curves NA, Inc. by former franchisees alleging that Curves breached franchise agreements with Plaintiffs by failing to provide adequate support to franchisees. On November 20, 2020, Curves moved to dismiss the amended Petition. The motion is pending before the Court. No hearing date has been set.

Curves NA, Inc. v. Bonnellie Group, LLC & Nell Nguyen, Individually Cause No. 2021-30454-5 in the 414th Judicial District of McLennan County, Texas. On October 1, 2021, We filed suit against Nell Nguyen seeking recovery of damages plus interest for breach of contract (non-payment of fees). On April 22, 2022, a Default Judgment was granted to US against Bonnellie Group, LLC & Nell Guyen, Individually for \$5,390.00 in actual and liquidated damages plus interest, \$1,637.75 in attorney and \$314.00 in court cost.

Curves NA, Inc. v. Christopher M. Lotey, Individually and D/B/A Mohawk Valley Curves. Cause No. 20211034CV3 filed in the County Court of Law Number 3, McLennan County, Texas. On October 4, 2021, We filed suit against a former franchisee seeking recovery of damages plus interest for breach of contract (non-payment of fees). On May 6, 2022, a default judgment was granted to Us against Mr. Lotey for \$13,289.50 for liquidated damages plus interest, attorney fees and \$314.00 court cost.

Curves NA, Inc. v. Perrault, LLC and Virginia Lee Halvorsen, Individually Cause No. 2020-3812-5 in 414th Judicial District of McLennan County, Texas . We filed suit against a former franchisee seeking recovery damages plus interest for breach of contract (non-payment of fees). On April 22, 2022, a Default Judgment was granted to Us against Mrs. Halvorsen for \$12,678.65 in actual and liquidated damages plus interest, \$3,132.75 in attorney’s fees and \$314.00 in court cost.

Other than these actions, no litigation is required to be disclosed in this item this item.

Item 4.

Bankruptcy

No bankruptcy actions are required to be disclosed in this Item.

Item 5.

Initial Fees

Application Fee

You must pay a one-time non-refundable Application Fee of \$500, which is subject to increase at our discretion, to review application documents and conduct recruitment process.

Initial Franchise Fee

If you are purchasing a new Franchise from us, you must pay us an Initial Franchise Fee of \$50,000 for the grant of a Franchise, which includes franchise rights (including all intellectual property licenses, territory rights), training, pre-opening services, document preparation, processing and equipment. Except as provided below, this one-time fee is uniformly applied to new Franchises purchased from us. Your payment of the Initial Franchise Fee provides the grant of the *Curves*® Franchise for the term of the Franchise period in accordance with the terms and conditions of the Franchise Agreement. The Initial Franchise Fee is not refundable, in whole or in part. The total amount of the Initial Franchise Fee is due and payable upon execution of the Franchise Agreement. You may be able to finance the Initial Franchise Fee through us. See Item 10 for more information on financing the Initial Franchise Fee through us.

If you are a veteran or a former member of the U.S. Armed Forces and were honorably discharged, and you are purchasing a new Franchise from us, then we will reduce your Initial Franchise Fee by \$2,500 for an Initial Franchise Fee of \$47,500

Curves Equipment Delivery Fee

Upon execution of the Franchise Agreement, you are required to pay us for all costs and expenses we incur in connection with delivering the Curves Equipment to your Club (“**Delivery Fee**”). The exact amount of the Delivery Fee varies (currently ranging from \$2,500 to \$5,000) but will be calculated based upon the costs we incur to package and deliver the Curves Equipment to your Club. The Delivery Fee is not refundable under any circumstances.

Curves Required Operating System

As of the date of this Disclosure Document, you must obtain, currently at no initial fee, Curves required operating system from us direct. A portion of the monthly Technology Fee you pay will cover the continuing license, use and services of Curves required operating system. You must maintain and use required operating system for the duration of your Franchise Agreement.

Technology Fee

You must pay us a continuing monthly fee of \$275, which fee is subject to increase at our discretion, (“**Technology Fee**”) for the license, service, support of Curves required operating system, Curves required email access and proprietary intranet access. A portion of the Technology Fee may be paid to third party vendors.

Initial Training Registration Fees

If you are purchasing a new Franchise from us, prior to opening your Club for business, you, your Key Staff (as defined in Item 11) and other personnel are required to attend and successfully complete certain training with regards to the Curves System. Certain registration fees for our required training programs are included in the

Initial Franchise Fee. However, you may incur additional registration fees for personnel and Owners at an estimated cost of between \$0 and \$300. See Items 6 and 11 for additional information.

If you are acquiring a Franchise through the transfer of an existing Club, you will pay us a Training Fee prior to the transfer of any interests in the Franchise to you. Before you take over the operation of your Club, you, your Key Staff (as defined in Item 11) and other personnel are required to attend and successfully complete certain training with regards to the Curves System. Certain registration fees for our required training programs are included in the Training Fee. However, you may incur additional registration fees for personnel and Owners at an estimated cost of between \$0 to \$300. See Items 6 and 11 for additional information.

Site Evaluation Fee

If an on-site evaluation is deemed necessary and appropriate by us (on our own initiative or at your request) for any Club to be established, we reserve the right to charge you a site evaluation fee at an estimated cost of \$0 to \$1,250 (see Item 7).

We may not grant a Franchise to an area with a population less than 5,000 based on the latest census. We have the sole right to determine whether or not to grant a Franchise to an area depending upon population using some of the following factors, although we do retain the right to consider other factors as well: demographics of territory, size of territory, location of surrounding *Curves®* Franchises, proposed rent amount of location site (if available) and any experience you may have working in or owning a *Curves®* Franchise. You cannot open your Club if we have not approved the location site of your Club.

In the event you do not open your Club within one hundred eighty (180) days from the date of execution of the Franchise Agreement in accordance with Section 5 of the Franchise Agreement, we will have the right to terminate the Franchise Agreement without refunding any part of the Initial Franchise Fee.

You will be responsible for any sales or excise tax, goods and services tax, and/or any other tax applicable to the purchase of the *Curves®* Franchise and/or Curves Equipment and in respect of its on-going business.

Item 6.

OTHER FEES

New Sale

(Purchasing a new Franchise from us)

| (1) Type of Fee | (2) Amount | (3) Due Date | (4) Remarks |
|---|--|--|--|
| Monthly Royalty Fee (See Note 1) | 7.5% of the previous month's Gross Sales (see Note 5 for definition) for your Franchise subject to the minimum monthly royalty fee of \$375 (See Note 2) | On or after the 1 st day of each month (See Note 2) | Should you continue to operate your Club after the expiration of your Franchise Agreement, the Monthly Royalty Fee will automatically increase to 10% of the previous month's Gross Sales (See Note 2) |
| Monthly Advertising Fee (See Note 1) | 2% of the previous month's Gross Sales (see Note 5 for definition) for your Franchise subject to in the minimum monthly advertising fee of \$175. (See Note 3) | On or after the 20 th day of each month (See Note 3) | (See Note 3) |
| Training Fees (See Note 1) | \$5,500 (See Note 4) | Upon execution of the Franchise Agreement | (See Note 4) |

| | | | |
|--|---|---------------------------------------|---|
| Relocation Fee (See Note 1) | \$500 | Prior to any relocation of your Club | You must pay this fee to us and receive written approval from us prior to relocating your Club. |
| Delay of Opening Fee (See Note 1) | \$1,500 | On demand | Applies if you change the date of opening your Club after the date has already been approved by us. The Delay of Opening Fee will also be charged to you if your opening date is postponed because you do not have 100 new member appointments set up for your opening week. |
| Indemnification (See Note 1) | Will vary depending upon loss | On demand | You must indemnify us if we incur losses arising out of the operation of your business. |
| Fee for our Audit of your Franchise (See Note 1) | Cost of audit if you understated Gross Sales by more than 2% and any unpaid fees owed to us | Within 7 days of being invoiced by us | You must pay any unpaid fees and the costs of the audit if you understated Gross Sales by more than 2%. |
| Escrow Fee (See Note 1) | \$1,800 | Prior to the transfer | You must pay this fee to us in escrow to pay for any unpaid amounts owed to us during the process of the transfer. |
| Assignment Fee (See Note 1) | \$1,000 | Prior to the assignment | You must pay this fee to us when you assign your Franchise to any LLC, S-Corp, C-Corp, or other entity owned by you. If you add a partner, member, or other owner to your business, you must pay the Training Fee for all new partners, members, or other new owners. If the original owner is removed from the Franchise Agreement, a Transfer Fee will also be charged. |
| Onboarding Certification Fee | Then-current fee; currently, \$150 per person | On demand | Certain individuals associated with your Franchise must successfully complete this training. Two complimentary registration fees are provided as part of the Initial Franchise Fee. See Item 11 for additional information. |
| Health and Wellness Certification | Then-current fee; currently, \$50 per person | On demand | Certain individuals associated with your Franchise must successfully complete this training. Two complimentary registration fees are provided as part of the Initial Franchise Fee. See Item 11 for additional information. |

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| Training for replacement staff | Then-current fee; currently, \$500 per person | On demand | You may incur this fee during the term of your Franchise Agreement if you replace or hire new Key Staff or personnel. See Item 11 for additional information. |
| Renewal Fee (See Note 1) | Amount equal to twenty-five percent (25%) of the then-current initial franchise fee applicable to a new Franchise | Prior to the renewal | If we grant a renewal of your Franchise, you must pay this fee to us as part of the renewal process. |
| Monitoring Fee (See Note 1) | \$250 per month per item of non-compliance | On demand | Only assessed if you do not comply with the requirements we establish for the operation of your Franchise. |
| Brand Protection Fee (See Note 1) | \$350 per month per item of non-compliance | On demand | Only assessed when you are not in compliance and is for damages caused to our brand. |
| Technology Fee | \$275 per month | On or after the 1st day of every month | You must pay a monthly fee for technology fee payable to us. |
| Late Fee (See Note 1) | \$55 | On demand | Applies to any fee owed to us under the Franchise Agreement that is more than 5 days late. |
| Interest (See Note 1) | The highest rate allowable by law on any balance unpaid by more than 30 days | On demand | Payable on all overdue amounts. |
| Non-Compliance Damages (See Note 1) | The remaining months on the term of your Franchise Agreement multiplied by an average of the last 6 months of Monthly Royalty Fees, or if your Club has been open less than 6 months, an average of the Monthly Royalty Fees since your Club has been open. | On demand | Payable to us if your Franchise Agreement is terminated due to your default or breach. |
| Insurance | Cost of Insurance | On demand | If you fail to obtain or maintain the required insurance, we may obtain insurance and seek reimbursement from you for insurance, including late charges. |
| Inspection and Evaluation of Suppliers and Products | Varies, depending upon the cost to us for the inspection and evaluation | On demand | If you request an alternate supplier or products. |
| Transfer Fee (See Note 1) | \$5,000 | Prior to transfer | Prior to our consent to a proposed transfer of your Franchise to a proposed assignee, you must pay us this fee. |

Notes:

1. All fees are imposed by us and are payable to us unless we tell you otherwise. All fees are non-refundable. All fees imposed by us are uniformly imposed on all franchisees subject to the offering in this Disclosure Document; however, we reserve the right to waive or reduce any such fees as circumstances warrant.
2. The Monthly Royalty Fee shall commence either upon the opening of your Club for business to the general public or the expiration of 180 days from the Effective Date of your Franchise Agreement, whichever occurs first. You must open your Club for business to the general public no later than 180 days from the Effective Date of your Franchise Agreement. Monthly Royalty Fees shall be paid by electronic funds transfer initiated by us from your bank account or in any other form that we require in accordance with your Franchise Agreement. Regardless of the previous month's Gross Sales for your Franchise, in no event will the Monthly Royalty Fee be less than \$375.
3. The Monthly Advertising Fee shall commence either upon the opening of your Club to the general public or the expiration of 180 days from the Effective Date of your Franchise Agreement, whichever occurs first. You must open your Club for business to the general public no later than 180 days from the Effective Date of your Franchise Agreement. Monthly Advertising Fees shall be paid by electronic funds transfer initiated by us from your bank account or in any other form that we require in accordance with your Franchise Agreement. Regardless of the previous month's Gross Sales for your Franchise, in no event will the Monthly Advertising Fee be less than \$175. All advertising fund contributions and interest, dividends and other amounts earned thereon shall be used exclusively on national, regional or local media or other marketing techniques or programs designated to communicate the services of the Franchises to the public in our sole discretion, as well as for any creation and production costs incurred by us and for any reasonable accounting, administrative and legal expenses associated with the advertising fund and for other purposes deemed appropriate by us to enhance and promote the general recognition of our Franchises. The allocation of the advertising fund between national, regional and local expenditures and administrative expenditures will be made by us in our sole business judgment.
4. If we are granting you a Franchise due to a transfer of any interests of the Franchise by one of our existing franchisees, whether by purchase or by gift or otherwise, you shall remit to us the sum of \$5,500 ("**Training Fee**") prior to execution of the Franchise Agreement.

After expiration of the six-month period following the Effective Date of your Franchise Agreement (The current registration fee for the Initial Training Program is \$500 per Initial Training Program attended by your Key Staff, personnel or Owners after the six-month period following the Effective Date of your Franchise Agreement has expired. The current registration fee for the Onboarding Certification is \$150 per individual after the six-month period following the Effective Date of your Franchise Agreement has expired. These fees are subject to change at our discretion. All training fees are payable by you to us and are nonrefundable.

5. The term "**Gross Sales**" means all sums received or receivable by you, directly or indirectly, in and from the operation of your Club, including all revenues generated from any and all sources on account of the sale of memberships, any products and goods, and from the rendering of any service of any kind or nature, at or from your Club, or under, or in any way connected with the use of the Curves Marks (as defined in Item 13 below), whether for cash, check, credit, trade or otherwise, without reserve or deduction for your inability or failure to collect the same. The term "Gross Sales" does not include: (1) any federal, state, municipal or other sales, value added or retailer's excise taxes that you pay or accrue, and (2) any discounts, refunds, rebates, over-rings or allowances you give to members or customers in good faith.

Resale

(Acquiring a Franchise through a transfer of an existing Club)

| (1) Type of Fee | (2) Amount | (3) Due Date | (4) Remarks |
|--------------------------------------|---|---|---|
| Monthly Royalty Fee (See Note 1) | 7.5% of the previous month's Gross Sales (see Note 5 for definition) for your Franchise subject to a minimum monthly royalty fee of \$375. (See Note 2) | On or after the 1 st day of each month (See Note 2) | Should you continue to operate your Club after the expiration of your Franchise Agreement, the Monthly Royalty Fee will automatically increase to 10% of the previous month's Gross Sales (See Note 2) |
| Monthly Advertising Fee (See Note 1) | 2% of the previous month's Gross Sales (see Note 5 for definition) for your Franchise subject to a minimum monthly advertising fee of \$175. (See Note 3) | On or after the 20 th day of each month (See Note 3) | (See Note 3) |
| Training Fees (See Note 1) | \$5,500 (See Note 4) | Upon execution of the Franchise Agreement | (See Note 4) |
| Onboarding Certification Fee | Then-current fee; currently, \$150 per person | On demand | Certain individuals associated with your Franchise must successfully complete this training. Two complimentary registration fees are provided as part of the Initial Franchise Fee. See Item 11 for additional information. |
| Health and Wellness Certification | Then-current fee; currently, \$50 per person | On demand | Certain individuals associated with your Franchise must successfully complete this training. Two complimentary registration fees are provided as part of the Initial Franchise Fee. See Item 11 for additional information. |
| Curves Operating System Training Fee | Then-current fee; currently, there is no fee | On demand | Certain individuals associated with your Franchise must successfully complete this training. See Item 11 for additional information. |
| Training for Replacement Staff | Then-current fee; currently, \$500 per person | On demand | You may incur this fee during the term of your Franchise Agreement if you replace or hire new Key Staff or personnel. See Item 11 for additional information. |
| Application Fee | \$500 | On demand | Nonrefundable |
| Relocation Fee (See Note 1) | \$500 | Prior to any relocation of your Club | You must pay this fee to us and receive written approval from us prior to relocating your Club. |
| Delay of Opening Fee (See Note 1) | \$1,500 | On demand | Applies if you change the date of opening your franchise after the date has already been approved by us. |
| Indemnification (See Note 1) | Will vary depending upon loss | On demand | You must indemnify us if we incur losses arising out of the operation of your business. |

| | | | |
|--|---|--|---|
| Fee for our Audit of your Franchise (See Note 1) | Cost of audit if you understated Gross Sales by more than 2% and any unpaid fees owed to us | Within 7 days of being invoiced by us | You must pay any unpaid fees and the costs of the audit if you understated Gross Sales by more than 2%. |
| Escrow Fee (See Note 1) | \$1,800 | Prior to the transfer | You must pay this fee to us in escrow to pay for any unpaid amounts owed to us during the process of the transfer. |
| Assignment Fee (See Note 1) | \$1,000 | Prior to the assignment | You must pay this fee to us when you assign your Franchise to any LLC, S-Corp, C-Corp, or other entity owned by you. If you add a partner, member, or other owner to your business, you must pay the Training Fee for all new partners, members, or other new owners. If the original owner is removed from the Franchise Agreement, a Transfer Fee will also be charged. |
| Renewal Fee (See Note 1) | Amount equal to twenty-five percent (25%) of the then-current initial franchise fee applicable to a new Franchise | Prior to the renewal | If we grant a renewal of your Franchise, you must pay this fee to us as part of the renewal process. |
| Monitoring Fee (See Note 1) | \$250 per month | On demand | Only assessed if you do not comply with the requirements we establish for the operation of your Franchise. |
| Brand Protection Fee (See Note 1) | \$350 per month per item of non-compliance | On demand | Only assessed when you are not in compliance and is for damages caused to our brand. |
| Technology Fee (See Note 1) | \$275 per month | On or after the 1st day of every month | You must pay monthly for the term of your Franchise Agreement |
| Late Fee (See Note 1) | \$55 | On demand | Applies to any fee owed under the Franchise Agreement that is more than 5 days late. |
| Interest (See Note 1) | The highest rate allowable by law on any balance unpaid by more than 30 days | On demand | Payable on all overdue amounts. |
| Non-Compliance Damages (See Note 1) | The remaining months on the term of your Franchise Agreement multiplied by an average of the last 6 months of Monthly Royalty Fees, or if your Club has been open less than 6 months, an average of the Monthly Royalty Fees since your Club has been open. | On demand | Payable to us if your Franchise Agreement is terminated due to your default or breach. |
| Insurance | Cost of Insurance | On demand | If you fail to obtain or maintain the required insurance, we may obtain insurance and seek reimbursement from you for insurance, including late charges. |

| | | | |
|---|---|-------------------|---|
| Inspection and Evaluation of Suppliers and Products | Varies, depending upon the cost to us for the inspection and evaluation | On demand | If you request an alternate supplier or products. |
| Transfer Fee (See Note 1) | \$5,000 | Prior to transfer | Prior to our consent to a proposed transfer of your Franchise to a proposed assignee, you must pay us this fee. |

Notes:

1. All fees are imposed by us and are payable to us unless we tell you otherwise. All fees are non-refundable. All fees imposed by us are uniformly imposed on all franchisees subject to the offering in this Disclosure Document; however, we reserve the right to waive or reduce any such fees as circumstances warrant.
2. The Monthly Royalty Fee shall commence upon you taking over the operation of your Club. Monthly Royalty Fees shall be paid by electronic funds transfer initiated by us from your bank account or in any other form that we require in accordance with the Franchise Agreement. Regardless of the previous month's Gross Sales for your Franchise, in no event will the Monthly Royalty Fee be less than \$375.
3. The Monthly Advertising Fee shall commence upon you taking over the operation of your Club. Monthly Advertising Fees shall be paid by electronic funds transfer initiated by us from your bank account or in any other form that we require in accordance with the Franchise Agreement. Regardless of the previous month's Gross Sales for your Franchise, in no event will the Monthly Advertising Fee be less than \$175. All advertising fund contributions and interest, dividends and other amounts earned thereon shall be used exclusively on national, regional or local media or other marketing techniques or programs designated to communicate the services of the Franchises to the public in our sole discretion, as well as for any creation and production costs incurred by us and for any reasonable accounting, administrative and legal expenses associated with the advertising fund and for other purposes deemed appropriate by us to enhance and promote the general recognition of our Franchises. The allocation of the advertising fund between national, regional and local expenditures and administrative expenditures will be made by us in our sole business judgment.
4. If we are granting you a Franchise due to a transfer of any interests of the Franchise by one of our existing franchisees, whether by purchase or by gift or otherwise, you shall remit to us the sum of (\$5,500) ("**Training Fee**") prior to execution of the Franchise Agreement.
After expiration of the six-month period following the Effective Date of your Franchise Agreement (discussed in Item 5 above) during which we grant certain free registration fees, you may incur additional training fees during the term of your Franchise Agreement if you replace or hire new Key Staff or personnel as more fully set out in Item 11. The current registration fee for the Initial Training Program is \$500 per Initial Training Program attended by your Key Staff, personnel or Owners after the six-month period following the Effective Date of your Franchise Agreement has expired. There is currently no registration fee for the Curves operating system training but that is subject to change at our discretion. The current registration fee for the Onboarding Certification is \$150 per individual after the six-month period following the Effective Date of your Franchise Agreement has expired. Your cost for registration fees will depend upon how many Key Staff and/or personnel you replace or hire during the term of your Franchise Agreement. These fees are subject to change at our discretion. All training fees are payable by you to us and are nonrefundable.
5. The term "**Gross Sales**" means all sums received or receivable by you, directly or indirectly, in and from the operation of your Club, including all revenues generated from any and all sources on account of the sale of memberships, any products and goods, and from the rendering of any service of any kind or nature, at or from your Club, or under, or in any way connected with the use of the Curves Marks (as defined in Item 13 below), whether for cash, check, credit, trade or otherwise, without reserve or deduction for your inability or failure to collect the same. The term "Gross Sales" does not include: (1) any federal, state, municipal or other sales, value added or retailer's excise taxes that you pay or accrue, and (2) any discounts, refunds, rebates, over-

rings or allowances you give to members or customers in good faith.

Item 7.

YOUR ESTIMATED INITIAL INVESTMENT

New Sale

(Purchasing a new Franchise from us)

| (1) Type of Expenditure | (2) Amount | | (3) Method of Payment | (4) When Due | (5) To Whom Payment is to Be Made |
|---|-------------------------------|--------------------------------|-----------------------------|---|--|
| | Lowest Estimated Amount | Highest Estimated Amount | | | |
| Initial Franchise Fee | \$50,000 | \$50,000 | (See Note 1) | (See Note 1) | Us |
| Application Fee | \$500 | \$500 | As Arranged | As Arranged | Us |
| Initial Training Registration Fee | \$0 | \$300 | As Arranged | As Arranged | Us |
| Travel and Living Expenses While Training (See Note 2) | \$1,500 | \$4,500 | As Arranged | As Incurred | Independent Vendor |
| Real Property (Owned or Leased) | (See Note 3) | (See Note 3) | (See Note 3) | (See Note 3) | (See Note 3) |
| Site Evaluation (See Note 4) | \$0 | \$1,250 | As Arranged | As Incurred | Us |
| Furniture (See Note 6) | \$1,500 | \$3,000 | As Arranged | When Arranged | Independent Vendors |
| Technology Fee (See Note 7) | \$275 | \$275 | (See Note 8) | On or after the 1 st of each month | Us |
| 2 TV/Sound Bar System (See Note 8) | \$550 | \$1,000 | As Arranged | When Arranged | Independent Vendors |
| Supplies (See Note 9) | \$500 | \$1,000 | As Arranged | As Incurred | Us and/or Independent Vendors |
| Computer (See Note 10) | \$500 | \$1,000 | As Arranged | When Arranged | Independent Vendors |
| Signs | \$1,000 | \$3,000 | As Arranged | When Arranged | Independent Vendor |
| Advertising Grand Opening Advertising (See Note 11) | \$5,000 | \$7,000 | As Arranged | As Incurred | Independent Vendors |
| Deposits (See Note 12) | \$2,000 | \$6,000 | As Arranged | As Incurred | Independent Vendors |

| | | | | | |
|---|--------------------|------------------|-------------|---|---------------------|
| Insurance (See Note 13) | \$2,000 | \$2,500 | As Arranged | When Arranged | Independent Carrier |
| Business Registration (See Note 14) | \$0 | \$500 | As Arranged | As Incurred | Government Agency |
| Professional Fees (See Note 15) | \$1,000 | \$3,000 | As Arranged | When Arranged | Independent Vendors |
| Curves Equipment Delivery Fee | \$2,500 | \$5,000 | As Arranged | Upon execution of the Franchise Agreement | Us |
| The Evolt 360 Body Composition Scanner (See Note 16) | \$307.47 | \$5,650 | As Arranged | When Arranged | Independent Vendor |
| Evolt License Fee (See Note 17) | \$150 | \$150 | As Arranged | On or after the 1 st of each month | Independent Vendor |
| Evot Training and Delivery Fee (See Note 18) | \$300 | \$300 | As Arranged | When Arranged | Independent Vendor |
| MyZone Switch Heart Rate/Fitness Hardware (See Note 19) | \$499 | \$600 | As Arranged | When Arranged | Independent Vendor |
| MYZone License Fee (See Note 19) | \$150 | \$150 | As Arranged | On or after the 1 st of each month | Independent Vendor |
| MyZone Trackers (See Note 20) | \$70 per tracker | \$70 per Tracker | As Arranged | When Arranged | Independent Vendor |
| Additional Funds - 3 Months (See Note 21) | \$1,500 | \$4,500 | Cash | As Incurred | Various Payees |
| Total | \$71,801.47 | \$101,245 | | | |

(Does not include real estate costs.)

