

## FRANCHISE DISCLOSURE DOCUMENT



Invigorate Wellness Franchising, LLC  
A Wisconsin Limited Liability Company  
833 Golden Drive  
Wisconsin Dells, WI 53965  
Phone: 608-844-1554  
Email: [franchising@invigoriv.com](mailto:franchising@invigoriv.com)  
[www.invigoriv.com](http://www.invigoriv.com)

As a franchisee, you will operate a franchise and be responsible for managing a mobile IV hydration and vitamin therapy business.

The total investment necessary to begin operation of a Invigorate Wellness franchise is \$218,400 to \$264,575. This includes \$45,000 to \$51,000 that must be paid to the franchisor or an affiliate for a typical territory.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Emily Johnson at 833 Golden Drive, Wisconsin Dells, WI 53965 and 608-844-1554.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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: December 20, 2023

## 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
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Invigorate Wellness business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Invigorate Wellness franchisee?</b>	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

Certain states require 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 and/or arbitration only in Wisconsin. Out-of-state mediation and/or arbitration 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 Wisconsin 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.

**(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General  
G. Mennen Williams Building, 7th Floor  
525 W. Ottawa Street  
Lansing, Michigan 48909  
Telephone Number: (517) 373 7117

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## **ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language in this Disclosure Document, the words “we,” “our” and “us”, and “Invigorate Wellness” refer to Invigorate Wellness Franchising, LLC, the franchisor. “You” means the entity that has been granted the right to develop one or more Invigorate Wellness franchised businesses. If you are an entity, “Designated Principal” means one of the individuals with an ownership interest in you who will be responsible for the day-to-day operation of the franchise, attending training, and communication with us.

### **The Franchisor; Parents and Predecessors**

We are a(n) Limited Liability Company established under Wisconsin law on October 25, 2022. Our principal business address is 833 Golden Drive, Wisconsin Dells, WI 53965. We conduct business under our corporate name and Invigorate Wellness. We have offered franchises since December 2023.

Other than as stated above, we are not in any other business, we do not operate businesses of the type being franchised, we have not conducted business in any other line of business and we have not offered or sold franchises in any other line of business.

### **Our Parents, Predecessors and Affiliates**

We have no parents or predecessors.

Our affiliate is Invigorate Wellness, LLC. Invigorate Wellness, LLC is a Wisconsin limited liability company established on September 28, 2021 with a principal business address of 833 Golden Drive, Wisconsin Dells, WI 5396. Invigorate Wellness, LLC operates a business under the Invigorate Wellness brand, which is substantially similar to the businesses our franchisees will operate. Additionally, Invigorate Wellness, LLC is our approved supplier for all certain branded products, administrative services, intravenous fluids, vitamins and other core inventory used in your Invigorate Wellness Business. Invigorate Wellness, LLC does not offer or sell franchises in any other line of business.

Except as stated above, we do not have any affiliates that provide products or services to franchisees or offer franchisees in any line of business.

### **Our Agent for Service of Process**

The name and address of our agent for service of process in Wisconsin is Emily Johnson, 833 Golden Drive, Wisconsin Dells, WI 53965. Details of our agents for service of process in other jurisdictions are disclosed in Exhibit D of this Disclosure Document.

### **Our Business Operations**

We offer and grant qualified candidates the right to develop and operate Invigorate Wellness businesses using our uniform and proprietary operating system and identified by our trade name and service mark, and other trade names, service marks, trademarks, logos and commercial symbols that we may designate from time to time. We do not operate businesses of the type being franchised, but our affiliates do.

### **General Description of the Franchise**

You will be granted the right to develop and operate a mobile IV hydration and vitamin therapy franchise business using our trademarks and our proprietary system, including operational guidelines, opening guidelines, our specifications for business design and proprietary information, our initial and ongoing training programs and marketing and promotional assistance. Our standards, guidelines, and specifications are outlined in our confidential manual (the “Manual”) and otherwise in writing from time to time. You will own the underlying assets of the business; those assets will be operated by you, as our

franchisee, under a license from us. The franchise described is known as “Invigorate Wellness” is involved in the business of operating an IV hydration and vitamin therapy business.

If you are an unlicensed person, you may own and operate an Invigorate Wellness business only if it is permissible under applicable law, otherwise, you may only manage an Invigorate Wellness business for a licensed person or entity that is authorized to own and operate an Invigorate Wellness business. For purposes of this Disclosure Document, the term “licensed person” means a person that has a medical or other similar license from a state which authorizes them to treat or supervise the treatment of patients or clients. Depending on where you reside, your state may require that the services rendered at your Invigorate Wellness Business must be supervised by a licensed person.” You must consult independent legal counsel in your state to ensure the legality of your ownership or management.

You may enter into a Franchise Agreement that lays out your rights and obligations in the operation of each franchised business (the “Franchise Agreement”). A copy of our current Franchise Agreement is attached as Exhibit A. If you enter into a Franchise Agreement, as a franchisee, you will be required to develop, establish and operate a franchised business in accordance with the requirements of our System. Your rights under the Franchise Agreement will be limited to the establishment and operation of one franchised business, providing only our approved services and products in conformity with our System and within your designated Territory. Each Franchise Agreement will be between you and us, and each of your owners will guarantee your obligations to us.

### **Market and Competition**

The general market for the services and products offered by Invigorate Wellness includes individuals or groups who desire medical or healthcare services. You will compete in a market that includes other intravenous fluid infusion companies and medical service providers. The market for these services are not seasonal but are extremely competitive.

### **Industry-Specific Regulations**

Invigorate Wellness businesses offer certain services that are subject to applicable federal and state laws and regulations, as well as local permitting and zoning requirements. at a county and/or municipal level. Such laws and regulations include (i) state corporate practice of medicine (“CPOM”) regulations, (ii) laws pertaining to the practice of medicine and/or nursing, (iii) privacy and safety laws such as Health Insurance Portability and Accountability Act (“HIPAA”) and Occupational Safety and Health Administration (“OSHA”), (iv) telemedicine laws and regulations, (v) state individual and facility licensing requirement, (vi) patient inducement laws, and (vii) laws and regulations pertaining to medical devices and related healthcare equipment.

HIPAA laws, rules and regulations impose strict requirements as to safeguarding and maintaining the privacy of personal information and data collected and stored in medical records. We may provide you with a sample HIPAA business associate agreement. If we do provide sample HIPAA business associate agreement, you must consult with your own attorney to ensure that it complies with HIPAA and other applicable laws, rules and regulations. You are responsible for consulting with your own attorney to confirm that your Invigorate Wellness Business complies with HIPAA requirements.

In the future, should we authorize your Invigorate Wellness Business to participate in federal or state healthcare programs or contract with commercial payors, additional laws, such as federal and state anti-kickback laws and/or physician self-referral laws may also apply.

Compliance with all such laws is mandatory, and any violation of these laws may result in severe civil and/or criminal fines and penalties. For example, the CPOM laws in your state may restrict a non-licensed individual or company from employing a licensed healthcare professional and may otherwise directly impact how you structure, manage and operate your Invigorate Wellness Business inclusive of how certain revenue may be distributed. Noncompliance with your state’s CPOM laws may lead to unauthorized practice of medicine violations by you and/or your Invigorate Wellness Business.

It is also important to note that certain Services may, based upon such laws and regulations, particularly at a state level, require that such Services be delivered by licensed professionals such as nurses, estheticians, physicians, nurse practitioners (with or without physician supervision), licensed therapists, or other licensed or certified medical or healthcare professionals. In addition, the determination of the scope of treatment by such licensed professionals may also be governed by the medical or nursing boards or other licensing or accrediting body of a given state. State healthcare laws and regulations will also dictate which licensed healthcare provider (e.g. physician or nurse) can conduct a primary patient evaluation and diagnosis, develop the treatment plan, as well as who can perform the procedure. Distinctions will need to be made between whether the Services are considered medical or non-medical treatments in your state.

You are strongly advised to consult legal counsel about any potential impact of these laws, regulations, and/or other requirements that may be imposed on you, your Center, and the individuals hired by your Center. It is your responsibility to ensure full compliance with all such laws, regulations, and requirements.

Any person who drives the Vehicle (as defined in Item 7) used in the operation of the Invigorate Wellness business must have a valid driver's license, and each of your Vehicle(s) must be properly licensed. The requirements for these licenses may vary, depending on your location.

We have not conducted a detailed investigation of the specific laws or regulations that may be applicable to your Invigorate Wellness Business. It is your sole responsibility to thoroughly investigate and understand all applicable federal, state, and local laws and regulations, and to bear any costs associated with complying with such laws and regulations. You should undertake this investigation prior to purchasing a franchise from us. We strongly suggest that you consult with an attorney, consultant and/or financial advisor regarding such regulations prior to purchasing a franchise from us. Applicable laws and regulations are subject to change.

## **ITEM 2. BUSINESS EXPERIENCE**

### **Founder: Emily Johnson**

Emily Johnson has served as our Founder since our inception. Concurrently, Emily has owned and operated an Invigorate Wellness business in Wisconsin Dells, WI since September 2021. From June 2013 to December 2019, Emily was a registered nurse with St. Clare Hospital in Baraboo, WI. From March 2014 to November 2021, Emily was also self-employed as a marketing director for various companies.

## **ITEM 3. LITIGATION**

No litigation is required to be disclosed in this Item.

## **ITEM 4. BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

## **ITEM 5. INITIAL FEES**

### **Initial Franchise Fee**

You must pay us an Initial Franchise Fee of \$45,000 (the "Franchise Fee") in a lump sum upon the execution of the Franchise Agreement. The Initial Franchise Fee is uniform, fully earned upon receipt, and is non-refundable under any circumstances.

## **Discounts**

If (i) you are a registered nurse or (ii) the shareholders, members, or partners owning at least 51% of franchised business is or are a registered nurse then we will discount our initial franchise fee for your first Invigorate Wellness Business by \$5,000.

## **Additional Territory Fee**

Upon request, we may grant you a larger population. If we do so, you will pay us the Initial Franchise Fee for the first 100,000 population within the territory plus an additional \$20,000 for each additional 50,000 population. The Additional Territory Fee is uniform based upon population, fully earned when paid, payable when you sign your Franchise Agreement and nonrefundable under any circumstances.

## **Start-Up Inventory Package**

Before you open your Invigorate Wellness Business, you must purchase from us, or our affiliate, an initial inventory package containing an initial supply of products for sale in your Invigorate Wellness Business. We estimate that the Start-Up Inventory Package will range from \$5,000 to \$6,000 The Start-up Inventory Package Fee is not refundable and are payable in a lump sum before your Invigorate Wellness Business commences operation.

## **ITEM 6. OTHER FEES**

<b>Type of Fee<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty	7% of your Gross Sales or \$400, whichever is greater, beginning at the earlier of (a) the date you open for business or (b) 12 months from the date of the Franchise Agreement <sup>2</sup>	Remitted weekly by EFT <sup>3</sup> draft.	The “Royalty” is based on “Gross Sales” during the previous week. Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.
National Marketing Contribution	Currently, 0% of Gross Sales	Payable at the same time and in the same manner as the Royalty	We may implement a National Marketing Fund upon 90-days written notice to you. If we implement a National Marketing Fund, you may be required to contribute up to 2% of Gross Sales.
Local Advertising, Marketing and Promotional Expenditure	1% of your Gross Sales	Monthly	You must spend this amount directly for local advertising, marketing and promotional purposes.
Co-op Contributions	As determined by the Co-op, not to exceed 1% of your Gross Sales <sup>2</sup>	As determined by Co-op.	We currently do not have a cooperative but reserve the right to require one to be established in the future. If established in your geographic area, you must join and actively

			participate. Your local advertising requirement will be reduced by the amount of the Co-op Contribution.
Medical Director Fees	Actual Costs	As agreed	Due if you request medical director services through us or our designated provider.
Territory Infringement Fine	\$1,000, plus invoice amount for services rendered and products sold for first violation; \$5,000, plus invoice amount for services rendered and products sold for second and subsequent violations.	Payable within five days after infringement is discovered	Payable to us if you infringe on another Invigorate Wellness franchisee's territory by receiving payment for products and/or services provided and/or rendered within the other franchisee's territory without his or her permission. We may direct the funds at our option (See Item 12 for more information).
Additional Training <sup>4</sup>	Our then-current fee, currently \$250 per day, plus expenses	As incurred.	More information about training is contained in Item 11.
Additional Trainees at Initial Training	\$1,000 per person	As incurred.	You or your Designated Principal must attend and successfully complete to our satisfaction the training program. No tuition is charged for up to 2 trainees. You will be required to remit to us a fee of \$1,000 per person for each additional trainee.
Annual Conference	Varies	On Demand, prior to conference.	At no time shall the fee charged exceed \$1,000 per person. If you fail to register for our annual conference, we will bill you for the "early bird" (or similar) conference fee after the conference.
Franchise Transfer Fee <sup>5</sup>	\$10,000 plus any applicable broker fees	Prior to transfer	Payable in connection with the transfer of your Invigorate Wellness Business, a transfer of ownership of your legal entity, or a transfer of the Franchise Agreement.
Non-compliance Fee	\$100 for the first non-compliance for which	If incurred	Payable upon your failure to comply with our

	we give you written notice; \$250 for the second; \$500 for the third and subsequent.		System standards and requirements. This fee is in addition to all other remedies that we have under the Franchise Agreement.
Late fees and interest charges on late payments	\$100 plus 18% of the amount due or the maximum rate allowed by law, whichever is greater.	On demand.	Applies to any and all past due payments to Franchisor.
Insufficient Funds Fee	5% or \$50, whichever is greater, or maximum fee allowed by law.	On demand	Applies to any and all payments due to Franchisor.
Audit fee	Understated amounts, plus interest, plus amount of audit fees and related expenses	Within 15 days after receiving the examination report	Due if you fail to furnish any reports we require or understate your Gross Sales by more than 3%.
Interest	Lower of 1.5% per month or the highest commercial interest rate allowed by law	As incurred	Due on all overdue amounts and accruing as of the original due date.
Indemnification <sup>6</sup>	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your business' operations.
Renewal Fee <sup>7</sup>	\$5,000	Due upon signing renewal Franchise Agreement	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement.
Supplier Review Fee	\$500	Upon requesting approval of a new supplier, material or service	If you request that we evaluate a potential product, supplier or professional that is not on our list of approved suppliers for our System.
Broker Fees	Our actual cost of the brokerage commissions, finder's fees, or similar charges	As incurred	If you transfer your Invigorate Wellness Business to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.

1. All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.

2. "Gross Sales" means all revenue that you receive, directly or indirectly, from operating your Invigorate Wellness Business, irrespective of the method of payment, including but not limited to cash, check, credit and debit card, online transactions, barter exchange, trade credit, or other credit

transactions. Gross Sales includes the proceeds of any business interruption insurance or similar insurance. Gross Sales will also include amounts you earn from the sale of any online group-bought deals and the sale of any gift cards or gift certificates, in each case calculated using our then current guidelines, which may be based on the redeemed value or sale price of the deals, cards or certificates. Gross Sales does not, however, include any tips and gratuities, federal, state, or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority. We will require that you provide your profit and loss statements to us on a monthly basis for our review, in a manner and format that we prescribe, and in accordance with generally accepted accounting principles.

3. Unless otherwise restricted by applicable banking laws and regulations, we will establish a direct debit program with your bank to allow for the EFT draft of the weekly royalty. You will be required to execute any necessary documents authorizing the EFT draft. We will automatically debit your bank account on Tuesday of each week for the previous week's royalties and national marketing contributions. For all fees to be remitted on a national holiday, fees will be due the following business day. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement.

4. You will pay us an additional training fee (1) if we determine that you (or your Operating Partner) need training or assistance in addition to what is provided as part of the Training Program, (2) you request additional training or assistance for any person other than as provided as part of the Training Program, and/or (3) we require additional training for any other employee of yours who fails to perform services at your Business to our satisfaction.

5. All transfers must be in accordance with the terms and conditions of the Franchise Agreement and are subject to our prior approval.

6. You must indemnify, defend and hold us, our affiliates, and our respective directors, officers, employees, and agents harmless from all losses, damages, penalties, fines, costs, and expenses (including reasonable attorneys' fees) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement that arises out of or is based upon any of the items listed in the sections of the Franchise Agreement entitled "Indemnification." You must also pay for our legal expenses (fees and actual costs) incurred in any matter related to your franchised business and for any damages, costs, and expenses that we incur enforcing any of the provisions of the Franchise Agreement or as a result of your failure to pay amounts when due.

7. You will be required to pay a nonrefundable renewal fee upon the expiration of the initial term of the Franchise Agreement if you are eligible and elect to renew the Franchise Agreement.

## ITEM 7. ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT<sup>1</sup>

Type of Expenditure	Amount	Method of Payment <sup>1</sup>	When Due	To Whom Payment is to be Made
Initial Franchise Fee	\$45,000	Lump Sum	Upon execution of Franchise Agreement	Us
Telephone & Internet Services	\$100 - \$300	As arranged	Prior to commencing operations	Utilities
Start-Up Inventory Package (1 month supply) <sup>2</sup>	\$5,000 - \$6,000	As arranged	Prior to commencing operations	Us or our Affiliate
Computer System/App fee	\$450 - \$500	As arranged	As Incurred	Third Parties and Vendors
Vehicle <sup>3</sup>	\$80,000 - \$90,000	As arranged	As Incurred	Third-Party

Vehicle Build-Out/Designated Equipment Package	\$70,000 - \$80,000	As arranged	As Incurred	Third-Party
Vehicle Delivery Fee	\$0 - \$5,000	Lump Sum	As Incurred	Third-Party
Vehicle Storage	\$0 - \$500	As arranged	As Incurred	Third-Party
Grand Opening Advertising <sup>4</sup>	\$5,000	In accordance with your grand opening marketing plan approved by us	Prior to commencing operations	Vendors
Medical Director Services (per month)	\$0 - \$675	As arranged.	As Incurred	Medical Director
Insurance <sup>5</sup>	\$350 - \$600	As arranged	Varies	Insurance Company
Accounting and Legal Fees	\$1,000 – \$2,000	As arranged	As Incurred	Professionals
Travel and living expenses while training <sup>6</sup>	\$1,500 - \$4,000	As arranged	Prior to commencing operations	Hotels, Airlines, etc.
Additional Funds – 3 months <sup>7</sup>	\$10,000 - \$25,000	As incurred	As incurred	Vendors, employees, Utilities, etc.
<b>TOTAL</b>	\$218,400 - \$264,575			

**Explanatory Notes:**

1. Except as otherwise provided, none of the amounts payable to us or our affiliates in this table are refundable under any circumstances. All amounts payable to third parties will be paid pursuant to the terms of your agreement with those respective third parties.

2. The initial inventory requirements will include marketing materials, IV supplies, etc. Due to differences in local laws, prices, suppliers, geography and commercial practices, you may elect to carry a larger inventory. The cost of your opening supplies and inventory will depend on the brands purchased, local costs and other factors.

3. You must obtain the number of Vehicles required, in your sole judgment, to sufficiently service all of your franchised business’ customers; however, you are required to have at least one Vehicle for every 100,000 population.

4. You are required to spend at least \$5,000 in the 60-days before and the 60-days after the opening date. See Item 11 for more information regarding grand opening advertising.

5. You must obtain and maintain on a primary and non-contributory basis at least a commercial general liability policy, commercial automobile liability policy, commercial property liability policy, workers’ compensation/employer’s liability policy, umbrella liability policy, employment practices liability policy, and cyber and privacy policy. See Item 8 for more information regarding your insurance requirements.

6. These expenses include the cost of transportation, meals, accommodations, and similar expenses associated with the attendance of 2 people at the required initial training. More information regarding initial training can be found in Item 11 of this Disclosure Document.