Notes:

1. You must pay us the total amount of the Initial Franchise Fee (\$50,000/\$47,500) if you are a veteran of the U.S. Armed Forces), upon execution of the Franchise Agreement unless we agree to finance a portion of the Initial Franchise Fee based upon the financing terms outlined in Item 10.

All payments for the Initial Franchise Fee and any other fees owed to us under the terms of your Franchise Agreement must be paid by a cashier's check, or any other method as required by us in accordance with the Franchise Agreement, payable to us in Waco, Texas. The Initial Franchise Fee is non-refundable.

2. Franchisee is responsible for all costs and expenses Franchisee, Franchisee's owners, Key Staff and personnel incur to attend the Initial Training Program and any other required training. Franchisee should allow at least \$1,500 to \$4,500 for travel, lodging, food and other miscellaneous living expenses incurred

during training. Franchisee's actual cost will vary, depending on the distance to be traveled, Franchisee's method of travel, and Franchisee's personal circumstances. You and certain of your personnel must successfully complete our required training programs. Certain training registration fees are included as part of the Initial Franchise Fee. This estimate assumes that 2-3 individuals associated with your Franchise will attend our required training programs. If additional individuals associated with your Franchise attend training, you may incur additional registration fees. All registration fees are payable by you to us and are nonrefundable. See Item 11 for additional information.

3. You and certain of your personnel must successfully complete our required training programs. Certain training registration fees are included as part of the Initial Franchise Fee. This estimate assumes that 2-3 individuals associated with your Franchise will attend our required training programs. If additional individuals associated with your Franchise attend training, you may incur additional registration fees. All registration fees are payable by you to us and are nonrefundable.
4. If Franchisee does not own building space for Franchisee's Club, Franchisee must lease or purchase the business premises for Franchisee's Club. Too many variables exist to provide an estimate for the cost of real estate, including buying versus renting space, the geographic location of Franchisee's Club, the size and layout of the space and Franchisee's personal preference as to space and accessories, to ascertain an exact cost for real estate. Franchisor recommends the size of the space for Franchisee's Club to be no less than 1,200 square feet. Franchisor recommends the space for Franchisee's Club be located in a secondary rent location to reduce Franchisee's monthly rent. Franchisor must consent to Franchisee's location site before Franchisee signs a lease and opens Franchisee's Club.
5. If an on-site evaluation is deemed necessary and appropriate by us (on our own initiative or at your request) for any Club to be established, we reserve the right to charge you a site evaluation fee at an estimated cost of \$0 to \$1,250.
6. You may be required to purchase a consultation table, desk, and other specified furniture that is approved to our specifications from a third-party vendor. You may purchase any other type of furniture or miscellaneous items you prefer.
7. You must pay us a continuing monthly Technology Fee of \$275, which is subject to increase at our discretion, for the license, service and support of the Curves required operating system, Curves required email access, and proprietary intranet access. A portion of the Technology Fee may be paid to third party vendors.
8. You must purchase up to two 60-inch-wide LED/SMART flat-panel television, a two-channel sound bar system, and a camera which meets our standards and specifications at the cost of approximately \$550-\$1,000.
9. This estimate includes estimated expense for purchasing the supplies or materials necessary for commencing operation of your Club. You must purchase all supplies and materials we designate, including, but not limited to, the forms, writing materials, office supplies, (including an operating system scanner), posters and weight information devices, from us, one of our affiliates, or a third-party we designate. As of the date of this disclosure document, all fees for supplies or materials are paid to third-party vendors.
10. You must purchase, install and maintain active any computer system, network infrastructure, phone system, scanner and printer (including software, operating systems and computer hardware) we designate as meeting our standards and specifications. We may designate a third-party supplier or other approved suppliers (if any) from which you must purchase the necessary computer hardware and equipment to operate the operating software created by us for our franchisees' use in the operation of their Clubs ("or any other operating system required by us. As of the date of this Disclosure Document, you are required

to obtain, currently at no initial fee, the Curves required operating system from us. The estimates presented in the table above do not include any shipping costs or taxes.

11. Within ninety (90) days of the Effective Date of the Franchise Agreement, you are required to expend not less than \$5,000 with our preferred marketing vendors or with a vendor approved by us in accordance with Sections 5A and 6C of the Franchise Agreement in conjunction with the initial grand opening of your Club. You are also required to expend not less than \$250 per month on local advertising with our preferred marketing vendors or with a vendor approved by us in accordance with Section 8D of the Franchise Agreement.
12. This estimate includes estimated expenses for security deposits, utility costs and deposits, music licensing fees, or any other similar deposits.
13. You will need to purchase and maintain in effect at all times during the term of your Franchise Agreement, a policy or policies of insurance, naming us as an additional insured on the face of each policy, including public liability in no less than the following amounts: bodily injury - \$1,000,000 each person; \$1,000,000 each accident, and property damage - \$1,000,000 each accident. Additionally, as we deem necessary, we may require you to purchase cyber liability insurance (\$500,000 each incident) and employment practices liability insurance (\$500,000 each incident). You must also purchase workers' compensation and automobile liability insurance as required by state law. You must provide proof of all required insurance to Curves.
14. You may be required to register your business with your state government and local agencies. They may charge a fee for registration.
15. You should consult an attorney or accountant or both to advise you before you sign the Franchise Agreement. You may also incur incorporation fees or other similar fees.
16. You must purchase The Evolt 360 Body Composition Scanner for five thousand six hundred thirty three (\$5,633) or three hundred two and forty-seven cents (\$302.47) for thirty-six month prior to the opening to opening of your club or first availability of third-party vendor. As of the date of this disclosure document, all fees for supplies and hardware are purchased from approved third-party vendor.
17. You must pay for delivery and training fee of three hundred (\$300) plus taxes for Evolt 360 scanner. As of the date of this disclosure, all fees for delivery and training are purchased from approved third-party vendor.
18. You must pay a continuing monthly Evolt license Fee of \$150 for the license, service, support of the Evolt 360 Body Composition Scanner software. The license fee is paid to third-party vendors.
19. You must purchase MyZone Switch Heart Rate/Fitness Hardware for four hundred ninety-nine (\$499) prior to opening your club or first availability for third-party vendor. As of the date of this disclosure document, all fees for supplies and hardware are purchased from a third-party vendor.
20. You must pay a continuing monthly MZ-Switch license fee of of \$150 for the license, service, support of the MZ-Switch tracker is to be paid to approved third-party vendors.
21. You must purchase MZ-Switch Trackers for seventy (\$70) per tracker from approved third-party vendor,
22. We recommend that you have additional funds available during the start-up phase of your franchise. These amounts are our estimates of the amounts needed to cover your expenses for a 3-month period from the date you open your Club for business to the general public. These figures are only estimates. We

cannot guarantee that you will not incur additional expenses starting your franchise. Your costs will depend on factors such as how much you follow our system and procedures, your management skills and experience, local economic conditions, the local market for the products and services offered by your Club, the prevailing wage rate, competition, the amount of the initial investment you decide to finance, and the sales level reached during the initial period.

This total is an estimate of your pre-opening initial investment and the estimated expenses you may incur during the first three months of operation. This total is based on our 20 plus years of experience in granting franchises. You should review this amount carefully with a business advisor before deciding to purchase a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting or operating your Club.

Resale

(Acquiring a Franchise through a transfer of an existing Club)

| (1) Type of Expenditure | (2) Amount | | (3) Method of Payment | (4) When Due | (5) To Whom Payment is to Be Made |
|--|-------------------------|--------------------------|--------------------------|---|--------------------------------------|
| | Lowest Estimated Amount | Highest Estimated Amount | | | |
| Purchase Price of the Franchise | (See Note 1) | (See Note 1) | (See Note 1) | (See Note 1) | Franchise Seller |
| Application Fee | \$500 | \$500 | As Arranged | As Arranged | Us |
| Travel and Living Expenses While Training (See Note 2) | \$1,500 | \$4,500 | As Arranged | As Incurred | Independent Vendor |
| Real Estate Property (owned or leased) | (See Note 3) | (See Note 3) | (See Note 3) | (See Note 3) | (See Note 3) |
| Site Evaluation (See Note 4) | \$0 | \$1,250 | As Arranged | As Incurred | Us |
| Training Fee (See Note 5) | \$5,500 | \$5,500 | (See Note 1) | (See Note 5) | Us |
| Furniture (See Note 6) | \$0 | \$3,000 | As Arranged | When Arranged | Independent Vendors |
| Technology Fee (See Note 7) | \$275 | \$275 | (See Note 7) | On or after the 1 st of each month | Us |
| TV/Sound Bar System (See Note 8) | \$0 | \$1,000 | As Arranged | When Arranged | Independent Vendors |
| The Evolt 360 Body Composition Scanner (See Note 9) | \$307.47 | \$5,650 | As Arranged | When Arranged | Independent Vendor |
| Evolt License Fee | \$150 | \$150 | As Arranged | On or after the 1 st of each month | Independent Vendor |
| Evot Training and Delivery Fee | \$300 | \$300 | As Arranged | When Arranged | Independent Vendor |
| MyZone Switch Heart Rate/Fitness Hardware | \$499 | \$600 | As Arranged | When Arranged | Independent Vendor |

| | | | | | |
|-------------------------------------|--------------------|--------------------|--------------|---|-------------------------------|
| MZ-Switch License Fee | \$150 | \$150 | As Arranged | On or after the 1 st of each month | Independent Vendor |
| MZ-Switch Trackers | \$70 per tracker | \$70 per Tracker | As Arranged | When Arranged | Independent Vendor |
| Supplies (See Note 9) | \$0 | \$1,000 | As Arranged | As Incurred | Us and/or Independent Vendors |
| Computer (See Note 10) | \$0 | \$1,000 | As Arranged | When Arranged | Independent Vendors |
| Advertising (See Note 11) | \$2,500 | \$5,000 | Cash | As Incurred | Independent Vendors |
| Deposits (See Note 12) | \$2,000 | \$6,000 | As Arranged | As Incurred | Independent Vendors |
| Signs (See Note 13) | \$0 | \$3,000 | As Arranged | When Arranged | Independent Vendor |
| Insurance (See Note 14) | \$1,000 | \$2,000 | As Arranged | When Arranged | Independent Carrier |
| Business Registration (See Note 15) | \$0 | \$500 | As Arranged | As Incurred | Government Agency |
| Professional Fees (See Note 16) | \$1,000 | \$3,000 | As Arranged | When Arranged | Independent Vendors |
| Curves Equipment Delivery Fee | \$0 | \$5,000 | (See Note 1) | On execution of the Franchise Agreement | Us |
| Total | \$15,751.47 | \$53,945.00 | | | |

(Does not include real estate costs.)

Notes:

1. Franchisee will pay the Franchise seller for the purchase of the Franchise pursuant to the terms and conditions of the buy-sell agreement or contract signed by and between Franchisee and the Franchise seller.

All payments and fees owed to us under the terms of the Franchise Agreement must be paid by a cashier's check, or any other method as required by us in accordance with the Franchise Agreement, payable to us in Waco, Texas.

2. Franchisee is responsible for all costs and expenses Franchisee, Franchisee's owners, Key Staff and personnel incur to attend the Initial Training Program and any other required training. Franchisee should allow at least \$1,500 to \$4,500 for travel, lodging, food and other miscellaneous living expenses incurred during training. Franchisee's actual costs will vary, depending on the distance to be traveled, Franchisee's method of travel, and Franchisee's personal circumstances.
3. If Franchisee does not own building space for Franchisee's Club, Franchisee must lease or purchase the business premises for Franchisee's Club. Too many variables exist to provide an estimate for the cost of real estate, including buying versus renting space, the geographic location of Franchisee's Club, the size and layout of the space and Franchisee's personal preference as to space and accessories, to ascertain an

exact cost for real estate. Franchisor recommends the size of the space for Franchisee's Club to be no less than 1,200 square feet. Franchisor recommends the space for Franchisee's Club be located in a secondary rent location to reduce Franchisee's monthly rent. Franchisor must consent to Franchisee's location site before Franchisee signs a lease and opens Franchisee's Club.

4. If an on-site evaluation is deemed necessary and appropriate by us (on our own initiative or at your request) for any Club to be established, we reserve the right to charge you a site evaluation fee at an estimated cost of \$0 to \$1,250.
5. Franchisee is required to pay Franchisor a Training Fee of \$5,500. The Training Fee is due and payable prior to the signing of the Franchise Agreement by electronic funds transfer or cashier's check or in any other form Franchisor may require. You and certain of your personnel must successfully complete our required training programs. Certain training registration fees are included as part of the Training Fee. This estimate assumes that 2-3 individuals associated with your Franchise will attend our required training programs. If additional individuals associated with your Franchise attend training, you may incur additional registration fees. All registration fees are payable by you to us and are nonrefundable. See Item 11 for additional information.
6. If you are acquiring a Franchise through the transfer of an existing Club, Franchisor may require Franchisee to purchase a consultation table, desk, or other furniture that is approved to Franchisor's specifications from a third-party vendor. Franchisee may purchase any other type of furniture or miscellaneous items Franchisee prefers.
7. Franchisee must pay us a continuing monthly Technology Fee of \$275, which is subject to increase at our discretion, for the license, service, support of the Curves required operating system, Curves required email access and proprietary intranet access. A portion of the Technology Fee may be paid to third party vendors.
8. If you are acquiring a Franchise through a transfer of an existing Club, we may require you to purchase up to two 60-inch-wide LED/SMART flat-panel televisions, a two-channel sound bar system, and a camera which meets our standards and specifications in an approximate amount of up to \$1,000.
9. If you are acquiring a Franchise through a transfer of an existing Club, you must purchase The Evolt 360 Body Composition Scanner if the existing club does not have scanner in the existing club at the time of your purchase of the club. You must purchase within 90 days from the date of execution of your franchise agreement or first availability for third-party vendor. As of the date of this disclosure document, all fees for supplies and hardware are purchased from a third-party vendor.
10. You must pay a continuing monthly Evolt license Fee of \$150 for the license, service, support of the Evolt 360 Body Composition Scanner software. The license fee is paid to third-party vendors.
11. If you are acquiring a Franchise through a transfer of an existing Club, you must purchase MyZone Switch Heart Rate/Fitness Hardware if the existing club does not have MyZone in the existing club location at the time of your purchase of the club. You must purchase within 90 days from the date of execution of your franchise agreement or first availability for third-party vendor. As of the date of this disclosure document, all fees for supplies and hardware are purchased from a third-party vendor.
12. You must pay a continuing monthly MZ-Switch license fee of of \$150 for the license, service, support of the MZ-Switch tracker is to be paid to approved third-party vendors.
13. If you are acquiring a Franchise through a transfer of an existing Club, we may require you to purchase additional supplies and materials we designate, including, but not limited to, forms, writing materials, office supplies, scanner, posters and weight information devices, from us, one of our affiliates, or a third-

party we designate. As of the date of this disclosure document, all fees for supplies and materials are purchased from a third-party vendor.

14. If you are acquiring a Franchise through a transfer of an existing Club, we may require you to purchase or replace, and install and maintain active, any computer system, network infrastructure, phone system and printer (including software, operating systems and computer hardware) we designate as meeting our standards and specifications. We may designate a third-party supplier or other approved suppliers (if any) from which you must purchase or replace the necessary computer hardware and equipment to operate the operating software created by us for our franchisees' use in the operation of their Clubs or any other operating system as specified by us. You are required to obtain Curves required operating system from us. There is no initial fee for required operating system. The estimates presented in the table above do not include any shipping costs or taxes.
15. If you are acquiring a Franchise through the transfer of an existing Club, within ninety (90) days of the Effective Date of the Franchise Agreement, you are required to expend not less than \$2,500 with our preferred marketing vendors or with a vendor approved by us in accordance with Sections 5A and 6C of the Franchise Agreement in conjunction with the initial re-grand opening of your Club. You are also required to expend not less than \$250 per month on local advertising with our preferred marketing vendors or with a vendor approved by us in accordance with Section 8D of the Franchise Agreement.
16. This estimate includes estimated expenses for security deposits, utility costs and deposits, incorporation and other professional fees, music licensing fees, or any requirements by Franchisee's locality as to any type of permits or licensing.
17. Within ninety (90) days of the Effective Date of your Franchise Agreement, we may require you to remove and destroy any outdated or unapproved exterior signage and replace it with signage reflecting the current image of the Curves System. Your actual cost will vary depending on the signage currently at the Club, permit requirements and installation costs.
18. Franchisee will need to purchase and maintain in effect at all times during the Term of the Franchise Agreement, a policy or policies of insurance, naming Franchisor as an additional insured on the face of each policy, including public liability in no less than the following amounts: bodily injury - 1,000,000 each person; 1,000,000 each accident, and property damage - 1,000,000 each accident. Additionally, as we deem necessary, we require Franchisee to purchase cyber liability insurance (500,000 each incident) and employment practices liability insurance (500,000 each incident). Franchisee must also purchase workers' compensation and automobile liability insurance as required by state law.
19. You may be required to register Your business with Your state government and local agencies. They may charge a fee for registration.
20. You should consult an attorney or accountant or both to advise You before You sign the Franchise Agreement. You may also incur incorporation fees or other similar fees.
21. Franchisor recommends that Franchisee have additional funds available during the transition phase of Franchisee's Franchise to ensure Franchisee can cover any unexpected costs related to the transition of the business from the previous owner.

The expenditures discussed above do not include sales taxes, goods and services tax or similar taxes where applicable. All required taxes must be paid by the Franchisee.

Franchisee should formulate a business plan in consultation with a business advisor before making any decision to buy the Franchise. Additional funds will be required to finance operations until a positive cash flow is produced.

None of the payments made to Franchisor are refundable under any conditions.

Item 8.

Restrictions on Sources of Products and Services

To ensure a uniform image and uniform quality of products and services throughout the Curves System, Franchisee must maintain and comply with Franchisor's quality standards. Franchisor will provide Franchisee with Franchisor's confidential operations manual as same may be amended and revised from time to time, including all bulletins, supplements, ancillary manuals, videos, digital video or versatile discs, compact discs, video or audio cassettes and any electronic medium (collectively, "**Curves Confidential Operations Manual**") that will contain these standards. As Franchisor determines trends in the marketplace or develop new marketing techniques, technologies, products and services, Franchisor anticipates that it will develop and modify its standards as Franchisor considers appropriate and useful, and notify Franchisee through amendments to the Manuals, newsletters or other bulletins. Currently the "Curves Confidential Operations Manual" is located on company intranet and is username and password protected.

Fixtures, Equipment, Furniture & Signs

Franchisee must construct and develop Franchisee's Club consistent with Franchisor's specifications and standards. Franchisee must ensure that the specifications and standards comply with the Americans with Disability Act and all other applicable federal, state and local laws, ordinances, building codes, permit requirements and lease requirements and restrictions.

Franchisee must purchase a sign for Franchisee's Club specifically approved by Franchisor. Franchisor's approval is based upon Franchisor's desire to provide the public with consistency in the design and appearance of Franchisor's trademark. Franchisee may purchase its sign from an approved local vendor.

Franchisee must purchase all exercise equipment which Franchisor may require from time to time only from Franchisor or from a source Franchisor designates. Franchisor may receive revenue or material considerations on any required purchases in the event Franchisor requires Franchisee to purchase any additional equipment or products.

We grant approval to alternative suppliers, other than for products and/or supplies with our Curves Marks (as defined in Item 13 below), based on the quality and value of the product provided by the alternative supplier. Since we do not require you to purchase from the suppliers in this paragraph, we do not actively consider additional suppliers for approval, and as a result, do not have any procedures for approving alternate suppliers or products. An approval may be revoked if the product or service does not meet the quality we deem as necessary for our franchisees or if we can provide to our franchisees a better product or service. We do not issue specifications and standards to our franchisees or approved suppliers. We currently have not negotiated purchase arrangements with suppliers, including price terms, for the benefit of our franchisees. We do not provide any benefits to our franchisees based on our franchisees' purchases of particular products or services or use of particular suppliers

Supplier and Product Approval

Franchisee must purchase all health and fitness products, and inventory only from Franchisor or from a source Franchisor designates. Required purchases in the on-going operation of Franchisee's Club are minimal. Franchisee may be required to purchase certain health and fitness products, including circuit mats, bars, product displays, Franchisor-branded clothing and miscellaneous accessory items. Franchisee must purchase computer hardware and software, printer, scanner, phone, two 60-inch-wide televisions, two channel sound bar, universal mount, USB cable, stereo, and camera from independent vendors for the operation of Franchisee's Club.

Franchisee can only purchase products and/or supplies with Franchisor's trademark or logo from Franchisor or Franchisor's designated vendor. Franchisee's purchase of these products and/or supplies with Franchisor's

trademark or logo will represent a varied percentage of Franchisee's overall purchases in operating Franchisee's Club depending on how much Franchisee wants to spend. Franchisor does not consider alternative suppliers for products and/or supplies with Franchisor's trademark or logo.

Advertising and Promotional Approval

Franchisee must use only Franchisor's approved advertising and promotional materials in promoting Franchisee's Club. If Franchisee develops its own advertising and promotional materials, Franchisee must obtain Franchisor's written consent to these materials prior to use. No advertising materials can be distributed by Franchisee in any medium or channel or to any consumer segment without Franchisor's prior written approval.

Computer Hardware and Software

Franchisee must purchase a computer system (including the software, operating systems, and computer hardware) that meets Franchisor's standards and specifications. Franchisor may designate a third-party supplier or other approved suppliers (if any) from which Franchisee must obtain Franchisee's computer system and designated operating system. Franchisee is required to obtain the operating system for Franchisor. There is no initial fee for the operating system. Franchisee must pay Franchisor the monthly Technology Fee (currently, \$250 per month), which, in part, gives Franchisee the right to use the operating system.

Miscellaneous

You must purchase credit card or debit transaction processing services from our approved supplier, Paragon Payment Solutions. You are not required to purchase these products from Paragon, Paragon pays us 5 cents per transaction.

You may purchase branded products and clothing from approved vendor, RD Promo & Sourcing. You are not required to purchase these products and clothing from RD Promo & Sourcing; however, they are the only approved supplier of branded clothing and certain other products. We currently receive a 5% rebate from RD Promo & Sourcing based upon product purchased by our franchisees.

You may sell purchase options via the club management system, which integrate with our approved vendor Intelivideo. You are not required to retail those purchase options that are integrated with Intelivideo; however, it is strongly advised to incorporate virtual and hybrid business opportunities. We currently receive 0.75 cents rebate from Intelivideo based upon product retailed by our franchisees.

You must purchase The Evolt 360 Body Composition Scanner from approved vendor and related services from our approved vendor, Evolt. We currently receive a rebate of 5% on machine and insight license fee.

You must purchase MyZone Switch Heart Rate/Fitness Trackers and related services from our approved vendor, MyZone. We currently receive a rebate based on a sliding scale: up to 59 active franchisee licenses = 7% rebate and/or 60+ active franchisee licenses = 10%. Additionally, we currently receive a minimum MZ-Switch rebate of 7% based upon product purchased by our franchisees.

During our last fiscal year ending December 31, 2021, we received \$835,581 in revenue from our Curves Franchisees from purchases of goods, products and services from us, our affiliates or any third-party suppliers representing 25% of our total revenue of \$3,366,885.

Other than the ownership interest held by Elizabeth Krishea Holloway in us and our affiliates, our officers do not own an interest in any of our approved suppliers.

We estimate that the purchase of equipment (including the Computer System hardware and software), signs,

fixtures, furnishings, supplies, inventory and advertising and sales promotions materials which meet our specifications will represent approximately 52% to 60% of the total cost to develop your club. We estimate that the purchase or lease of supplies, inventory and advertising and sales promotions materials which meet our specifications will represent approximately 9% to 10% of the total cost to operate your Center.

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.

| <i>Obligation</i> | <i>Section in Agreement</i> | <i>Disclosure Document Item</i> |
|--|---|---------------------------------|
| a. Site selection and acquisition/lease | Section 4 | Items 7, 11 and 12 |
| b. Pre-opening purchases/leases | Sections 4, 5 and 10 | Item 7 |
| c. Site development and other pre-opening requirements | Sections 4, 5, 7, 10 and 16 | Items 7 and 11 |
| d. Initial and ongoing training | Section 11 | Item 11 |
| e. Opening | Section 5 | Items 6, 7 and 11 |
| f. Fees | Sections 2, 3, 4D, 5A, 6H, 7A, 11, 12, and 18 | Items 5, 6, 7 and 11 |
| g. Compliance with standards and policies/operating manual | Sections 6, 7, 8, 9C, 10, and 11 | Items 11 and 16 |
| h. Trademarks and proprietary information | Section 8, 9C, 14 and 22 | Items 13 and 14 |
| i. Restrictions on products/services offered | Sections 1B, 6, 9, and 10 | Items 8 and 16 |
| j. Warranty and customer service requirements | Not Applicable | Not Applicable |
| k. Territorial development and sales quotas | Not Applicable | Not Applicable |
| l. Ongoing product/service purchases | Sections 6 and 9 | Items 8 and 16 |
| m. Maintenance, appearance and remodeling requirements | Sections 6, 8 and 10 | Items 7, 8 and 11 |
| n. Insurance | Section 16 | Item 7 |
| o. Advertising | Section 8 | Items 6, 7, 8 and 11 |
| p. Indemnification | Section 16 | Items 6, 13 and 14 |
| q. Owner's participation/management/staffing | Sections 5C, 6K, 10, and 11 | Items 7, 11 and 15 |
| r. Records and reports | Sections 12E and 13 | Items 6, and 11 |
| s. Inspections and audits | Sections 6L and 13 | Item 6 |
| t. Transfer | Section 18 | Item 17 |

| | | |
|---------------------------------|------------|---------|
| u. Renewal | Section 2 | Item 17 |
| v. Post-termination obligations | Section 21 | Item 17 |
| w. Non-competition covenants | Section 22 | Item 17 |
| x. Dispute resolution | Section 23 | Item 17 |

Item 10.

Financing

At our sole discretion, we may finance up to 50% of the Initial Franchise Fee for a period not to exceed 24 months at an interest rate of whichever is less between 10% per annum or the highest rate allowed by law, which, if financing the full 50% of the Initial Franchise Fee, would be a monthly payment of between \$1,153.62 and \$1,049.80, depending upon the amount of the Initial Franchise Fee. Note payments must be made by electronic funds transfer. We require a security interest, usually secured by the equipment, any real estate, stocks and bonds, or other collateral as we deem appropriate. In our Secured Promissory Note ("Note") (an example of our Note is attached as Exhibit C), you must waive your rights to certain notices of a collection action whereby we can immediately seek payment of outstanding balances if you default on the Note, but you do not waive any defenses in any Note. If you are a corporation, your principal shareholders must personally guarantee the debt. You may prepay the Note at any time without penalty. If you default, we can accelerate the payments on the Note, calling the full amount of the Note due. If we call the Note, the remaining principal and any accrued, unpaid interest will become due and payable to us. If you do not pay the entire balance, you may be responsible for court costs and attorneys' fees we incur in collecting the debt. We may terminate your Franchise Agreement if you do not pay us. We have not, nor do we intend to, sell, assign or discount to a third party any part of our financing arrangements with you or our franchisees. We do not receive any payments from any person for the placement of financing with such person. We do not guarantee any Notes, leases or obligations.

Item 11

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

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

Pre-Opening Assistance. Before you open your Club for business to the general public, we will:

1. Designate your Franchised territory (Franchise Agreement, Exhibit A).
2. Approve your location site considering, among other factors, the location site in relation to your Franchised Territory (as defined in Item 12 below) and in relation to the distance from other Curves franchises. We must approve your location site before you can open your Club for business to the general public. You are solely responsible for site selection and securing a lease for the premises of your Club. You must have your Club completed and furnished in accordance with our specifications prior to opening your Club (Franchise Agreement, Section 4A). Unless otherwise approved in writing by us, if you do not open your Club within 180 days from the Effective Date of the Franchise Agreement, we have the right to terminate the Franchise Agreement without refunding any part of the Initial Franchise Fee. (Franchise Agreement, Section 3B).
3. Designate the opening date (if you purchase a new Franchise from us) of your Club (Franchise Agreement, Section 5A).
4. Advise as to methods of training staff to work in and assist in operating your Club (Franchise Agreement, Section 11).
5. Assist in the plan or office design of your Club, showing the location of equipment for an efficient use of equipment and utilization of space (Franchise Agreement, Sections 6, 9 and 10).

6. Provide you with the necessary equipment and Curves Confidential Operations Manual set out in the Franchise Agreement to open your Club for business to the general public (Franchise Agreement, Section 9 and Exhibit B). You may view the Curves Confidential Operations Manual before you purchase your Franchise.
7. Advise as to promotion and advertising of your Club. Approve all grand opening advertising and marketing materials and your grand opening plan if you purchase a new Franchise from us. (Franchise Agreement, Sections 5 and 8).
8. Provide you, your Owners, Key Staff and personnel with the Initial Training Program and other required training as described in this Item 11 below (Franchise Agreement, Sections 9 and 11).

Ongoing Assistance. During your operation of your Club, we will:

1. Provide such advertising assistance and support as we deem appropriate (Franchise Agreement, Sections 8 and 9)
2. Provide and update our list of approved supplies and suppliers (Franchise Agreement, Sections 6, 9 and 10).
3. Provide such ongoing support and assistance as we deem necessary (Franchise Agreement, Section 11).
4. Provide such additional virtual or live training and/or periodic seminars as we deem appropriate (Franchise Agreement, Section 11).

Advertising Programs

We provide national advertising to you through a national advertising fund (“**Advertising Fund**”) in any of the following forms, including, but not limited to: print, online, electronic media, email campaigns, and/or texting campaigns. We use outside advertising agencies to create and place advertising based on our brand needs. Neither we, nor any of our affiliates, receive payments, other than reimbursements, from the Advertising Fund. We are not required to spend any amounts on advertising in the specific territory where you are located; however, we generally use the Advertising Fund for national advertising in an effort to benefit all *Curves*® franchises. The Advertising Fund is used to promote the products and services sold by *Curves*® Franchises and is not used to sell additional *Curves*® franchises. You must contribute two percent of your previous month’s Gross Sales for your Franchise subject to in the minimum monthly advertising fee of \$175. You must contribute two percent of your previous month’s Gross Sales for your Franchise subject to in the minimum monthly advertising fee of \$175.

Through the Advertising Fund, we also provide you with advertisements for use in local advertising. You may only use the advertisements that we approve in writing or that we provide to you.

The Advertising Fund is a separate fund which collects advertising fees from all franchisees according to each franchise agreement. If we own any *Curves*® locations in the United States, we will also contribute to the Advertising Fund on the same basis as the franchisees. All fees collected under the Advertising Fund must be used for advertising including all costs associated with the development of advertising, promotion, and marketing of goods and services provided to the public by *Curves*® franchises. Any advertising fees that are not spent in the same year that they accrue will be used in subsequent years for advertising. You must contribute the amounts described in Item 6, under the heading “Advertising Fees and Expenses.” We do not have an advertising council composed of franchisees that advises us on advertising policies.

The Advertising Fund is administered by our accounting personnel through the direction of our marketing personnel. An audited financial statement for the Advertising Fund is available to you upon written request after 120 days from the end of the last fiscal year. During the last fiscal year of the Advertising Fund, the Advertising Fund spent 56% of its income on media placement, including agency commissions, 22 % for the production of advertisements, websites and other promotional materials, and 22% for administrative expenses and all other

expenses (i.e., fees for outside services, a company that administers a help desk for our *Curves*® franchisee website and costs associated with marketing research). We do not use any funds from the Advertising Fund principally to solicit new franchise sales. (Franchise Agreement, Section 8).

If you purchase a new Franchise from us, you must spend a minimum of \$5,000 on grand opening advertising in connection with a grand opening plan for your Center that we approve. The majority of this advertising will come prior to your scheduled opening date. Costs do not include Marketing Materials which are additional as outlined above.

You are also required to expend not less than an average of \$250 per month on a three-month rolling average on local advertising with our preferred marketing vendors or with a vendor approved by us in accordance with Section 8D of the Franchise Agreement.

You may develop advertising materials for your own use and at your own cost, if your materials are factually correct, accurately depict the Trademarks, and communicate the brand position and character that we have established. If you develop advertisement materials, you must provide a copy of the materials to us for our review and written approval before you use the advertising materials. If we later determine that your marketing materials do not satisfy our then-current advertising and promotional standards, you immediately must cease using those materials upon written notice from us.

Computer System

You are required to use in the operation of your Club any computer system, hardware and software we require, including all existing or future communication or data storage systems, in order for you to carry on business with us over the internet and online, as those terms are understood in the computer technology world, including an active email address which shall, at all times, be provided to us. You are not required to have a specific brand or type of computer hardware; however, your computer hardware and software must provide you sufficient access to the internet with the ability to download or upload reports as may be necessary from time to time.

You are required to use in the operation of your Club our web-based club management operating system called Curves required operating system or any other operating system as we may require, in our sole discretion. As stated in Item 6, you do not have to pay an initial fee for required operating system. You are required to pay a continuing monthly Technology Fee, which, in part, covers the license, service, and support of Curves required operating system or any other required operating system over the term of your Franchise Agreement. The data to be stored and kept current on Curves required operating system or any other required operating system includes the following information about Club members: names, addresses, phone numbers, birthdates, email addresses, measurements, number of workouts, any applicable reimbursements through health insurance plans, monthly payments and payment information if using our electronic funds transfer services. It also includes the following information about the staff of your Club: names, addresses, phone numbers, birthdates, email addresses, salary, time worked, commissions, employment start date and, if applicable, employment termination date. In addition, Curves required operating system, or any other required operating system will include the following information about Club operations: total members, membership types, payment types, revenues, number of total member workouts, sales, guest production and cancelations. We will have independent access to all of this information without any contractual limitations.

You are responsible for all costs necessary for regular maintenance of your computer hardware and software, if necessary, which costs will vary depending on the quality of computer system that you have. We estimate your costs associated with this computer system to be in the range between \$500 and \$1,000. Your costs could be greater than \$1,000 depending upon what computer system you choose to purchase. Your estimated potential upgrade or maintenance costs of your computer system may be approximately \$100 to \$500 every 2 to 3 years based on the computer system you originally purchase. You are responsible for all communications we send to you via your email address that you provide to us; if your personal email address changes, you must promptly notify us. You are also responsible for all communications we send to you via the email address we provide. You are required to complete and send to us certain reports on the operation of your Club through Curves required

operating system or any other required operating system. We have no contractual limitations on the frequency and cost of requiring you to purchase and use a software program or hardware. (Franchise Agreement, Section 7).

Site Selection

If we grant you a New Franchise, you are solely responsible for selecting an Approved Location for your Club and securing a lease for the premises. We will provide you with such site selection counseling and assistance as we determine necessary. You, however, are solely responsible for locating and obtaining a site which meets our standards and criteria and that is acceptable to us. The Approved Location will be identified in Exhibit "A" to the Franchise Agreement. Unless otherwise approved in writing by us, if you do not open the Club within 180 days from the date of the Franchise Agreement, we have the right to terminate the Franchise Agreement without refunding any part of the Initial Franchise Fee.

If we grant you a Resale Franchise, your Club will be located at the location of the existing Curves Club or at an Approved Location should you decide to relocate your Club.

You must submit to us a complete site report (containing information that we may reasonably require) for any proposed Club site. The general site and evaluation criteria which you should consider include, among other factors, the location of the site in relation to your territorial boundaries and in relation to the distance from other Curves franchises and Curves Co-Brand franchises, demographic characteristics of the proposed location, traffic patterns, parking, and other commercial characteristics, proximity to competing businesses, and the proposed size, appearance and other physical characteristic of the proposed site.

Training

Though the time may vary, the typical length of time between the Effective Date of the Franchise Agreement and the opening of your Club for business to the general public is approximately 120 to 180 days. Factors which may affect this time period are the following: you and your Key Staff's completion of the Initial Training Program; your ability to locate a building and obtain a lease and our approval of the location site; registration with state and/or local authorities for the opening of your Club; the delivery of your Curves Equipment; the scheduling of your opening date; and the scheduling, if provided, of our independent contractor to assist you in the operation of the franchise. (Franchise Agreement, Section 5)

Unless we consent in writing, you shall personally operate and/or exercise personal supervision over the operation of your Club or always have an individual who has been satisfactorily trained in accordance with Section 11 of your Franchise Agreement ("**Key Staff**") present in your Club at all times your Club is open or available for business. (Franchise Agreement, Section 6K)

Onboarding Certification

All employees must satisfactorily complete approximately 40 hours of online and live virtual sessions with a focus on company history, service, sales, guest production, policy, procedures and management in order to obtain an "**Onboarding Certification.**" (Franchise Agreement, Section 11)

If you are purchasing a new Franchise from us, you, your Key Staff, and any additional staff, must satisfactorily complete and obtain the Onboarding Certification prior to you opening your Club for business to the general public. If, at any time, you hire or replace any Key Staff or personnel, such new Key Staff or personnel must satisfactorily complete and obtain Onboarding Certification within ninety (90) days of their hire date.

If you are acquiring a Franchise through the transfer of an existing Club and are assuming the employment of any Key Staff from the already open Club or are hiring new Key Staff, such Key Staff must satisfactorily complete and obtain the Onboarding Certification prior to you taking over the operation of your Club and prior to their required attendance at the Initial Training Program.

If, at any time, you hire or replace any Key Staff or personnel, such new Key Staff or personnel must satisfactorily complete and obtain the Onboarding Certification within 90 days of their hire date.

Any individuals attending the Initial Training Program must satisfactorily complete and obtain the Onboarding Certification prior to attending the Initial Training Program. The current registration fee for Onboarding Certification is \$150 per individual but is subject to change at our discretion. Two free registration fees for you and your Key Staff are included as part of the Initial Franchise Fee if you purchase a new Franchise from us, or as part of the Training Fee if you are acquiring a Franchise through the transfer of an existing Club from an existing Franchisee. You are responsible for payment of any additional registration fees. Any costs incidental to the Onboarding Certification shall be borne by you, including without limitation, all transportation, meals, wages and other expenses.

Curves Required Operating System Training

The Curves required operating system training consists of approximately 4 hours of online and virtual session training on the use of our computer software and the Curves operating system.

If you are purchasing a new Franchise from us, you and your Key Staff must satisfactorily complete the Curves operating system training before attending the Initial Training Program.

If you are acquiring a Franchise through the transfer of an existing Club and are assuming the employment of any Key Staff from the already open Club or are hiring new Key Staff, such Key Staff must satisfactorily complete the Curves required operating system training before attending the Initial Training Program.

If, at any time, you hire or replace any Key Staff or personnel, such new Key Staff or personnel must attend and satisfactorily complete the Curves required operating system training within 90 days of their hire date.

Any individuals attending the Initial Training Program must satisfactorily complete the Curves required operating system training prior to attending the Initial Training Program.

There is currently no registration fee for the Curves required operating system training but this is subject to change at our discretion. Any costs incidental to the Curves required operating system training shall be borne by you.

Health and Wellness Educational Requirements

If you are purchasing a new Franchise from us, you and your Key Staff must satisfactorily complete and obtain a certification in the field of health and wellness certifications provided by Curves, as approved and defined by us, before attending the Initial Training Program.

If you are acquiring a Franchise through the transfer of an existing Club, you and your Key Staff must satisfactorily complete and obtain a certification in the field of health and wellness certifications before attending the Initial Training Program.

If, at any time during the term of the Franchise Agreement, you replace your Key Staff, such new Key Staff must satisfactorily complete this certification within 90 days of their hire date and prior to their required attendance at the Initial Training Program.

Any individuals attending the Initial Training Program must satisfactorily complete and obtain this certification prior to attending the Initial Training Program.

The current registration fee for this program is \$50 per individual but is subject to change at our discretion. Two registration fees are included as part of the Initial Franchise Fee if you are purchasing a new Franchise from us, or as part of the Training Fee if you are purchasing a Franchise with an already open Club from an existing franchisee. You are responsible for payment of any additional registration fees. Any costs incidental to this certification shall be borne by you, including without limitation, all transportation, meals, wages and other

expenses.

Initial Training Program

Prior to execution of the Franchise Agreement and prior to opening your Club for business (if you purchase a new Franchise from us) or prior to taking over the operation of your Club (If you are acquiring a Franchise through the transfer of an existing Club from an existing Franchisee), certain individuals associated with your Franchise must attend and satisfactorily complete up to five days of training at a location and time designated by us (the “**Initial Training Program**”). The Initial Training Program consists of training in exercise physiology, nutritional counseling, marketing, sales, business systems and instructions on use of the Curves Equipment. Training may be held in Waco, Texas or any other location we designate. (Franchise Agreement, Section 11)

If you are purchasing a new Franchise from us, satisfactory completion of the Initial Training Program by your Key Staff is mandatory prior to the opening of your Club for business. If you are purchasing the Franchise with an already open Club from an existing franchisee and are assuming the employment of any Key Staff from the already open Club or are hiring new Key Staff, such Key Staff must attend and satisfactorily complete the Initial Training Program prior to you taking over the operation of the Club. If, at any time, you hire or replace any Key Staff, such new Key Staff must attend and satisfactorily complete the Initial Training Program within 90 days of their hire date.

Registration for the Initial Training Program is included as part of the Initial Franchise Fee or Training Fee for any of your Owners or personnel who attend the Initial Training Program within six months of the Effective Date of the Franchise Agreement. Upon expiration of the six-month period, the registration fee for the Initial Training Program will be \$500 per attendance.

All Initial Training Program attendees must satisfactorily complete the Onboarding Certification, health and wellness certification and Curves operating system training before attending the Initial Training Program.

All costs incidental to the Initial Training Program shall be borne by you, including without limitation, all transportation, lodging, meals, wages and other expenses.

Item 11

TRAINING PROGRAM

| <i>Subject</i> | <i>Hours of Classroom Training</i> | <i>Hours of On-The-Job Training</i> | <i>Location Virtual or Live determined by us</i> |
|--|---|--|--|
| <i>Introduction to Curves Culture</i> | <i>1-2</i> | <i>0 - 2</i> | <i>Austin/Waco, Texas or at locations and/or Virtual training determined by us</i> |
| <i>Curves Circuit Coaching and Equipment</i> | <i>4-6</i> | <i>0 - 2</i> | <i>Austin/Waco, Texas or at locations and/or Virtual training determined by us</i> |
| <i>Curves Virtual Membership Options</i> | <i>1 - 2</i> | <i>0 - 2</i> | <i>Austin/Waco, Texas or at locations and/or Virtual training determined by</i> |
| <i>Marketing</i> | <i>2 - 5</i> | <i>0 - 2</i> | <i>Austin/Waco, Texas or at locations and/or Virtual training determined by</i> |

| | | | |
|-------------------|--------------|--------------|--|
| <i>Sales</i> | <i>2 - 5</i> | <i>0 - 2</i> | <i>Austin/Waco, Texas or at locations and/or Virtual training determined by us</i> |
| <i>Management</i> | <i>5 - 8</i> | <i>0 - 2</i> | <i>Austin/Waco, Texas or at locations and/or Virtual training determined by</i> |

Franchisor's training materials consist of proprietary manuals, slides and videos, and we will also incorporate the training and materials received during the Onboarding Certification and Curves required operating system Training.

During the Initial Training Program, corporate experts present and instruct in their areas of expertise in service, sales, guest production, management and other areas such as our wellness program, customer care and product sales. Instructors include, but are not limited to, the following:

Amanda Merriam joined *Curves®* in 2013 as its Director of Training and has effectively created a variety of critical programs, processes, best practices and implemented learning and development procedures. Ms. Merriam holds a master's degree in human resources and a bachelor's degree in psychology.

Macie Lea, ACE-CPT holds a degree in Kinesiology from San Jose State University. She has worked with Curves for 19 years, originally as a manager for multiple franchise locations in the San Jose area and eventually purchasing her own Curves gym. After being recognized by Curves corporate, she advanced to helping franchise owners internationally as an Area Manager, Business Development Manager, and currently serves as the Senior Manager of Science and Programs, responsible for creating and producing content for Curves fitness programs, the Nutrition and Weight Management program, the Curves Health & Wellness Education Series, and Curves at-home program, MyCurves On Demand. Macie has a passion for helping women live their best lives, no matter their age.

Club Visit

Prior to execution of the Franchise Agreement, you may be required to satisfactorily complete a one-day visit to a franchisee Club, the location and time to be designated by us (the "**Club Visit**"). Your Key Staff may also be required to satisfactorily complete a Club Visit prior to the opening of your Club for business (if you purchase a new Franchise from us or prior to taking over the operation of your Club, if you purchase the Franchise with an already open Club from an existing franchisee) or within ninety (90) days of their hire date. If, at any time, you hire or replace any Key Staff, such new Key Staff may be required to attend and satisfactorily complete the Club Visit within ninety (90) days of their hire date. (Franchise Agreement, Section 11)

There is currently no registration fee for the Club Visit but that is subject to change at our discretion. Any costs incidental to the Club Visit shall be borne by you, including without limitation, all transportation, lodging, meals, wages and other expenses.

Onsite Training and Support.

During the grand opening phase of your Club, if you are purchasing a new Franchise from us or during if you are acquiring a Franchise through the transfer of an existing Club from an existing Franchisee, we may provide you with assistance via our independent contractors or Curves employees at your Club for up to four (4) days at such times as we deem appropriate under the circumstances. We are not required to provide such assistance, and in exercising our own discretion and right, may consider the following factors: your experience, the prior Curves System experience of your Key Staff and other employees, and any other factors that we deem appropriate for consideration. (Franchise Agreement, Section 11). If we deem appropriate to provide you with such assistance, you and your Key Staff must be present at your Club at all times our independent contractors are at your Club.

If provided, the cost of Franchisor's independent contractors to be at your Club for this onsite training is included as part of the Initial Franchise Fee if you purchase a new Franchise from us or in the Training Fee if you are acquiring a Franchise through the transfer of an existing Club. You are responsible for paying all other costs and expenses incurred by you, your Key Staff or personnel during the grand opening of your Club or taking over the operation of your Club.

Charges and Costs

All your expenses, your Owners' expenses, Key Staff's expenses and personnel's expenses, incident to attendance at (and satisfactory completion of) any training/educational requirements set out in this Item 11 and Section 11 of the Franchise Agreement, including travel, lodging, meals, transportation, compensation of and worker's compensation insurance for the attendees enrolled in any of these programs and any other personal and/or incidental expenses, shall be borne by you.

Personnel Training and Staffing

All personnel employed by you in the operation of your Club must satisfactorily complete Curves required operating system training, obtain Onboarding Certification in accordance with this Item 11 and Section 11 of the Franchise Agreement.

In addition to any instruction provided directly by us to your personnel, you and your Key Staff shall provide additional and ongoing training and instruction in the methods and techniques developed by us and as may be directed by us. Such training and instruction shall be based upon and given in accordance with the Confidential Operations Manual and the training required to be completed by you and your Key Staff in accordance with this Item 11 and Section 11 of the Franchise Agreement.

If you request training in addition to that provided for above, we may provide such instruction to you or your employees at such time and place and for such duration as may be mutually convenient; provided, however, that the costs of such additional training, including transportation, subsistence and a reasonable charge for the services of our representative, must be borne by you and, if requested by us, paid in advance.