7. This is an estimate of anticipated working capital that will be required during the first 3 months of operating your franchised business. This is only an estimate and we cannot assure you that you will not incur additional expenses during the period. Our estimates do not include salary or compensation to you as the owner and operator of your franchised business and, accordingly you must account for

personal funds that you will require. We have relied on the experience of our affiliate owned location in making this estimate.

## **ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You may only offer and sell services and products that we designate (the “Approved Products and Services”). You may only use, lease, and/or install those products, services, furniture, fixtures, equipment, and other materials and supplies that we authorize and designate in writing that are now a part of our System or that we may designate as a part of our System in the future (the “System Supplies”). You must operate and/or manage your Invigorate Wellness Business in strict conformity with the Franchise Agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in the Manuals.

### **Source Restricted Purchases and Leases - Generally**

We require that you purchase or lease certain source restricted goods and services for the development and operation of your Invigorate Wellness Business. Source restricted goods and services are goods and services that must meet our specifications and/or must be purchased from an approved or designated supplier. We may designate a supplier, that may include us or our affiliates, as the exclusive supplier for the System. Our specifications and list of approved and designated suppliers is contained in our Manuals. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments and updates to our Manuals, verbal and other forms of communication. We formulate and modify our standards and specifications for products and services based on our industry experience and our management decisions as to the overall operation and expansion of the System. If we have previously approved a supplier, and their standards fall below our designated standards, we will revoke our approval. We will notify you in writing of us revoking our approval.

### **Customized Vehicle**

You must obtain your Vehicle from our authorized supplier and only use an approved service center for repairs and maintenance of the Customized Vehicle, unless otherwise approved in writing by us. We have one authorized supplier for Vehicles as of the date of this disclosure document. We reserve the right to derive revenue from franchisees’ purchases of Vehicles at any time.

### **Suppliers and Supplier Criteria**

We may designate ourselves and our affiliates as exclusive suppliers of source restricted goods and services. We may designate ourselves or a third party as the sole and exclusive supplier irrespective of the existence of competing suppliers. If there is no designated supplier for a particular item, you will purchase all products, supplies and services from suppliers who meet our specifications and standards.

We or our affiliate Invigorate Wellness, LLC are currently designated as an approved supplier of certain branded products, intravenous fluids, vitamins and other core inventory and provide administrative services to our franchisee, such as the management of relationship with approved suppliers. We do not mark up the price of branded products and administrative services for purchase by our franchisees. Except for these products and services, currently, we are not, and our affiliates are not approved suppliers of the source restricted goods and services identified below. Except as to Invigorate Wellness, LLC, no officer of ours currently owns an interest in any of our designated suppliers.

If you want to purchase or lease a source restricted item from a supplier that has not been previously approved or designated by us in writing, you must send us a written request for approval and submit additional information that we may request. We reserve the right to charge you a supplier evaluation fee of \$500. If we approve your supplier, this fee will be refunded to you. We may request that you send us samples from the supplier for testing and documentation from the supplier for evaluation. We may also require, subject to our discretion, that we be allowed to inspect the supplier’s facilities. We will notify you of our approval or disapproval within a reasonable time, not to exceed 60 days after we receive your

written request for approval and all additional information and samples that we may request. We may, in our discretion, withhold our approval. We maintain our procedures and criteria for approving suppliers as confidential. While we may not disclose all details, we will provide general guidelines to our System franchisees upon request, except that when evaluating the approval of a particular supplier, among other things, we consider: whether the supplier can demonstrate to our reasonable satisfaction the ability to meet our standards, specifications and production requirements, the suppliers quality control, whether or not we are the exclusive supplier of the particular item, whether or not our affiliate or affiliates are the exclusive supplier of the particular item, and whether or not the suppliers approval, in our sole determination, will allow us to advance the overall interests of the System. The Corporate Practice of Medicine Doctrine restricts layperson-franchisees from dictating the medical equipment and supplies to be used in the operation of the Franchised Business.

We estimate that your purchase of goods and services from suppliers according to our specifications, including your purchase of goods or services from our designated exclusive suppliers, to represent approximately 80% to 90% of your total purchases and leases in establishing your Invigorate Wellness Business and approximately 80% to 90% of the on-going operating expenses of your Invigorate Wellness Business. As described below in more detail, we currently require that you purchase or lease the following source restricted goods and services:

1. System Supplies; Administrative Services – Your Invigorate Wellness Business must maintain an initial and ongoing inventory of System Supplies. You must purchase the System Supplies exclusively from our designated suppliers or, with our approval, in limited circumstances due to discontinued or low inventory, we will permit you to utilize alternative suppliers otherwise meeting our standards and specifications. The System Supplies includes, among other things, the supplies used to perform the services offered by an Invigorate Wellness Business and the retail products sold to Invigorate Wellness Business customers.
2. Furniture and Fixtures – Your Invigorate Wellness Business must be equipped with branded and unbranded furniture and fixtures that we designate and that meet our standards and specifications. You may purchase unbranded furniture and fixtures from any supplier of your choosing, provided that the furniture and fixtures meet our specifications and standards, which may also include specified manufacturers and brands. Without limitation to the foregoing, you must purchase your initial service equipment, furniture, and branded fixtures from us or our affiliates.
3. Point of Sale and Computer Equipment – You will be required to purchase the computer systems, point of sale systems and software systems designated by us in the Manuals.
4. Credit Card Processing – You must use our designated supplier and vendor for credit card processing which may be integrated with the point-of-sale system that we designate. Credit card processing fees will, generally, be based on a percentage of all credit card processed Gross Sales.
5. Branded Items and Marketing Materials – Initially, we require you to use a designated preferred marketing provider and use the designs and materials this designer has provided to you. If you elect to use another vendor, you may be required to license certain designs and materials bearing the Marks (including, but not limited to, stationary, business cards, brochures, apparel, signs and displays) from our designated supplier. Any advertising must meet our standards and specifications and must be purchased from our designated suppliers or suppliers we approve utilized approved designs. We are the supplier of some materials that are included in the branding and promotion kit and other branded items you purchase when you enter into your Franchise Agreement. All of your marketing materials not purchased from our designated preferred provider must comply with our standards and specifications and must be approved by us before you use them. You may market your Invigorate Wellness Business through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. You must purchase all branded marketing materials from either us, our affiliates, or our designated exclusive supplier. We may require that you exclusively use, at your cost, our designated supplier for social and digital media marketing services and exclusively use, at your cost, our social media platforms, vendors and marketing channels. We

reserve the right to charge a markup on any branded materials you purchase from us, as deemed necessary by us.

6. Insurance – You must obtain the insurance coverage that we require from time to time as presently disclosed in the Manuals and as we may modify. All insurance policies required under your Franchise Agreement and as set forth in the Franchise Agreement must be written by a responsible carrier, reasonably acceptable to us and all insurance (excluding workers' compensation) must name us, our officers, directors, shareholders, partners, agents, representatives and independent contractors as additional insureds. The insurance policies must include a provision that the insurance carrier must provide us with no less than 30 days' prior written notice in the event of a material alteration to, or cancellation of, any insurance policy. A certificate of insurance must be furnished by you to use at the earlier of 90 days after the Effective Date of the Franchise Agreement or prior to the commencement of our initial training program. Insurance coverage must be at least as comprehensive as the minimum requirements set forth in the chart below and in the Franchise Agreement (Franchise Agreement, Article 8). You must consult your carrier representative to determine the level of coverage necessary for the Franchised Business. Higher exposures may require higher limits.

#### Insurance Requirements

- (a) Comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products liability and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of at least \$1,000,000 per occurrence and \$3,000,000 in the aggregate;
- (b) Statutory workers' compensation insurance and employers' liability insurance as required by the law of the state in which your Invigorate Wellness Business is located, including statutory workers' compensation limits and employers' liability limits of at least \$1,000,000;
- (c) Business interruption insurance equal to 12 months of your net income and continuing expenses including Royalty Fees;
- (d) Commercial umbrella liability insurance with total liability limit of at least \$1,000,000;
- (e) Cyber Insurance in the amount of at least \$1,000,000 protecting against first party and third-party claims;
- (f) Employment practices liability insurance with a limit of at least \$2,000,000 including actions of a third party and a minimum of \$100,000 for wage and hour disputes;
- (g) Business automobile insurance, including liability insurance coverage for hired and non-owned automobiles, with a combined single bodily injury and property damage limit of at least \$1,000,000 per occurrence;
- (h) Professional liability malpractice insurance for all medical providers with a limit of at least \$1,000,000 per claim and \$3,000,000 annual aggregate for all medical providers; and
- (i) All other insurance that we require in the Manual or that is required by law or by the lease or sublease for your Invigorate Wellness Business.

#### Purchase Agreements and Cooperatives

We may, in our discretion, negotiate purchase agreements, including price terms, with designated suppliers for source restricted goods and services on behalf of the System. We may establish preferred vendor programs with suppliers on behalf of some or all of the Invigorate Wellness Franchises under the System and, in doing so, we may limit the number of approved vendors and/or suppliers that you may purchase from and we may designate one vendor as your sole supplier. We have not negotiated special

volume discounts for our franchisees. Presently, there are no other purchase or supply agreements in effect for source restricted products or services and there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits for using our designated or approved suppliers.

**Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases**

We and/or our affiliates may receive rebates, payments, and other material benefits from suppliers based on your purchases. We reserve the right to institute and expand rebate programs in the future, and any such benefits may not necessarily be passed on to our franchisees. We have certain incentives in supplier relationship which may result in a payment to us based on your purchase of System Supplies and other services and products. We may charge Inventory Management Fees for certain products you purchase with suppliers that provide us with a volume discount. As of the December 31, 2022, neither we or our affiliate have received revenue from suppliers from franchisee purchases of source restricted products or services. We do not provide our franchisees with any material benefits based on a franchisee’s purchase of particular products or services or use of particular suppliers.

**ITEM 9. FRANCHISEE’S OBLIGATIONS**

**This table lists Your principal obligations under the Franchise Agreement 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.**

**FRANCHISEE’S OBLIGATIONS**

<b>Obligation</b>	<b>Section in agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	§9.1	Items 6 and 11
b. Pre-opening purchases/leases	§11.20	Item 8
c. Site development and other pre-opening requirements	§§9.1, 10.1, 11	Items 6, 7, 11
d. Initial and ongoing training	§§10.1, 10.2, 10.3	Item 11
e. Opening	§9.2	Item 11
f. Fees	§§5, 6, 7, 8.1, 8.2, 8.3	Items 5, 6, 7 and 11
g. Compliance with standards and policies/operating manual	§§10.6, 11	Item 11
h. Trademarks and proprietary information	§§4, 11.1, 11.15, 11.16	Items 13 and 14
i. Restrictions on products/services offered	§11.3	Items 8 and 16
j. Warranty and customer service requirements	§11.3	Item 16
k. Territorial development and sales quotas	§2.2	Item 12
l. Ongoing product/service purchases	§11.20	Item 8
m. Maintenance, appearance and remodeling requirements	§9	Item 11

n. Insurance	§13.1	Items 6 and 8
o. Advertising	§§8, 11.8.1	Items 6 and 11
p. Indemnification	§§13.2, 13.3	Item 6
q. Owner's participation/management/staffing	§11.13	Items 11 and 15
r. Records and reports	§14.2	Item 6
s. Inspections and audits	§§11.9.3, 14	Items 6 and 11
t. Transfer	§15	Item 17
u. Renewal	§3.2	Item 17
v. Post-termination obligations	§§18, 19.2	Item 17
w. Non-competition covenants	§19	Item 17
x. Dispute resolution	§§20.3, 20.4	Item 17

## ITEM 10. FINANCING

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

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

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

### **Franchisor's Pre-opening Obligations under the Franchise Agreement**

Before you open your Invigorate Wellness Business, we will:

1. Designate your Territory. (Franchise Agreement, Section 9.1)
2. Custom Order your Vehicle. (Franchise Agreement, Section 10.2)
3. Provide you with and arrange installation of Designated Equipment Package (Franchise Agreement, Section 10.3)
4. Because you do not have to locate a site from which to operate your business, we do not typically provide you with assistance in doing so. You may open an office, but it is not required. You must find a location to store your Vehicle, which may be at your residence if permitted. The storage location must meet certain basic requirements described in the Manual. As of the Issuance Date of this Franchise Disclosure Document, these basic requirements consisted of requiring that the location be in your territory and comply with any applicable rules or laws on Vehicle storage. Some franchisees use recreational vehicle storage facilities and others store their Vehicle on their own property, provided that it does not violate city or county codes or homeowners' association rules. We do not assist you with this, nor do you need our approval for the location unless you want to store your Vehicle outside of your territory. We generally do not own a location at which you store your Vehicle.
5. Provide you with suggested staffing guidelines for hiring employees, operational instructions which you can use as part of training new employees. All hiring decisions and conditions of employment are your sole responsibility. (Franchise Agreement, Section 10.13)
6. Provide you access to the confidential Manual. The Manual currently consists of 211 pages and may be amended from time to time. The Manual is confidential and remains our property because it is our intellectual property. We may modify the Manual from time to time, but these modifications will not alter your status and rights and obligations under the Franchise Agreement. The table of contents for the Manual are attached as Exhibit E to this Disclosure Document. (Franchise Agreement, Section 9.6)
7. Provide you with written specifications for the operation and management of the business, primarily through the Manual, including lists of approved/required items of equipment and inventory

and designated or approved suppliers of such items. We do not provide, deliver or install such items. (Franchise Agreement, Section 9.6)

8. No sooner than 3 months before your scheduled opening date, provide an initial training program, which must be successfully completed. More details about initial training appear later in this Item 11. You are solely responsible for your travel and lodging expenses for training. (Franchise Agreement, Section 9.2)

9. Review and, if appropriate, approve your grand opening marketing plan. (Franchise Agreement, Section 8.1)

10. Assist you in planning and ordering your initial inventories. (Franchise Agreement, Section 10.20)

### **Franchisor's obligations during Your Operation of the Franchise**

During the operation of your Invigorate Wellness Business, we may, but will not be obligated to:

1. Provide you with information on new developments, techniques and improvements related to the system and to operations. (Franchise Agreement, Section 9.3)

2. Provide you with suggested staffing guidelines for hiring employees, operational instructions which you can use as part of training new employees. All hiring decisions and conditions of employment are your sole responsibility. (Franchise Agreement, Section 10.13)

3. Offer certain additional training programs that we may require you to attend. (Franchise Agreement, Section 9.3)

4. Advise you of operating problems from your reports or our inspections. (Franchise Agreement, Section 10.9)

5. Offer you guidance on prices for the products and services that, in our judgment, constitute good business practice. (Franchise Agreement, Section 9.5)

### **Site Selection and Time to Opening**

Before you purchase the Invigorate Wellness Business, you and we jointly agree on the Territory in which you will operate your Invigorate Wellness Business. We develop Territories based on population and zip codes. A typical Territory will include at least 100,000 population. The population of a Territory may vary depending on the characteristics of a particular Territory in our Business Judgment. Since the business is mobile, we expect that you will run your Invigorate Wellness Business from your home and no site approval is required. (Franchise Agreement, Section 9.1).

The typical length of time between the signing of a Franchise Agreement and the opening of the Invigorate Wellness Business is 6-9 months. This time estimate may vary depending on the completion of training and delivery and customization of your Vehicle.

You will not open your Invigorate Wellness Business before (1) successful completion of the initial training program and all other required training, (2) purchasing all required insurance and providing us, at our option, proof of coverage, (3) obtaining all required licenses, certifications, permits and other governmental approvals, (4) performing Grand Opening Advertising; and (5) acquisition of your Vehicle. Failure to open within 12 months from the signing of the Franchise Agreement, except for delays due to circumstances beyond your control including but not limited to our vendor not delivering your Vehicle, may result in termination of the Franchise Agreement at our sole discretion.

### **Advertising**

#### **National Marketing Fund**

We do not currently have a National Marketing Fund; however, we reserve the right to establish one. If we establish a National Marketing Fund, we will provide you with at least 90-days written notice prior to implementing the National Marketing Fund. If implemented, you must contribute 1% of your Gross

Sales to the National Marketing Fund in the manner we prescribe and participate in National Marketing Fund programs (“National Marketing Fund Contribution”). All franchisees must contribute to the National Marketing Fund. We reserve the right to increase your National Marketing Fund Contribution to up to 2% of Gross Sales upon thirty days’ notice to you. Franchisor and affiliate owned locations may, but are not required to, contribute to the National Marketing Fund on the same basis as franchisees. (Franchise Agreement, Section 8.2).

We may use the funds contributed to the national marketing fund, in our sole discretion, for market studies, technology development, advertising and public relations, product and service development, to produce materials, prepare miscellaneous artwork, conduct print, radio and/or television advertising, implement customer service programs or conduct consumer research on a national or regional level, employ an in-house or outside advertising agency and funding any other direct or indirect marketing activity, including funding or operating a charitable foundation or other charitable entities or activities, and administrative costs. These administrative costs may include reimbursement for direct administrative and personnel costs associated with advertising and public relations, and any other costs associated with the development, marketing and public relations materials, and for the purchase of media placement, advertising time and public relations materials in national and international markets. While we do not anticipate that the national marketing fund will be used for advertising that is principally a solicitation for franchisees, we reserve the right, in our reasonable discretion, to use the national marketing fund for public relations or recognition of our brand, for the creation and maintenance of a web site, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating “Franchises Available.” We are not required to spend any amount on advertising in your territory.

We did not collect any national marketing fund contributions as of the date of this disclosure document.

Our company and affiliate owned locations may, but are not required to, contribute to the national marketing fund on the same basis as franchisees. An unaudited statement of the operations of the national marketing fund will be prepared each year and, upon request, will be available to you. We also reserve the right, in our reasonable discretion, but are under no obligation, to obtain and pay for audited financials. Any contributions not used during the current year will be carried over into the next year’s budget.

#### Local Advertising, Marketing and Promotional Expenditure

You may not perform any local advertising unless we pre-approve such advertising in writing. You are required to engage in local advertising and you are required to commit at least 1% of your Gross Sales toward your monthly local marketing efforts. We may review your local marketing programs and notify you if we approve same typically within 10-days of receipt. If you do not receive our approval within 10-days of our receipt of the local marketing program then we will have been deemed to have denied such programs. Further, we may make available to you and provide you with access to various monthly and seasonal print, direct mail and email marketing campaigns (in the form of a source document) that you may utilize. In those instances where we provide you with access to our marketing campaigns we may provide you with the source designs and design specifications. However, you will incur the direct costs associated with utilizing such marketing campaigns and in having such campaigns printed, distributed and/or placed with media sources. (Franchise Agreement, Section 8.3)

#### Local Marketing Cooperatives

We have the right, in our reasonable discretion, to designate any geographic area for purposes of establishing a regional advertising and promotional cooperative (“Cooperative”). All franchisees in the designated geographical area must participate in the Cooperative. Cooperative contributions will be credited towards your Local Advertising, Marketing, and Promotional Expenditure, and will not exceed the Local Advertising, Marketing, and Promotional Expenditure unless a majority of the Cooperative’s

members vote to spend an amount greater than the Local Advertising, Marketing, and Promotional Expenditure on advertising. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising. Each Cooperative must operate from written governing documents which will be made available to franchisees. Each year, every operating cooperative will prepare financial statements which will be made available to franchisees. No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. All such plans and materials will be submitted to us in accordance with the procedure set forth in Article 11 of the Franchise Agreement. We may grant to any franchisee, in our sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating reasons supporting such exemption. Our decision concerning such request for exemption will be final. We reserve the right to form, change, dissolve, or merge any Cooperative. (Franchise Agreement, Section 8.4).