Ongoing Training

Franchisee, your Key Staff, as well as any Owners and personnel, as required by Franchisor, must participate in any additional training or refresher courses (online or otherwise) as required by Franchisor, including participation in or attendance at our annual conventions/conferences, regional meetings, and ESP training courses. We may additionally provide continuing educational support to our franchisee via email communication memos. We may determine the time and place for this additional training and may charge you a reasonable fee for the training. (Franchise Agreement, Section 11)

Item 12.

Territory

Franchisee will receive territorial rights to operate one *Curves*® Franchise at a specific location that Franchisor approves (the "Approved Location") inside the Franchised Territory. The Approved Location will be identified in Exhibit "A" to the Franchise Agreement. Franchisee cannot relocate Franchisee's Club unless Franchisee obtains Franchisor's prior written consent. Franchisor will consider, among other factors, the proposed site in relation to Franchisee's Franchised Territory and the distance from other *Curves*® Franchises in determining whether to consent to the proposed new site. Franchisee must pay Franchisor a relocation fee in connection with any relocation Franchisor approves.

Franchisee will receive territorial rights (the "Franchised Territory") surrounding the Approved Location. The Franchised Territory is based primarily on population. Typically, a Franchised Territory includes a population ranging from 5,000 to 60,000 people. You will not receive an exclusive territory. You may face competition from

other franchisees, from outlets that Franchisor owns, or from other channels of distribution or competitive brands that Franchisor controls.

During the term of the Franchise Agreement and provided Franchisee is complying with the provisions of the Franchise Agreement, Franchisee will receive an exclusive territory in that Franchisor will not: (i) modify the Franchised Territory without Franchisee's written permission, or (ii) directly operate or license or franchise a third party the right to operate a physical location under the Curves Marks (as defined in Item 15) in the Franchised Territory. However, Franchisor may develop or authorize others to develop a franchise under the Curves Marks and conduct normal pre-opening activities in the Franchised Territory so long as such Curves® franchise does not open until the expiration or termination of Franchisee's Franchise Agreement.

Except as expressly stated in the Franchise Agreement, Franchisee may not solicit customers, provide services or advertise outside of the Franchised Territory. Franchisee shall not use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of Franchisee's Franchised Territory. Franchisor and its affiliates retain all rights that are not expressly granted to Franchisee under the Franchise Agreement. Further, Franchisor or its affiliates may, among other things, on any terms and conditions Franchisor deems advisable, without compensation to any franchisee, and without granting Franchisee any additional rights:

1. establish and operate, or license others the right to establish and operate, a *Curves*® business or other businesses using the Curves Marks in combination with other trademarks at any location outside the Franchised Territory, regardless of the proximity of such business to the Franchised Territory; and

2. establish and operate or license others the right to establish and operate any business under service marks and trademarks other than Curves Marks inside or outside the Franchised Territory which businesses may offer or sell products or services that are the same as, similar to, or different from the products and services offered at your Club; and

3. sell and distribute for Franchisor, and license others to sell and distribute, products or services the same as or different from the products and services offered from your Club under the Curves Marks or any other trademarks through alternate channels of distribution, including the internet or other direct marketing sales, within and outside the Franchised Territory; and

4. market, promote, sell and distribute, directly or indirectly, any products or services at or from the premises of a business which has been designated by us as a corporate, institutional or similar location that primarily serves customers employed by or otherwise affiliated with such location or otherwise through programs offered to patients by hospitals and other medical centers or organizations (a "**Corporate Account**"), which Corporate Account and customers may be located within or outside of the Franchised Territory; and

5. advertise the Curves System on the internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Curves Marks.

In addition to the rights outlined above, Franchisor reserves the right to merge with, acquire or become associated with, and to consolidate business resources and assets with, any businesses under other systems or other marks, which businesses may convert to or operate under the Curves Marks or other trademarks and may offer or sell products or services that are the same as or similar to the products and services offered at or from Franchisee's Club, and which may be located anywhere inside or outside the Franchised Territory.

Franchisee does not receive any options, rights to first refusal or any similar rights to acquire additional Franchises.

Continuation of the Franchised Territory does not depend upon the achievement of any sales volume, market penetration or other contingency, and there are no circumstances under which Franchisor will alter the Franchised Territory without Franchisee's written consent.

As noted in Item 1, Franchisor also currently offer Curves Co-Brand franchises under the *Curves®/Jenny Craig®* trademarks. The Curves Co-Brand franchises offer fitness instruction, weight-loss and weight-management services. The Curves Co-Brand franchises will not solicit or accept orders inside your Franchised Territory. Franchisor offers Curves Co-Brand franchises and *Curves®* franchises from our principal place of business at 400 Schroeder Drive, Waco, Texas 76710. Franchisor does not maintain separate training facilities for the Curves Co-Brand franchises and *Curves®* franchises. Franchisor will seek to resolve any conflict that arises between franchisees and us or between franchisees concerning territory, customers, or franchisor support, on a case-by-case basis. In doing so, Franchisor will consider the rights and obligations of the parties under applicable contracts.

Franchisor will seek to resolve any conflict that arises between franchisees and us or between franchisees concerning territory, customers, or franchisor support, on a case-by-case basis. In doing so, Franchisor will consider the rights and obligations of the parties under applicable contracts.

Item 13.

Trademarks

We grant you the right to operate a Franchise under the name *Curves®*. You may also use other current or future trademarks licensed to us to operate your Club. By “trademark,” Franchisor mean trade names, trademarks, service marks and logos designated by us to identify your Franchise (hereinafter “**Curves Marks**”). Curves International, Inc. registered the following Curves Marks on the United States Patent and Trademark Office principal register:

| Description | Registration Number | Registration Date |
|--------------------|----------------------------|--------------------------|
| Curves® | 2923501 | February 1, 2005 |

Curves International, Inc. has filed all required affidavits concerning these Curves Marks. The Curves for Women® with figurine mark and Curves® mark have been renewed.

You must follow our rules when you use these Curves Marks. You cannot use a name or Curves Mark as part of a corporate name or with modifying words, designs or symbols except for those which Franchisor licenses to you. You may not use the Curves Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

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

Our right to use or sublicense the use of the Curves Marks are subject to our Master Franchise Agreement with Curves International, Inc.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Curves Marks. We will take the action we think appropriate although we are not required to take any affirmative action. Curves International, Inc. and/or Curves NA, Inc. at Curves International, Inc.’s direction, have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. We will indemnify you or reimburse you for your liability and reasonable costs if there is a challenge to your authorized use of our Curves Marks provided you have notified us immediately after you learned of the challenge and cooperate with us in defending the challenge as required.

You must notify or discontinue the use of a Curves Mark if we are instructed by Curves International, Inc. to modify or discontinue the Curves Mark. If this happens, you will be responsible for your tangible costs of compliance (for example, changing signs or letterhead). You may not directly or indirectly contest the validity of

our ownership of the Curves Marks or our right to use or sublicense the Curves Marks, trade secrets, confidential information or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of the Curves Marks.

Item 14.

Patents, Copyrights and Proprietary Information

There are no patents, pending patent applications or copyrights currently registered that are material to the franchise. We do claim copyright ownership and protection for the Curves Confidential Operations Manual and for certain other written materials we provide to assist you in operating your Club. The use of Curves Confidential Operations Manual is limited to you and your employees only.

We own certain proprietary or confidential information relating to the operation of your Club, including information in the Curves Confidential Operations Manual (“**Confidential Information**”). You must keep confidential during and after the term of your Franchise Agreement the Confidential Information. When your Franchise Agreement expires or terminates, you must return to us all Confidential Information and all other copyright material. You must notify us immediately if you learn of an unauthorized use of the Confidential Information. We are not obligated to take any action and we will have the sole right to decide the appropriate response to any unauthorized use of the Confidential Information. We will indemnify you for losses brought by a third party concerning your use of the Confidential Information. You must comply with all changes to the Curves Confidential Operations Manual at your cost. We will own all member data that is located on your computer system. We will periodically establish policies under which we or you may use the member data.

Item 15.

Obligation to Participate in the Actual Operation of the Franchise Business

If you are an individual, you must directly perform or supervise operations of your Club unless we consent otherwise. If we agree that you need not personally perform or supervise your Club, it must be directly supervised by your designated Key Staff who has successfully completed our Initial Training Program and other educational requirements and training discussed in Item 11 above. Your Key Staff need not have an ownership interest in a corporate or partnership franchisee. Your Key Staff must sign a written agreement to conform with the covenants not to compete described in Item 17 and in Section 22 of the Franchise Agreement. You or your Key Staff cannot have an interest or business relationship with any of our competitors. If you are a corporation, direct, on-site supervision must be done by a designated Owner who meets with our approval and who has satisfactorily completed our Initial Training Program and other educational requirements and training discussed in Item 11 above, an “**operating principal**.” If you are a corporation, your principal shareholders must sign a guaranty assuming and agreeing to pay all monetary obligations under the Franchise Agreement.

Item 16.

Restrictions on What the Franchisee May Sell

You must offer and sell only the goods and services that we have approved and which conform to our standards and specifications (see Item 8). You shall not install any coin-operated or credit-card operated machines, public telephones, newspaper racks, juke boxes, cigarette, gum and candy machines, rides, lottery ticket terminals, video games or any other games, vending or amusement machines, or any unapproved items on the premises of your Club without our prior written approval.

You must offer all goods and services that we designate as required for all franchisees. We restrict these required services to providing thirty minute and weight-loss services and to offering for sale weight-loss related products, as specified in the Curves Confidential Operations Manual, and in the changes thereto as may be periodically given to you.

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

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

You may only offer, sell and advertise your goods and services inside the Franchised Territory. You shall not use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Franchised Territory. We do not otherwise limit or restrict your solicitation of customers.

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.

| <i>Provision</i> | <i>Section in franchise or other agreement</i> | <i>Summary</i> |
|-------------------------------------|---|---|
| a. Length of the franchise term | Franchise Agreement Section 2 | Term is 10 years. We may allow for a term of less than 10 years at our discretion if requested by you. |
| b. Renewal or extension of the term | Franchise Agreement Section 2 | We can grant or deny you a renewal. If we grant your request for renewal, you must sign a new Franchise Agreement for a term of 5 additional years. We may allow for a term of less than 5 years at our discretion if requested by you. |

| | | |
|---|--|--|
| c. Requirements for franchisee to renew or extend | Franchise Agreement Section 2 | You cannot be in default of any provision of your current Franchise Agreement or with any policy or procedure in our Confidential Operations Manual or which is a part of the Curves System. You must notify us in writing of your desire to renew at least 90 days and no more than 365 days prior to the expiration of the term of your current Franchise Agreement. You must pay the applicable renewal fee and sign a new Franchise Agreement that may be materially different as to the terms and conditions from your current Franchise Agreement, including a possible adjustment to your Franchised Territory. You must modify your Club to bring it into compliance with specifications and standards currently applicable for new Curves franchises. You must sign a general release. You must demonstrate to our satisfaction your right to retain lawful possession of the Approved Location. However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied. |
| d. Termination by franchisee | Franchise Agreement Sections 14 and 18 | By mutual agreement with us, by sale of the franchise to another franchisee in good standing with us or to a qualified third-party. |
| e. Termination by franchisor without cause | None | We cannot terminate your Franchise Agreement without cause. |
| f. Termination by franchisor with cause | Franchise Agreement Section 20 | We can terminate only if you are in default of the Franchise Agreement. |
| g. "Cause" defined – curable defaults | Franchise Agreement Section 20B | Any default by you of any provision of your Franchise Agreement and not covered by Section 20A of your Franchise Agreement has 20 days to cure (subject to local state law) |
| h. "Cause" defined – non-curable defaults | Franchise Agreement Section 20A | Listed defaults in Section 20A of the Franchise Agreement can cause immediate termination of the Franchise Agreement. |

| | | |
|---|-----------------------------------|--|
| i. Franchisee's obligations on termination/nonrenewal | Franchise Agreement Section 21 | Cease operating Club, cease all use of the Curves Marks, pay all amounts due to us, stop using and return the Manuals and other materials, cease using and (at our option) assign to us the Club telephone number, telephone listing, websites, domain names and e-mail addresses, remove all signs and other materials containing any Trademarks, cancel all fictitious or assumed name filings, cease using Confidential Information, de-identify Club (also see r, below) |
| j. Assignment of contract by franchisor | Franchise Agreement Section 18 | No restriction on our right to assign. |
| k. "Transfer" by franchisee - defined | Franchise Agreement Section 18 | Any voluntary, involuntary, conditional, direct or indirect assignment, sale, gift or transfer by you or any of your Owners of any interest in or grant of any security interest in (a) the Franchise Agreement, (b) the Club, (c) you, or (d) some of all of the assets of the Club (other than inventory items in the ordinary course of business). |
| l. Franchisor approval of transfer by franchisee | Franchise Agreement Section 18 | We have the right to approve all requests for transfers. |
| m. Conditions for franchisor approval of transfer | Franchise Agreement Section 18 | You are not in default with any provision of the current Franchise Agreement or with any policy or procedure in our Confidential Operations Manual or which is a part of the Curves System, proper notification by you to us of requested transfer as required under the Franchise Agreement, providing us with a copy of a purchase agreement that meets our approval, compliance with all conditions listed under Section 18C of the Franchise Agreement. Some of these conditions include qualification of prospective buyer as a franchisee, payment of all fee and escrow amounts, payment of all debts owed by you associated with your business, training arranged as required for the prospective buyer, release signed by you, copy of letter from certified public accountant acknowledging review of the transfer for the new franchisee and a then-current agreement signed by new franchisee (also see "r" below). However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied. |

| | | |
|---|------------------------------------|---|
| n. Franchisor's right of first refusal to acquire franchisee's business | Franchise Agreement Section 19 | We can match any offer for your business. |
| o. Franchisor's option to purchase franchisee's business | Franchise Agreement Section 21A | Option to purchase all equipment used in the operation of the Club and other items bearing the Curves Marks at a fair market value not to exceed \$1,500. Additional option to purchase all furnishings, non-Franchisor equipment, signs, fixtures, and supplier at the lesser of your cost or fair market value. |
| p. Death or disability of franchisee | Franchise Agreement Section 18 | Franchise must be assigned by estate to approved buyer within 6 months. |
| q. Non-competition covenants during the term of the franchise agreement | Franchise Agreement Section 22 | No involvement in a Competing Business located anywhere in the U.S. "Competing Business" means any business that sells or offers for sale any fitness or weight loss products or services. |
| r. Non-competition covenants after the franchise is terminated or expires | Franchise Agreement Section 22 | You may not engage in, participate in or derive any benefit from, any Competing Business for 2 year within 10 miles of your Franchise's location site or another <i>Curves for Women</i> ® or <i>Curves</i> ® franchise (including after assignment). |
| s. Modification of the agreement | Franchise Agreement Section 24K | No modification except by written agreement signed by both parties. We may modify Manuals, Curves Marks, Systems and goods/services to be offered by your Club. |
| t. Integration/merger clause | Franchise Agreement Section 24P | Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable, but this does not disclaim any representations made by this Disclosure Document. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure, its exhibits and amendments |
| u. Dispute resolution by arbitration or mediation | Franchise Agreement Section 23 | If you have a dispute regarding your Franchise Agreement, it must be mediated. |
| v. Choice of forum | Franchise Agreement Section 24C | Litigation must be filed where our principal business address is then located unless local state law supersedes this provision. |
| w. Choice of law | Franchise Agreement Section 24C | Texas law applies unless local state law supersedes this provision. 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 |

Item 18.
Public Figures

At this time, we do not employ any public figure or celebrity in our management, and we do not use any public figure or celebrity to promote our franchises.

Item 19.
Financial Performance Representations

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Curves NA, Inc., Attention: Legal Department, 400 Schroeder Drive, Texas 76710, 254-399-9285, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20.
Outlets and Franchisee Information

Table No. 1
Systemwide Outlet Summary
For years 2019 to March 30, 2022

| Column 1 Outlet Type | Column 2 Year | Column 3 Outlets at the Start of the Year | Column 4 Outlets at the End of the Year | Column 5 Net Change |
|---------------------------------------|--------------------------------|--|--|--------------------------------------|
| Franchised | 2019 | 418 | 295 | -198 |
| | 2020 | 295 | 254 | -123 |
| | 2021 | 254 | 194 | -41 |
| | 2022 | 254 | 194 | -60 |
| Company-Owned | 2019 | 0 | 0 | 0 |
| | 2020 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 |
| Total Outlets | 2019 | 418 | 295 | -123 |
| | 2020 | 295 | 254 | -41 |
| | 2021 | 194 | 160 | -34 |
| | 2022 | 160 | 154 | -6 |

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2019 to March 31, 2022

| Column 1 | Column 2 | Column 3 |
|----------------------|----------|---------------------|
| State | Year | Number of Transfers |
| Alabama | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Alaska | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Arizona | 2019 | 1 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Arkansas | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| California | 2019 | 3 |
| | 2020 | 1 |
| | 2021 | 1 |
| | 2022 | 0 |
| Colorado | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Connecticut | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Delaware | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| District of Columbia | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Florida | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Georgia | 2019 | 1 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Hawaii | 2019 | 0 |

| | | |
|---------------|------|---|
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Idaho | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Illinois | 2019 | 1 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Indiana | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Iowa | 2019 | 1 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Kansas | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Kentucky | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Louisiana | 2019 | 0 |
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| Maine | 2019 | 0 |
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| Maryland | 2019 | 0 |
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| | 2022 | 0 |
| Massachusetts | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Michigan | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Minnesota | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Mississippi | 2019 | 0 |

| | | |
|----------------|------|---|
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Missouri | 2019 | 1 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Montana | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Nebraska | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 1 |
| | 2022 | 0 |
| Nevada | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| New Hampshire | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| New Jersey | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| New Mexico | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| New York | 2019 | 1 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| North Carolina | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| North Dakota | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Ohio | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Oklahoma | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Oregon | 2019 | 0 |

| | | |
|----------------|------|---|
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Pennsylvania | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Puerto Rico | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Rhode Island | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| South Carolina | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| South Dakota | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Tennessee | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Texas | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Utah | 2019 | 1 |
| | 2020 | 1 |
| | 2021 | 0 |
| | 2022 | 0 |
| Vermont | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 1 |
| | 2022 | 0 |
| Virginia | 2019 | 3 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Washington | 2019 | 2 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| West Virginia | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |

Notes:

1. In the fiscal year 2019, no franchises were transferred more than once.
2. In the fiscal year 2020, no franchises were transferred more than once.
3. In the fiscal year 2021, no franchises were transferred more than once.
4. In the time period between January 1, 2022 to March 31, 2022 no franchises were transferred more than once.

Table No. 3
Status of Franchised Outlets
For years 2019 to March 30, 2022

| Col. 1 State | Col. 2 Year | Col. 3 Outlets at Start of Year | Col. 4 Outlets Opened | Col. 5 Terminati ons | Col. 6 Non- Renewal s | Col. 7 Reacquire d by Franchisor | Col. 8 Ceased Operation s-Other Reasons | Col. 9 Outlets at End of the Year |
|-----------------|----------------|--|-----------------------------|----------------------------|--------------------------------|---|---|--|
| Alabama | 2019 | 5 | 0 | 0 | 0 | 0 | 2 | 3 |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 1 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Alaska | 2019 | 2 | 0 | 0 | 1 | 0 | 1 | 2 |
| | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Arizona | 2019 | 10 | 0 | 0 | 2 | 0 | 0 | 8 |
| | 2020 | 8 | 0 | 1 | 1 | 0 | 0 | 6 |
| | 2021 | 6 | 0 | 2 | 1 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 1 | 0 | 0 | 2 |
| Arkansas | 2019 | 6 | 0 | 3 | 1 | 0 | 0 | 2 |
| | 2020 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| California | 2019 | 72 | 0 | 2 | 13 | 0 | 2 | 49 |
| | 2020 | 49 | 0 | 2 | 5 | 0 | 1 | 38 |
| | 2021 | 38 | 0 | 2 | 0 | 0 | 1 | 35 |
| | 2022 | 35 | 0 | 1 | 1 | 0 | 0 | 33 |
| Colorado | 2019 | 24 | 0 | 1 | 7 | 0 | 1 | 15 |
| | 2020 | 15 | 0 | 0 | 2 | 0 | 2 | 11 |
| | 2021 | 11 | 0 | 0 | 3 | 0 | 0 | 9 |
| | 2022 | 9 | 0 | 2 | 1 | 0 | 0 | 5 |
| Connecticut | 2019 | 7 | 0 | 0 | 1 | 0 | 1 | 5 |
| | 2020 | 5 | 0 | 0 | 2 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 2 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| Delaware | 2019 | 3 | 0 | 0 | 2 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| Florida | 2019 | 26 | 0 | 1 | 6 | 0 | 2 | 18 |

| | | | | | | | | |
|---------------|------|----|---|---|---|---|---|----|
| | 2020 | 18 | 0 | 1 | 1 | 0 | 0 | 16 |
| | 2021 | 16 | 0 | 3 | 2 | 0 | 0 | 10 |
| | 2022 | 10 | 0 | 3 | 3 | 0 | 0 | 3 |
| Georgia | 2019 | 24 | 0 | 0 | 6 | 0 | 2 | 16 |
| | 2020 | 16 | 0 | 1 | 1 | 0 | 1 | 13 |
| | 2021 | 13 | 0 | 5 | 1 | 0 | 0 | 7 |
| | 2022 | 7 | 0 | 2 | 0 | 0 | 1 | 3 |
| Hawaii | 2019 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Idaho | 2019 | 9 | 0 | 2 | 0 | 0 | 1 | 6 |
| | 2020 | 6 | 0 | 1 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 2 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Illinois | 2019 | 43 | 0 | 7 | 6 | 0 | 4 | 26 |
| | 2020 | 26 | 0 | 1 | 5 | 0 | 0 | 20 |
| | 2021 | 20 | 0 | 3 | 1 | 0 | 6 | 10 |
| | 2022 | 10 | 0 | 0 | 0 | 0 | 0 | 9 |
| Indiana | 2019 | 14 | 0 | 3 | 1 | 0 | 1 | 9 |
| | 2020 | 9 | 0 | 1 | 3 | 0 | 2 | 3 |
| | 2021 | 3 | 0 | 0 | 1 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 1 | 0 | 0 | 1 | 0 |
| Iowa | 2019 | 10 | 0 | 0 | 2 | 0 | 1 | 7 |
| | 2020 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2021 | 7 | 0 | 3 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 0 | 0 | 0 | 0 | 1 | 2 |
| Kansas | 2019 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2020 | 3 | 0 | 0 | 1 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 1 | 0 | 0 | 1 |
| Kentucky | 2019 | 9 | 0 | 1 | 2 | 0 | 0 | 6 |
| | 2020 | 6 | 0 | 0 | 1 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 1 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 0 | 2 | 1 | 0 | 0 | 0 |
| Louisiana | 2019 | 7 | 0 | 0 | 2 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 1 | 4 |
| | 2021 | 4 | 0 | 0 | 1 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 1 | 0 | 0 | 1 | 1 |
| Maine | 2019 | 5 | 0 | 0 | 2 | 0 | 0 | 3 |
| | 2020 | 3 | 0 | 0 | 1 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 1 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maryland | 2019 | 10 | 0 | 0 | 2 | 0 | 1 | 8 |
| | 2020 | 8 | 0 | 0 | 1 | 0 | 1 | 6 |
| | 2021 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 0 | 3 |
| Massachusetts | 2019 | 7 | 0 | 0 | 3 | 0 | 0 | 4 |
| | 2020 | 4 | 0 | 0 | 2 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 1 | 0 | 0 | 1 |