### Franchisee Advisory Council

We do not currently have a franchisee advisory council that advises us on advertising policies, though we reserve the right, in our reasonable discretion, to establish such a council in the future. (Franchise Agreement, Section 8.5)

### Digital Marketing

You may not design, develop or host a website, or any web page, or use any domain name or email address containing the marks or regarding the franchised business other than as approved or required by us. We or our affiliates may establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, Tik Tok, etc.), applications, keyword or Google AdWords purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, “Digital Marketing”) that are intended to promote the Proprietary Marks, your franchised business, and the entire network of franchised businesses. We will have the right, in our reasonable discretion, to control all aspects of any Digital Marketing, including those related to your franchised business. Unless we consent otherwise in writing, you may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to the franchised business. If we do permit you to conduct any Digital Marketing, you must (i) comply with any standards or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such standards or content requirements. We may withdraw our approval for any Digital Marketing at any time. Except as approved in advance in writing by us, you may not establish or maintain a separate website, splash page, profile or other presence on the Internet. If such approval is granted by us, you must: (i) establish and operate such Internet site in accordance with System standards and any other policies we designate in the Operating Manual or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s). (Franchise Agreement – Section 10.8.1)

### Grand Opening Advertising

You must spend a minimum of \$5,000 to conduct Grand Opening Advertising in your territory during the 60-days before and the 60-days after the opening date. You can expend any additional amounts that you wish on Grand Opening Advertising. If this is your first Franchised Business you open with us, then you will be required to spend a total of at least \$10,000 in the four weeks before and the four weeks after the opening date. (Franchise Agreement, Section 8.1).

### Promotional Campaigns

We may conduct promotional campaigns on a national or regional basis to promote products or marketing themes. You must participate in all promotional campaigns which we may establish for the region in which your Invigorate Wellness Business is located. (Franchise Agreement, Section 8.6).

### **Computer Requirements**

You must obtain, maintain, and use the Technology System that we specify periodically in the Manual to (i) enter and track reservations and sales receipts, Services purchased and performed, and customer information, (ii) update inventory of merchandise and products, (iii) enter and manage your patient contact information, (iv) generate sales reports and analysis relating to your Invigorate Wellness Business, (v) maintain electronic health and medical records, and (vi) provide other services relating to the operation of your Invigorate Wellness Business. You must ensure the installation and operation of the Technology System complies with applicable law, including without limitation privacy laws (e.g., HIPAA) related to customer protected health information (as defined under HIPAA) or other customer data.

“Technology System” includes, but is not limited to, POS System, computer system, software (including any proprietary software) data, telephone, voice messaging, retrieval and transmission system, and member management system; customer relationship management systems; printers and other peripheral devices; Internet access mode (e.g., form of telecommunications connection) and speed; and WIFI and other Internet services for customers.

Currently, as part of the Technology System, we require you to purchase or lease a specific package of hardware and software from one or more suppliers that we have designated for such hardware and software in addition to high speed Internet access, which will be used to operate and interact with various web-based capabilities and software, one laptop or tablet to manage your pre-opening membership program sales and other events for your Invigorate Wellness Business, membership management software for membership administration and reporting, and other required software, hardware and technology solutions that we prescribe to operate various systems and platforms. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must execute and pay any fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require. We currently do not require you to use a designated vendor for the installation of the Technology System. However, we reserve the right to designate a vendor for this purpose in the future, in which case you will be required to use that vendor.

We estimate that the cost of the Technology System will be approximately \$1,000 to \$4,000 which includes the cost of the hardware, software licenses, related equipment, and network connections and related installation costs. The Technology System estimate does not include the monthly fees for required software (currently, \$75 per month plus). Currently, you must purchase the components of the Technology System from our designated vendor, which may be us or our affiliates.

You are required to replace, upgrade, or update the Technology System at your own expense as and when we deem necessary, within reasonable limits. We will establish reasonable deadlines for implementation of any changes to our Technology System requirements. We require you to obtain certain components of, or upgrades to, the Technology System and maintenance and support services related to the Technology System from us or our affiliates.

As of now, we do not require you to enter into any maintenance, updating, upgrading, or support contracts related to the Technology System. However, we reserve the right to require such contracts in the future, given reasonable notice. We, our affiliates, and third-party vendors are not obligated to provide you with any ongoing maintenance, repairs, upgrades, or updates. Our designated vendor for the Technology System may offer optional maintenance, updating, upgrading, or support contracts to you, but, currently, we allow you to choose any supplier if you elect to enter into such contracts. We cannot estimate what the vendor you select may charge for such services.

You, at all times, must give us unrestricted and independent electronic access (including user IDs and passwords, if necessary) to the Technology System for the purposes of obtaining the information relating to the Center, such as information concerning gross revenues, membership information, and inventory. You must permit us to download and transfer data via a high-speed Internet connection or such other connection that we specify on a real-time basis. There are no contractual limitations on our right to access data stored in the Technology System. If we access any HIPAA-protected information when we access a franchisee's Technology system, then such access and use will comply with HIPAA (in addition to all other applicable law).

### **Training**

You must attend and successfully complete to our satisfaction the training program. No tuition is charged for up to two trainees. You will be required to remit to us a fee of \$1,000 per person for each additional trainee. Training time is varied depending on the independent pace of each trainee. You are also required to pay all travel and living expenses for your representatives while they attend the training program.

Phase 1 of the initial training program will focus on administrative and back-office procedures and will be conducted after you sign the Franchise Agreement. Phase 2 of the initial training program will be offered once your Vehicle is complete and will focus on hands on training in your Vehicle.

We offer the training program on an as-needed basis. We expect that phase 1 initial training classes will take approximately 2-3 days and will be held virtually. We expect that phase 2 initial training classes will take approximately two weeks and will be held at our headquarters or another location that we designate and will be based on the Operating Manual. To reduce travel costs to the franchisee, we may also permit training to occur in other locations around the country. The initial training program consists of the following:

#### **TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
General Operations	8-10	0	Virtual
Marketing and Social Media	2	0	Virtual
Electronic Health Records Management	5	0	Virtual
On the Job Training and Inventory Management	0	80	Wisconsin Dells, WI or online
<b>Total</b>	<b>15-17</b>	<b>80</b>	

The training program is provided primarily under the direction of Emily Johnson. Emily has owned and operated an Invigorate Wellness business in Wisconsin Dells, WI since September 2021.

The instructional material for the training program shall include on-line courses and material, PowerPoint presentations, pamphlets on specific subjects, handouts, classroom exercises and hands on instruction and demonstration are utilized in the training program. You may not make any disclosure, duplication or other unauthorized use of any portion of the training materials.

The training program must be successfully completed by all required attendees prior to opening your Invigorate Wellness Business. Failure to successfully complete any phase of the training program could lead to the need to retrain on certain aspects of the training program at your expense or to a delay of your opening. Failure by you to complete the initial training program to our satisfaction is a material breach of the Franchise Agreement and provides us with grounds to terminate the Franchise Agreement.

Currently, we do not require additional training programs or refresher courses. However, we reserve the right to implement such programs in the future, with reasonable notice to you. If such programs are implemented, you are obligated to attend them and bear all associated costs including, but not limited to, the program fees, travel, lodging, and living expenses. Any supplemental or additional training must be completed within one year from the date of our original request.

## **ITEM 12. TERRITORY**

During the term of the franchise agreement, we will grant you a protected territory. We will not operate within or establish another franchised business in your Territory that sells IV hydration and vitamin therapy services using our System and Marks. We will not compete with you in your Territory from outlets that we own using our System and Marks. Franchisees are prohibited from doing business in the contracted territory of other franchisees, however, we cannot guarantee that another franchisee will not breach the franchise agreement and do business in your Territory. Your Territory will be described by United States Postal Service ZIP Codes in your franchise agreement. Each Territory will consist of a minimum 100,000 population. The ZIP codes making up your territory will not change even if their boundaries are expanded or contracted by the Postal Service or if the population within them decreases or increases.

We may, in the future, arrange referral programs, such as web site referral programs, under which you pay fees to referral sources in return for business in your Territory. We will give you information about these programs as they are developed and you may decide whether to opt out of them. If you do not expressly opt out of a referral program, you will be considered to have opted in.

You must promote, market, and engage in the Invigorate Wellness Business diligently and effectively, develop to the best of your ability the potential of your Invigorate Wellness Business within your Territory, and devote and focus your full-time attention and efforts to its promotion and development.

You may not use the Internet to solicit business except as described in Sections 6.8 (Use of Marks in Social Media) and 8.15 (Franchisor's Web Site) of the franchise agreement. You may not intentionally direct your advertising or marketing at customers in other franchisees' territories.

You must obtain our prior written approval before selling IV hydration and vitamin therapy services outside your assigned Territory whether in-person or through other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing. If we give you permission to operate outside of your assigned Territory, we have the right to sell or assign them or any part of them at any time, without notice to you. You will not have a right of first refusal or option to buy another territory.

Although we will not grant anyone else the right to operate in your Territory, except as described in the joint marketing provisions contained in section 2.2(c) of the franchise agreement, we do not promise that another franchisee will not violate the franchise agreement and conduct business in your Territory.

You may increase your territory only by entering into a franchise agreement for an available additional territory for the fees described in Item 5 of this disclosure document. An additional territory must generally be contiguous or close to your first territory. We will grant an additional territory to you only if you are not in default of your first franchise agreement. You are not permitted to relocate your franchise.

We have the right to operate or establish businesses similar to your Invigorate Wellness Business, using the same Marks you will use and providing service to customers anywhere outside your Territory, regardless of how close they are to your Territory.

We reserve the right to establish businesses similar to your Invigorate Wellness Business that operate under a different trade name and marks within your Territory. In such cases, no compensation will be provided to you. However, we currently have no plans to exercise this right. In addition, we and our affiliates may:

- (a) sell IV hydration and vitamin therapy services under different trademarks;
- (b) acquire or be acquired by a company that operates and/or franchises IV hydration and vitamin therapy services within your territory without using the System and the Marks;
- (c) acquire or be acquired by a manufacturer of products associated with IV hydration and vitamin therapy services;
- (d) sell IV hydration and vitamin therapy services through any other means that do not involve both the System and the Marks;
- (e) use the Marks and System, and license others to use the Marks and System to engage in any other activities not expressly prohibited by the franchise agreement; and
- (f) advertise and promote the System and the Marks at any location within or outside your Territory.

We may respond to customer complaints in your Territory, which we may resolve in our discretion.

You will not have any options or rights of first refusal or similar rights within your Territory or adjacent territories. You will not have the right to acquire additional Invigorate Wellness franchises anywhere.

Under the franchise agreement, your territorial protection or limited exclusivity will not depend upon the volume of sales generated nor on your penetration of the potential market. Except as described in this Item, there are no circumstances under which we may modify your territorial rights during the term of the franchise agreement.

### **ITEM 13.      TRADEMARKS**

Pursuant to the terms of the Franchise Agreement, we will grant you the non-exclusive right and license to utilize the “Invigorate Wellness” trademark and those other marks identified in this Item 13 to operate your Invigorate Wellness Business in accordance with the System.

We reserve the right to supplement and modify the Marks that you may or may not use in connection with the operations of your Invigorate Wellness Business. You may only use the Marks in the manner authorized by us in writing and pursuant to the terms of the franchise agreement. You may not use Marks in connection with the name of your corporation, limited liability company or other corporate entity that you may establish in connection with the operations of your Invigorate Wellness Business.

Our owner, Emily Johnson, has granted us a license to use and sublicense to use the below Marks. The term of the license is for 99 years. The Franchise Agreement may be terminated if we take any affirmative act of insolvency, if a receiver or trustee is appointed to take possession of our properties and is not discharged within 90 days, if we wind up, sell, consolidate or merge our business, or if we breach any of our duties and obligations under the license and do not cure the breach within 60 days following written notice of the breach. Within the Franchise Agreement, the term “Marks” includes any other trade names, service marks, trademarks, designs, logos, slogans and commercial symbols now in existence or later adopted by Invigorate Wellness, Inc. that are used in connection with the System. This agreement licenses to us any future trademarks acquired by Invigorate Wellness, Inc. as well. In the event that Invigorate Wellness, Inc. terminates our Agreement with them, they must honor all franchise agreements, including the right to renew. No other agreements significantly limit our right to use or license the use of our marks.

As of the Issuance Date, our owner, Emily Johnson, has registered the following marks on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”):

Mark	Registration Number	Registration Date
	7222389	November 21, 2023
	7222388	November 21, 2023

Our owner has filed all affidavits required for our principal trademarks.

There are no currently effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board or any state trademark administrator or court. We have no pending infringement, opposition or cancellation proceeding or pending material federal or state court litigation regarding our use or ownership rights in a trademark. We have no actual knowledge of any superior prior rights or infringing uses which could materially affect your use of such marks.

If any administrative or judicial proceeding arising from a claim or challenge to your use of any of our marks, you must immediately notify us, and we may take any such action as we deem appropriate in order to preserve and protect the ownership, identity and validity of the marks. We are only obligated to defend you from any claims arising from your use of our primary marks. If we decide to modify or discontinue the use of any mark and/or use one or more additional or substitute marks, you will be responsible for the tangible costs (such as replacing signs and materials) associated with such a change. We are not required to reimburse you for any costs you incur in relation to any change or substitution, such as the cost of changing stationery or signage, and have no obligation or liability to you as a result of any change or substitution.

You are required to immediately notify us of any use of, or claims of rights to, a mark identical to or confusingly similar to our marks. We have the right, but not the obligation, to bring any action against any third party using such a similar mark. You are required to participate in any such action we bring against a third party at your own expense. We have the right to control any such litigation or administrative proceedings, including any settlement.

#### **ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

No patents are material to the franchise. We do not have any pending patent applications that are material to the franchise. We and/or our affiliates have copyrighted or may copyright advertising materials and design specifications, our Manual and other written materials and items. We consider this information to be proprietary trade secrets, protectable under common law and applicable state laws. We also claim common law copyrights to the operational and training materials, building plans and specifications, and other proprietary materials specifically created by us in connection with the system, including proprietary advertisements, all materials presented to prospective customers of our brand, all product related marketing research, certain information on web and printed materials and forms used in connection with the operation of a Invigorate Wellness business. The Manual and other proprietary materials have not been registered with any copyright office, but remain protected under common law and applicable state laws.

There currently are no effective adverse determinations of the United States Copyright Office (Library of Congress) or any court regarding the copyrighted materials. No agreement limits our right to use or

allow others to use the confidential information or copyrighted materials. We know of no infringing uses of our copyrights which could materially affect your using the copyrighted materials in any state.

You must immediately inform us if you learn of any unauthorized use, infringement or challenge to the copyrighted materials, proprietary or confidential information, including but not limited to our Operations Manual. We will take any and all action(s) (or refrain from same) that we determine, in our sole discretion, to be appropriate. We may control any action we choose to bring. We have no obligation to participate in or indemnify you for any infringement claims in regard to our copyrights. You must modify or discontinue use of the subject matter covered by any copyright if directed by us at your own expense.

In operating a Invigorate Wellness business in accordance with our System, you will obtain access to our confidential information and trade secrets. Except as specifically authorized, you must not communicate, divulge or use such confidential information or trade secrets. Each of your equity owners is required to execute confidentiality covenants and you are required to obtain similar covenants from each of your general and assistant managers.

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

You, or a designated manager, are expected to participate in the direct operation of your Invigorate Wellness Business on a full-time basis. If you cannot, then you must have a fully trained manager operate your Invigorate Wellness Business. We do not require that your manager have an equity interest in the franchise.

Each manager must successfully complete those portions of our initial training program required for their positions in their entirety. More information about our initial training program and its costs is contained in Items 6 and 11 of this Disclosure Document. Managers shall attend and complete special programs or periodic additional training as we may require in writing upon at least 60 days' prior notice.

If you are a business entity (e.g., corporation, partnership or limited liability company), you must designate one person who owns at least 10% of your equity interests as your "Designated Principal." The Designated Principal must have the authority to bind you to obligations relating to the Franchise Agreement.

If you are a business entity, each of your owners that are active in your Invigorate Wellness Business at any time during the Term and any owner that has a beneficial ownership interest of 10% or more in you, must personally guarantee, jointly and severally, your obligations under the Franchise Agreement and agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement. This includes both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. The form of your Personal Guaranty is attached as Attachment B to the Franchise Agreement. Spouses of all of your owners are required to execute a Personal Guaranty.

Neither you nor any employee of your Invigorate Wellness Business may interfere with the professional judgment of any licensed person who is providing services at your Invigorate Wellness Business. In a state where the Invigorate Wellness business must be owned and operated by a P.C., you must be sure to follow the terms and conditions of the Management Agreement with the P.C. The Management Agreement sets forth the duties and responsibilities of the Management Company (Franchisee) and the P.C. You must ensure that you, and any of your employees and/or agents comply with the terms of the Management Agreement.

We reserve the right to require you to obtain non-disclosure and non-compete agreements from your owners, managers, and any other employees or agents who have received or will have access to our

training or confidential information. All of the required covenants must be in substantially the form approved by us from time to time. In addition, you must require each of your managers to execute a Confidentiality Agreement in the form attached as Attachment F to the Franchise Agreement, but your managers are not required to execute a Noncompetition Agreement.

**ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must operate your Invigorate Wellness Business in strict conformity with all prescribed methods, procedures, policies, standards, and specifications of the System, as set forth in the Manual and in other writings by us from time to time. You must only offer the products and services that we authorize. You may not offer or sell products or services not authorized by us. You must offer all goods and services that we designate for your Invigorate Wellness Business. We may also periodically set maximum or minimum prices for services and products that your Invigorate Wellness Business offers. We may periodically change the required and/or authorized products and services, and there are no limits on our right to do so. You must promptly implement these changes and must discontinue selling any products or services that we at any time decide to disapprove in writing. If you sell unapproved goods or services or fail to report them, we reserve the right to charge you fees. Should you continue to engage in such activities after receiving a written notice from us, we may proceed to terminate your franchise. Items 8, 9 and 12, as well as the Manual, provide additional information regarding your specific obligations and limitations.

You must use your Invigorate Wellness Business solely for the operation of a Invigorate Wellness Business in accordance with our System and for no other unrelated purpose. You may not offer for sale or sell products or services related to the Invigorate Wellness Business through alternative channels of distribution, such as the Internet.

There are no other limitations imposed by us on the persons to whom a franchisee may provide goods and services, except those imposed by the nature of the system itself.

**ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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

Provision	Section of Franchise Agreement	Summary
a. Length of the franchise term	§3.1	10 years from signing the Franchise Agreement.
b. Renewal or extension of the term	§3.2	One additional successor franchise terms of 10 years, if you meet certain requirements.
c. Requirements for franchisee to renew or extend	§3.2	You must give us a written notice within a period of not less than 180 days prior; have complied with all material terms and conditions of your current Franchise Agreement; paid all monetary obligations owed to us; agree in writing to update your Franchised Business; you and your principals sign a general release of any claims against us (subject to applicable state law); and sign our then-

Provision	Section of Franchise Agreement	Summary
		current standard Franchise Agreement. The then-current form of Franchise Agreement may contain terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights. The term “renewal” refers to extending our franchise relationship at the end of your initial term and any other renewal or extension of the initial term.
d. Termination by franchisee	§16	If you are in compliance with your Franchise Agreement and we materially breach the Franchise Agreement and fail to correct such breach within 30 days after receiving a written notice from you, you may terminate your Franchise Agreement and the franchise effective 10 days after delivery of notice to us.
e. Termination by franchisor without cause	Not Applicable	We may not terminate the Franchise Agreement without cause.
f. Termination by franchisor with cause	§15	The Franchise Agreement allows us to terminate it for a valid cause during its term and before its expiration.
g. “Cause” defined-- curable defaults	§15	You fail to commence operating your Franchised Business within 12 months from the Effective Date of this Agreement; you fail, refuse, or neglect to promptly pay when due any monies owing to us, our affiliates, to the National Marketing Fund (if established), or to other creditors you have, or to submit the financial or other information required under this Agreement; A threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Business; You sell non-approved products or services; or You, by act or omission in connection with the operation of your Franchised Business, permit a continuing violation of any applicable law, ordinance, rule, or regulation of a governmental body; provided, however, that if such act or omission damages the goodwill associated with the System or the Marks, we will have the right to terminate this Agreement if you do not cure such default within 24 hours after notice from us.
h. “Cause” defined-- non-curable defaults	§15	You are liquidated or dissolved; You fail to operate for 5 consecutive days (unless prevented from so by fire, flood, or acts of nature), or otherwise abandon your Franchised Business, or forfeit the right to do or transact business in the jurisdiction where your Franchised Business is located; You or any of your owners make an

Provision	Section of Franchise Agreement	Summary
		<p>unauthorized Transfer under the franchise agreement; You or any of your owners are proven to have engaged in fraudulent conduct, or are convicted of, or plead guilty or no contest to a felony or a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks or the goodwill associated therewith; You are given 3 or more notices of being in material violation of any of the terms or requirements of this Agreement within any 12 month period, whether or not such defaults are timely cured after notice; You misuse or make any unauthorized use of the Marks and do not cease such misuse or unauthorized use within 24 hours' notice from us; You, by act or omission, materially impair the value of, or the goodwill associated with, any of the Marks or the System.</p>
<p>i. Franchisee's obligations on termination/n on-renewal</p>	<p>§17</p>	<p>You must cease representing yourself as a Franchisee; cease using our Marks and System; immediately pay what you owe us pursuant to the Franchise Agreement; immediately return all printed materials provided to you by us, including the Manual; de-identify your Franchised Business; transfer your telephone directory listings to us; cease using proprietary products and our approved suppliers; and transfer your domain names, websites and social media accounts, etc. to us.</p> <p>Your obligations not to disclose or use for other purposes our trade secrets, confidential business information, or other proprietary materials remains in effect upon and after the termination, expiration or non-renewal of the Franchise Agreement.</p>
<p>j. Assignment of contract by franchisor</p>	<p>§14</p>	<p>No restriction on our right to assign.</p>
<p>k. "Transfer" by franchisee-- definition</p>	<p>§14</p>	<p>The Franchise Agreement defines transfers by you to include any assignment or transfer of the Franchise Agreement, any interest in the Franchise Agreement, any sale or transfer of any interest in your business entity not specifically authorized in the Franchise Agreement, or a transfer of the Franchised Business or its assets.</p>
<p>l. Franchisor approval of transfer by franchisee</p>	<p>§14</p>	<p>Transfers require our prior written consent, which may be granted or withheld in our discretion.</p>
<p>m. Conditions for franchisor</p>	<p>§14</p>	<p>You are in full compliance with the franchise agreement, you have no uncured defaults, and all</p>

Provision	Section of Franchise Agreement	Summary
approval of transfer		<p>your debts and financial obligations to us and our affiliates are current; you provide us with all information we may require concerning the proposed transaction (including a copy of the purchase agreement and all related documents), and the proposed transferee; we are satisfied that the proposed transferee (and if the proposed transferee is an entity, all holders of any interest in such entity) meets all of the requirements for our new franchisees, including, but not limited to, good reputation and character, business experience, and financial strength, credit rating and liquidity, and that the sale price is not excessive; you sign a written agreement in a form satisfactory to us in which you and your investors covenant to observe all applicable post-term obligations and covenants contained in the franchise agreement and release us and our affiliates from any claims you may have against us, or any further obligations we may have to you; the proposed transferee enters into a new franchise agreement with us, on the terms we then generally offer to new franchisees (including fees payable and size of territory); provided, however, that no new initial franchise fee will be required to be paid, and further provided that the term of that franchise agreement, unless otherwise agreed, will be the remaining term of your franchise agreement; the proposed transferee agrees in writing to perform such maintenance, remodeling and re-equipping of your Franchised Business that we determine necessary to bring your Franchised Business in compliance with our then-current standards, including any updates to your technology and security equipment that we determine necessary; prior to the date of the proposed transfer, the proposed transferee's Designated Principal successfully completes such training and instruction as we deem necessary; you and all holders of an interest in you sign a general release (subject to applicable state law), in the form prescribed by us, releasing, to the fullest extent permitted by law, all claims that you or any of your investors may have against us and our affiliates, including our and their respective shareholders, officers, directors and employees, in both their individual and corporate capacities; and prior to the transfer, you pay us a transfer fee of ten thousand dollars (\$10,000).</p>

Provision	Section of Franchise Agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	§14	We have a 14-day right of first refusal and can match offers.
o. Franchisor's option to purchase franchisee's business	§17	We may purchase your Business at fair market value upon the termination or expiration of the Franchise Agreement, at our discretion. We may exercise this right by giving you written notice of our election within 30 days after the date of the Termination Event.
p. Death or disability of franchisee	§14	Upon death or disability of you (or your Operating Partner) or a Controlling Owner, your (or your Operating Partner's) or the Controlling Owner's executor or personal representative must transfer the ownership interest within 9 months of date of death or disability. A new Operating Partner must be appointed within sixty (60) days. We may assume your Business's management or appoint an interim manager to operate your Business.
q. Non-competition covenants during the term of the franchise	§18	You shall not participate in any business that directly or indirectly competes with your franchise during the term of this Agreement.
r. Non-competition covenants after the franchise is terminated or expires	§18	You will not, directly or indirectly for a period of 2 years after the transfer by you, or the expiration or termination of this Agreement, on your own account or as an employee, consultant, partner, officer, director, shareholder, lender, or joint venturer of any other person, firm, entity, partnership, corporation or company, own, operate, lease to or lease from, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity that derives more than 10% of its revenue from IV infusion or vitamin therapy related products and/or services, which is located within the Territory or within a 25 mile radius of any Invigorate Wellness business, whether owned by us, our affiliates, or a franchisee, wherever located, whether within the Territory or elsewhere.
s. Modification of the agreement	§20	Modifications to this Agreement can only be made through a written agreement that is mutually agreed upon by both parties.
t. Integration/merger clause	§20	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and the Franchise

Provision	Section of Franchise Agreement	Summary
		Agreement shall not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	§20	All controversies, disputes, or claims arising out of or relating to this Agreement must be submitted for mediation or arbitration upon the request of either party.
v. Choice of forum	§20	Any mediation, arbitration or litigation must be held and conducted in Wisconsin or in the federal courts located in Wisconsin. These provisions are subject to state law.
w. Choice of law	§20	This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin, subject to any applicable state law.

**ITEM 18. PUBLIC FIGURES**

We do not use any public figure to promote, endorse or recommend our franchise.

**ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Invigorate Wellness Franchising, LLC, 833 Golden Drive, Wisconsin Dells, WI 53965 and 608-844-1554, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Outlet Summary  
For years 2020 to 2022**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
<b>Company-Owned</b>	2020	0	0	0
	2021	0	1	+1
	2022	1	1	0
<b>Total Outlets</b>	2020	0	0	0
	2021	0	1	+1
	2022	1	1	0

**Table No. 2  
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For years 2020 to 2022**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>Wisconsin</b>	2020	0
	2021	0
	2022	0
<b>Total Transfers</b>	2020	0
	2021	0
	2022	0

**Table No. 3  
Status of Franchised Outlets  
For years 2020 to 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
<b>WI</b>	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
<b>Totals</b>	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

**Table No. 4  
Status of Company-Owned Outlets  
For years 2020 to 2022**

State	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
<b>WI</b>	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1
<b>Totals</b>	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1

**Table No. 5  
Projected Openings as of December 31, 2022**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Wisconsin	0	1	0

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Opened</b>	<b>Projected New Franchised Outlet In The Next Fiscal Year</b>	<b>Projected New Company-Owned Outlet In the Next Fiscal Year</b>
<b>Total</b>	0	1	0

Exhibit C to this Disclosure Document lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of the date of this Disclosure Document. There were no franchisees who had a Franchise Agreement terminated, cancelled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to buyers when you leave the Franchise System.

No franchisee has signed confidentiality agreements during the last 3 fiscal years restricting its ability to speak openly about its experience with our franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Invigorate Wellness. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

We are not aware of any trademark-specific franchisee organizations associated with our Franchise System.

**ITEM 21. FINANCIAL STATEMENTS**

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Our fiscal year end is December 31. Exhibit B contains our audited opening financial statement dated August 21, 2023.

**ITEM 22. CONTRACTS**

Exhibits A and G of this Disclosure Document contain all contracts proposed for use or in use regarding the offer of our franchises, including the following agreements:

- Exhibit A                      Franchise Agreement
- Exhibit G                      Sample General Release

**ITEM 23. RECEIPTS**

The last two pages of this Disclosure Document are detachable duplicate Receipts that serve as an acknowledgement of your receipt of a copy of this Disclosure Document. You should sign both copies of the Receipt and return one copy to us.

**EXHIBIT A**

**TO FRANCHISE DISCLOSURE DOCUMENT**

**INVIGORATE WELLNESS FRANCHISING, LLC**  
**FRANCHISE AGREEMENT**

## **FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (“Agreement”) is made as of the Effective Date specified in the Rider attached to this Agreement (the “Rider”) between Invigorate Wellness Franchising, LLC, a Wisconsin Limited Liability Company (“we” or “us”) and the person or persons named in the Rider as “Franchisee” (“you”). If you are a corporation, partnership, limited liability company or other entity approved by us to own an Invigorate Wellness Franchised Business (the “Approved Entity”), the term “owners” in this Agreement shall refer to your shareholders, partners, members or other interest holders. Unless otherwise approved by us, the term “Controlling Person” refers to the person who owns forty percent (40%) or more and the largest share of the general partnership interest of such partnership; the equity and voting power of all classes of the issued and outstanding capital stock of such corporation; the membership interests of such limited liability company; or the voting and ownership interests of such other entity.

### **1. INTRODUCTION**

1.1. We have invested substantial time, effort and money to develop a system of operating a mobile IV hydration and vitamin therapy business and have filed a trademark for the name “Invigorate Wellness” as well as other intellectual property rights. We grant franchises to qualified candidates for the operation of an Invigorate Wellness business. We license our trademark rights in “Invigorate Wellness” and may in the future adopt, use and license additional or substitute trademarks, service marks, logos and commercial symbols in connection with the operation of Franchised Businesses (collectively the “Marks”). Franchised Businesses use our methods, procedures, standards, specifications and the Marks (all of which are collectively referred to as the “System”) which we may improve, further develop or otherwise modify from time to time.

1.2. You acknowledge that you have had an adequate opportunity to be thoroughly advised of the provisions of this Agreement and our Franchise Disclosure Document and have had sufficient time and opportunity to evaluate and investigate the System and the procedures and financial requirements associated with the System, as well as the competitive market in which it operates.

1.3. You desire to operate a Franchised Business that will conform to our uniform requirements and quality standards as established from time to time by us.

### **2. GRANT OF FRANCHISE**

2.1. Grant of Franchise. Subject to the provisions stated below, we license to you a personal franchise to operate an Invigorate Wellness (your “Franchised Business”) in conformity with our System within the area described on the Rider (the “Territory”). You accept the license and undertake the obligation to operate your Franchised Business using the System and in compliance with our standards. Unless otherwise agreed in writing by us, you must open your Franchised Business within twelve (12) months from the Effective Date, failing which we reserve the right to terminate this Agreement or impose suitable penalties as deemed appropriate. You must thereafter diligently operate your Franchised Business in accordance with this Agreement for the entire remaining term of this Agreement.

2.2. Territory. Included in the Rider is a map or description of Territory. Except as specified in this Section or in Section 2.2.1., during the term of this Agreement, we will not operate or license to anyone else the right to operate a Franchised Business from any other location in the Territory. You may not solicit or accept orders from customers located outside of the Territory without our explicit written permission. You do not have the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of the Territory. “Territory Infringement” occurs when a franchisee generates income from a customer by receiving payment for goods and/or services provided and/or rendered within the territory of another Invigorate Wellness franchisee without first obtaining that franchisee’s and our written permission. A franchisee who infringes upon another franchisee’s territory is subject to the following fines, payable to us within five (5) days after such infringement is proven: (i) first violation - \$1,000, plus the invoice amount for the services performed and products provided; and (ii) second violation and each subsequent violation - \$5,000, plus the invoice amount

for the services performed and products provided. The collected fine amounts shall become our property and any distribution of these funds shall be in our sole discretion. The total violations count is cumulative over the life of this Franchise Agreement regardless of where and when the violations occur.

You may provide services and sell products to customers located outside of the Territory without being subject to Territory Infringement under the following circumstances: (1) there is no other franchisee in that area and the customer initiates the contact with you; (2) you receive our express written consent, which may be withheld in our sole discretion; and (3) you follow any off-site policies and procedures in our Operations Manual. You are prohibited from directly marketing to or soliciting customers whose principal residence (or principal business office if the customer is a business) is outside of your Territory unless we specify otherwise to you in writing. You may not advertise in any media whose primary circulation is outside of the Territory without our permission, unless the advertisement is part of a cooperative advertising program. We do not grant a right of first refusal to franchisees to purchase new or existing locations.

2.3. Territorial Rights We Reserve. You acknowledge and agree that (i) we and our affiliates have the right to grant other franchises or licenses and to operate company or affiliate owned locations outside the Territory even if they compete with your Franchised Business for customers who may live and/or work in or near the Territory, (ii) we and our affiliates have the right to operate, and to grant franchises or licenses to others to operate Invigorate Wellness businesses and any other business from locations within and outside the Territory under trademarks other than the Marks, without compensation to you, provided; however, that with respect to this clause, (iii) we and our affiliates will not operate Invigorate Wellness businesses within the Territory, or grant franchises or licenses to others to operate Franchised Businesses within the Territory, unless we do so after we or our affiliates acquire, or merge with, another business that operates or grants franchises to operate a Competitive Business, or after we are acquired by such a business, in which case we may do so, provided we do not operate those Competitive Businesses in the Territory using the Marks, or license anyone to use the Marks to operate such Competitive Businesses in the Territory. In addition, the boundaries of your Territory may overlap with a territory we grant to another franchisee or to a location we or our affiliates operate, so long as no other location is located within your Territory.

1.4. Additional Reservation of Rights. We and our affiliates reserve any and all rights not expressly granted to you under this Agreement, including, without limitation, the right to sell anywhere (including within the Territory) products and services (including to your customers) under the “Invigorate Wellness” name, or under any other name, through any channel of distribution.

### **3. TERM AND RENEWAL RIGHTS**

3.1. Initial Term. The term of this Agreement is for ten (10) years commencing on the Effective Date of this Agreement, unless terminated earlier as provided in this Agreement or extended by mutual agreement between both parties.

3.2. Renewal. You have the right to renew your franchise for an additional ten (10) year term, provided you meet all of the following conditions:

3.2.1. You have given us written notice at least one hundred eighty (180) days prior to the end of the then-current term of this Agreement of your desire to renew;

3.2.2. You and all entities you are a member, partner or shareholder of, are in compliance with all agreements between you and us and between you and our affiliates, and there has been no series of defaults by you thereunder (i.e., an abnormal frequency of defaults or a default that has occurred repeatedly, or a combination thereof), whether or not such defaults were cured;

3.2.3. You make, or provide for in a manner satisfactory to us, such renovation and reequipping of your Vehicle as we deem appropriate to reflect the then-current standards and image of the System, including, without limitation, renovation or replacement of signs, equipment, furnishings, fixtures and decor;

3.2.4. You pay us a renewal fee at least fifteen (15) days prior to the expiration of the initial term of this Agreement in an amount equal to five thousand dollars (\$5,000) (the “Renewal Fee”);

3.2.5. You sign the standard form of franchise agreement then being used by us within thirty (30) days of receipt, provided that you pay the Renewal Fee in lieu of the Initial Franchise Fee set forth in the

then-current Franchise Agreement. The terms of such Franchise Agreement may differ from this Agreement, including higher fees and a modification to the Territory based upon our then-current methods of determining Territory areas (and which may include a reduction in the Territory);

3.2.6. Your management staff successfully completed any refresher training prescribed by us at least thirty (30) days prior to the expiration of the term of this Agreement; and

3.2.7. At the time you sign the Franchise Agreement to renew your franchise, you sign and deliver to us a general release, in the form we prescribe, releasing, to the fullest extent permitted under the laws of the state where your Franchised Business is located, all claims that you may have against us and our affiliates and our respective current and former officers, directors, shareholders, employees, insurers, consultants, contractors and agents, in both their corporate and individual capacities.

If you fail to timely comply with any provision of this Section 3.2, time being of the essence, we will at all times thereafter be permitted to operate or license to someone else the right to operate a Franchised Business from any location in the Territory, and you specifically grant to us the right to contact the customers of your Franchised Business, notify them that you have chosen not to renew your relationship, and use any business data or information related to your Franchised Business for our own purposes. with us, and solicit those customers for the benefit of us or another franchisee of the System.

#### **4. MARKS AND COPYRIGHTS**

4.1. Identity of Your Franchised Business. Your Franchised Business will be identified primarily by the trademark “Invigorate Wellness” or any other trademarks, service marks, logos, and commercial symbols that we may adopt, use, and license in the future. You may not use any other trademarks, service marks, logos, or commercial symbols without our prior written consent.

4.2. Ownership of Mark. You agree that we own or have sublicensed the rights to the Marks and the System. You also agree that any and all improvements and derivations by you relating to the Marks and System are our sole property and you hereby assign to us the same, together with the goodwill associated with the same. We will have the exclusive right to register and protect all such improvements and derivations of the Marks and the System.

4.3. Use. Your right to use and identify with the Marks and System applies only to the Franchised Business and exists concurrently with the term of this Agreement and only so long as you are in complete compliance with our quality standards, as determined by us in our sole discretion. You will have the right to use the Marks and System only in the manner prescribed, directed and approved by us in writing. You will not have or acquire any rights in any of the Marks or System other than the right of use as governed by this Agreement. You may not authorize others to use or reproduce our Marks without our prior written consent. Your use of the Marks and any resulting goodwill will be to our exclusive benefit. If, in our judgment, your conduct infringes upon or demeans the goodwill, standards of uniformity or quality, or business standing associated with the Marks or the System, you will immediately, upon written notice from us, modify your use of the Marks and the System in the manner prescribed by us in writing. You will not during or after the term of this Agreement do anything directly or indirectly which would disparage, infringe upon, harm, or contest our rights in, the Marks or System.

4.4. Promotion. You will operate your Franchised Business so that it is clearly identified and advertised as an Invigorate Wellness. The style, form and use of the words “Invigorate Wellness” in any advertising, written materials, products or supplies, including but not limited to any Technology Platform (defined below), must, however, have our prior written approval and comply with our specifications as we may prescribe in writing and as set forth in the Manual, or as otherwise directed by us. You will use the trademark “Invigorate Wellness” and the other Marks which now or hereafter may form a part of the System, on all signs, paper supplies, business cards, uniforms, advertising materials, Technology Platforms, signs and other articles in the identical combination and manner as we may prescribe in writing and you will supply to us samples or photographs of the same upon our request. You will comply with all trademark, trade name, service mark and copyright notice marking requirements and you will supply to us samples or

photographs of the same upon our request. You will not use the words “Invigorate Wellness” or any variations thereof in your corporate, partnership, limited liability company or other entity name.

4.5. Substitutions of, or Adverse Claims to Marks. We have the right to protect and maintain all rights to the Marks against encroachment, misuse or unauthorized use and against all challenges to any rights of its use, as we deem appropriate. If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Mark, or to discontinue using any Mark, or if there is an adjudication by a court of competent jurisdiction that any party’s rights to any of the Marks are superior to ours, then upon written notice from us, you will, at your sole expense, immediately adopt and use the changes and amendments to the Marks that are specified by us in writing, and if the Mark that is changed is the name “Invigorate Wellness,” then all references in this Agreement to the name “Invigorate Wellness” will be deemed references to such substitute Mark. If we modify or discontinue use of any Mark, you will immediately cease using the Marks specified by us, and will, as soon as reasonably possible, commence using the new trademarks, trade names, service marks, logos, designs and commercial symbols designated by us in connection with all advertising, marketing and promotion of your Franchised Business. We will have no liability or obligation whatsoever with respect to your modification or discontinuance of any Mark. You will not make any changes or amendments in or to the use of the Marks or System unless directed by us in writing.

4.6. Litigation. You will have no obligation to and will not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. You will, however, immediately notify us of any claims or complaints made against you with respect to the Marks and will, at your reasonable expense, cooperate in all respects with us in any court or other proceedings involving the Marks. We will pay the cost and expense of all litigation incurred by us, including attorneys’ fees, specifically relating to the Marks. We will have the right to control and conduct any litigation relating to the Marks and be entitled to all recovery related to claims with respect to the Marks. While we are not required to defend you against a claim based on your use of the Marks, we will reimburse you for your liability, provided such use was in accordance with our written instructions and guidelines. You will also be required to reimburse us for liability arising out of your unauthorized use of any of the Marks.

4.7. Copyrighted Materials. You acknowledge and agree that we may authorize you to use certain copyrighted or copyrightable works (the “Copyrighted Materials”), including the Manual (as defined below). The Copyrighted Materials are our valuable property. Your rights to use the Copyrighted Materials are granted to you solely on the condition that you comply with the terms of this Agreement and any other written instructions or guidelines provided by us. Your use of the Copyrighted Materials does not vest you with any interest other than the temporary, non-exclusive license to use the Copyrighted Materials granted in this Agreement. All rights that inure as a result of the use of the Copyrighted Materials belong solely to us.

4.8. Protection. You will sign any documents that we or our counsel deem necessary for the protection of the Copyrighted Materials or the Marks or to maintain their validity or enforceability, or to aid us, at our expense, in acquiring rights in or in registering any of the Marks or any trademarks, trade names, service marks, slogans, logos or emblems that we subsequently adopt.

## **5. INITIAL FRANCHISE FEE**

5.1. Initial Franchise Fee. You will pay us a non-refundable initial franchise fee (the “Initial Franchise Fee”) as set forth in the Rider.

5.2. No Refunds. The Initial Franchise Fee has been fully earned upon our signing of this Agreement and is non-refundable in consideration of the expenses incurred by us in granting this franchise and for the lost or deferred opportunity to franchise others.

## **6. ROYALTY FEE**

6.1. Royalty Fee. You will pay us a non-refundable weekly royalty payment (the “Royalty Fee”). The Royalty Fee will be the greater of seven percent (7%) of Gross Sales or four hundred dollars (\$400). Your

obligation to begin paying the Royalty Fee will begin on the date you open your Franchised Business, unless you have not done so within twelve (12) months from the Effective Date, in which case, your obligation to begin paying the Royalty Fee will begin twelve (12) months from the Effective Date.

6.2. Gross Sales Defined. The term "Gross Sales" means the total receipts from all sales by the Franchised Business received from performing, marketing, and selling products and services, whether in the form of cash, credit or otherwise. Gross Sales does not include any sales tax or other tax collected by the Franchised Business and paid to the appropriate taxing authority.

6.3. Method of Payment. Notwithstanding any designation by you, we have the sole discretion to apply any payments made by you to any of your indebtedness for Royalty Fees, National Marketing Fees, purchases from us or our affiliates, vendors, interest, collection costs or any other indebtedness. You agree that you will not withhold payment of any Royalty Fees, National Marketing Fees or any other amount due us, and that the alleged non-performance or breach of any of our obligations under this Agreement or any related agreement does not establish a right at law or in equity to withhold payments due us for Royalty Fees, National Marketing Fees or any other amounts due.

You must designate an account at a commercial bank acceptable to us (the "Account") for the payment of amounts due to us and/or our affiliates, including Royalty Fees and National Marketing Fees. You must furnish us and the bank with authorizations as necessary to permit us to make withdrawals from the Account by electronic funds transfer (including the EFT Authorization Form attached as Attachment E). On Tuesday of each week or at another date specified by us from time to time ("Due Date") we will transfer from the Account an amount equal to the Royalty Fees and National Marketing Fees due from you based on the Gross Sales of your Franchised Business for the preceding week) as reported to us in your report or determined by us based on the records contained in the point-of-sale terminals of your Franchised Business, as well as any other fees due to us and/or our affiliates. If you have not reported Gross Sales to us, we will transfer from the Account an amount calculated in accordance with our estimate of the Gross Sales. If, at any time, we determine that you have underreported the Gross Sales of your Franchised Business, or underpaid the Royalty Fees, National Marketing Fees or other amounts due to us under this Agreement or any other agreement, we shall initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any overpayment will be credited to the Account effective as of the first reporting date after the parties determine that such credit is due.

You hereby authorize your billing and payment processor to deduct from any monies it collects on your behalf the amount of all fees and payments you are obligated to pay us and to our affiliates and to pay those fees to us or to our affiliates within three (3) business days following the due date of such fee. We also have the right to require you to sign and deliver to us, our bank(s) and your bank, as necessary, all forms and documents that we may request to permit us to debit your account, either by check, via electronic funds transfer or other means or such alternative methods as we may designate ("Payment Methods") for all fees and payments due to us. We may use the Payment Methods to collect Royalty Fees, advertising fees and any other amounts due to us or our affiliates on the date such amounts become due. You will notify us at least twenty (20) days before closing or changing the account against which such debits are to be made. If such account is closed or ceases to be used, you will immediately provide all documents and information necessary to permit us to debit the amounts due from an alternative account. You acknowledge that these requirements are only a method to facilitate prompt and timely payment of amounts due and will not affect any obligation or liability for amounts owed.

6.4. Security Interest. You grant us a first priority security interest in your receivables and equipment, whether now existing or hereinafter created, together with all proceeds of such assets. You authorize us to file one or more financing statements to evidence this security interest. However, we may, at our sole discretion, subordinate our first priority interest to a lending institution that provides you financing for your Franchised Business.

## **7. OTHER FEES**

7.1. Late Fee and Interest on Overdue Payments. You shall pay us a late fee, if you have not made timely payment within five (5) days of the payment due date, of one hundred dollars (\$100) plus interest in the amount of eighteen percent (18%) of the overdue amount or the maximum rate allowed by law, whichever is greater, if you are late on making a payment to us.

7.2. Insufficient Funds Fee. If any payment from you does not successfully convey funds due to insufficient funds, stop payment instructions, or any similar event, you shall pay, upon demand, an insufficient funds fee equal to the greater of (1) fifty dollars (\$50), (2) five percent (5%) of the payment amount, or (3) the maximum fee allowed by applicable law.

7.3. Supplier Review Fee. You must pay us five hundred dollars (\$500) upon a submission of an alternative supplier or product for our consideration. We will advise you within a reasonable time (in no event longer than seven (7) business days after receipt of the applicable information required for approval) whether the proposed Supplier(s) and product(s) meet our specifications, and our approval will not be unreasonably withheld. The approval time may vary if we determine, in our independent judgment, that additional testing is needed. We will notify you in writing of our approval or disapproval and or revocation of approved suppliers. Suppliers must maintain our standards in accordance with written specifications and any modifications. If a supplier deviates from our specifications, we may terminate the supplier's status as an approved supplier. Suppliers must also be able to supply our entire franchise system.

7.4. Non-Compliance Fee. In the event you are, at any time during the term of this Agreement, found to not be in compliance with the terms hereof and/or the System Standards or this Agreement, you agree to pay to us one hundred dollars (\$100) the first time you are found to not be in-compliance with the System; two hundred fifty dollars (\$250) for the second time you are found to not be in-compliance with the System; and five hundred dollars (\$500) for the third and any subsequent times you are found to not be in-compliance with the System. If your non-compliance is monetary in nature, we reserve the right to notify your credit union or other banking institution that issued a loan or line of credit for the Franchised Business of your failure to comply with this Agreement. You agree that such fee and banking notification is in addition to any other rights or remedies we may have under this Agreement or at law.

We reserve the right, at our sole discretion, to grant you the opportunity to cure the non-compliance prior to imposing the Non-Compliance Fee. We have the right to require any form of verification to determine non-compliance, with or without cause, including but not limited to documentation, photos, video tours, etc. and that you shall be required to furnish such verification within seventy-two (72) hours of our request. We have the right to make personal visits without notice to your Franchised Business.

## **8. ADVERTISING AND PROMOTION**

8.1. Grand Opening Program. You agree to conduct a grand opening advertising and promotional program ("Grand Opening Program") for your Franchised Business beginning sixty (60) days prior to your scheduled opening and ending sixty (60) days following the opening of your Franchised Business. The Grand Opening Program must target prospective customers throughout the Territory and meet the standards we establish from time to time. You shall spend a minimum of five thousand dollars (\$5,000) on the Grand Opening Program. The amounts you spend on the Grand Opening Program are in addition to the National Marketing Fees (defined below) that you must pay to us. Upon request by us, you must provide us with a report itemizing the amounts you spent on the Grand Opening Program. If you fail to spend the minimum required amount on the Grand Opening Program, we have the right to collect from you the difference between what you actually spent and the minimum required expenditure and contribute such difference to the National Marketing Fund (defined below).

8.2. National Marketing Fee. We have not established a National Marketing fund for the common benefit of System franchisees (the "National Marketing Fund"), but we reserve the right to do so upon ninety (90) days written notice to you. If implemented, you shall participate in and contribute weekly to the National Marketing Fund in an amount equal to one percent (1%) of your Gross Sales (the "National Marketing Fee") in the manner we prescribe, provided, however, we reserve the right to increase the National Marketing Fee to up to two percent (2%) of Gross Sales upon thirty (30) days' written notice. If

we require you to contribute to the National Marketing Fund, you must pay the National Marketing Fee in the same manner as the Royalty due under this Agreement. We have the right to require that an advertising/marketing cooperative and/or franchisee advisory council be formed, changed, dissolved or merged.

8.2.1. We will use National Marketing Fees, in our sole discretion, to develop, produce and distribute national, regional and/or local marketing and to create advertising materials and public relations programs which promote the services offered by System franchisees, as determined by us in our sole judgment. We have the sole right to determine contributions and expenditures from the National Marketing Fund, or any other advertising program, and sole authority to determine, without limitation, the selection of the advertising materials and programs; provided, however, that we will make a good faith effort to expend National Marketing Fees in the general best interests of the System on a national or regional basis. We may use the National Marketing Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertisements and other marketing, including the cost of preparing and producing television, radio, magazine, Internet and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities and advertising agencies; the cost of developing and maintaining an Internet website; and personnel and other departmental costs for advertising that we internally administer or prepare. Nevertheless, you acknowledges that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. While we do not anticipate any part of the National Marketing Fees will be used for advertising that is principally a solicitation for franchisees, we reserve the right to use the National Marketing Fees for public relations or recognition of the Body Alliance brand and for the creation and maintenance of a website, a portion of which may be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating the availability of franchises. Sales materials, if developed, may be sold to franchisees at a reasonable cost.

8.2.2. We may periodically assist franchises to maintain high quality standards through customer surveys, customer interviews, and other similar initiatives (“Surveys”). The cost of such programs will be borne by the National Marketing Fund. The cost of these programs may be charged directly to you if your results from a Survey fall below System-established minimum standards for such Surveys.

8.2.3. We have the right to reimburse ourselves from the National Marketing Fees for such reasonable costs and overhead, if any, that we may incur in activities reasonably related to the direction and implementation of the National Marketing Fund.

8.2.4. We will prepare, on an annual basis, and will have available for you within ninety (90) days of the end of the fiscal year, a statement of contributions and expenditures for the National Marketing Fund. The statement will be presented to you upon your written request. The National Marketing Fund is not required to be independently audited.

8.3. Local Advertising. In addition to the National Marketing Fund Fee described above, you shall spend a minimum of one percent (1%) of your Gross Sales per month on local advertising and promotion implemented in a format and using materials and designs approved by us as your “Local Advertising”. You may spend any additional sums you wish on local advertising. You are permitted to use your own advertising materials, so long as you have submitted them to us for approval before your use and have received our written approval. You must immediately cease using any advertising materials that we deem, in our sole discretion, inappropriate, and that we notify you of in writing. We have the right, in our discretion, to require you to submit receipts documenting this marketing activity.

8.4. Cooperatives. We have the right, in our discretion, to designate any geographic area for purposes of establishing a regional advertising and promotional cooperative (“Cooperative”). All franchisees in the designated geographical area must participate in the Cooperative. Cooperative contributions will be credited towards your Local Advertising, and will not exceed the Local Advertising, unless a majority of the Cooperative’s members vote to spend an amount greater than the Local Advertising on advertising. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising. No promotional or advertising plans or materials may be used by a Cooperative or furnished

to its members without our prior approval. All such plans and materials will be submitted to us in accordance with the procedure set forth in Section 12.1 of this Agreement. We may grant to any franchisee, in our sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating reasons supporting such exemption. Our decision concerning such request for exemption will be final.

8.5. Advertising Council. We reserve the right to establish an advertising council (“Advertising Council”). If we establish an Advertising Council, it will serve in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the National Marketing Fund. At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. We will have the right to modify or dissolve an Advertising Council (if created) at any time.

8.6. Promotional Campaigns. We may conduct promotional campaigns on a national or regional basis to promote products or marketing themes. You must participate in all promotional campaigns which we may establish for the region in which your Franchised Business is located.

## **9. FRANCHISOR’S OBLIGATIONS/TRAINING**

9.1. Location. We will provide you with consulting services to assist you in determining the evaluation criteria for selecting the territory for your Franchised Business. We do not select a territory for you. You are solely and exclusively responsible for selecting a territory for your Invigorate Wellness Franchised Business.

9.2. Initial Training. We will, at our expense, provide an initial training program to educate and acquaint you with the business of operating a Franchised Business. The training program will include instruction on basic operating skills and other topics we select. If you have more than one franchise agreement with us, we may, at our option, provide this training program one (1) time for multiple agreements. The person you designate as your principal operator (whether you, if you are an individual, or one of your owners if you are an entity) (the “Principal Operator”) must attend one of the next two (2) initial training programs we offer following our acceptance of this Agreement, and before you open your Franchised Business, and successfully complete the training program. If anyone other than a Principal Owner attends the training program, we will require they sign a confidentiality agreement that meets our requirement before they may attend and you must provide us a copy of that agreement. No tuition is charged for up to 3 trainees. You will be required to remit to us a fee of \$1,000 per person for each additional trainee. You will be responsible for travel costs, room and board, salaries, fringe benefits, and other expenses incurred by you and your employees in attending the training program. Failure by your Principal Operator to complete the training program to our satisfaction is a material breach of this Agreement and we may terminate this Agreement at our option.

9.3. Additional Required Training. Each calendar year, a Principal Owner of your business must attend at least one approved training program we offer at our corporate office or in any region. You must pay any fees applicable to the training program you select. In addition, you must pay all travel and living expenses you and your employees incur, and we reserve the right to charge a cancellation fee if you register and either fail to attend or leave the training prior to completion.

9.4. Annual Conference. A Principal Owner is required to register for, and annually attend our annual conference if we hold one. If a Principal Owner cannot attend the conference, we will consider allowing you to transfer the registration to your Principal Operator, but to no other person. Additional representatives of yours may also attend the conference, as long as you register them and pay the registration fee for their attendance. You must also pay for all travel and living expenses incurred by you and your representatives in attending the conference. If you fail to register for our annual conference, we will bill you for the “early bird” (or similar) conference fee after the conference.

9.5. Additional Training. We will make available additional training which we deem advisable to familiarize you on changes and updates in the System.

9.6. Manual. We will loan you one copy of the manual in which we describe the System operational policies, standards, requirements and practices (the “Manual”). The Manual may be loaned to you by

providing you access to an electronic version of the Manual. The Manual contains mandatory and suggested specifications, standards and operating procedures that we have developed for Franchised Businesses and information relating to your other obligations. You will comply with and operate your Franchised Business in conformance with all mandatory provisions of the Manual, as determined and updated by us. We have the right to revise the Manual at any time or add additional manuals. You will incorporate all revisions into the Manual. You will not make copies of any portion of the Manual without our prior written consent. You acknowledge that the required provisions of the Manual are designed to protect our standards and systems and our Marks and to create a uniform customer experience, and not to control the day-to-day operation of your Franchised Business.

9.7. Ongoing Assistance. During the operation of your Franchised Business, we will make available to you from time to time all changes, improvements and additions to the System and all supplements and modifications to the Manual.

9.8. Nature of Assistance and Training. You acknowledge and agree that we are not obligated to provide any training or assistance to your particular level of satisfaction, but as a function of our experience, knowledge and judgment. You also acknowledge that we are not obligated to provide any services to you that are not set forth in this Agreement. If you believe we have failed to adequately provide any preopening services to you or to your employees, whether with respect to selection and purchase of equipment and supplies, training, or any other matter affecting the establishment of your Franchised Business, you must notify us in writing within thirty (30) days following the opening of your Franchised Business or you will be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by us were sufficient and satisfactory in your judgment, and complied with all representations made to you.

## **10. DEVELOPMENT AND OPERATION OF YOUR INVIGORATE WELLNESS BUSINESS**

10.1. Services. You will conform to all quality and customer service standards prescribed by us in writing, provided that the standards are not specifically set for you, but are set for our entire system, or a specific region or market in which other System businesses are operating.

10.2. Acquisition of Vehicle(s). You must purchase, lease or enter into a financing arrangement for our required Vehicle as further defined or described in the Manual (the “Vehicle”) in sufficient time to deliver the Vehicle to our approved vendor for build out and installation of the Designated Equipment Package prior to Initial Training. You must obtain the number of Vehicles required, in your sole judgment, to sufficiently service all of your Franchised Business’ customers; but under no circumstances shall you have less than one Vehicle for every 100,000 population.

10.3. Designated Equipment Package. You must purchase the equipment designated by us in our Manuals for use in your Vehicle (the “Designated Equipment Package”) You must purchase the Designated Equipment Package from our approved vendor at the time you order your Vehicle.

10.4. Maintenance and Operation. You agree that the Vehicle will be maintained as follows:

10.4.1. You will maintain the Vehicle and every component of the Designated Equipment in good order and repair at all times as specified in the Manual(s).

10.4.2. You will keep the Vehicle fully insured as specified in the Manual(s).

10.4.3. You will keep the Vehicle fully registered and roadworthy in accordance with applicable laws.

10.4.4. You will keep the Vehicle at all times in a clean and tidy condition and free from any advertising or promotional material other than that required by us and will exhibit such signage, colors and logos on the Vehicle and upgrade or revise the same as specified in the Manual(s) from time to time.

10.4.5. You will not alter the internal or external appearance of the Vehicle or any fittings or equipment contained within or without the Vehicle in any way other than as specified in the Manual(s).

10.4.6. You will maintain and upgrade the Vehicle and all other equipment as specified from time to time in the Manual(s) so as to always meet our then-current specifications for Vehicles and other equipment.

10.5. Approved Information System. We may designate the information system used in your Franchised Business, including the computer hardware, software, other equipment and enhancements (the

“Information System”). In such event, in connection with the approved Information System, you agree to the provisions set forth below.

10.6. Billing and Payment Processing Services. We have the right to designate one or more approved vendors for billing and payment processing services. You must use the vendor that we designate (or one of the approved vendors if we designate more than one) for all your billing and payment processing. You must pay the designated vendor their customary charges for these billing and payment processing services, as well as their customary charges for all other ancillary services they provide.

10.7. Indemnification. You hereby release and agree to hold us and our affiliates, and our respective officers and directors, harmless from and against any and all claims, liability, damages, or causes of action of any nature arising from, or in connection with, the installation, maintenance, or operation of the Information System and its billing and payment processing, except to the extent arising from such party’s gross negligence or intentional acts.