| | | | | | | | | |
|----------------|------|----|---|---|----|---|---|----|
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Michigan | 2019 | 20 | 0 | 1 | 11 | 0 | 1 | 6 |
| | 2020 | 6 | 0 | 1 | 2 | 0 | 0 | 7 |
| | 2021 | 5 | 0 | 0 | 1 | 0 | 1 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 2 |
| Minnesota | 2019 | 16 | 0 | 2 | 2 | 0 | 0 | 14 |
| | 2020 | 14 | 0 | 1 | 1 | 0 | 0 | 8 |
| | 2021 | 12 | 0 | 2 | 2 | 0 | 0 | 4 |
| | 2022 | 8 | 0 | 1 | 0 | 0 | 0 | 6 |
| Mississippi | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 1 | 1 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 1 | 1 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| Missouri | 2019 | 17 | 0 | 0 | 5 | 0 | 0 | 12 |
| | 2020 | 12 | 0 | 1 | 1 | 0 | 1 | 9 |
| | 2021 | 9 | 0 | 1 | 0 | 0 | 0 | 8 |
| | 2022 | 8 | 0 | 1 | 1 | 0 | 0 | 5 |
| Montana | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 1 | 1 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 1 | 1 | 0 | 0 | 1 |
| Nebraska | 2019 | 6 | 0 | 1 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 1 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 0 | 1 | 1 | 0 | 1 | 1 |
| Nevada | 2019 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2020 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 0 | 2 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 1 |
| New Hampshire | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New Jersey | 2019 | 5 | 0 | 0 | 2 | 0 | 0 | 3 |
| | 2020 | 3 | 0 | 1 | 1 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New Mexico | 2019 | 5 | 0 | 0 | 3 | 0 | 0 | 2 |
| | 2020 | 2 | 0 | 0 | 1 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 2019 | 25 | 0 | 0 | 6 | 0 | 2 | 17 |
| | 2020 | 17 | 0 | 0 | 2 | 0 | 0 | 15 |
| | 2021 | 15 | 0 | 3 | 5 | 0 | 1 | 7 |
| | 2022 | 7 | 0 | 0 | 3 | 0 | 0 | 4 |
| North Carolina | 2019 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| | 2020 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| | 2021 | 9 | 0 | 0 | 2 | 0 | 0 | 7 |
| | 2022 | 7 | 0 | 0 | 0 | 0 | 0 | 5 |
| North Dakota | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |

| | | | | | | | | |
|----------------|------|----|---|---|---|---|---|----|
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ohio | 2019 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| | 2020 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| | 2021 | 12 | 0 | 3 | 2 | 0 | 0 | 7 |
| | 2022 | 7 | 0 | 0 | 2 | 0 | 2 | 7 |
| Oklahoma | 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Oregon | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 1 | 2 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 4 |
| Pennsylvania | 2019 | 30 | 0 | 0 | 9 | 0 | 1 | 20 |
| | 2020 | 20 | 0 | 0 | 6 | 0 | 0 | 14 |
| | 2021 | 14 | 0 | 2 | 4 | 0 | 0 | 8 |
| | 2022 | 8 | 0 | 1 | 0 | 0 | 0 | 5 |
| Rhode Island | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Carolina | 2019 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2020 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 1 | 1 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| South Dakota | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee | 2019 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2020 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2021 | 6 | 0 | 0 | 2 | 0 | 0 | 4 |
| | 2022 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| Texas | 2019 | 17 | 0 | 0 | 0 | 0 | 0 | 17 |
| | 2020 | 17 | 0 | 0 | 0 | 0 | 0 | 17 |
| | 2021 | 17 | 0 | 1 | 1 | 0 | 0 | 15 |
| | 2022 | 15 | 0 | 1 | 0 | 0 | 0 | 12 |
| Utah | 2019 | 11 | 0 | 0 | 5 | 0 | 0 | 6 |
| | 2020 | 6 | 0 | 1 | 1 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 0 | 0 | 0 | 0 | 0 | 3 |
| Vermont | 2019 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2020 | 6 | 0 | 0 | 1 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 1 | 4 |
| | 2022 | 4 | 0 | 0 | 1 | 0 | 0 | 0 |
| Virginia | 2019 | 26 | 0 | 0 | 5 | 0 | 0 | 21 |
| | 2020 | 21 | 0 | 0 | 4 | 0 | 2 | 15 |
| | 2021 | 15 | 0 | 4 | 1 | 0 | 0 | 10 |

| | | | | | | | | |
|---------------|------|-----|---|----|----|---|----|-----|
| | 2022 | 10 | 0 | 0 | 0 | 0 | 0 | 5 |
| Washington | 2019 | 15 | 0 | 2 | 2 | 0 | 0 | 11 |
| | 2020 | 11 | 0 | 0 | 2 | 0 | 1 | 9 |
| | 2021 | 9 | 0 | 2 | 1 | 0 | 0 | 6 |
| | 2022 | 6 | 0 | 1 | 0 | 0 | 0 | 4 |
| West Virginia | 2019 | 6 | 0 | 1 | 1 | 0 | 1 | 3 |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 1 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 1 |
| Wisconsin | 2019 | 20 | 0 | 0 | 3 | 0 | 0 | 17 |
| | 2020 | 17 | 0 | 0 | 1 | 0 | 1 | 15 |
| | 2021 | 15 | 0 | 2 | 2 | 0 | 0 | 11 |
| | 2022 | 11 | 0 | 2 | 0 | 0 | 0 | 9 |
| Wyoming | 2019 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 1 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2019 | 418 | 0 | 28 | 60 | 0 | 35 | 295 |
| | 2020 | 254 | 0 | 10 | 14 | 0 | 7 | 194 |
| | 2021 | 194 | 0 | 10 | 14 | 0 | 7 | 160 |
| | 2022 | 160 | 0 | 3 | 3 | 0 | 0 | 154 |

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

| Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 |
|--------|--------|------------------------------|----------------|------------------------------------|----------------|----------------------------|----------------------------|
| | 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 |
| Totals | 2019 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |

Table No. 5
Projected Openings As Of January 1, 2022

| Column 1 | Column 2 | Column 3 | Column 4 |
|----------|--|--|---|
| State | Franchise Agreements Signed But Outlets Not Opened | Projected New Franchised Outlets In the Next Fiscal Year | Projected New Company-Owned Outlets In the Next Fiscal Year (See Note 1) |
| Alabama | 0 | 0 | 0 |
| Alaska | 0 | 0 | 0 |
| Arizona | 0 | 0 | 0 |

| | | | |
|----------------------|----------|----------|----------|
| Arkansas | 0 | 0 | 0 |
| California | 0 | 0 | 0 |
| Colorado | 0 | 0 | 0 |
| Connecticut | 0 | 0 | 0 |
| Delaware | 0 | 0 | 0 |
| District of Columbia | 0 | 0 | 0 |
| Florida | 0 | 0 | 0 |
| Georgia | 0 | 0 | 0 |
| Guam | 0 | 0 | 0 |
| Hawaii | 0 | 0 | 0 |
| Idaho | 0 | 0 | 0 |
| Illinois | 0 | 0 | 0 |
| Indiana | 0 | 0 | 0 |
| Iowa | 0 | 0 | 0 |
| Kansas | 0 | 0 | 0 |
| Kentucky | 0 | 0 | 0 |
| Louisiana | 0 | 1 | 0 |
| Maine | 0 | 0 | 0 |
| Maryland | 0 | 0 | 0 |
| Massachusetts | 0 | 0 | 0 |
| Michigan | 0 | 0 | 0 |
| Minnesota | 0 | 0 | 0 |
| Mississippi | 0 | 0 | 0 |
| Missouri | 0 | 0 | 0 |
| Montana | 0 | 0 | 0 |
| Nebraska | 0 | 0 | 0 |
| Nevada | 0 | 0 | 0 |
| New Hampshire | 0 | 0 | 0 |
| New Jersey | 0 | 0 | 0 |
| New Mexico | 0 | 0 | 0 |
| New York | 0 | 0 | 0 |
| North Carolina | 0 | 0 | 0 |
| North Dakota | 0 | 0 | 0 |
| Ohio | 0 | 0 | 0 |
| Oklahoma | 0 | 0 | 0 |
| Oregon | 0 | 1 | 0 |
| Pennsylvania | 0 | 0 | 0 |
| Puerto Rico | 0 | 0 | 0 |
| Rhode Island | 0 | 0 | 0 |
| South Carolina | 0 | 0 | 0 |
| South Dakota | 0 | 0 | 0 |
| Tennessee | 0 | 0 | 0 |
| Texas | 0 | 0 | 0 |
| Utah | 0 | 0 | 0 |
| Vermont | 0 | 0 | 0 |
| Virgin Islands | 0 | 0 | 0 |
| Virginia | 0 | 0 | 0 |
| Washington | 0 | 0 | 0 |
| West Virginia | 0 | 0 | 0 |
| Wisconsin | 0 | 0 | 0 |
| Wyoming | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

The names, addresses and telephone numbers of all franchises are listed on Attachment B.

The name and last known city, state and telephone number of every franchisee who has had a franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the application date of this Disclosure Document is listed on Attachment D. If you buy a franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

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

Item 21.

Financial Statements

We have attached as Exhibit A to this Disclosure Document the financial statements of Curves NA, Inc. as of December 31, 2021. These financial statements have been prepared in accordance with accounting principles generally accepted in the United States. These financial statements have been audited by Jaynes Reitmeier Boyd & Therrell, P.C., independent certified public accountants, as stated in their report appearing in Exhibit A.

Item 22.

Contracts

EXHIBIT B – Sample copy of our Franchise Agreement with Exhibits and Addendums
EXHIBIT C – Personal Guaranty
EXHIBIT D – Promissory Note and Security Agreement
EXHIBIT E – Bank Draft Authorization Form
EXHIBIT F – Transfer of Service Agreement
EXHIBIT G – Sample Copy of Termination of License Agreement and Mutual Release Document

Item 23.

Receipts

You must sign two copies of the Receipt attached as the last two pages to this Disclosure Document. After execution, you keep one copy and provide the other to us.

EXHIBIT A
FINANCIAL STATEMENTS

Curves NA, Inc. Unaudited Financial Statements

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Curves NA, Inc.
Income Statement (in USD) As
of May 31, 2022
UNAUDITED

| | Month Ending 05/31/2022 <u>Actual</u> | Year To Date 05/31/2022 <u>Actual</u> |
|--------------------------------|---|---|
| Revenue | | |
| Royalties | 57,650.77 | 290,599.02 |
| Resales/Closing Fees | 0.00 | 32,321.05 |
| Total Other Revenue | | |
| Technology Fee | 41,542.13 | 217,125.10 |
| Wellness | 14,695.68 | 76,666.99 |
| EFT/Member Dues | 1,357.60 | 7,395.15 |
| Tuition Income | 277.18 | 119.68 |
| Other Revenues | 3,787.50 | 8,496.36 |
| Total Other Revenue | 61,660.09 | 309,803.28 |
| Regional Product Sales | | |
| Curves on Demand | 28,938.44 | 163,983.98 |
| Equipment Sales | 1,030.44 | 11,210.45 |
| Freight Income | 45.50 | 815.37 |
| Total Regional Product Sales | 30,014.38 | 176,009.80 |
| Total Revenue | 149,325.24 | 808,733.15 |
| Cost of Sales | | |
| Master License COS | | |
| ML COS - Royalties | 1,928.10 | 10,018.72 |
| ML COS - Resale Royalties | 12.50 | 166.58 |
| Total Master License COS | 1,940.60 | 10,185.30 |
| Products Cost of Sales | | |
| Curves On Demand COS | 5,603.72 | 28,535.58 |
| Equipment COS | 2,237.08 | 5,022.16 |
| Freight Expense | 520.13 | 2,598.21 |
| Warehouse/Other | 74.95 | (2,935.25) |
| Total Products Cost of Sales | 8,435.88 | 33,220.70 |
| Franchise Technology COS | | |
| Franchise Technology COS | 24,585.00 | 126,799.00 |
| Total Franchise Technology COS | 24,585.00 | 126,799.00 |
| Total Cost of Sales | 34,961.48 | 170,205.00 |
| Gross Margin | 114,363.76 | 638,528.15 |
| Total Expenses | | |
| Salaries & Wages | 70,589.62 | 357,312.98 |
| Benefits | 19,011.33 | 96,585.99 |
| Professional Fees | 10,988.67 | (90,572.71) |
| Advertising Promotional | 5,188.50 | 43,025.78 |
| Franchise Support & Training | 0.00 | 327.85 |
| Travel | 1,396.47 | 8,742.47 |
| Taxes | 310.05 | 950.05 |
| Purchased Services | 22,186.86 | 158,301.89 |
| Supplies | 2.30 | 1,373.99 |
| Insurance | 9,400.06 | 52,700.20 |
| Utilities | 816.10 | 5,575.08 |
| Other Expenses | 3,358.97 | 25,371.76 |
| Depreciation/Amortization | 4,145.13 | 20,725.65 |
| Total Expenses | 147,394.06 | 680,420.98 |
| Net Income From Operations | (33,030.30) | (41,892.83) |
| Interest Expense / Income | | |
| Interest Expense - Other | 358.34 | 1,928.36 |
| Interest Expense / Income | 358.34 | 1,928.36 |

Curves NA, Inc.
Income Statement (in USD) As
of May 31, 2022
UNAUDITED

| | Month Ending 05/31/2022 <u>Actual</u> | Year To Date 05/31/2022 <u>Actual</u> |
|---|---|---|
| Other | | |
| Other Income | (250,003.79) | (280,548.69) |
| Gain/Loss Foreign Currency | 1,468.94 | 6,054.28 |
| Other | <u>(248,534.85)</u> | <u>(274,494.41)</u> |
| Total Tax | | |
| Income Tax Expense - US State | 0.00 | 1,452.00 |
| Foreign NRWT - Canada | 293.62 | 1,640.68 |
| Total Tax | <u>293.62</u> | <u>3,092.68</u> |
| Total Net Income | <u>214,852.59</u> | <u>227,580.54</u> |
| Taxes | <u>(293.62)</u> | <u>(3,092.68)</u> |
| Interest Expense / Income | 358.34 | 1,928.36 |
| Depreciation & Amortization | 4,145.13 | 20,725.65 |
| Extraordinary or Non-Recurring Cash Gains or Losses | <u>(248,534.85)</u> | <u>(274,494.41)</u> |
| EBITDA | <u><u>(28,885.17)</u></u> | <u><u>(21,167.18)</u></u> |

Curves NA, Inc.
 Balance Sheet (in USD)
 As of May 31, 2022
 Year To Date 05/31/2022

| | Actual |
|--|-------------------------|
| Assets | |
| Current Assets | |
| Cash and Cash Equivalents | 298,042 |
| Accounts Receivable | 810,716 |
| Due From Other Related Companies | (113,302) |
| Inventory | 16,398 |
| Deferred Tax Asset | 49,343 |
| Prepaid Expenses | 114,093 |
| Total Current Assets | <u>1,175,290</u> |
| Notes Receivable | <u>329,948</u> |
| PP&E - Net | <u>251,015</u> |
| Other Assets - Restricted Wellness Funds | <u>41,932</u> |
| Total Assets | <u><u>1,798,185</u></u> |
| Liabilities & Shareholder's Equity | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | 424,060 |
| Accrued Taxes Payable | 23,832 |
| Accrued Payroll Taxes and Benefits | (1,365) |
| Accrued Expenses Other | 77,859 |
| Deferred Revenues | 128,576 |
| Total Current Liabilities | <u>652,962</u> |
| Long Term Debt | <u>20,833</u> |
| Total Liabilities | <u>673,795</u> |
| Shareholder's Equity | |
| Additional Paid in Capital | 1,550,732 |
| Retained Earnings | (653,922) |
| Current Year Earnings (Loss)-Balance Sheet | <u>227,580</u> |
| Total Shareholder's Equity | <u>1,124,390</u> |
| Total Liabilities & Shareholder's Equity | <u><u>1,798,185</u></u> |

Curves NA, Inc.
Statement of Stockholders' Equity

| | Shares | | | Common Stock | Additional Paid-In Capital | Retained Earnings | Total Stockholders' Equity |
|---|--------|-----------|--|-----------------|----------------------------------|----------------------|----------------------------------|
| Balances at December 31, 2021 (Audited) | | | | | | | |
| Common stock, no par value, 100,000 shares | 1,000 | | | 1,550,732 | | | 1,550,732 |
| authorized, 1,000 issued and outstanding | | | | | | | |
| Accumulated deficit | | -653,919 | | | | | |
| Total stockholder's equity | | | | | | | 896,813 |
| Total liabilities and stockholder's equity | | 1,550,732 | | | | | 896,813 |

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)
Financial Statements
Periods Ended December 31, 2021, 2020 and 2019
(With Independent Auditor's Report Thereon)



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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Curves NA, Inc.:

Opinion

We have audited the financial statements of Curves NA, Inc. (a subsidiary of Curves DF Holdings, Inc.) (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Curves NA, Inc. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the three years in the period ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Joyce, Reisman, Boyd & Thornell, P.C.

May 11, 2022

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Balance Sheets

December 31, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|------------------|
| <u>Assets</u> | | |
| Current assets: | | |
| Cash | \$ 77,421 | 379,180 |
| Accounts and notes receivable, net | 460,061 | 353,434 |
| Prepaid expenses | 107,825 | 155,225 |
| Other assets | <u>13,651</u> | <u>26,144</u> |
| Total current assets | 658,958 | 913,983 |
| Amounts due from related parties | 488,163 | 871,246 |
| Deferred income taxes | 49,343 | 209,666 |
| Property and equipment, net | 271,232 | 321,716 |
| Other long-term assets | <u>4,004</u> | <u>24,472</u> |
| Total assets | <u>\$ 1,471,700</u> | <u>2,341,083</u> |
| <u>Liabilities and Stockholder's Equity</u> | | |
| Current liabilities: | | |
| Accounts payable | \$ 334,610 | 138,369 |
| Accrued expenses | 81,458 | 148,901 |
| Income taxes payable | 24,696 | 29,070 |
| Deferred revenue, current | <u>70,562</u> | <u>73,365</u> |
| Total current liabilities | 511,326 | 389,705 |
| Long-term debt | - | 532,832 |
| Deferred revenue, net of current portion | 63,561 | 100,925 |
| Due to related parties | <u>-</u> | <u>491,089</u> |
| Total liabilities | <u>574,887</u> | <u>1,514,551</u> |
| Stockholder's equity: | | |
| Common stock, no par value, 100,000 shares authorized, 1,000 issued and outstanding | 1,550,732 | 1,550,732 |
| Accumulated deficit | <u>(653,919)</u> | <u>(724,200)</u> |
| Total stockholder's equity | <u>896,813</u> | <u>826,532</u> |
| Total liabilities and stockholder's equity | <u>\$ 1,471,700</u> | <u>2,341,083</u> |

See accompanying notes to financial statements.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Statements of Operations

Years Ended December 31,

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|-------------------------------------|-------------------|------------------|------------------|
| Revenues: | | | |
| Franchise | \$ 1,022,817 | 1,524,143 | 2,038,054 |
| Product sales | 51,541 | 118,468 | 80,092 |
| Membership sales | 803,165 | 1,860,566 | 1,907,928 |
| Other | <u>983,460</u> | <u>1,036,943</u> | <u>789,320</u> |
| | <u>2,860,983</u> | <u>4,540,120</u> | <u>4,815,394</u> |
| Cost of revenues: | | | |
| Sales of franchises and royalties | 483,074 | 609,945 | 366,253 |
| Product sales and other | 73,730 | 116,736 | 56,500 |
| Membership sales | <u>2,778</u> | <u>6,028</u> | <u>27,023</u> |
| Total cost of revenues | <u>559,582</u> | <u>732,709</u> | <u>449,776</u> |
| Gross profit | 2,301,401 | 3,807,411 | 4,365,618 |
| General and administrative expenses | <u>2,833,176</u> | <u>3,711,653</u> | <u>5,016,587</u> |
| Income (loss) from operations | (531,775) | 95,758 | (650,969) |
| Other income (expense): | | | |
| Gain on loan extinguishment | 897,317 | - | - |
| Other, net | <u>(28,075)</u> | <u>54,351</u> | <u>(237,843)</u> |
| Income (loss) before income taxes | 337,467 | 150,109 | (888,812) |
| Income tax (benefit) expense | <u>167,186</u> | <u>39,766</u> | <u>(117,590)</u> |
| Net income (loss) | <u>\$ 170,281</u> | <u>110,343</u> | <u>(771,222)</u> |

See accompanying notes to financial statements.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Statements of Stockholder's Equity

Years Ended December 31, 2021, 2020, and 2019

| | Common Stock | Accumulated Deficit | Total Stockholder's Equity |
|-------------------------------|---------------------|------------------------|----------------------------------|
| Balances at January 1, 2019 | \$ 1,550,732 | (29,572) | 1,521,160 |
| Dividends declared | - | (33,749) | (33,749) |
| Net loss | <u>-</u> | <u>(771,222)</u> | <u>(771,222)</u> |
| Balances at December 31, 2019 | 1,550,732 | (834,543) | 716,189 |
| Dividends declared | - | - | - |
| Net income | <u>-</u> | <u>110,343</u> | <u>110,343</u> |
| Balances at December 31, 2020 | 1,550,732 | (724,200) | 826,532 |
| Dividends declared | - | (100,000) | (100,000) |
| Net income | <u>-</u> | <u>170,281</u> | <u>170,281</u> |
| Balances at December 31, 2021 | <u>\$ 1,550,732</u> | <u>(653,919)</u> | <u>896,813</u> |

See accompanying notes to financial statements.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Statements of Cash Flows

Years Ended December 31,

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|------------------|
| Cash flows from operating activities: | | | |
| Net income (loss) | \$ 170,281 | 110,343 | (771,222) |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | | |
| Gain on loan extinguishment | (897,317) | - | - |
| Allowance for doubtful accounts | 224,802 | 511,712 | 92,619 |
| Depreciation and amortization | 50,573 | 51,014 | 99,791 |
| Deferred income taxes | 160,323 | 4,661 | (95,238) |
| Loss on sale of intellectual property | - | - | 190,205 |
| Changes in operating assets and liabilities: | | | |
| Accounts and notes receivable, net | (331,429) | (770,920) | (98,764) |
| Prepaid expenses | 47,400 | 111,737 | (80,038) |
| Other assets | 32,961 | 34,081 | 15,755 |
| Due from related parties | 383,083 | (275,826) | (355,782) |
| Accounts payable and accrued expenses | 128,798 | (180,367) | (193,261) |
| Income taxes payable | (4,374) | 19,422 | 9,648 |
| Deferred revenues | (40,167) | 50,452 | 21,957 |
| Due to related parties | (491,089) | (103,966) | 460,444 |
| Net cash used in operating activities | <u>(566,155)</u> | <u>(437,657)</u> | <u>(703,886)</u> |
| Cash flows from investing activities: | | | |
| Purchases of property and equipment | <u>(89)</u> | <u>(2,523)</u> | <u>(328,649)</u> |
| Net cash used in investing activities | <u>(89)</u> | <u>(2,523)</u> | <u>(328,649)</u> |
| Cash flows from financing activities: | | | |
| Proceeds from long-term debt | 364,485 | 532,832 | - |
| Dividends paid | <u>(100,000)</u> | <u>-</u> | <u>(33,749)</u> |
| Net cash provided by (used in) financing activities | <u>264,485</u> | <u>532,832</u> | <u>(33,749)</u> |
| Net increase (decrease) in cash | (301,759) | 92,652 | (1,066,284) |
| Cash at beginning of year | <u>379,180</u> | <u>286,528</u> | <u>1,352,812</u> |
| Cash at end of year | <u>\$ 77,421</u> | <u>379,180</u> | <u>286,528</u> |
| Supplemental disclosure of cash flow information: | | | |
| Cash paid during the period for interest | <u>\$ -</u> | <u>13</u> | <u>16</u> |
| Cash paid (received) during the period for income taxes | <u>\$ 11,237</u> | <u>15,683</u> | <u>(32,000)</u> |

See accompanying notes to financial statements.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements

December 31, 2021, 2020 and 2019

(1) Summary of Significant Accounting Policies

(a) Description of Business

Curves NA, Inc. (a wholly-owned subsidiary of Curves DF Holdings, Inc.) (the “Company”), a Texas corporation, franchises the right to open and operate a thirty minute fitness and weight-loss club under the Curves trade names, trademarks and system of operating procedures.

(b) Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(c) Notes Receivable

The Company occasionally provides partial financing to Curves franchisees for their franchise fee and equipment. The Company recognizes interest income on notes receivable as earned. The allowance for doubtful notes receivable represents the Company’s estimate of potential notes receivable write-offs associated with recognized revenue based on historical trends and factors surrounding the credit risk of specific franchisees. The Company writes off notes receivable when franchises have resold or are terminated and other means for collection have been exhausted. Payments subsequently collected are credited back to provision for doubtful accounts in the period the payments are received.

(d) Accounts Receivable

The Company’s accounts receivable are primarily due from franchisees for monthly royalty fees, for amounts due under Master Franchise Agreements and for amounts due from third party companies from which the Company receives a commission.

The allowance for doubtful accounts receivable represents the Company’s estimate of potential accounts receivable write-offs associated with recognized revenue based on historical trends and factors surrounding the credit risk of specific franchisees. The Company writes off accounts receivable when franchises have resold or are terminated and other means for collection have been exhausted. Payments subsequently collected are credited back to provision for doubtful accounts in the period the payments are received.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies (continued)

(d) Accounts Receivable (continued)

Allowances for doubtful accounts were \$372,076 and \$490,618 as of December 31, 2021 and 2020, respectively.

(e) Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

During 2019, certain long-lived assets were disposed of and a loss of \$190,205 was recognized at that time. Amortization expense related to these assets in the amount of \$78,830 was charged to operations in 2019.

(f) Property and Equipment

Property and equipment are recorded at cost. Repairs and maintenance costs that do not substantially increase the useful lives of the property and equipment are expensed as incurred. Depreciation expense is provided using the straight-line method over the estimated useful lives of the related assets.

(h) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(h) Income Taxes (continued)

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expenses.

(i) Revenue Recognition

The Company's revenues are comprised of franchise, product, and membership revenue. Franchise revenues consist primarily of royalties, initial and successor franchise fees, transfer fees, and other fees and commission income. The Company's primary performance obligation under the franchise license is granting certain rights to use the Company's intellectual property, and all other services the Company provides under the franchise agreement are highly interrelated, not distinct within the contract, and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to use intellectual property over the term of each franchise agreement.

Initial and successor franchise fees, as well as transfer fees, are recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties, including franchisee contributions to national advertising funds, are calculated as a percentage of franchise monthly dues and annual fees over the term of the franchise agreement. Initial and successor franchise fees are payable by the franchisee upon signing a new franchise agreement or successor franchise agreement, and transfer fees are paid to the Company when one franchisee transfers a franchise agreement to a different franchisee. The franchise royalties represent sales-based royalties that are related entirely to the performance obligation under the franchise agreement and are recognized as franchise sales occur.

The Company recognizes commission income from certain of its franchisees' use of certain preferred vendor arrangements. Commissions are recognized when amounts have been earned and collectability from the vendor is reasonably assured.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies (continued)

(i) Revenue Recognition (continued)

Membership fees are derived from the sale of weight loss and maintenance programs under contracts which entitle the customer to participate in the program. Membership fees collected are either recognized into revenue in the month earned for monthly membership arrangements or deferred and recognized as revenue on a straight-line basis over the shorter of the contract term or expected customer membership period. Membership revenue received but not recognized in income is recorded as deferred revenue in the accompanying balance sheets.

The Company sells and delivers equipment purchased from third-party equipment manufacturers to U.S. based franchisee-owned stores. Revenue is recognized upon transfer of control of ordered items, generally upon delivery to the customer, which is when the customer obtains physical possession of the goods, legal title is transferred, the customer has all risks and rewards of ownership and an obligation to pay for the goods is created. Franchisees are charged for all freight costs incurred for the delivery of equipment. Freight revenue is recorded within equipment revenue and freight costs are recorded within cost of revenue.

All revenue amounts are recorded net of applicable sales tax.

(j) Deferred Revenue

Franchise deferred revenue results from initial and successor franchise fees, as well as transfer fees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement.

(k) Advertising Costs

Advertising costs consist primarily of television, print, and digital media and are expensed in the period incurred. Advertising expenses are included within general and administrative expenses and totaled \$264,066, \$142,143 and \$238,493 for the years ended December 31, 2021, 2020 and 2019, respectively.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies (continued)

(l) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the valuation allowances for receivables.

(2) Current Operating Environment

The COVID-19 pandemic has caused unprecedented economic volatility and uncertainty, which has negatively impacted recent operating results. In response to the COVID-19 pandemic, the Company proactively worked with franchisees to mitigate the negative financial impact they incurred that resulted from the closure of their clubs as required by local guidelines. The Company has experienced a significant decrease in cash flows from operations and continues to expect to experience decreased royalty income, new franchisee development, as well as decreased equipment sales for 2022 as a result of the COVID-19 pandemic.

The Company's franchisees continue to reopen clubs as local authorities issue guidelines authorizing the reopening of fitness centers. As clubs requested further assistance, the Company deferred revenues for clubs. As clubs reopened the Company has recognized franchise revenue. The Company continues to defer revenue for clubs that have not yet reopened.

Management of the Company has applied for a refund under the Employee Retention Credit (ERC) program, which was created by the U.S. Congress under the Coronavirus Aid, Relief, and Economic Security Act. Management expects to receive approximately \$300,000 from the refund. However, these funds may not be received until the beginning of 2023. As a result, the Company has implemented certain cost cutting measures in order to operate the Company at a break-even position until the funds have been received.

In addition, management of Curves DF Holdings, Inc., the parent entity of the Company, has confirmed that they will provide sufficient financial support as needed by the Company.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(2) Current Operating Environment (continued)

Based on current expectations and currently available information, management believes that these efforts provide the Company with the ability to continue as a going concern for at least the next twelve months from the date at which the financial statements were available to be issued.

(3) Accounts and Notes Receivable

Accounts and notes receivable at December 31, 2021 and 2020 consists of the following:

| | 2021 | 2020 |
|---|------------|-----------|
| Franchisee accounts receivable | \$ 435,497 | 545,995 |
| Franchisee notes receivable | 11,151 | 20,181 |
| Other receivables | 385,489 | 277,876 |
| Total accounts and notes receivable | 832,137 | 844,052 |
| Less: allowance for doubtful accounts and notes receivable | (372,076) | (490,618) |
| Accounts and notes receivable, net | \$ 460,061 | 353,434 |

(4) Property and Equipment

Property and equipment consisted of the following at December 31, 2021 and 2020:

| | 2021 | 2020 |
|------------------------------------|------------|----------|
| Furniture, fixtures, and equipment | \$ 78,014 | 78,014 |
| Leasehold improvements | 47,710 | 47,710 |
| Software | 266,948 | 266,859 |
| Construction in progress | - | - |
| Total property and equipment | 392,672 | 392,583 |
| Less: accumulated depreciation | (121,440) | (70,867) |
| Property and equipment, net | \$ 271,232 | 321,716 |

Depreciation expense on property and equipment was \$50,573, \$51,014 and \$20,961 for the years ended December 31, 2021, 2020 and 2019, respectively.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(5) Note Payable

On April 5, 2020 and February 12, 2021, the Company received \$532,832 and \$364,485, respectively, in funding from the Paycheck Protection Program through the U.S. Small Business Administration to assist with certain enumerated expenses incurred as part of relief efforts related to COVID-19. In 2021, the Company was granted forgiveness of the entire loan amount and accrued interest for both loans. A gain on loan extinguishment of \$897,317 was recognized to income at that time. The notes payable balance was \$-0- and \$532,832 at December 31, 2021 and 2020, respectively.

(6) Revenue Recognition

Contract liabilities consist of deferred revenue resulting from initial and successor franchise fees, as well as transfer fees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement. The following table reflects the change in contract liabilities:

| | <u>Contract Liabilities</u> |
|---|---------------------------------|
| Balance at January 1, 2020 | 123,838 |
| Revenue recognized in 2020 | (34,669) |
| Increase, excluding amounts recognized as revenue during this period | <u>85,121</u> |
| Balance at December 31, 2020 | \$ 174,290 |
| Revenue recognized in 2021 | (47,667) |
| Increase, excluding amounts recognized as revenue during this period | <u>7,500</u> |
| Balance at December 31, 2021 | \$ <u><u>134,123</u></u> |

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(6) Revenue Recognition (continued)

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2021. The Company has elected to exclude short term contracts, sales and usage based royalties and any other variable consideration recognized on an "as invoiced" basis.

| Contract liabilities to be recognized in: | Amount |
|---|-------------------|
| 2022 | \$ 34,674 |
| 2023 | 12,103 |
| 2024 | 12,103 |
| 2025 | 10,937 |
| 2026 | 9,313 |
| Thereafter | <u>54,993</u> |
| Total | <u>\$ 134,123</u> |

(7) Income Taxes

The components of the provision (benefit) for income taxes are as follows for the periods ended December 31, 2021, 2020 and 2019:

| | 2021 | 2020 | 2019 |
|------------------------------|-------------------|---------------|------------------|
| Current: | | | |
| Federal | \$ - | (1,948) | (28,910) |
| State | 2,251 | 29,100 | 8,806 |
| Foreign | <u>4,612</u> | <u>7,953</u> | <u>(2,248)</u> |
| | 6,863 | 35,105 | (22,352) |
| Deferred: | | | |
| Federal | <u>160,323</u> | <u>4,661</u> | <u>(95,238)</u> |
| Income tax (benefit) expense | <u>\$ 167,186</u> | <u>39,766</u> | <u>(117,590)</u> |

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(7) Income Taxes (continued)

The tax effects of temporary differences that give rise to the deferred tax asset at December 31, 2021 and 2020 consist of the following:

| | 2021 | 2020 |
|---------------------------------|------------|----------|
| Net operating loss carryforward | \$ 482,475 | 137,595 |
| Allowance for doubtful accounts | 78,136 | 103,030 |
| Deferred revenues | 28,166 | 36,601 |
| Basis of property and equipment | (56,959) | (67,560) |
| Less valuation allowance | (482,475) | - |
| Total net deferred tax asset | \$ 49,343 | 209,666 |

The net change of the valuation allowance was an increase of \$482,475 in 2021. The valuation allowance at December 31, 2021, was related to net operating losses that, in the judgment of management, are not more-likely-than-not to be realized. In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryforward periods), projected future taxable income, and tax planning strategies in making this assessment.

The Company had a net operating loss carryforward for federal income tax purposes of \$2,297,500 and \$655,216 at December 31, 2021 and 2020, respectively, that is available to offset future federal taxable income.

(8) Related Party Transactions

From time to time, the Company may make payments on behalf of affiliated entities. In addition, affiliated entities may make payments on behalf of the Company. In addition, the Company began charging management fees in 2019 for services provide to two other subsidiaries of Curves DF Holdings, Inc. Management fees earned in 2021, 2020, and 2019 were \$495,872, \$470,401, and \$284,055, respectively. Amounts to be reimbursed to the Company from affiliates was \$488,163 and \$871,246 at December 31, 2021 and 2020, respectively. Amounts due to affiliates was \$-0- and \$491,089 at December 31, 2021 and 2020, respectively.

Curves NA, Inc.
(A Subsidiary of Curves DF Holdings, Inc.)

Notes to Financial Statements
(Continued)

(9) Defined Contribution Plan

The Company offered a 401(k) profit sharing and savings plan that covered substantially all employees. The Company recognized expenses related to the plan for the periods ended December 31, 2021, 2020 and 2019 of \$-0-, \$19,856 and \$27,770, respectively. The plan was terminated effective September 1, 2020.

(10) Commitments and Contingencies

The Company is subject to claims and lawsuits that arose primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, results of operations and cash flows of the Company. Events could occur that would change this estimate materially in the near term.

(11) Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through May 11, 2022, the date at which the financial statements were available to be issued, and determined there are no other items to disclose.

EXHIBIT B
FRANCHISE AGREEMENT

EXHIBIT C

PERSONAL GUARANTY

PERSONAL GUARANTY OF FRANCHISE AGREEMENT

This PERSONAL GUARANTY OF FRANCHISE AGREEMENT ("Guaranty Agreement") is entered into by _____, individually, whose principal address is _____ ("Guarantor").

WHEREAS, Curves NA, Inc. ("Curves") and _____ ("Corporate Entity") entered into a Franchise Agreement pursuant to which Curves granted the Corporate Entity a license to use Curves' trademarks, confidential business practices, trade secrets, proprietary information, related business processes, training methods and equipment in the operation of a thirty minute fitness and weight-loss club for a geographic area described in Exhibit A as the _____ area (hereinafter referred to as "Franchise Agreement"); and

WHEREAS, Guarantor is an owner, manager, officer and/or director of the Corporate Entity and acknowledges the benefits received by Guarantor from the Franchise Agreement; and

WHEREAS, to induce Curves to enter into the Franchise Agreement with the Corporate Entity, Guarantor has agreed to unconditionally enter into this Guaranty Agreement; and

WHEREAS, in consideration of Curves entering into the Franchise Agreement with the Corporate Entity, Guarantor promises and agrees to unconditionally and absolutely guarantee to Curves that Guarantor shall pay to Curves all monies owed under the Franchise Agreement, assume any and all obligations, covenants, conditions and liabilities as the Franchisee under the Franchise Agreement and fulfill and perform all obligations, covenants, warranties, non-competition covenants and all other terms and conditions as set forth in the Franchise Agreement.

NOW, THEREFORE, in consideration as cited herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor agrees as follows:

1. Guarantor hereby unconditionally accepts the Franchise Agreement in its present form including all obligations, covenants, conditions, liabilities, warranties, non-competition covenants, terms, etc.; and
2. Guarantor hereby unconditionally and absolutely individually guarantees to Curves the performance of and compliance with all obligations, covenants, warranties, non-competition covenants and all other terms and conditions as set forth in the Franchise Agreement; and
3. Guarantor shall promptly pay all royalties, advertising fees, late charges and any other financial obligations under the Franchise Agreement; and
4. Guarantor hereby unconditionally and absolutely individually guarantees to Curves the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, any and all indebtedness, liabilities and obligations of the Franchise Agreement, together with interest and collection costs as are provided for in the Franchise Agreement; and
5. Curves shall not be required to pursue any other remedies before invoking the benefits of Guarantor's guaranty herein; especially, without limitation, Curves shall not be required to commence, pursue or exhaust any remedy against the Corporate Entity and/or any of the Corporate Entity's partners, owners, managers, shareholders or members; and
6. Should the legal status of the Corporate Entity change or the Corporate Entity ceases to exist through any means, whether by sale, dissolution, bankruptcy, etc., Guarantor shall continue to remit and also cover all payments due under the Franchise Agreement and other payments of the Corporate Entity under the new status and perform and comply with all obligations, covenants, warranties, non-competition covenants and other terms and conditions as set forth in the Franchise Agreement, according to the terms hereof, guaranteeing the performance of the terms, conditions and obligations in the Franchise Agreement; and

7. In the event of a merger, sale or reorganization of or with the Corporate Entity, Guarantor specifically agrees that this Guaranty Agreement will be a surviving agreement, as well as the liability of any merger, sale or reorganization of or with the Corporate Entity; and
8. In the event any payment by the Corporate Entity to Curves is held to constitute a preference under the bankruptcy laws, or, if for any other reason Curves is required to refund such payment or pay the amount thereof to any other party, such payment by the Corporate Entity to Curves shall not constitute a release of Guarantor from any liability hereunder, and Guarantor agrees to pay such amount to Curves on demand; and
9. Guarantor agrees that Curves, at its sole discretion, and the Corporate Entity may from time to time amend the Franchise Agreement and the exercise of, or failure to exercise, such right to amend the Franchise Agreement shall in no way impair or diminish the obligations of Guarantor hereunder; and
10. This Guaranty Agreement shall inure to the benefit of any transferee, assignee, heir and successor in interest of Curves. Curves, as used herein, shall mean and include any successor to Curves or any such heir, transferee, assignee or subsequent owner.
11. The provisions of this Guaranty Agreement shall not be interpreted to allow the status of the Corporate Entity or Guarantor's ownership interests in the Franchise Agreement to be altered without strict compliance with the terms of the Franchise Agreement.
12. Each person executing this Guaranty Agreement on behalf of any of the parties hereto represents and warrants that he/she has been fully empowered to execute this Guaranty Agreement and that all necessary action for the execution of this Guaranty Agreement has been taken. Further, that each person executing this Guaranty Agreement on behalf of any of the parties hereto represents and warrants that he/she has had the opportunity to have this Guaranty Agreement reviewed by counsel of his/her choice and has fully been advised by counsel of his/her choice regarding this Guaranty Agreement.
13. If any provision of this Guaranty Agreement shall for any reason be held to violate any applicable law, governmental rule or regulation, or if any provision of this Guaranty Agreement is held to be unenforceable or unconscionable, then the invalidity of such specific provisions herein shall not be held to invalidate the remaining provisions of this Guaranty Agreement.
14. Guarantor agrees that to take any and all necessary steps, sign and execute any and all necessary documents, agreements or instruments that are or will be required to implement the terms of this Guaranty Agreement, and Guarantor shall refrain from taking any action, either expressly or impliedly, which would have the effect of prohibiting or hindering the enforcement of this Guaranty Agreement.
15. Guarantor agrees that this Guaranty Agreement is performable in McLennan County, Texas and Guarantor waives the right to be sued elsewhere and agree that this Guaranty Agreement and its application will be governed by the laws of the State of Texas. In the event of a default or dispute, Guarantor agrees that any dispute procedures or requirements under the Franchise Agreement and the venue as provided in the Franchise Agreement shall apply to this Guaranty Agreement. Guarantor further hereby waives all questions of personal jurisdiction for the purposes of carrying out this provision and specifically consents to jurisdiction in McLennan County, Texas.
16. If an action is commenced in connection with the enforcement of any provision of this Guaranty Agreement, Guarantor agrees to pay Curves reasonable costs and expenses, including attorney's fees, in the event Curves prevails on most issues regarding this Guaranty Agreement.
17. This Guaranty Agreement may be executed in any number of counterparts and by Guarantor on separate counterparts, each of which, when so executed and delivered, shall be deemed an original and all of which

taken together constitute but one and the same instrument.

THIS GUARANTY AGREEMENT is effective as of the _____ day of _____, _____.

GUARANTOR:

Name, Individually

THE STATE OF _____ ' '
COUNTY OF _____ ' '

BEFORE ME, the undersigned authority, on this day personally appeared _____, proven to me to be the person whose name is subscribed to the foregoing Personal Guaranty of Franchise Agreement and he/she acknowledged to me that he/she executed this Personal Guaranty of Franchise Agreement for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, _____.

NOTARY PUBLIC IN AND FOR THE STATE OF _____

EXHIBIT D

PROMISSORY NOTE AND SECURITY AGREEMENT

CURVES NA, INC.
SECURED PROMISSORY NOTE

\$ _____

Date: _____, 20__

The undersigned ("Franchisee"), for value received, jointly and severally promises to pay to the order of Curves NA, Inc., a Texas corporation ("Franchisor"), at 400 Schroeder Drive, Waco, Texas 76710 or at such other place as Franchisor periodically may designate in writing, the principal sum of \$_____, together with interest computed at a rate of ____% on the unpaid balance of the principal and interest, on or before _____, 20__ (the "Maturity Date").

Franchisee acknowledges that the principal amount of this Secured Promissory Note ("Note") arose under and remains due under the *Curves*® Franchise Agreement between Franchisor and Franchisee, dated _____, 20__ (the "Franchise Agreement") pursuant to which Franchisee operates a *Curves*® club (the "Franchisee's Club"), and that Franchisor's acceptance of this Note does not represent a cure, satisfaction, or discharge of any of Franchisee's obligations under the Franchise Agreement, and does not represent a waiver or relinquishment of any rights or remedies that Franchisor may have under the Franchise Agreement.

Commencing on the date noted above, Franchisor agrees to loan to Franchisee the principal sum of \$_____ together with interest at the fixed rate of ____% per annum. Franchisee agrees to pay the unpaid principal balance and all accrued interest on or before the Maturity Date in 24 monthly payments beginning on the ____ day of the month following the date of this Note. Specifically, interest shall accrue immediately on a monthly basis from the date of this Note until the Maturity Date. All accrued interest will be due on a monthly basis beginning _____, 20__, and will be payable each calendar month thereafter until the Maturity Date. Franchisee agrees to repay the principal sum in monthly installment payments beginning _____, 20__, and continuing each month thereafter until the Maturity Date. A payment schedule is attached and may be adjusted from time to time in the event Franchisee prepays or is late in paying any amount due under this Note.

The entire unpaid principal balance and all accrued but unpaid interest under this Note will be immediately due and payable as a balloon payment upon the earlier of: (1) the expiration of the Franchise Agreement; (2) the termination of the Franchise Agreement; or (3) a "transfer" occurs (as defined in the Franchise Agreement).

Franchisee may prepay this Note in whole at any time, or in part from time to time, without penalty. Each such prepayment will be applied first against accrued interest and the balance, if any, to the reduction of principal. Franchisor's failure or delay to exercise any right or remedies hereunder or afforded by applicable law will not operate as a waiver thereof. Such failure or delay will not be construed as a bar to or waiver of such right or remedy on a future occasion.

Franchisee agrees to pay all costs of collecting or enforcing payment or performance under this Note, together with reasonable attorneys' fees and legal expenses at any time paid or incurred by Franchisor, whether suit be brought or not.

Franchisee waives presentment, protest and demand, delinquency, notice of protest, demand and dishonor, and any other notice otherwise required to be given by law in connection with the delivery, acceptance, performance, default, enforcement or collection of this Note, and expressly agrees that this Note, or any payment hereunder, may periodically be extended or subordinated, without affecting the liability of Franchisee.

Any default by Franchisee under the Franchise Agreement after the date of this Note will constitute a default under this Note. Any default under this Note will constitute a default under the Franchise Agreement. If any default by Franchisee occurs under this Note, or any default by Franchisee occurs under the Franchise Agreement and such default is not cured under the terms thereof, the entire principal balance and accrued but unpaid interest under this Note will immediately become due and payable at Franchisor's option. Upon any acceleration of the principal balance under this Note due to a default under the Note or the Franchise Agreement, interest will accrue on all unpaid

amounts from the date of acceleration at a rate of 18% per annum or the maximum rate permitted by law, whichever is less, until the entire principal balance and all accrued but unpaid interest is paid.

To secure Franchisee’s payment of the Note and Franchisee’s performance of its obligations hereunder, Franchisee grants to Franchisor a security interest in and to Franchisee’s inventory, chattel paper, equipment, general intangibles, furniture, fixtures, machinery and all other business assets; whether owned now or acquired later; and all additions, located at or arising from transactions related to the Club, all policies of insurance covering such assets and all proceeds thereof.

This Note is guaranteed pursuant to a Personal Guarantee, Indemnification and Acknowledgment (the “Guaranty”) provided by Franchisee and _____ upon the execution of the Franchise Agreement. This Note may not be amended or modified, and no waiver of any provision hereof will be effective, except by an instrument in writing signed by the party against whom enforcement of any amendment, modification, or waiver is sought. If Franchisee consists of two or more individuals, the liability of each individual will be joint and several.

This Note is governed by the laws of the State of Texas.

Franchisee has caused this Note to be made and executed as of the date first above written.

FRANCHISEE:

_____, Individually

_____, Individually

or

[Name of Franchisee Entity]

By: _____

Its: _____

PAYMENT SCHEDULE

| | | | | | |
|----------------------|-------------------------|------------------|-----------------|------------------------------|-----------------------------------|
| Loan Amount | \$ _____ | | | | |
| Interest Rate | ____ % | | | | |
| Date of Loan | _____, 20__ | | | | |
| | | | | | |
| Payment | Payment Due Date | Principal | Interest | Total Monthly Payment | Loan Balance After Payment |
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EXHIBIT E
BANK DRAFT AUTHORIZATION FORM



CURVES NA, INC.
DEBIT AUTHORIZATION FORM

I (we) authorize Curves NA, Inc. ("CURVES") to electronically debit my (our) account (and, if necessary, electronically credit my (our) account to correct erroneous debits) as follows:

☐ Checking Account / ☐ Savings Account (select one) at the depository financial institution named below ("DEPOSITORY"). I (we) agree that ACH transactions I (we) authorize comply with all applicable law.

Franchise Number *(if applicable)* _____

Financial Institution Name _____

Routing Number _____

Account Number _____

I authorize Curves NA, Inc. to automatically withdraw from my account above any and all payments for initial franchise fees, royalties, advertising fees, and other fees due to Curves NA Inc. and any products I purchase for the Curves franchise.

I (we) understand that this authorization will remain in full force and effect until I (we) notify Curves NA, Inc. in writing to Accounts Receivables at 400 Schroeder Drive, Waco, TX 76710 that I (we) wish to revoke this authorization. I (we) understand that Curves NA, Inc. requires at least **30** days prior written notice in order to cancel this authorization.

Name(s) on Account _____
(Please Print)

Date _____

Signature(s) _____

EXHIBIT F
TRANSFER OF SERVICE AGREEMENT

(Name of Telephone Company)

(Address)

TRANSFER OF SERVICE AGREEMENT

In the event my *Curves* franchise business is discontinued for any reason, I hereby release the use of the following telephone number(s) used in conjunction with said business to CURVES NA, INC., or its designee: _____

(Present Customer's Signature)

(Date)

SWORN AND SUBSCRIBED before me by the said _____ on the _____ day
of _____, 20____.