10.8. Technology Platforms. As described in the Manual or otherwise in writing, we reserve the exclusive right to advertise the System on the Internet, sell any products or services on the Internet or any mobile or electronic application, or any current or future form of electronic platform or communication. You must participate in any Internet website, home page, web pages, electronic mail, social media sites, applications, online platforms, and other current or future forms of electronic communications that we require (collectively the “Technology Platforms”), as described in the Manual or otherwise in writing. To the extent that you may control or access any Technology Platform, the Technology Platforms must be operated and maintained by you in compliance with all provisions of this Agreement, including those regarding the use of confidential and proprietary information, as well as any and all operating procedures, policies, standards and requirements as we may specify from time to time. You must maintain any Technology Platform you control or access in compliance with all applicable local, state, federal, and international laws, rules, and regulations, including but not limited to those applicable to copyright and trademark, privacy, anti-defamation, and advertising and endorsements. All content intended for use on any Technology Platform must be submitted to us for our prior written approval before such content is used. You must pay us or our designee (which may be our affiliate) the then-current fees for the access to, modification of and maintenance of the Technology Platforms. We may modify, suspend, replace, discontinue or add to any Technology Platforms at any time and you must comply with such changes at your expense. We retain sole ownership of the Technology Platforms, including any domains names, content, email addresses and information stored on the Technology Platforms. Your access to the Technology Platforms will automatically terminate upon expiration or termination of this Agreement. You hereby release and agree to hold us, our officers and directors, harmless from and against any and all claims, liability, damages, or causes of action of any nature, arising from, or in connection with, the creation, operation, or maintenance of the Technology Platform, unless such liability arises out of our gross negligence or intentional acts.

10.8.1. You may not design, develop or host a website, or any web page, or use any domain name or email address containing the marks or regarding the Franchised Business other than as approved or required by us. We or our affiliates may establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), applications, keyword or Google AdWords purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, “Digital Marketing”) that are intended to promote the Proprietary Marks, your Franchised Business, and the entire network of franchised businesses. We will have the sole right to control all aspects of any Digital Marketing, including those related to your Franchised Business. Unless we consent otherwise in writing, you may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to the franchised business. If we do permit you to conduct any Digital Marketing, you must (i) comply with any standards or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such standards or content requirements. We may withdraw our approval for any Digital Marketing at any time. Except as approved in advance in writing by us, you may not establish

or maintain a separate website, splash page, profile or other presence on the Internet. If such approval is granted by us, you must: (i) establish and operate such Internet site in accordance with System standards and any other policies we designate in the Manual or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s).

10.9. Compliance with Our Standards. You are obligated to operate your Franchised Business in strict adherence to all mandatory standards, specifications, and policies of the System, as well as any modifications thereof that we may provide, to ensure compliance with the quality standards of the System. You may offer from your Franchised Business only those products and services that we approve. We have the right to change the products and services that we require you to offer from your Franchised Business at any time, without limitation. You will at all times be responsible for the conduct of the day-to-day operation of your Franchised Business and for the terms of employment for your employees.

10.9.1. You acknowledge that the mandatory standards, specifications and policies we establish, and any modifications thereof, are not aimed at the day-to-day operation of your business, which will solely be within your control, but are primarily intended to preserve the goodwill of the System and Marks.

10.9.2. Your Franchised Business must be open for business according to the days and hours specified in the Manual, subject to applicable state laws.

10.9.3. We reserve the right to have someone conduct an inspection of your Franchised Business after you open. We will provide you a copy of the report at your request. If your Franchised Business does not receive a passing score from that visit, a new inspection will be conducted. This process will be repeated until you have received a passing score. At our option, you must pay us for a final inspection fee we establish for each failed inspection to defer any costs we incur in re-inspecting your Franchised Business after the first inspection. This fee will be payable in the manner we specify.

10.10. Compliance with Laws. You will, at your expense, comply with all applicable local, state, federal, municipal, and international laws, ordinances, rules and regulations pertaining to the operation of your Franchised Business, including, without limitation, any and all licensing and bonding requirements, health and safety regulations, labor and employment laws, and the Americans with Disabilities Act. You are required, at your own expense, to consult an attorney to obtain advice regarding compliance with all federal, state, and local licensing laws, as well as all other laws relating to the operation of your Franchised Business. Further, you will, at your expense, be exclusively responsible for determining the licenses and permits required by law for your Franchised Business, for filing, obtaining and qualifying for all such licenses and permits, and for maintaining all necessary licenses and permits throughout the term of this Agreement. You must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us immediately of any suspected data breach at or in connection with the Franchised Business.

10.11. Payment of Liabilities. You are obligated to promptly pay all of your obligations and liabilities, including, without limitation, those due and payable to us, and to your suppliers, lessors and creditors.

10.12. Taxes. You are required to promptly pay all federal, state, and local taxes arising out of the operation of your Franchised Business. We will not be liable for these or any other taxes and you will indemnify us for any such taxes that may be assessed or levied against us which arise or result from your Franchised Business, including any taxes imposed by your state on any royalties or other amounts you are required to pay to us and our affiliates.

10.13. Personnel. You are responsible for recruiting, hiring and training employees and others to operate your Franchised Business.

10.13.1. The people you retain to work in your Franchised Business will be your agents and employees. They are not our agents or employees and we are not a joint employer of those persons. It will be up to you to determine who to retain, how many people to retain (subject to any minimum staffing requirements we may prescribe), how you compensate these people, terms of employment and working conditions for your employees, when and how to discipline the people you hire, and when and how to terminate the people you hire. However, you are required at all times to comply with all applicable

employment laws. We will not have any duty or obligation to operate your Franchised Business, to direct your employees, to schedule your employees, or to oversee your employment policies or practices.

10.13.2. You are required to designate an individual to serve as the Designated Principal of your Franchised Business. The Designated Principal is obligated to devote their best efforts to the supervision and conduct of the development and operation of your Franchised Business and, as required in this Agreement, must agree to personally be bound by the confidentiality and non-competition provisions of this Agreement. The Designated Principal, and anyone owning a controlling interest in your Franchised Business if other than the Designated Principal, will complete our initial training requirements and will complete all additional training as we may reasonably designate.

10.13.3. We will offer training to your employees from time to time. We may require you to send your employees to training and require you to pay our then-current fees for providing that training. However, the fact that we may offer training to your employees does not relieve you from the primary responsibility to assure your employees are properly trained. You will be solely responsible for all wages, travel, and living expenses, and all other costs incurred by you and your employees in connection with any training or instruction that we provide.

10.14. Photographs. We will have the right to photograph and make video or digital recordings of your Franchised Business and your employees at all reasonable times. We will have the right to use all photographs and videos or digital recordings of your Franchised Business for such purposes as we deem appropriate, including, but not limited to, use in training, advertising, marketing and promotional materials, and as evidence in any court or arbitration proceeding, to the extent the consent of any of your employees or others is required for our use of these photographs and recordings for commercial purposes, you will use your best efforts to obtain these consents. Neither you nor your employees shall have any right to claim compensation from us, our advertising agencies, or other franchisees for any use of such photographs or recordings.

10.15. Ownership of Information. All of the information we or our affiliates obtain from you or about your Franchised Business, all information in your records or ours concerning the members of your Franchised Business (the "Information"), and all revenues, rights, benefits, and advantages we derive from the Information, directly or indirectly, will be our exclusive property. However, you may at any time during the term of this Agreement use in the operation of your Franchised Business (but for no other purpose), to the extent lawful and at your sole risk and responsibility, any information that you acquire from third parties in operating your Franchised Business, such as customer data. The Information (except for information you provide to us or our affiliates with respect to you and your affiliates, including your respective officers, directors, shareholders, partners or equity members of your entity) will become our property which we may use for any reason as we deem necessary or appropriate in our discretion. You hereby irrevocably authorize and instruct your payment processor to release the Information to us at any time, without any further consent or notice from you. Following termination or expiration of this Agreement, you shall immediately cease all use of the Information, except to comply with your post-term obligations under this Agreement, and you irrevocably authorize and instruct your payment processor to release the Information exclusively to us and/or our designees. You further agree to delete all copies of the Information in your possession, custody, or control, unless such deletion would violate any applicable law or regulation or your post-term obligations under this Agreement. If, for any reason, we are prohibited from owning any or all of the Information, you agree to grant us a worldwide, exclusive, fully-paid-up, royalty-free, transferable right and license in perpetuity to use, copy, reproduce, distribute, disclose, publish, broadcast, communicate, display and/or perform (whether publicly or otherwise), host, store, prepare derivative works from, translate, modify, combine with other data or information or content, sublicense, and/or otherwise exploit any and all of the Information in any manner we deem appropriate, without any further consent, notice, or payment to you.

10.16. Manual. You are required to operate your Franchised Business in strict compliance with all mandatory provisions of the Manual, as may be revised from time to time. You will treat the Manual as confidential and will use all reasonable efforts to maintain the Manual as secret and confidential. You will use the Manual only in the operation of your Franchised Business. The Manual will remain our sole

property. We may from time to time revise the contents of the Manual. You agree to comply with each new or changed standard. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us will control. Any required specifications, standards and operating procedures described in the Manual or otherwise exist to protect our interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you.

10.17. Visits. A representative of ours may make visits to your Franchised Business to ensure compliance with all required standards, specifications and procedures. Our representative will be allowed to inspect the condition and operation of your Franchised Business and all areas of your Franchised Business at any time during your business hours. Such inspections may include, without limitation, conducting any type of audit or review necessary to evaluate your compliance with all required payments, standards, specifications or procedures. We reserve the right, at our sole discretion, to make suggestions and give mandatory instructions with respect to your operation of your Franchised Business, as we deem necessary or appropriate to ensure compliance with the then-current quality standards of the System and to protect the goodwill and image of the System. You expressly agree that these visits will not imply that you are in compliance with your obligations under this Agreement or under the law or that we waive our right to require strict compliance with the terms of this Agreement or the Manual. Furthermore, such visits will not create any responsibility or liability on our part, nor will they absolve you of any of your responsibilities or liabilities under this Agreement. If you request that we make additional visits to your Franchised Business, you will pay the fees we establish for such visits. You shall permit us to visit your Franchised Business with prospective franchisees during your regular business hours. If we find that you are not in compliance with our required standards, specifications, and procedures you will be subject to a Non-Compliance Fee as specified per Section 7.4.

10.18. Notices of Default; Lawsuits or Other Claims. You will immediately notify us in writing of, and deliver to us a copy of any notice regarding, a breach, default, claim, lawsuit, administrative or agency proceedings or investigations, or other actions or proceedings relating to your Franchised Business. Upon request from us, you will provide such additional information as may be required by us regarding the same.

10.19. Your Dealings with Us and Our Affiliates. You acknowledge that when we are required to perform any services for you, we may use any third parties, including affiliates of ours, to perform those services. If you are required to pay us a fee for those services, we may have you pay that fee directly to the affiliate or third party that performs the service. However, if you are not required to pay us a fee for the service, you will not be obligated to pay any parties we contract with for services that we are required to provide to you without charge under this Agreement. We and our affiliates reserve the right to receive rebates or compensation from other parties in connection with the provision of such services.

10.20. Purchases. You shall purchase and offer for sale only those types, models, or brands of fixtures, furniture, equipment, products, inventory, supplies, and other items that we, in our sole discretion, approve for Franchised Businesses as meeting our standards for quality, design, warranties, appearance, function, and performance. Although we do not do so for every item, we have the right to approve the manufacturer of any item used or sold in your Franchised Business. You will not install or maintain at your Franchised Business any newspaper racks, video games, jukeboxes, gaming machines, gum machines, vending machines, video or similar devices without our, and any necessary governmental, prior written approval. We may require you, in our sole discretion, to purchase certain fixtures, furniture, equipment, inventory, supplies, services, and other items used or offered at your Franchised Business from suppliers who have been approved by us, in which case we will provide you with a list of approved suppliers.

10.20.1. You acknowledge and agree that certain products, supplies or other services, including the Information System, you may be required to purchase for use in the operation of your Franchised Business may only be available exclusively from us or our affiliates, or from other mandatory suppliers or vendors that we approve, in our sole discretion.

10.20.2. **THOUGH APPROVED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF**

MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO FIXTURES, FURNITURE, EQUIPMENT (INCLUDING WITHOUT LIMITATION ANY AND ALL REQUIRED COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS.

10.21. Taxes on Fees. If any tax is imposed by your state, or any governmental body in your state, on any fee you owe to us or to our affiliates, you shall pay an additional amount equal to the tax imposed. (For purpose of clarification, this does not apply to any federal or state income taxes that we or our affiliates are required to pay.)

10.22. Exclusive Use. The rights and privileges granted to you under this Agreement are personal in nature and non-transferable. You are strictly prohibited from delegating, subfranchising, or sublicensing any of your rights under this Agreement. Without our prior written consent, you are strictly prohibited from using the Vehicle for any purpose other than the operation of the Franchised Business.

10.23. Proprietary Software Program. If and when we develop and custom design any software programs for conducting scheduling, accounting, inventory, and point-of-sale functions and related activities ("Proprietary Software Program"), you agree, at your own expense, to obtain the necessary computer hardware to implement the Proprietary Software Program at your Franchised Business, and to comply with all specifications and standards prescribed by us regarding the Proprietary Software Program, as provided in the Manual or otherwise in writing. This Proprietary Software Program will be proprietary to us and Confidential Information of ours. It is possible that we might not be able to alter the Proprietary Software Program to accommodate each and every franchisee of the System, and therefore, at such time that we require the implementation of such software, you will only utilize the program as prescribed by us. At such time as we require the implementation of such Proprietary Software Program, we or our designee agree to provide ongoing service and support to you regarding the Proprietary Software Program and will lease such Proprietary Software Program to you at the then current rates published by us.

10.24. Audits. If you fail to furnish any reports we require or if you understate your Gross Sales by more than three percent (3%), we reserve the right to charge you the understated amount, plus interest at the maximum rate allowed by law, and any audit fees and related expenses we incur.

10.25. Your Participation in the Operation of the Franchised Business. If you are a business entity, while your Designated Principal must be onsite at your Franchised Business no fewer than twenty (20) hours per week, every other person who owns at least ten percent (10%) of your equity interest must be present and onsite at your Franchised Business for no fewer than twenty (20) hours per month.

## **11. CONFIDENTIAL INFORMATION/ IMPROVEMENTS**

11.1. You acknowledge that all the information you have now or obtain in the future concerning the System and the concepts and methods of promotion franchised hereunder is derived from us pursuant to this Agreement, and that you will treat such information in confidence. You agree never to, directly or indirectly, engage in or abet the misappropriation (as the term "misappropriation" is defined in the Wisconsin Uniform Trade Secrets Act), or the disclosure, divulgence, or distribution of all or any part of the System and the concepts and methods of promoting franchises hereunder. You will disclose such confidential information only to such of your employees as must have access to it in order to operate your Franchised Business and use it only for the operation of your Franchised Business. At our request, you will be required to deliver to us confidentiality agreements and non-compete agreements in a form satisfactory to us from your owners, the spouses of your owners, and your employees. The scope of the confidentiality agreements shall be consistent with the provisions of this Section, and the scope of the noncompete agreements shall be consistent with the provisions herein.

11.2. Notwithstanding any provision of Section 11.1, at your discretion, you may allow any financial institution that has loaned money to you or to your business to have access to your books and records to confirm your billings, collections, receivables, and any other financial information you have provided to the financial institution.

11.3. If you conceive or develop any improvements or additions to the System, new trade names, trade and service marks or other commercial symbols related to your Franchised Business, or any

advertising and promotion ideas related to your Franchised Business (“Improvements”), you will fully disclose the Improvements to us without disclosure of the Improvements to others, and you will obtain our written approval before using such Improvements. Any such Improvement that we approve may be used by us and all our other franchisees without any obligation to pay you royalties or similar fees. You will assign ownership of all Improvements to us, and hereby do assign, without charge, any rights, together with the goodwill associated with the Improvements, including the right to grant sublicenses to any such Improvement. We, at our discretion, may make application for and own copyrights, trade names, trademarks and service marks relating to any such Improvement. We also may consider such Improvement as our property and trade secret. We will, however, authorize you to use any Improvement authorized generally for use by our other franchisees.

11.4. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets in limited circumstances, as specified in the Manual.

## **12. INSURANCE; INDEMNIFICATION**

12.1. **Insurance.** You alone will be solely responsible for any claim, action, loss, damage, liability, injury or death arising out of, or relating to, the operation of your Franchised Business or your acts or omissions or the acts or omissions of any of your agents, employees or contractors in connection with the operation of your Franchised Business. You agree to indemnify and hold us and our affiliates and our respective officers and directors harmless against and from any and all such claims, actions, losses, liability, damages, injuries, or deaths, including costs and reasonable attorneys’ fees. You will obtain and maintain in force and pay the premiums for general liability insurance with complete operations coverage, broad form contractual liability coverage, property damage, and other insurance (including bonds) in such types as we may require (such as cyber insurance and employment practices insurance), or as required by law from time to time. We will provide minimum insurance requirements in the Operations Manual, which we may update at our sole discretion, and which you must adhere to in its updated form promptly upon receipt of the updates. All such policies will have minimum limits we may prescribe from time to time, and will be with carriers who have minimum ratings that we may prescribe from time to time. Such insurance policies will expressly protect both you, us and our affiliates and our respective offices, directors and employees, and will require the insurer to defend both you and us in any action you will submit to us, within thirty (30) days of our request, any and all loss ratios or other information we request in connection with such insurance policies. You will furnish to us a copy of all insurance policies, certificates of insurance, endorsements, or other proof of insurance in the form we require, as set forth above, naming us as an additional insured, and providing that such policy will not be canceled, amended or modified except upon thirty (30) days’ prior written notice to us. At our request, you will deliver to us proof of insurance in the form we require and evidence of policy renewals at least thirty (30) business days before expiration. You will have all policies of insurance provide that the insurance company will have no right of subrogation against either party hereto or their respective agents or employees. Maintenance of the insurance requirement will not relieve you of the obligations of indemnification. If you fail to obtain or maintain in force any insurance as required by this Section or to furnish any proof of insurance required hereunder, we may (but have no obligation to), in addition to all other available remedies, obtain such insurance or certificates, and you will promptly reimburse us for all insurance premiums and other costs incurred in obtaining such insurance, including an administrative fee for our time in obtaining the coverage for you. You assume all risks and liabilities in connection with the adequacy of any insurance or self-insurance program and waive any claim against us for any liability costs or expenses arising out of any uninsured claim, in full or in part, of any nature whatsoever. Your obligation to obtain and maintain these insurance policies in the minimum amounts we require is not limited in any way by reason of any insurance that we may maintain, nor does your procurement of required insurance relieve you of liability under the indemnity obligations described in Section 13.2. Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations. We do not represent or warrant that any insurance

that you are required to purchase will provide adequate coverage for you. The requirements of insurance specified in this Agreement are for our protection. You should consult with your insurance agents, brokers, attorney or other insurance advisors to determine the level of insurance protection you need in addition to the coverages and limits we require.

12.2. Relationship; Your Indemnification. We and you are independent contractors. Neither we nor you will make any agreements, representations, or warranties in the name of or on behalf of the other or that our relationship is other than franchisor and franchisee. Neither we nor you will be obligated by or have any liability under any agreements, representations or warranties made by the other nor will we be obligated for any damages to any person or property directly or indirectly arising out of the operation of your Franchised Business. You assume sole and complete responsibility for and will defend at your own cost and indemnify, reimburse and hold harmless us, our affiliates and our respective officers and directors from and against all loss, costs, expenses, obligations and damages and liabilities (including defense costs) arising directly or indirectly out of the development or operation of your Franchised Business, including, without limitation, claims relating to your employment practices, equipment selection, and floor plan, you or your employees' actions or inactions and amounts we pay on your behalf. You will have the right to defend any such claim against you. However, we reserve the right, using our own counsel, by notice to you, to control any matter in which we are named or directly affected. This does not affect your obligation to pay all attorneys' fees we incur in defending ourselves, which is part of your indemnification obligation. The indemnities and assumptions of liabilities and obligations set forth in this Agreement will continue in full force and effect subsequent to the expiration or termination of this Agreement.