Notary Public, State of _____

I hereby assume all charges outstanding, either billed or unbilled, including White Pages directory charges, on the telephone number(s) listed above.

(New Customer's Signature)

(Date)

SWORN AND SUBSCRIBED before me by the said _____ on the _____ day
of _____, 20____.

Notary Public, State of _____

EXHIBIT G

**SAMPLE COPY OF TERMINATION OF LICENSE AGREEMENT
AND MUTUAL RELEASE DOCUMENT**

TERMINATION OF LICENSE AGREEMENT AND MUTUAL RELEASE

This TERMINATION OF LICENSE AGREEMENT AND MUTUAL RELEASE ("Termination Agreement") is entered into by and between **CURVES NA, INC.**, a Texas corporation having its principal address at 400 Schroeder Drive, Waco, Texas 76710, its subsidiaries and affiliates (hereinafter collectively referred to as "Licensor"), and _____, individually, residing at ____ (hereinafter referred to as "Licensee").

WHEREAS Licensor and Licensee entered into a license agreement dated as of _____ (the "Agreement") pursuant to which Licensor granted Licensee a license to use Licensor's trademarks, related processes and equipment in the operation of a thirty-minute fitness and weight-loss club and for a geographic area described in Exhibit A as the ____ (the "Licensed Business"); and

WHEREAS, on the terms set forth below, Licensor and Licensee desire to terminate and cancel the Agreement, and both parties desire to release one another from all obligations under the Agreement, except as hereinafter specifically reserved, and release one another of and from any and all claims, demands or causes of action as set out herein.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Licensor and Licensee agree as follows:

1. Termination. The Agreement is hereby terminated by mutual agreement and Licensee hereby releases and assigns to Licensor and Licensor accepts assignment of all rights under the Agreement.

2. Consideration and Representations of Licensor. In consideration of the releases granted herein, the representations of Licensee herein and the payment by Licensee to Licensor of ____ and NO/100'S DOLLARS (\$____) and other valuable consideration, upon execution of this Termination Agreement, Licensor shall terminate the Agreement and release Licensee from all obligations under the Agreement except those obligations listed herein and those that expressly survive the termination of the Agreement.

3. Consideration and Representations of Licensee. In consideration of the releases granted herein, the representations of Licensor herein and termination of the Agreement, Licensee shall:

a. not communicate, divulge or use for itself or for the benefit of any other person, persons, partnership, association, corporation or entity any information, knowledge or know-how concerning Licensor's manuals and system; and

b. except as provided by any other license agreement between Licensor and Licensee in effect at the time of execution of this Termination Agreement or thereafter, Licensee shall cease to use any trademarks of Licensor or any confusingly similar name, device, mark, service mark, trademark, trade name, slogan or symbol used in connection with the Licensed Business, including any reproduction, counterfeit copy, variation, emulation or colorable imitation thereof which is likely to cause confusion or mistake or deceive the public; and take any steps necessary to change the name of any corporation or entity which Licensee may have formed, or under this Licensee trades or does business, so that the name will not likely be confused with any trademarks of Licensor; and

c. immediately return to Licensor the Confidential Operations Manual if Licensee has received such, or any other operations manual loaned to it, together with all materials containing Licensor's trade secrets or trademarks; and

d. immediately cease to use any of Licensor's systems and methods of operation and comply with the post-term covenants contained in Section 22B in the Agreement; and

e. forfeit to Licensor all equipment and other usable items bearing trademarks of Licensor; and,

f. promptly make such removals or changes in signs and the building so as to effectively distinguish the building and premises from its former appearance and from any other Licensor club. In the event Licensee fails to make the changes, Licensee consents to Licensor entering the building and premises to make non-structural changes at Licensee's expense; and

g. if applicable, promptly assign to Licensor any interest that Licensee may have in the telephone number and telephone listing used by Licensee in connection with the operation of the Licensed Business. Licensee shall promptly transfer all telephone calls by call-forwarding to Licensor, or to such other party or entity as Licensor shall direct; to execute any such instruments and take such actions as Licensor may deem necessary to affect such transfer and call-forwarding of telephone calls. Licensee acknowledges that the Agreement is conclusive evidence of Licensor's rights to such telephone number and directory listings and its authority to direct this transfer; and

h. promptly assign and deliver to Licensor, at Licensee's expense, any and all check drafts for any and all memberships, any and all membership lists, past and present, and any and all leads for potential members for the Licensed Business. Licensee shall not duplicate any membership lists or leads, past or present, used in any manner with the Licensed Business, and after deliverance of said materials to Licensor, Licensee shall destroy any and all copies of membership lists, leads and check drafts used in any manner with the Licensed Business; and

i. promptly pay all sums and debts owing to all third-party creditors of the Licensed Business, as well as to Licensor, whether such sums and debts owing to Licensor are evidenced by promissory note, invoice, bill or other writing and notwithstanding the fact that such sums and debts owing to Licensor may not at that time be fully due and payable, such debts being accelerated automatically without further notice to Licensee; and

j. satisfactorily resolve any customer disputes or reimburse Licensor or any franchisee who does so for the reasonable cost of such services.

4. **Mutual Releases.** Licensor does hereby fully release and forever discharge Licensee, his/her heirs, executors, representatives, successors and assigns of and from any and all liability and obligations arising out of or in any way connected with the Agreement, except for any fees that become due pursuant to the Agreement during the month of the execution date of this Termination Agreement; and, except the provisions of this Termination Agreement and Section 16 of the Agreement, which Licensor might or could have against Licensee.

Licensee, his/her heirs, executors, representatives, successors and assigns do hereby fully, unconditionally and absolutely release and forever discharge Licensor, its respective officers, directors, stockholders, attorneys, employees, parent, subsidiaries, affiliates, agents, successors and assigns, from and against any and all claims, actions, causes of action, liabilities, tort claims, good faith and fair dealing claims, distributor claims, demands, damages, costs, suits, debts, covenants, controversies, attorneys' fees and other charges, accrued or which may ever accrue, whether based in contract or tort, whether known or unknown, liquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal or equitable, which the Licensee has, have had or may have, which relate to or arise out of any and all franchise relationships, whether open or closed; any agreement of any kind or type to specifically include but not be limited to any and all franchise agreements; any offer and sale of any franchise; and/or, any development and operation of any franchise, whether open or closed, with the Licensor. Any claims, causes of action, liabilities, obligations, tort claims, or damages of any and every kind, of whatever nature, whether known or unknown, accrued or which may ever accrue, whether based on contract, tort or statute, arising from or in any way related to Licensee and/or any and all franchise relationships; any agreement of any kind or type; any

offer and sale of any franchise; and/or, any development and operation of any franchise with Licensor which are not released as a result of this Termination Agreement are hereby assigned to the Licensor by Licensee.

5. Non-Compete. Licensee hereby acknowledges and recognizes the highly competitive and confidential nature of Licensor's business and the fact that as a franchisee, Licensee has been exposed to all of Licensor's systems, information, methods and trade secrets; and, for the consideration of releasing Licensee from any outstanding and future obligations of Licensee pursuant to the Agreement, except as provided by any other License Agreement between Licensor and Licensee in effect at the time of execution of this Termination Agreement or thereafter and except as herein specifically reserved, Licensee agrees to abide by Section 22 in that Licensee shall not, directly or indirectly, as a proprietor, partner, investor, shareholder, member, director, officer, employer, employee, principal, agent, adviser, franchisor, franchisee, consultant or in any other individual or representative capacity or otherwise for a period of two (2) years immediately following the execution of this Termination Agreement:

- a. engage in or participate in or derive any benefit from any similar business to that licensed and established under and pursuant to the Agreement within ten (10) miles of the area listed on Exhibit A of the Agreement; or
- b. employ or seek to employ any person who is employed by Licensor or any franchisee of Licensor, or otherwise induce or seek to induce such person to leave his or her employment; or
- c. interfere or attempt to interfere with any of the business relationships and/or advantages of Licensor or any franchisee of Licensor; or
- d. use any confidential information from Licensor's manuals or system in any manner in any similar business to that licensed and established under and pursuant to the Agreement; or
- e. use any of Licensor's trademarks or logos, or any form of these trademarks or logos, or any other mark owned by Licensor, or any confidential information from Licensor's manuals or system in any manner to engage in or participate in or derive any benefit from any similar business to that licensed and established under and pursuant to the Agreement; or
- f. divert or attempt to divert any customer or business from Licensor or any franchisee of Licensor or solicit or endeavor to obtain the business of any person who shall have been a customer of the Licensed Business.

It is expressly understood and agreed that although Licensee and Licensor consider the restrictions contained in this Section 5 reasonable for the purpose of reserving for Licensor its good will and other proprietary rights, if a final judicial determination is made by a court having jurisdiction at the time or of the territory or any other restriction contained in this Section 5 is adjudicated by such court to be unreasonable or an otherwise unenforceable restriction against Licensee, the provisions of such clause shall not be rendered void, but shall be deemed amended to apply as to such maximum time and territory and to such other extent as such court may judicially determine or indicate to be reasonable.

As to the reasonableness of the non-competition and restrictive covenants contained herein, Licensee further acknowledges and confesses that Licensee is capable of making a living and has made a living in employment areas other than those engaged in by Licensor; and, that the non-competition and restrictive covenants contained herein will not in the least manner impair or interfere with Licensee from earning a living after execution of this Termination Agreement.

6. Confidentiality and Non-Disclosure. Licensee agrees to maintain the terms of this Termination Agreement in strict confidence, and Licensee agrees that it will not disclose, disseminate, or publicize, or cause or permit to be disclosed, disseminated, or publicized, the existence or terms of this Termination Agreement,

including the consideration or any approximation or allocable amount thereof; or the fact that Licensee has entered into this Termination Agreement to any person, corporation, association, government agency, or other entity. Licensee is not, however, precluded from disclosing the terms of this Termination Agreement to their accountants, attorneys, tax preparers, any governmental or judicial authority which require disclosure of this Termination Agreement, and/or as otherwise required by law ("Permitted Recipients"). Licensee agrees all Permitted Recipients are bound by this confidentiality provision, and must execute all necessary documents with such Permitted Recipients to provide such confidentiality.

In the event that Licensee breaches the obligation of confidentiality in this Section 6, each of the parties hereto agrees that the harm that would be caused by such breach is incapable or difficult of estimation. Therefore, each of the parties hereto agrees that in the event that Licensee breaches the obligation of confidentiality in this Section 6, the Licensors will be entitled to recover from each breaching Licensee: (i) reasonable attorneys' fees and costs sustained by Licensors to seek recovery for the breach and (ii) an additional amount of liquidated damages of Ten Thousand United States Dollars (\$10,000 USD), which Licensee agrees is a reasonable forecast of just compensation for such breach in light of the reputation, principles, position, and extensive, international business dealings of Licensors.

7. Nondisparagement. Licensee agrees that it will not make any disparaging remarks about Curves, its systems, franchises, franchisees, employees or anything else connected with Curves and its affiliated Companies.

8. Survival of Rights Hereunder. Notwithstanding the releases contained herein, all rights and obligations created under this Termination Agreement will survive the execution of this Termination Agreement and the conditions, covenants, obligations, duties and releases contained herein.

9. Authority to Execute. Each person executing this Termination Agreement on behalf of any of the parties hereto represents and warrants that he or she has been fully empowered to execute this Termination Agreement, and that all necessary action for the execution of this Termination Agreement has been taken.

10. Successors and Assigns. The provisions of this Termination Agreement shall inure to the benefit of and be binding upon the heirs, successors and assigns in interest of the parties. The release herein of any claim against any party hereto will, at the option of such party, bind and inure to the benefit of the principals, agents, representatives, successors and assigns of the undersigned, and will, at the option of such party, inure to the benefit of all other persons, firms, corporations, agents, or principals against whom the claims released herein might be asserted.

11. Indemnity Regarding Assignment of Claims. Each of the parties hereto represents and warrants to each other party that it has not heretofore assigned or transferred, or purported to assign or transfer to any person, entity or corporation whatsoever, any of the claims released hereunder. Each party agrees to indemnify and hold harmless each other party against any claim, demand, debt, obligation, liability, cost, expense, right of action or cause of action based on, arising out of, or in connection with any such transfer or assignment or purported transfer or assignment.

12. Captions. The captions of the paragraphs of this Termination Agreement are solely for the convenience of the parties, are not a part of this Termination Agreement and will not be used for the interpretation of any provision of this Termination Agreement.

13. Severability. If any provision of this Termination Agreement shall for any reason be held violative of any applicable law, governmental rule or regulation, or if said agreement is held to be unenforceable or unconscionable, then the invalidity of such specific provisions herein shall not be held to invalidate the remaining provisions of this Termination Agreement.

14. Further Assurances. Each party agrees that it shall take any and all necessary steps, sign and execute any and all necessary documents, agreements or instrument which are required to implement the terms of this Termination Agreement and each party shall refrain from taking any action, either expressly or impliedly, which would have the effect of prohibiting or hindering the performance of the other party to this Termination Agreement.

15. Applicable Law, Jurisdiction and Venue. This Termination Agreement and its application will be governed by the laws of the State of Texas. In the event of a default or dispute, the parties agree that venue shall be where Licensor's principal business address is then located and Licensee waives all questions of personal jurisdiction for the purposes of carrying out this provision.

16. Costs, Expenses and Attorney's Fees. If an action is commenced between the parties in connection with the enforcement of any provision of this Termination Agreement, the prevailing party will be entitled to reasonable costs and expenses, including attorneys' fees.

17. Entire Agreement. This Termination Agreement represents the entire agreement between the parties and supersedes all prior negotiations, representations or agreements between the parties, either written or oral. This Termination Agreement may be amended only by written instrument designated as an amendment to this Termination Agreement and executed by all of the parties.

18. Counterparts. This Termination Agreement may be executed in any number of counterparts and by each of the parties on separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together constitute but one and the same instrument.

19. Effective Date. This Termination Agreement is effective as of the ____ day of _____, ____.

LICENSOR:

CURVES NA, INC.

By: _____
*, Officer

ATTEST:

LICENSEE:

*, Individually

EXHIBIT H

STATE SPECIFIC FRANCHSIE DISCLOSURE ADDENDA

NEW YORK

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

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

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective

injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

ATTACHMENT A

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

| STATE | STATE ADMINISTRATOR/AGENT | ADDRESS |
|--------------------------------------|--|--|
| California | Department of Financial Protection and Innovation | 320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 866-275-2677 |
| Hawaii (State Administrator) | Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch | 335 Merchant Street Room 205 Honolulu, HI 96813 808-586-2744 |
| Illinois | Illinois Attorney General | 500 South Second Street Springfield, IL 62706 217-782-2538 |
| Indiana (State Administrator) | Indiana Securities Commissioner Securities Division | 302 West Washington Street, Room E111 Indianapolis, IN 46204 317-232-6681 |
| Indiana (Agent) | Indiana Secretary of State | 302 West Washington Street, Room E018 Indianapolis, IN 46204 |
| Maryland (State Administrator) | Office of the Attorney General Division of Securities | 200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360 |
| Maryland (Agent) | Maryland Securities Commissioner | 200 St. Paul Place Baltimore, MD 21202-2020 |
| Michigan | Michigan Department of Attorney General Consumer Protection Division | G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933 517-373-7117 |
| Minnesota | Commissioner of Commerce Minnesota Department of Commerce | 85 7 th Place East, Suite 500 St. Paul, MN 55101-2198 |
| New York (State Administrator) | New York State Department of Law Investor Protection Bureau | 28 Liberty Street, 21 st Floor New York, New York 10005 212-416-8285 |
| New York (Agent) | Secretary of State for New York | 99 Washington Avenue Albany, NY 12231 |
| North Dakota | Securities Commissioner North Dakota Securities Department | 600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712 |
| Rhode Island | Director, Department of Business Regulation, Securities Division | 1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920 401-462-9500 |
| South Dakota | Department of Insurance Division of Securities | 124 S. Euclid, Suite 104 Pierre, SD 57501 605-773-3563 |
| Virginia (State Administrator) | State Corporation Commission Division of Securities and Retail Franchising | 1300 East Main Street, 9 th Floor Richmond, VA 23219 804-371-9051 |
| Virginia (Agent) | Clerk of the State Corporation Commission | 1300 East Main Street, 1st Floor Richmond, VA 23219-3630 |
| Washington | Department of Financial Institutions Securities Division | 150 Israel Road SW Tumwater, WA 98501 360-902-8760 |
| Wisconsin | Commissioner of Securities | Department of Financial Institutions Division of Securities 201 W. Washington Ave., Suite 300 Madison, WI 53703 608-266-8557 |

ATTACHMENT B

LIST OF OUR CURRENT FRANCHISE LOCATIONS

| Territory Name | Club Address | City | State | Zip Code | Club Phone Number |
|--|----------------------------------|------------------------|--------------|-----------------|--------------------------|
| Hazel Green/Meridianville, AL | 11365 Hwy 231/431, Ste. C | Hazel Green | AL | 35750 | 256-829-0311 |
| Montgomery, AL - East | 7730 Atlanta Highway | Montgomery | AL | 36117 | 334-272-2746 |
| Coolidge, AZ | 903 N. Arizona Blvd., Ste. A & B | Coolidge | AZ | 85128 | 520-723-1001 |
| Gilbert, AZ - West | 538 S. Gilbert Rd, #107 | Gilbert | AZ | 85296 | 480-558-1070 |
| Greenwood, AR | 20 Town Square | Greenwood | AR | 72936 | 479-996-9601 |
| Aptos, CA | 7000 Soquel Drive, Ste. 1 & 2 | Aptos | CA | 95003 | 831-688-2348 |
| Bellflower, CA | 16535 Bellflower Blvd. | Bellflower | CA | 90706 | 562-461-2860 |
| Concord, CA - South | 2962-C Treat Blvd. | Concord | CA | 94518 | 925-288-9344 |
| Dixon, CA | 1145 Pitt School Rd. #1F | Dixon | CA | 95620 | 707-678-4200 |
| Citrus Heights, CA | 8106 Madison Avenue | Fair Oaks | CA | 95628 | 916-965-7700 |
| Fresno, CA - East Central | 339 E. Shaw Avenue | Fresno | CA | 93710 | 559-221-7001 |
| Garden Grove, CA - Southwest | 11899 Valley View Street | Garden Grove | CA | 92845 | 714-893-7884 |
| Bermuda Dunes, CA | 80-150 Hwy. 111, C-10 | Indio | CA | 92201 | 760-289-2095 |
| Los Altos, CA | 2069 Grant Road | Los Altos | CA | 94024 | 650-386-6708 |
| Los Angeles, CA - Marina Del Rey South | 12740 Culver Blvd. Ste. E | Los Angeles | CA | 90066 | 310-301-6733 |
| Madera Acres, CA | 16810 Road 26 | Madera | CA | 93638 | 559-662-0234 |
| Merced, CA | 28 W. Olive Avenue | Merced | CA | 95348 | 209-722-8783 |
| Modesto, CA | 3020 Floyd Ave., Ste. 311 | Modesto | CA | 95355 | 209-622-0798 |
| Monrovia/Bradbury/Duarte, CA | 447 W. Foothill Blvd. | Monrovia | CA | 91016 | 626-303-4800 |
| Paradise, CA | 6848-G Skyway | Paradise | CA | 95969 | 530-877-8300 |
| Pasadena, CA - North | 1633 E. Washington Blvd. | Pasadena | CA | 91107 | 626-794-5294 |
| Petaluma, CA - East | 2000 Lakeville Hwy.Ste #C | Petaluma | CA | 94954 | 707-778-1777 |
| Claremont, CA | 3258 N. Garey | Pomona | CA | 91767 | 909-596-6000 |
| Prunedale, CA | 17819 Countryside Court | Prunedale | CA | 93907 | 831-663-0107 |
| Rancho Santa Margarita, CA | 29821 Aventura Avenue, Ste. B | Rancho Santa Margarita | CA | 92688 | 949-888-3540 |
| Redding, CA-West | 2485 Athens Avenue | Redding | CA | 96001 | 530-246-7211 |
| Downtown Riverside, CA | 4280 Latham Street | Riverside | CA | 92501 | 951-276-7100 |
| Roseville, CA - Southwest | 1801 Cirby Way, Ste. 6 | Roseville | CA | 95661 | 916-783-2601 |
| Sacramento, CA - Arena | 4331 Truxel Road, Ste. G-2 | Sacramento | CA | 95834 | 916-419-9000 |
| San Jose, CA - Campbell | 2990 Union Avenue | San Jose | CA | 95124 | 408-371-8400 |
| San Rafael, CA | 555 E. Francisco Blvd., Unit 17 | San Rafael | CA | 94901 | 415-485-0400 |
| Santa Barbara-West/Goleta, CA | 185 S. Patterson Ave. #F | Santa Barbara | CA | 93111 | 805-679-5712 |
| Santa Cruz, CA | 201 River Street, Suite A | Santa Cruz | CA | 95062 | 831-465-8228 |
| Santa Rosa, CA - Northeast | 740 Montecito Center | Santa Rosa | CA | 95409 | 707-537-9090 |
| Thousand Oaks, CA - North | 436 N. Moorpark Road | Thousand Oaks | CA | 91360 | 805-449-0089 |
| Torrance, CA - Central | 3535 Torrance Blvd., Ste. | Torrance | CA | 90503 | 310-540-0083 |
| Twentynine Palms, CA | 73487 - 29 Palms Highway | Twentynine Palms | CA | 92277 | 760-361-3065 |
| Windsor, CA | 9025 Old Redwood Hwy, Ste. F | Windsor | CA | 95492 | 707-838-8070 |
| Arvada, CO - East | 8250 W. 80th Avenue, Unit #3 | Arvada | CO | 80003 | 303-422-8900 |

| | | | | | |
|---------------------------------------|------------------------------------|-------------------|----|-------|--------------|
| Colorado Springs, CO - Cimarron Hills | 5719 Constitution Avenue | Colorado Springs | CO | 80915 | 719-574-4111 |
| Colorado Springs, CO - Central | 1817 N. Union Blvd. | Colorado Springs | CO | 80909 | 719-667-1171 |
| Loveland, CO | 280 E. 29th Street | Loveland | CO | 80538 | 970-669-9400 |
| Broomfield, CO - North | 12910 Zuni Street, Suite 200 | Westminster | CO | 80234 | 720-339-2202 |
| Melbourne, FL - Central | 401 N. Wickham Road, Stes. A & B | Melbourne | FL | 32935 | 321-254-7171 |
| Seminole, FL | 8992 Seminole Blvd. | Seminole | FL | 33772 | 727-320-9737 |
| Winter Park, FL - West | 1025 S. Orlando Avenue | Winter Park | FL | 32789 | 407-667-9100 |
| Cumming, GA - North | 1795 Pilgrim Mill Road, Ste. 400 | Cumming | GA | 30041 | 678-947-3711 |
| Dacula, GA | 465-B Dacula Road | Dacula | GA | 30019 | 770-237-5121 |
| Peachtree City, GA | 1988 Highway 54 W, Ste. A | Peachtree City | GA | 30269 | 770-487-5673 |
| Aiea, HI | 99-080 Kauhale Street, #C-7 | Aiea | HI | 96701 | 808-488-7722 |
| Cedar Rapids, IA-West | 3720 Queen Court SW, Ste. 5 | Cedar Rapids | IA | 52404 | 319-363-4100 |
| Coralville/North Liberty, IA | 881 22nd Avenue | Coralville | IA | 52241 | 319-337-9770 |
| Boise, ID - Southwest | 8960 W. Ardene Street | Boise | ID | 83709 | 208-378-4740 |
| Nampa, ID | 1312 S. Edgewater Circle | Nampa | ID | 83686 | 208-461-4534 |
| Sandpoint, ID | 300 Bonner Mall Way, Ste. 161 | Ponderay | ID | 83852 | 208-255-1661 |
| Benton, IL | 201 Public Square | Benton | IL | 62812 | 618-438-0222 |
| Champaign-South/Savoy, IL | 2227 S. Neil Street | Champaign | IL | 61820 | 217-352-9922 |
| Chicago, IL - Edgewater | 1354 W. Devon Avenue | Chicago | IL | 60660 | 773-338-0969 |
| Crete, IL | 1395 C Main Street, Ste. 1NW & 1NE | Crete | IL | 60417 | 708-672-3700 |
| Elk Grove Village, IL | 776 S. Arlington Heights Road | Elk Grove Village | IL | 60007 | 847-956-9488 |
| Ingleside, IL | 25404 W. Main Street, Unit A | Ingleside | IL | 60041 | 847-740-6550 |
| Monticello, IL | 1208 Bear Lane, Unit C | Monticello | IL | 61856 | 217-762-3534 |
| Oregon, IL | 600 Gale Street | Oregon | IL | 61061 | 815-732-3004 |
| Peoria, IL - West | 3709 N. Sterling Avenue | Peoria | IL | 61615 | 309-685-4100 |
| Olathe, KS-East | 12705 S. MurLan Rd. , Ste. A1 | Olathe | KS | 66062 | 913-393-1125 |
| Thibodaux, LA | 1657 Saint Mary St., Ste. | Thibodaux | LA | 70301 | 985-447-7600 |
| Topsfield, MA | 30 Main Street | Topsfield | MA | 01983 | 978-887-9466 |
| Webster, MA | 31 Thompson Road, Unit 8 H | Webster | MA | 01570 | 508-943-5333 |
| White Marsh, MD | 8114 Sandpiper Circle, | Baltimore | MD | 21236 | 410-933-8889 |
| Columbia, MD - West | 8335 Guilford Road, Ste. H | Columbia | MD | 21046 | 410-730-4800 |
| Eastpointe, MI | 18301 East Nine Mile | Eastpointe | MI | 48021 | 586-298-6461 |
| Plymouth, MI | 44707 Five Mile Road | Plymouth | MI | 48170 | 734-414-0515 |
| Alexandria, MN | 901 State Highway 29 North, #140 | Alexandria | MN | 56308 | 320-759-1887 |
| Brooklyn Center, MN | 6044 Shingle Creek Pkwy. | Brooklyn Center | MN | 55430 | 763-503-3889 |
| Cloquet, MN | 1401 Cloquet Ave. | Cloquet | MN | 55720 | 218-879-0908 |
| Falcon Heights, MN | 1553 Larpenteur Avenue W | Falcon Heights | MN | 55113 | 651-646-3885 |
| Little Falls, MN | 123A NE 1st Ave. | Little Falls | MN | 56345 | 320-632-6013 |

| | | | | | |
|---|---|---------------|----|-------|--------------|
| Staples, MN | 216 - 2nd Avenue NE | Staples | MN | 56479 | 218-894-1915 |
| Ballwin, MO | 15567 Manchester Road | Ballwin | MO | 63011 | 636-227-3412 |
| Kansas City, MO-Red Bridge | 510 E. 112th Street | Kansas City | MO | 64131 | 816-942-5600 |
| Liberty, MO | 312 State Route 291 | Liberty | MO | 64068 | 816-415-2878 |
| Manchester, MO | #12 Stonegate Center | Manchester | MO | 63088 | 636-225-9210 |
| Saint Charles, MO - New Town | 3030 Elm Street | Saint Charles | MO | 63301 | 636-946-2878 |
| Brookhaven, MS | 122 East Monticello Street | Brookhaven | MS | 39601 | 601-833-2878 |
| Libby/Troy, MT | 319 Mineral Avenue | Libby | MT | 59923 | 406-293-8932 |
| Indian Trail, NC | 592 Indian Trail Road S. | Indian Trail | NC | 28079 | 704-821-8440 |
| Mint Hill/Matthews, NC | 3555-4 Matthews Mint Hill Road | Matthews | NC | 28105 | 704-841-1010 |
| Mooreville, NC | 603 N. Main Street | Mooreville | NC | 28115 | 704-658-1037 |
| Raleigh, NC - Capital Commons | Triangle Town Center, 3791-100 Sumner Blvd. | Raleigh | NC | 27616 | 919-878-1966 |
| Yadkinville, NC | 714-B Carolina Avenue | Yadkinville | NC | 27055 | 336-677-6932 |
| North Platte, NE | 521 N. Dewey Street | North Platte | NE | 69101 | 308-534-5224 |
| Londonderry Township, NH | 4 Orchardview Drive, Unit #18 | Londonderry | NH | 03053 | 603-965-1088 |
| North Plainfield/Green Brook Township, NJ | 319 E. Highway 22 | Green Brook | NJ | 08812 | 732-926-0111 |
| Dayton, NV | 801Overland Loop, Ste. | Dayton | NV | 89403 | 775-246-9900 |
| Queens, NY - Whitestone/Murray Hill | 25-54 Francis Lewis Blvd., 2nd Floor | Flushing | NY | 11358 | 718-886-5700 |
| Monroe, NY | 791 State Route 17M | Monroe | NY | 10950 | 845-774-7991 |
| Montgomery, NY | 40 Railroad Avenue | Montgomery | NY | 12549 | 845-457-7701 |
| Sayville, NY | 207 N. Main Street | Sayville | NY | 11782 | 631-218-2916 |
| Caldwell, OH | 110 West Street | Caldwell | OH | 43724 | 740-732-7700 |
| Centerville, OH - West | 8016 McEwen Road | Centerville | OH | 45458 | 937-434-3700 |
| Cincinnati, OH - Finneytown | 8588 Winton Road | Cincinnati | OH | 45231 | 513-931-1300 |
| Lima, OH | 939 W. Market St. Suite 2 | Lima | OH | 45805 | 419-223-0246 |
| Mansfield/Ontario, OH | 1044 Park Avenue W | Mansfield | OH | 44906 | 419-529-3476 |
| West Chester, OH-East | 9536 Cincinnati Columbus Road | Sharonville | OH | 45241 | 513-644-9757 |
| Columbus, OH - Northeast | 6049 S. Sunbury Rd. | Westerville | OH | 43081 | 614-890-4677 |
| Aloha, OR | 20229 SW Tualatin Valley Highway | Aloha | OR | 97003 | 503-356-5454 |
| Corvallis, OR | 1333 NW 9th St., Ste. 155 | Corvallis | OR | 97330 | 541-250-0170 |
| Monmouth/Independence, OR | 625 Clay Street | Monmouth | OR | 97361 | 503-838-7109 |
| Newberg, OR | 114 N. Everest | Newberg | OR | 97132 | 503-554-0899 |
| Sewickley/Edgeworth/Leet/Leetsdale, PA | 24 Beaver Street | Ambridge | PA | 15003 | 724-266-3414 |
| Washington Township, PA | 4203 Route 66, Ste. 104 | Apollo | PA | 15613 | 724-727-2900 |
| Bloomsburg, PA | 50 West 6th Street | Bloomsburg | PA | 17815 | 570-784-5080 |
| Collier/Heidelberg/Scott, PA | 301 Old Washington Pike | Carnegie | PA | 15106 | 412-276-6112 |
| Dublin/Hilltown, PA | 123 N. Main Street | Dublin | PA | 18917 | 215-249-3760 |
| Greenville, SC - East | 3795 East North St. #12 | Greenville | SC | 29615 | 864-322-8551 |
| Moncks Corner, SC | 398 Corner Square Plaza | Moncks Corner | SC | 29461 | 843-761-7737 |
| Bristol, TN | 1135 Volunteer Pkwy., Ste. 7-8 | Bristol | TN | 37620 | 423-989-9000 |
| Sango, TN | 894 Hwy 76, Suite 109 | Clarksville | TN | 37043 | 931-368-0039 |
| Memphis, TN - Southeast | 6655 Quince Road, Ste. | Memphis | TN | 38119 | 901-754-3030 |
| Soddy Daisy, TN | 222 T Sequoyah Access Road, Ste. 3 | Soddy Daisy | TN | 37379 | 423-332-2600 |

| | | | | | |
|------------------------------------|--|-----------------|----|-------|--------------|
| Arlington, TX - Southeast | 1110 E. Bardin Road, Ste. 110 | Arlington | TX | 76018 | 817-375-0073 |
| Conroe, Texas-North | 1111 League Line Rd., Suite 118 | Conroe | TX | 77303 | 936-890-7299 |
| Houston, TX - Memorial | 12570 Briar Forest Drive, Ste. C | Houston | TX | 77077 | 281-920-3300 |
| Spring Valley, TX | 1330 Wirt Rd. Suite L | Houston | TX | 77055 | 713-956-4846 |
| Huntsville, TX | 279 State Highway 75 N | Huntsville | TX | 77320 | 936-295-3900 |
| Lampasas, TX | 215 E. Third Street | Lampasas | TX | 76550 | 512-556-8040 |
| Odessa, TX - East | 1541 John Ben Shepperd Pkwy #5 | Odessa | TX | 79761 | 432-552-8130 |
| Plano, TX - Southwest | 3277 Independence Pkwy. 1144 N. Plano Road, Ste. 141 | Plano | TX | 75075 | 469-241-0886 |
| Richardson, TX - East | 141 | Richardson | TX | 75081 | 972-238-7710 |
| Silsbee/Lumberton, TX | 975 Hwy. 327 East, Ste. | Silsbee | TX | 77656 | 409-385-0303 |
| Houston, TX - Klein West | 7902 B Louetta Spring | Spring | TX | 77379 | 281-370-1933 |
| Taylor, TX | 1706 N. Main Street | Taylor | TX | 76574 | 512-365-2878 |
| Orem, UT | 555 South State St., Suite 201 | Orem | UT | 84058 | 801-426-5910 |
| Pleasant Grove/Lindon, UT | 238 E. State Road, #7 | Pleasant Grove | UT | 84062 | 801-796-6060 |
| Cottonwood Heights, UT | 1844 East 7000 South, #8 | Salt Lake City | UT | 84121 | 801-942-3664 |
| Glen Allen, VA | 10278 Staples Mill Road | Glen Allen | VA | 23060 | 804-756-2002 |
| Stafford, VA - Courthouse | 11 Hope Road, Ste. 207 | Stafford | VA | 22554 | 540-288-9040 |
| Staunton/Verona, VA | 2203 N. Augusta Street | Staunton | VA | 24401 | 540-886-0262 |
| Virginia Beach, VA - General Booth | 1577 General Booth Blvd., #103 | Virginia Beach | VA | 23454 | 757-426-2100 |
| Wytheville, VA | 725 W. Main Street | Wytheville | VA | 24382 | 276-223-1104 |
| Federal Way, WA - South | 32020 1st Ave S #100-101 | Federal Way | WA | 98003 | 253-661-7701 |
| Tacoma, WA-Northeast | 5401 6th Avenue, Ste. 305 | Tacoma | WA | 98406 | 253-761-9766 |
| Tumwater, WA | 6101 Capitol Blvd. SE. | Tumwater | WA | 98501 | 360-528-3422 |
| Orchards, WA | 7702 NE 94th Ave. | Vancouver | WA | 98662 | 360-254-5777 |
| Franklin, WI | 7117 S. 76th Street | Franklin | WI | 53132 | 414-525-9413 |
| Menomonee Falls, WI | W164 N8877 Mill Street, Ste. 110 | Menomonee Falls | WI | 53051 | 262-532-2416 |
| Wauwatosa, WI - East | 2669 N. 92nd Street, Ste. B | Milwaukee | WI | 53226 | 414-476-3901 |
| Oak Creek, WI | 2031 E. Rawson Avenue, Ste. 200 | Oak Creek | WI | 53154 | 414-766-9385 |
| Oconomowoc, WI | 127 E. Wisconsin Ave. | Oconomowoc | WI | 53066 | 262-567-4344 |
| Onalaska, WI | 1828 E. Main Street, Ste. 3 | Onalaska | WI | 54650 | 608-783-5550 |
| River Falls, WI | 111 East Walnut Street | River Falls | WI | 54022 | 715-425-2242 |
| Sheboygan Falls, WI | 508 Broadway Street | Sheboygan Falls | WI | 53085 | 920-467-2531 |
| Watertown, WI | 200 W. Main Street | Watertown | WI | 53094 | 920-262-9986 |
| Spencer, WV | 320 Main Street | Spencer | WV | 25276 | 304-927-4500 |

ATTACHMENT C

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM WITHIN THE MOST RECENTLY COMPLETED FISCAL YEAR

| Former Franchisee | Last Known Address | City | State | Zip | Last Known Phone Number | Reason For Leaving System |
|------------------------|---------------------------|----------------|-------|-------|-------------------------|---------------------------|
| Fit Together, Inc. | 2012 Highway 185 | Haleyville | AL | 35565 | 205-412-0991 | Abandoned |
| Tanner Maddox | 2012 Highway 185 | Haleyville | AL | 35565 | 205-412-0991 | Abandoned |
| Carrie Maddox | 2012 Highway 185 | Haleyville | AL | 35565 | 205-412-0991 | Abandoned |
| Christopher Fjelstad | 4336 Medary Ave. | Mesa | AZ | 85215 | 612-581-1320 | Abandoned |
| Alyssa Fjelstad | 4336 Medary Ave. | Mesa | AZ | 85215 | 612-581-1320 | Abandoned |
| Shanda M. Young | 7814 W. Cheryl Dr. | Peoria | AZ | 85345 | 623-979-3032 | Not Renewed |
| Anita F. Brennan | 4493 N. Plaza de Toros | Tucson | AZ | 85750 | 520-749-4501 | Abandoned |
| Audrey Lighter | 6 Sana Ct. | Elk Grove | CA | 95758 | 916-424-3241 | Not Renewed |
| B Addicated 2 Energy | 2747 Waudman Ave. | Stockton | CA | 95029 | 209-473-8136 | Abandoned |
| Rebecca Octave | 2747 Waudman Ave. | Stockton | CA | 95209 | 209-473-8136 | Abandoned |
| Brad Nelson | 8373 Pardini Place | Valley Springs | CA | 95252 | 209-786-1626 | Not Renewed |
| Colleen O'Connell | 8373 Pardini Place | Valley Springs | CA | 95252 | 209-786-1626 | Not Renewed |
| Ruth Phillips | 6150 Olive Street | Commerce City | CO | 80022 | 303-268-3855 | Not Renewed |
| Kevin Phillips | 6150 Olive Street | Commerce City | CO | 80022 | 303-268-3855 | Not Renewed |
| Rebecca Emerson | 299 Bighorn Terrace | Fort Lupton | CO | 80621 | 303-502-5292 | Not Renewed |
| Samuel T. Suskin | 2358 NW 1th Place | Gainesville | FL | 32162 | 352-318-9476 | Closed Club |
| Lydia C. Wilson | 7113 Golf Colony Ct. #102 | Lake Worth | FL | 33467 | 954-592-1895 | Abandoned |
| Bonnie Gwin | 4136 Amanda Drive | Plant City | FL | 33565 | 813-716-2225 | Not Renewed |
| Linda Isitt Powell | 127 Gold Springs Ct. | Canton | GA | 30114 | 678-267-2670 | Not Renewed |
| Lisa Lee Messing | 16 Beaver Run Dr. | Savannah | GA | 31419 | 912-547-4116 | Abandoned |
| Michelle Zaiz | 460 Lee Road 941 | Smiths | GA | 31909 | 334-641-6364 | Abandoned |
| Fit and Gorgeous, LLC | 10973 Cascade Dr. | Dubuque | IA | 52003 | 563-599-5460 | Abandoned |
| Terri Helmle | 10973 Cascade Dr. | Dubuque | IA | 52003 | 563-599-5460 | Abandoned |
| Alma Sports, LLC | 1678 SE 5th Way | Meridian | ID | 83642 | 208-971-2763 | Abandoned |
| Alisha Phillips | 1678 SE 5th Way | Meridian | ID | 83642 | 208-971-2763 | Abandoned |
| Mark Phillips | 1678 SE 5th Way | Meridian | ID | 83642 | 208-971-2763 | Abandoned |
| Barnich Fit Life, Inc. | 5828 Ridge Avenue | Berkeley | IL | 60163 | 708-987-0164 | Abandoned |
| Shari Barnich | 5828 Ridge Avenue | Berkeley | IL | 60163 | 708-987-0164 | Abandoned |
| Deborah L. Isom | 2878 US Highway 50E | Bedford | IN | 47421 | 812-675-3698 | Abandoned |
| Delene Worsena | 2878 US Hwy. 50E | Bedford | IN | 47421 | 812-675-3698 | Abandoned |

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|---------------------------------|--------------------------|----------------|----|-------|--------------|-------------|
| Janice Vice | 1665 Cherry Grove Rd. | Flemingsburg | KY | 41041 | 606-845-9686 | Not Renewed |
| Tina DiGuglielmo | 1230 Todds Station | Lexington | KY | 40509 | 859-263-8597 | Not Renewed |
| Edgar Maddox | 1230 Todds Station | Lexington | KY | 40509 | 859-263-8597 | Not Renewed |
| Brittany Hawkins | 16177 Crabbs Branch Way | Derwood | MD | 20805 | 301-774-1085 | Abandoned |
| Sharon Hawkins | 3707 Carrisa Lane | Olney | MD | 20832 | 301-774-1085 | Abandoned |
| Kaityln Hawkins | 3707 Carrisa Lane | Olney | MD | 20832 | 301-774-1085 | Abandoned |
| Marsha Brownlee | 17370 Woodland Ln. | Nunica | MI | 49448 | 616-846-1684 | Not Renewed |
| Debby Talbott | 12194 State Hwy A | Graham | MO | 64455 | 816-387-3451 | Abandoned |
| P.C. Fitness, LLC | 2796 Santa Ynez Dr. | St. Charles | MO | 63303 | 314-574-7105 | Abandoned |
| Pamela Miller | 2796 Santa Ynez Dr. | St. Charles | MO | 63303 | 314-574-7105 | Abandoned |
| Kingdom Fit, LLC | 2833 Radius Circle | Billings | MT | 59102 | 406-698-2256 | Abandoned |
| Cole Tombre | 2833 Radius Circle | Billings | MT | 59102 | 406-698-2256 | Abandoned |
| Stephanie Tombre | 2833 Radius Circle | Billings | MT | 59102 | 406-698-2256 | Abandoned |
| Yes Way Fitness Durham, LLC | 3213 Doubleday Pl. | Durham | NC | 27705 | 919-403-9501 | Abandoned |
| Blair L. Chesnut | 3213 Douleday Pl. | Durham | NC | 27705 | 919-403-9501 | Abandoned |
| Laura H. Chesnut | 3213 Doubleday Pl. | Durham | NC | 27705 | 919-403-9501 | Abandoned |
| Irene Villa | 120 Belt Road | Hampstead | NC | 28443 | 910-329-0602 | Not Renewed |
| Chic Physique Body Fitness, LLC | 3144 Short Rd. | Hickory | NC | 28602 | 828-244-8903 | Abandoned |
| Sarah Coffey | 3144 Short Rd. | Hickory | NC | 28602 | 828-244-8903 | Abandoned |
| Kari Baker | 1278 Surrey Run | East Aurora | NY | 14052 | 716-572-5748 | Abandoned |
| Christopher Lotey | 319 Lansing St. | Herkimer | NY | 13350 | 315-985-3037 | Abandoned |
| Enza Giordano | 3026 Clubhouse Rd | Merrick | NY | 11566 | 516-670-8501 | Not Renewed |
| Jeanette Ratliff | 6904 Glen Landing Avenue | Las Vegas | NV | 89130 | 702-656-4156 | Not Renewed |
| Cynthia McDowell | 437 S. Firestone Blvd. | Akron | OH | 44301 | 330-773-4811 | Abandoned |
| Carmen Tuttle | 1108 12th Street B | Hood River | OR | 97031 | | Abandoned |
| Christine Marie Semelsberger | 127 W. Pauline Dr. | Clearfield | PA | 16830 | 814-765-8487 | Not Renewed |
| Colleen Littrell | 2347 W. 32nd Street | Erie | PA | 16506 | 814-218-7037 | Abandoned |
| Lemma, LLC | 5935 Palm Road | Zionsville | PA | 18092 | 215-872-0901 | Abandoned |
| Michelle Mory | 5935 Palm Road | Zionsville | PA | 18092 | 215-872-0901 | Abandoned |
| Angelia Kirk | 208 Fredericksburg | Simpsonville | SC | 29681 | 803-968-555 | Not Renewed |
| Nell Nguyen | 1615 Cadogan Lane | Katy | TX | 77450 | 281-599-7922 | Abandoned |
| Annette Olson | 568 E. Delano Park Rd | Eagle Mountain | UT | 84005 | 801-636-2676 | Abandoned |
| Robert H. Brown | 1100 Mount Cross Road | Danville | VA | 24540 | 434-792-0448 | Not Renewed |
| Stephanie Mears | 706 Beach Road | Hampton | VA | 23664 | 757-602-7653 | Abandoned |
| Kimberly Leach | 260 Paul Street | Harrisonburg | VA | 22801 | 540-434-4238 | Not Renewed |

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|-------------------------|--------------------------------|--------------------|-----------|--------------|---------------------|--------------------|
| PBJ Fitness, LLC | 10040 Marengo Farm Lane | King George | VA | 22485 | 540-775-5655 | Abandoned |
| Paula Berry | 10040 Marengo Farm Lane | King George | VA | 22485 | 540-775-5655 | Abandoned |
| Belinda Cameron | 16407 Ridge Road | King George | VA | 22485 | 540-775-4608 | Abandoned |
| Jerri Cooper | 12277 Calvert Ct | King George | VA | 22485 | 540-775-5659 | Abandoned |
| Debra Dockery | 692 Homestead Trails | Ringgold | VA | 24586 | 434-797-1288 | Not Renewed |
| Melissa Tolliver | 544 Power Dam Rd. | Rocky Mount | VA | 24151 | 540-483-3584 | Not Renewed |
| Helen J. Knutson | 15030 23rd Ave. | Arlington | WA | 98223 | 425-231-1535 | Not Renewed |
| Tricia Bellizzi | 15030 23rd Ave. | Arlington | WA | 98223 | 425-238-9380 | Not Renewed |

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

| State | Effective Date |
|--------------|-----------------------|
| California | June 24, 2022 |
| Hawaii | July 19, 2022 |
| Illinois | August 16, 2022 |
| Indiana | May 25, 2022 |
| Maryland | Pending |
| Michigan | August 31, 2022 |
| Minnesota | July 19, 2022 |
| New York | Pending |
| North Dakota | Pending |
| Rhode Island | Pending |
| South Dakota | Pending |
| Virginia | September 9, 2022 |
| Washington | August 5, 2022 |
| Wisconsin | May 16, 2022 |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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

If Curves NA, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Michigan, Washington and Wisconsin law, if applicable, we must provide this Disclosure Document to you 10 business days before signing any contract or making any payment relating to the franchise relationship. Under Maryland, Oklahoma, New York and Rhode Island law, if applicable, we must provide this Disclosure Document to you at the earliest of the first personal meeting or 10 business days before signing any contract or making any payment relating to the franchise relationship.

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

The issuance date of this Disclosure Document is.

The franchise sellers are: Mandy Cox, 400 Schroeder Drive, Waco, Texas 76710; (469) 598-0405 and Julie Ferrell, 400 Schroeder Drive, Waco, Texas 76710 (469) 598-0410

Curves NA, Inc. authorizes the respective state agencies identified on Attachment A to receive service of process for it in the particular state.

I received a Disclosure Document dated May 12, 2022 that included the following Exhibits and Attachments:

Exhibits

- A: Financial Statements
- B: Franchise Agreement
- C: Personal Guaranty
- D: Promissory Note and Security Agreement
- E: Bank Draft Authorization Form
- F: Transfer of Service Agreement
- G: Sample Copy of Termination of License Agreement and Mutual Release Document
- H: State Specific Franchise Disclosure Document Addenda

Date (Do not leave blank)

Attachments

- A: List of State Administrators and List of Agents for Service of Process
- B: List of Current Franchise Locations
- C: List of Franchisees Who Have Left the System

Signature of Prospective Franchisee

Print Name

RECEIPT

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Curves NA, Inc. authorizes the respective state agencies identified on Attachment A to receive service of process for it in the particular state.

I received a Disclosure Document dated May 10, 2022 that included the following Exhibits and Attachments:

| Exhibits | Attachments |
|--|---|
| A: Financial Statements | A: List of State Administrators and List of Agents for Service of Process |
| B: Franchise Agreement | B: List of Current Franchise Locations |
| C: Personal Guaranty | C: List of Franchisees Who Have Left the System |
| D: Promissory Note and Security Agreement | |
| E: Bank Draft Authorization Form | |
| F: Transfer of Service Agreement | |
| G: Sample Copy of Termination of License Agreement and Mutual Release Document | |
| H: State Specific Franchise Disclosure Document Addenda | |

Date (Do not leave blank)

Signature of Prospective Franchisee

Print Name