12.3. Our Indemnification. We will indemnify you against and reimburse you for any obligations or liability for damages payable to third parties and attributable to agreements, representations or warranties made by us, or caused by our negligence or willful action (so long as such obligations or liabilities are not asserted on the basis of theories such as agency, apparent agency or vicarious liability or claim of negligent failure to compel your compliance with the provisions of this Agreement, the Manual or any other agreement between you and us), and for costs reasonably incurred by you in the defense of any such claim brought against you or in any action in which you are named as a party, provided that we will have the right to participate in and, to the extent we deem necessary, to control any litigation or proceeding which might result in liability of or expense to you subject to such indemnification.

### **13. FINANCIAL STATEMENTS AND AUDIT RIGHTS**

13.1. Books and Records. You must prepare, and must preserve for at least five (5) years from the dates of their preparation, complete and accurate books, records, and accounts, in accordance with generally accepted accounting principles, which may include a prescribed chart of accounts and/or use of a designated accounting program or platform. You must record all sales, sales tax, and any other charges collected on behalf of third parties in accordance with the procedures prescribed in the Manual on the point-of-sale system that we specify.

13.2. Sales Reports. By no later than close of business on Monday of each week, you must submit a complete and accurate report of Gross Sales for the preceding week (Monday through Sunday), and such other weekly data as we may reasonably require. We reserve the right to designate a different reporting period in the Manual.

13.3. Other Reports. In addition to the Sales Reports referenced in Section 6.3 and 14.2, you must submit to us, at your expense, the form we prescribe:

13.3.1. Within ten (10) days after the end of each month, a statement of operating performance of your Franchised Business including total revenue, total sales per category, and other revenue and information as specified in the Manual;

13.3.2. Within thirty (30) days after the end of each of your fiscal quarters, interim unaudited income statements and balance sheets; and

13.3.3. Within ninety (90) days after the end of each of your fiscal years, an income statement showing the results of your operations during such fiscal year and a balance sheet as of the end of such fiscal year, both of which must be prepared in accordance with generally accepted accounting principles.

13.4. Financial Statements. Within thirty (30) days following your fiscal year end, you will, at your own expense, provide us with copies of your financial statements (reviewed by your accountant), including an income statement for the fiscal year just ended and a balance sheet, cash flow statement, and any other document accompanying your financial statements, as of the end of such fiscal year, which financial statements will have been prepared in accordance with generally accepted accounting principles applied on a consistent basis. We will also have the right to request other financial statements, reports and information from you during the year, and you will deliver those financial statements, reports and information to us when, and in the form and manner, we require. Also, on or before April 15 of each year, you shall provide us with a copy of your federal tax return and the federal tax returns of your owners for the previous tax year.

13.5. Review Rights. You will make all of your financial books and records available to us and our designated representatives at all reasonable times for review.

#### **14. ASSIGNMENT AND TRANSFER OF THE FRANCHISE AGREEMENT**

14.1. By Us. We may transfer or assign this Agreement or any or all of the rights, interests, benefits or obligations arising under it, at our sole discretion, to any person or legal entity. Upon such transfer or assignment, the assignee shall assume all our obligations under this Agreement. You agree that we will have no liability after the effective date of the transfer or assignment for the performance of any obligations under this Agreement.. You acknowledge that we can sell our assets; sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company; or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

14.2. By You. This Agreement, and your rights and obligations under it, are and will remain personal to you. As used in this Agreement, the term “Transfer” will mean any sale, lease, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by your disability or death or by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets used to operate your Franchised Business or of any interest in you, or if you are a corporation, partnership, limited liability company or other entity, a transfer, pledge, assignment, or other disposition of direct or indirect control or ownership of twenty-five percent (25%) or more of any interest in your entity. In addition, if there are two (2) individuals signing this Agreement as Franchisee, and one (1) of those individuals is no longer involved in the ownership of your Franchised Business, the withdrawal of that person will be considered a “Transfer.” A “Transfer” will also be deemed to occur when there are more than two (2) people listed as the Franchisee and there is a change in the ownership of your Franchised Business such that less than a majority of the original signers continue to have a majority interest in the equity of the business. You (and your shareholders, partners and members) will not directly or indirectly make a Transfer without our prior written consent, which we may grant or withhold at our sole discretion. and any transfer shall be subject to our right of first refusal, as set forth in Section 14.6 (“Right of First Refusal”) below. Unless otherwise provided in this Agreement, we will not unreasonably withhold, delay or condition our consent to a Transfer, subject to all of the following conditions being satisfied:

14.2.1. you are in full compliance with this Agreement, you have no uncured defaults, and all your debts and financial obligations to us and our affiliates are current and you have no pending litigation or legal disputes;

14.2.2. you provide us with all information we may require concerning the proposed transaction (including a copy of the purchase agreement and all related documents), and the proposed transferee;

14.2.3. we are satisfied that the proposed transferee (and if the proposed transferee is an entity, all holders of any interest in such entity) meets all of the requirements for our new franchisees, including, but not limited to, good reputation and character, business experience, and financial strength, credit rating and liquidity, and that the sale price is not excessive;

14.2.4. you sign a written agreement in a form satisfactory to us in which you and your investors covenant to observe all applicable post-term obligations and covenants contained in this Agreement and release us, our affiliates, and our respective shareholders, officers, directors and employees, in both their individual and corporate capacities, from any claims you may have against us, or any further obligations we may have to you;

14.2.5. the proposed transferee enters into a new franchise agreement with us, on the terms we then generally offer to new franchisees (including fees payable and size of territory); provided, however, that no new initial franchise fee will be required to be paid, and further provided that the term of that franchise agreement, unless otherwise agreed, will be the remaining term of your franchise agreement;

14.2.6. the proposed transferee agrees in writing to perform such maintenance, remodeling and re-equipping of your Vehicle that we determine necessary to bring your Vehicle in compliance with our then-current standards, including any updates to your technology and security equipment that we determine necessary;

14.2.7. prior to the date of the proposed Transfer, the proposed transferee's Designated Principal successfully completes such training and instruction as we deem necessary;

14.2.8. you and all holders of an interest in you sign a general release, in the form prescribed by us, releasing, to the fullest extent permitted by law, all claims that you or any of your investors may have against us and our affiliates, including our and their respective shareholders, officers, directors and employees, in both their individual and corporate capacities;

14.2.9. prior to the Transfer, you pay us a transfer fee of ten thousand dollars (\$10,000). If the transaction involves one or more Franchised Business other than the location franchised under this Agreement, the transferor must also pay the transfer fee specified in the franchise agreement for each other Franchised Business in the transaction; and

14.2.10. prior to the Transfer or simultaneous with the Transfer, you pay to us an amount equal to our actual costs for commissions, finder's fees and similar charges incurred by us, in addition to the transfer fee, related to our assistance with your Transfer.

14.3. Additional Transfer Restrictions. We may expand upon, and provide more details related to, the conditions for transfer and our consent as described in this Section 15.3 and may do so in the Manual or otherwise in writing. You consent to our releasing to any proposed transferee any information concerning your Franchised Business that you have reported to us, or that is in our files or otherwise available to us, including but not limited to financial information.

14.4. Transfers to an Entity Wholly Owned by You. If you desire to transfer this Agreement to a corporation or limited liability wholly owned by you, where the ownership and management of the Franchised Business will not change, the requirements of Section 15.2 shall apply to such a transfer; however, you will not be required to pay a transfer fee. Our consent also will be conditioned on the following: (1) the entity must be newly organized; (2) prior to the transfer, we must receive a copy of the documents specified in Section 15.2 and the transferee shall comply with the remaining provisions of Section 15; and (3) you must own all voting securities of the newly formed corporation (or membership interests of the newly formed limited liability company) or, if you are owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as prior to the transfer.

14.5. Transfer Upon Death or Disability. If a transfer or assignment is caused by your death or incapacity (including the death or incapacity of any person directly or indirectly owning fifty percent (50%) or more of an interest in the entity that is the franchisee under this Agreement), your executor or personal representative must transfer the ownership interest within nine (9) months of date of death or disability. A new Operating Partner must be appointed within sixty (60) days. The provisions of this Section 15 must be met by the heir or personal representative succeeding to your interest; provided, however, if the heir or

personal representative assigns, transfers, or sells its interest in the Franchise. Nothing in this Section 13.2 will be construed as prohibiting your interests from being pledged as security to an institutional lender who has provided financing to or for your Franchised Business, provided the institutional lender accepts such security interest subject to our conditions.

#### 14.6. Our Right of First Refusal.

If, at any time during the Term of this Agreement, you receive a bona fide offer to purchase or lease your Vehicle including the Designated Equipment previously installed within the Vehicle (or if you are a company, partnership or other entity, the equity ownership of you), which offer you are willing to accept, you will communicate in writing to us the full terms of the offer and the name of the offeror. We have the right, exercisable within thirty (30) days after receipt of a written request for our approval of a proposed transfer pursuant to this Section 14.6 (other than a transfer to immediate family members of your owners who meet our operational and financial criteria for new franchisees), to purchase the interest proposed to be transferred. The request for approval of transfer must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, or any other document necessary to implement the transfer, and not be subject to financing or any other contingencies. Our thirty (30) day period for determining whether or not to exercise our right of first refusal will not begin until the transferor has provided all information and documentation that we require in a form and substance satisfactory to us. We may assign this right of first refusal to a third party in our sole discretion. If we desire to exercise our right of first refusal, we will do so by providing written notice (the "Purchase Notice") to the transferor, as follows:

14.6.1. If the transfer is proposed to be made pursuant to a sale, we may purchase the interest proposed to be transferred on the same financial terms and conditions offered by the third party. Closing on our purchase will occur within sixty (60) days after the date of the transferor's receipt of the Purchase Notice. If the consideration, terms, and/or conditions offered by the third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If, within thirty (30) days of the transferor's receipt of the Purchase Notice the parties cannot agree as to the reasonable equivalent in cash consideration, an independent appraiser will be appointed by mutual agreement and the determination of the appraiser will be binding. Any material change in the terms of the offer from a third party after we have elected not to purchase the interest sought to be transferred will constitute a new offer subject to the same rights of first refusal by us as in the case of the third party's initial offer.

14.6.2. If the transfer is proposed to be made by gift, you and we will jointly designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser. Closing on the purchase will occur within forty-five (45) days after our notice to the transferor of the appraiser's determination of fair market value.

14.6.3. Our failure to exercise our right of first refusal shall not be construed as approval of the proposed transfer nor a waiver of any other provision of this Section 14 with respect to a proposed transfer. If we do not exercise our right of first refusal, you or your owners may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to our consent to the transfer as provided in Section 14.2, provided that if the sale to such offeror is not completed within sixty (60) days after receipt of our notice of our decision not to exercise our right of first refusal, or if there is a material change in the terms of the offer, you must promptly notify us, and we will have an additional right of first refusal (on the terms of the revised offer, if any, and otherwise as set forth herein) during the thirty (30) day period following your notification of the expiration of the sixty (60) day period or the material change to the terms of the offer.

14.7. Securities Offering. All materials for a public offering of stock or partnership interests in you or any of your affiliates that are required by federal or state law shall be submitted to us for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering shall be submitted to us for such review before their use. You agree that: (1) no offering by you or any of your affiliates may imply, directly or indirectly (by use of the Marks or otherwise),

that we are participating in an underwriting, issuance, or offering of your securities or your affiliates; (2) our review of any offering shall be limited solely to the relationship between you and us (and, if applicable, any of your affiliates and us); and (3) we will have the right, but not the obligation, to require that the offering materials contain a written statement that we require concerning the limitations stated above. You (and the offeror if you are not the offering party), your owners, and all other participants in the offering must fully indemnify us, our subsidiaries, affiliates, successor, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in connection with the offering. For each proposed offering, you agree to pay us a non-refundable fee of ten thousand dollars (\$10,000) upfront, plus any additional amounts necessary to fully reimburse us for our actual costs and expenses (including, but not limited to, legal and accounting fees) incurred in reviewing the proposed offering as well as any subsequent or periodic documents needed in connection with your securities offering (e.g., quarterly or annual filings). You agree to give us written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 15.6 commences. Any such offering shall be subject to all of the other provisions of this Section 15; and further, without limiting the foregoing, it is agreed that any such offering shall be subject to our approval as to the structure and voting control of the offeror (and you, if you are not the offeror) after the financing is completed.

14.8. Nonconforming Transfers Void. Any purported assignment or transfer that is not in strict compliance with this Section 15 will be null and void and will constitute a material breach of this Agreement, for which we may, at our sole discretion, terminate this Agreement without providing any opportunity to cure pursuant to Section 16.2 below. Our consent to a transfer will not constitute a waiver of any claims we may have against the transferor, nor will it be deemed a waiver of our right to demand exact compliance by the transferor, transferee or you with any of the terms of this Agreement.

14.9. Acknowledgement of Restrictions. You acknowledge and agree that the restrictions imposed on transfers are reasonable and necessary to protect the goodwill associated with the System and the Marks, as well as our reputation and image, and are for the protection of us, you, and all other franchisees that own and operate Franchised Businesses.

## **15. OUR TERMINATION RIGHTS**

15.1. Without Notice. You will be in default and we may, at our option, terminate this Agreement, without affording you any opportunity to cure the default, effective upon delivery of notice of termination to you, following the occurrence of any of the following events:

15.1.1. You are liquidated or dissolved;

15.1.2. You fail to operate for five (5) consecutive days (unless prevented from so by fire, flood, or acts of nature), or otherwise abandon your Franchised Business, or forfeit the right to do or transact business in the jurisdiction where your Franchised Business is located, or lose the right to possession of the Vehicle from which your Franchised Business operates;

15.1.3. You or any of your owners make an unauthorized Transfer under this Agreement;

15.1.4. You or any of your owners are proven to have engaged in fraudulent conduct, or are convicted of, or plead guilty or no contest to a felony or a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks or the goodwill associated therewith;

15.1.5. You are given three (3) or more notices of being in material violation of any of the terms or requirements of this Agreement within any twelve (12) month period, whether or not such defaults are timely cured after notice;

15.1.6. You misuse or make any unauthorized use of the Marks and do not cease such misuse or unauthorized use within twenty-four (24) hours' notice from us;

15.1.7. You, by act or omission, materially impair the value of, or the goodwill associated with, any of the Marks or the System.

15.2. With Notice and Failure to Cure. Except for those defaults provided for under Section 15.1 above, you will be in default hereunder for any failure to strictly maintain or comply with any of the terms,

covenants, specifications, standards, procedures or requirements imposed by this Agreement or any other agreement you or any of your affiliates have with us or with any of our affiliates, or in any Manual, policy or procedure statement or other written document provided by us, or to carry out the terms of this Agreement in good faith. Before we terminate this Agreement as a result of such defaults, we will provide you with thirty (30) days written notice of your default. If the defaults specified in such notice are not cured within the thirty (30) day period (either by you or by any financial institution that has loaned money to you or to your business), we may terminate this Agreement upon the expiration of the thirty (30) day period without further notice. Such defaults will include, without limitation, the occurrence of any of the following events:

15.2.1. You fail to commence operating your Franchised Business within twelve (12) months from the Effective Date of this Agreement;

15.2.2. You fail, refuse, or neglect to promptly pay when due any monies owing to us, our affiliates, to the Brand Fund, or to other creditors you have, or to submit the financial or other information required under this Agreement;

15.2.3. A threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Business;

15.2.4. You sell non-approved products or services; or

15.2.5. You, by act or omission in connection with the operation of your Franchised Business, permit a continuing violation of any applicable law, ordinance, rule, or regulation of a governmental body; provided, however, that if such act or omission damages the goodwill associated with the System or the Marks, we will have the right to terminate this Agreement if you do not cure such default within twenty-four (24) hours after notice from us.

15.3. Applicable Law. If the provisions of this Section 16 are inconsistent with applicable law, the applicable law will apply.

15.4. Pre-termination Options. Prior to the termination of this Agreement, if you fail to pay any amounts owed to us or our affiliates, fail to comply with any term of this Agreement, or notify us that your Franchised Business is closing, then in addition to our right to terminate this Agreement or to bring a claim for damages, we have the option to:

15.4.1. Prohibit you from selling products and services;

15.4.2. Remove the listing of your Franchised Business from all advertising published or approved by us;

15.4.3. Cease listing your Franchised Business on any Technology Platforms;

15.4.4. Prohibit you from attending any meetings or programs held or sponsored by us;

15.4.5. Terminate your access to any computer system or software we own, maintain, or license to you (whether licensed by us or by one of our affiliates);

15.4.6. Suspend all services we or our affiliates provide to you under this Agreement or otherwise; and/or

15.4.7. Contact your landlord(s), lender(s), suppliers and customers regarding the status of your operations, and provide copies of any default or other notices to your landlord(s), lender(s) and suppliers.

15.5. Our Continuing Rights. Our actions, as outlined in this Section 16.5 may continue until you have brought your accounts current, cured any default, and complied with our requirements, and we have acknowledged the same in writing. The taking of any of the actions permitted in this Section will not suspend or release you from any obligation that would otherwise be owed to us or our affiliates under the terms of this Agreement or otherwise. Further, you acknowledge that the taking of any or all such actions on our part will not deprive you of the most essential benefits of this Agreement and will not constitute a constructive termination of this Agreement.

## **16. YOUR TERMINATION RIGHTS**

You may terminate this Agreement if we violate any material obligation to you and fail to cure such violation within thirty (30) days after our receipt of written notice from you; provided, however, that you must be in compliance with the Agreement at the time of giving each notice and at the time of termination.

Your written notice of any alleged violation by us must clearly identify the specific violation, demand that it be cured within a reasonable time period, and clearly indicate your intent to terminate this Agreement if the violation is not remedied within the specified time period.

## **17. YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION**

17.1. Your Obligations upon Termination or Expiration. Upon termination or expiration of this Agreement, all rights granted to you under this Agreement will terminate, the franchise will revert to us, you specifically authorize us to contact your payment processor and cancel any agreement you may have with that payment processor, and you will have the obligations set forth below, which obligations survive the expiration or termination of this Agreement, along with any other provisions of this Agreement which by their nature may or are to be performed following expiration or termination of this Agreement:

17.1.1. You will immediately cease to operate the Franchised Business, and will not thereafter, directly or indirectly, represent to the public or hold yourself out as a franchisee of the System with respect to such business.

17.1.2. You will immediately and permanently cease to use, in any manner whatsoever, all confidential information, approved Information System and related software, methods, procedures and techniques used by or associated with the System, and the Marks and distinctive forms, slogans, signs, symbols, logos and devices associated with the System, as well as any name, mark, symbol, logo or slogan similar to any of the Marks. You will also specifically authorize us to physically remove any signage bearing any of the Marks that you may fail to remove. Further, if we elect to remove such signage, you will, upon demand, reimburse us for any costs we incur in doing so.

17.1.3. You will immediately return to us the Manual, all copies or excerpts thereof, and any property held or used by you that is owned by us and will cease to use, and either destroy or convey to us, all signs, advertising materials, displays, stationery, forms and any other materials that bear or display the Marks.

17.1.4. You will take such actions as may be necessary to cancel any assumed name or similar registration that contains the Mark “Invigorate Wellness” or any other Mark, and will immediately and permanently refrain from and cease all use of the Mark “Invigorate Wellness” or any other Mark on or in any Technology Platforms and cancel any Technology Platform you control as we direct. You agree and acknowledge that your continued use of the Marks after the expiration or termination of this Agreement will be without our consent and will constitute an “exceptional case” under federal trademark law (15 U.S.C. § 1117) entitling us to recover treble damages, costs and attorneys’ fees.

17.1.5. If we have not exercised our option to purchase the Vehicle under Section 14.6 and you have not sold the Vehicle to another Invigorate Wellness franchisee, you will remove the remaining items of the Designated Equipment and make such modifications and alterations to the Vehicle as may be necessary to distinguish the appearance of the Vehicle from all attributes of the System.

17.1.6. Within five (5) days after termination, you will pay to us all amounts owed to us under this Agreement, including the Royalty Fees and advertising and marketing fees that would be due through the date this Agreement was scheduled to expire. Further, if this Agreement is terminated for any reason other than as a result of a material breach of this Agreement by us that is not cured within thirty (30) days following notice from you, such sums will include all damages, costs, and expenses, including reasonable attorneys’ fees, incurred by us as a result of the default and the termination. You agree that until such obligations are paid in full, you hereby grant us a lien against any and all of the personal property, furnishings, equipment, signs, the Vehicle, fixtures and inventory owned by you and relating to your Franchised Business on the date this Agreement terminates or expires and authorize us to file financing statements and other documents we deem appropriate to perfect such lien.

17.1.7. If requested by us, you will take all further action and execute all documents necessary to convey and assign to us all telephone and fax numbers that have been used in the operation of your Franchised Business, as well as any other registrations or listings for any Technology Platforms that include the Marks or if we do not so request, you will cease all use of such telephone numbers and Technology Platforms that include the Marks.

17.1.8. You will comply with the covenants contained in this Agreement, including, but not limited to, the covenants not to compete and the covenants not to disclose trade secrets or confidential information.

17.1.9. We may, if you fail or refuse to do so, execute in your name and on your behalf, any and all actions and/or documents that may be necessary to affect your obligations under Sections 16.4 and 16.7, and you hereby irrevocably appoint us as your attorney in fact to do so, which appointment is coupled with an interest.

17.1.10. You will furnish us with written evidence satisfactory to us of compliance with all the obligations set forth in this Section 18 within thirty (30) days after termination or expiration of this Agreement.

17.2. Management Rights.

17.2.1. We will have the right (directly or through a third party) (but not the obligation) to take over the management of the Franchised Business under the following circumstances: (1) if we have the right to terminate this Agreement or we have formally notified you of a default under this Agreement; or (2) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the Franchised Business under Section 18.3 herein. Exercise of our management rights will not affect any right we have to terminate this Agreement. If we (or a third party) take over the management and operation of the Franchised Business as provided in this Section 18.2, you agree to pay us (in addition to the Royalty Fee, National Marketing Contribution, and other amounts due under this Agreement) a management fee in the amount of ten percent (10%) of the weekly Gross Sales of the Franchised Business for our services.

17.2.2. If we (or a third party) exercise the above right to assume the management and operation of your Franchised Business, you acknowledge and agree that we (and any such third party) will have a duty to use only reasonable commercial efforts and, provided we (or the third party) are not grossly negligent and do not commit an act of willful misconduct, we (or the third party) will not be liable to you or your owners for any debts, losses, or obligations your Franchised Business incurs, or to any of your creditors for any supplies, products, or other assets or services your Franchised Business purchases, while we (or the third party) manage your Franchised Business.

17.3. Our Right to Purchase. Upon expiration or termination of this Agreement, we have the option, upon thirty (30) days' written notice from the date of expiration or termination, to purchase from you all or any portion of the tangible and intangible assets relating to the Franchised Business, including the Vehicle (collectively, the "Purchased Assets") and to an assignment of your lease for (1) the Vehicle (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (2) any other tangible leased assets used in operating the Franchised Business. We may assign to a third party this option to purchase and assignment of leases, provided that such assignment does not affect the remainder of this Agreement.

17.3.1. The purchase price for the assets of the Franchised Business will be the "Book Value" (as defined below) of the Purchased Assets. "Book Value" means the net book value of the Purchased Assets, as disclosed in the last statement of your Franchised Business provided to us before termination or expiration, provided, however, that: (1) each depreciable asset will be valued on a "straight-line" basis without provision for salvage value; (2) we may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (3) we may exclude from Book Value any provision for goodwill or similar value attributable to intangible property. If we are not satisfied with the accuracy or fairness of any financial statements, or none has been submitted, our regularly employed firm of certified public accountants will determine (by audit) the Book Value. We and you will equally bear the cost of the audit. The results of the audit will be final and binding on both parties.

17.3.2. The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur no later than sixty (60) days after we deliver notice of our election to purchase the assets of your Franchised Business, unless Book Value is determined by audit, in which case the closing will occur within a reasonable time, not to exceed sixty (60) days, after the results of the audit are made available. At the closing, you will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to us or our designee and such other documents we may reasonably request to permit us to operate your Franchised Business without

interruption. We may set off against and reduce the purchase price by all amounts you owe to us or any of our affiliates. If we exercise our option to purchase your Franchised Business, we may, pending the closing, appoint a manager to maintain your Franchised Business operations.

17.3.3. If we assume any leases for the Vehicle or if we assume the leases for other tangible leased assets used in your Franchised Business under this Section, you will pay, remove or satisfy any liens or other encumbrances on your leasehold interests and will pay in full all amounts due the lessor under the leases existing at or prior to assumption. We are not liable for any obligation you incur before the date we assume any leases.

## **18. YOUR COVENANTS NOT TO COMPETE**

18.1. During Term. You will not, directly or indirectly, during the term of this Agreement, on your own account or in any capacity including but not limited to an employee, consultant, partner, officer, director, shareholder or member of any other person, firm, entity, partnership, corporation or company, own, operate, lease to or lease from, franchise, engage in, be connected with, have any interest in, or assist any person or entity engaged in owning, operating, or managing any other business that derives more than ten percent (10%) of its revenue from intravenous hydration therapy related products and/or services, wherever located, whether within the Territory or elsewhere. Notwithstanding the foregoing, before you open your Franchised Business (and so long as you do not own any other Franchised Business that is open under any other agreement with us), you may be employed at another business that derives more than ten percent (10%) of its revenue from intravenous hydration therapy related products and/or services that is operated at a site other than the one at which your Franchised Business will be located, provided that (i) neither you nor any of your immediate family owns any equity interest in that business and (ii) you terminate your employment with that business, and any other relationship you have with that business, prior to the date you open your Franchised Business.

18.2. After Expiration, Termination, or Transfer. You will not, directly or indirectly for a period of two (2) years after the transfer by you, or the expiration or termination of this Agreement, on your own account or as an employee, consultant, partner, officer, director, shareholder, lender, or joint venturer of any other person, firm, entity, partnership, corporation or company, own, operate, lease to or lease from, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity that derives more than ten percent (10%) of its revenue from intravenous hydration therapy related products and/or services, which is located within the Territory or within a twenty-five (25) mile radius of any Franchised Business, whether owned by us, our affiliates, or a franchisee, wherever located, whether within the Territory or elsewhere.

18.3. Reasonableness. You acknowledge and agree that the scope of the prohibitions set forth in Sections 19.1 and 19.2 are reasonable, necessary, and proportionate to protect our legitimate business interests, the System (including other franchisees of the System), and the goodwill associated therewith. You agree that the prohibitions in Section 19.1 must be very broad in order to prevent you from taking information, materials and training we are providing to you on an ongoing basis and using them to either compete with us, or preempt or otherwise restrict our ability to enter new markets. You agree that the time period and the scope of the prohibitions set forth in Section 19.2 are the reasonable and necessary time and distance needed to protect us if this Agreement expires or is terminated for any reason. You also agree that you have many other opportunities available to earn a living, and that these restrictions will not preclude you from engaging in a lawful trade or business for which you otherwise have training or experience.

18.4. Exception. The purchase of a publicly traded security of a corporation engaged in a competitive business or service will not in itself be deemed violative of this Section 19 so long as you do not own, directly or indirectly, more than five percent (5%) of the securities of such corporation.

18.5. Relief. You acknowledge and agree that damages alone cannot adequately compensate us if there is a violation of these noncompetitive covenants and that injunctive relief, along with any other remedies available at law or in equity, is essential for our protection. You therefore agree that in case of your alleged breach or violation of this Section, we may seek injunctive relief, in addition to all other remedies that may be available to us at equity or law. You agree that we are not required to show any actual

or threatened harm and that we are not required to furnish a bond or other security. In addition, if you violate the restriction provided for in Section 19.2, the period of time during which the restriction will remain in effect and be extended until two (2) years after you cease violating the restriction.

## **19. ENFORCEMENT**

19.1. Injunctive Relief/Attorneys' Fees. We and you will each be entitled to the entry of temporary restraining orders and temporary and permanent injunctions to (i) enforce your and our rights to terminate this Agreement for the causes set forth in Sections 16 and 17 of this Agreement and (ii) prevent or remedy a breach of this Agreement if that breach could materially impair the goodwill associated with our or your business, including but not limited to, the enforcement of obligations upon termination of this Agreement and the enforcement of the non-compete provisions of this Agreement. You and we will also be entitled to the entry of temporary restraining orders and temporary and permanent injunctions enforcing these provisions. If we are successful in obtaining an injunction, or any other judicial relief or order from an arbitrator against you, or in successfully defending any claim you have brought against us, you will pay us an amount equal to all of our costs of prosecuting and/or defending the action, including reasonable attorneys' fees, costs of investigation, court and arbitration costs, and other litigation or arbitration expenses and interest on such costs. Your and our respective rights to obtain injunctive or other equitable relief is in addition to any other right we or you may have under this Agreement. It will in no way limit or prohibit us from obtaining money damages from you if you breach this Agreement.

19.2. Mediation. Except where it is necessary for either you or us to obtain equitable relief to preserve the goodwill of our respective businesses (including, but not limited to, the enforcement of obligations upon termination of this Agreement and the covenants not to compete contained in this Agreement), you and we each agree to enter into mediation of all disputes involving this Agreement or any other aspect of the relationship between us, for a minimum of four (4) hours, prior to initiating any legal action or arbitration against the other.

19.2.1. Upon written notice by either you or us, to the other, of your or our desire to mediate, the party receiving the notice will select an independent entity that provides mediation services to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not name such an organization within ten (10) days from the date the notice of intention to mediate is received, then the other party may proceed as if this Section 20.2 did not exist, or, at its option, make the selection of the organization to provide mediation services. If you or we select an organization that is unwilling to serve as mediator, then the other party may select the organization. Once the organization is designated and agrees to accept the appointment as mediator, the organization will be directed to schedule a mediation proceeding at a time mutually convenient to us and to you. The mediation will be held within thirty (30) days following receipt by the mediation organization of notification that its services are requested. If you and we cannot agree on a date for mediation, then the mediation organization will select a date it believes is reasonable for both of us, given all of the claimed conflicts in dates. The person actually mediating the dispute will be required to have at least ten (10) years of experience as either a franchisee or franchisor (or as an officer of such an entity) or in franchise law. You and we will equally share the cost of the mediator. The mediator will select the location for the mediation unless you and we both agree otherwise. The mediation will be held in a metropolitan area with at least 250,000 persons that is not located within one hundred (100) miles of either your principal office or our principal office.

19.2.2. Except for the matters identified above where you or we are permitted to seek injunctive relief without first mediating the dispute, if either party initiates litigation or arbitration without complying with their obligation to mediate in accordance with this paragraph (unless the other party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the provisions of this Section 20.2), then upon petition of whichever of us has a lawsuit or arbitration proceeding brought against us, the court or arbitrator will dismiss the litigation or arbitration without prejudice, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to the attorneys' fees and costs the party seeking dismissal incurred. If the court or arbitrator refuses for any reason to dismiss the action,

then regardless of the outcome of the action, or of any award given in the action, the party initiating the litigation or arbitration will be responsible for all attorneys' fees and costs incurred throughout the litigation or arbitration by the other party as damages for failing to comply with the provisions of this Section 20.2.

19.3. Arbitration. Except insofar as you or we elect to enforce this Agreement by judicial process and injunction as provided in Section 20.1 hereof, all disputes and claims arising out of or relating to this Agreement, or to the breach thereof, or to any of our standards or operating procedures, or other obligation of either of yours or ours, or to the breach thereof (including any claim that this Agreement, any provision of this Agreement, any specification, standard, operating procedure or any other obligation of yours or ours is illegal, unenforceable or voidable), or any aspect of the relationship between you and us (even if additional persons are named as parties to such action, but except as may be specifically provided with respect to any financing agreements you have with us or our affiliates, which shall be governed by the enforcement provisions thereof), must be resolved by arbitration in the city in which our principal office is located. Our principal office is currently located in Wisconsin Dells, Wisconsin. It is our intention that state laws attempting to void out of state forum selection clauses for arbitration be preempted by the Federal Arbitration Act and that arbitration be held in the place designated above.

19.3.1. The arbitration will be held in accordance with the United States Arbitration Act (9 U.S.C. § 1 et seq.), and the rules of the Judicial Arbitration and Mediation Services ("JAMS") relating to the arbitration of disputes arising under franchise agreements. In the absence of such specific rules, the general rules of commercial arbitration shall apply.

19.3.2. The arbitrator appointed must have at least ten (10) years' experience in franchising or franchise law, and the arbitrator will be instructed that he or she must follow the substantive law and the other requirements, waivers and limitations of this Agreement. The arbitrator shall have no authority to add, delete or modify in any manner the terms and provisions of this Agreement. All findings, judgments, decisions and awards of the arbitrator will be limited to the dispute or controversy set forth in the written demand for arbitration and response to that demand. The arbitrator may not award any relief that was not specifically requested by the parties in the written demand for arbitration and response to that demand prior to the start of the arbitration hearing. The arbitrator will have the right to award or include in any award the specific performance of this Agreement but will be required to file a reasoned brief with his or her award.

19.3.3. You and we acknowledge that judgment upon an arbitration order may be entered in any court of competent jurisdiction and will be binding, final, and non-appealable, except for mistakes of law, as permitted under the United States Arbitration Act or for failure of the arbitrator to meet the requirements of this Section.

19.3.4. Unless this Agreement is terminated in accordance with the provisions of Paragraphs 15 or 16, during the pendency of any arbitration proceeding, you and we will fully perform the requirements of this Agreement.

19.3.5. If there is any dispute as to whether a particular claim or matter is subject to arbitration, and the matter relates to an issue for which either party seeks an injunction in accordance with the provisions of Section 20.1, the arbitrability of such claim will be determined by the court that would otherwise hear the motion to issue the injunction. In the case of a dispute as to the arbitrability of any other claim brought by either party against the other, the decision as to whether or not the claim is subject to arbitration will be made by the arbitrator appointed in accordance with this Agreement.

19.3.6. All arbitration proceedings will be individual proceedings between you and us, and will not be conducted on a "class" basis, or include any other of our franchisees as named parties unless both parties, in writing, mutually agree to such inclusion.

19.3.7. If, after either you or we institute an arbitration proceeding, one or the other asserts a claim, counterclaim or defense, the subject matter of which, under statute or current judicial decision, is non-arbitrable for public policy reasons, the party against whom the claim, counterclaim or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims or defenses or proceed to litigate all claims, counterclaims or defenses in a court having competent jurisdiction.

19.4. Waiver of Punitive Damages. We and you (and your owners and guarantors if applicable) agree to waive, to the fullest extent permitted by law, any right to, or claim for, any punitive or exemplary

damages against the other, its affiliates, owners, employees, or agents. In the event of a dispute, each party will be limited to the recovery of actual damages sustained by it.

19.5. Venue. We and you (and your owners and guarantors if applicable) each agree that if litigation is permitted under this Agreement, the sole forum for litigation arising under this Agreement, or any aspect of the relationship between us (even if additional parties are named as parties to that litigation) will be the state or federal courts of the county in which our principal office is located. The sole and exclusive venue for those actions shall be the District Court for the Eastern District of Wisconsin. You and we each waive any objection you or we may have to either the jurisdiction or the venue of such court (except to the extent jurisdiction is preempted by the arbitration provisions of this Agreement), and you and we each consent to personal jurisdiction and venue in such court. However, if we are permitted to seek injunctive relief under this Agreement, we may, at our option, bring that action in the county in which your Franchised Business is located.

19.6. Jury Waiver. YOU AND WE EACH WAIVE THE RIGHT TO A TRIAL BY JURY. This waiver applies to all causes of action that are or might be included in any such action, including claims related to the enforcement or interpretation of this Agreement, allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action and it applies even if persons that are not a party to this Agreement are named as additional parties in the proceeding.

19.7. Waiver of Collateral Estoppel. The parties agree they should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which they are involved with third parties, without having those disputes directly affect the contract or relationship between us. We and you therefore each agree that a decision of an arbitrator or court of law to which one of us is not a party will not prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any action between us. You and we therefore each waive the right to assert that principles of collateral estoppel prevent either you or us from raising any claim or defense in an action between us if either you or we lost a similar claim or defense in another action.

19.8. No Affiliate Liability. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of ours or of any of our affiliates will have any liability for (i) any obligations or liabilities we have relating to or arising from this Agreement, or (ii) any claim against us based on, in respect of, or by reason of, the transactions contemplated in this Agreement. This provision will not, however, affect any right, duty or obligation of ours or yours, or of any guarantor of your obligations.

## **20. MISCELLANEOUS**

20.1. Unpaid Amounts. Any unpaid amounts owed by you to us or any of our affiliates including any Royalty Fee, advertising fees and product purchases will bear interest at the rate of one and one half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. You must reimburse us and our affiliates for all costs incurred in the collection of unpaid amounts, including attorneys' fees.

20.2. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. You and we will substitute a valid and enforceable provision for any specification, standard, operating procedure, rule or other obligation of either of us, which is determined to be invalid or unenforceable and is not waived by the other party. Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

20.3. Cumulative Rights. Except as otherwise set forth in this Agreement, the rights of both parties under this Agreement are cumulative. The exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement of any other right or remedy under this Agreement or which either party is entitled by law to enforce.

20.4. No Implied Third-Party Beneficiaries. Except as explicitly provided to the contrary herein, nothing in this Agreement is intended or will be deemed to confer any rights or remedies on any person or legal entity other than you, your owner(s), us, and our affiliates.

20.5. Best Interests of System. Whenever we exercise a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly provided in this Agreement, we can make our decision or exercise our discretion on the basis of our judgment of what is in our best interests. “Best interests” includes what we believe to be the best interests of the System at the time the decision is made or the right or discretion is exercised, even though (1) there may have been other alternative decisions or actions that could have been taken; (2) our decision or the action taken promotes our own financial interest; or (3) our decision or the action may apply differently to different franchisees and/or to any Franchised Business that we or our affiliates operate. In the absence of an applicable statute, we will have no liability to you for any such decision or action. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that the covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

20.6. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.) and the Federal Arbitration Act, this Agreement and the franchise relationship will be governed by the laws of the State of Wisconsin. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any state relating to franchises or business opportunities, other than those of the state in which your Franchised Business is located.

20.7. Disavowal of Oral Representations. Both parties acknowledge that all terms of our business relationship are defined in this written agreement. Neither party wishes to enter into a business relationship where any terms or obligations are subject to oral statements or where oral statements serve as the basis for creating rights or obligations that differ from those set out in this Agreement. or supplementary to the rights and obligations as set forth in this Agreement. Therefore, you and we agree that this Agreement will supersede and cancel any prior and/or contemporaneous discussions between us. We each agree that we placed, and will place, no reliance on any such discussions. You agree that no representations have been made to you concerning this Agreement or the System other than as contained in this Agreement and in the Franchise Disclosure Document you received before you signed this Agreement (the “FDD”). You agree that no claims, representations or warranties of earnings, sales, profits, or success of your Franchised Business have been made to you other than as set forth in Item 19 of the FDD.

20.8. Approvals. Wherever our consent or approval is required in this Agreement, unless the provision specifically indicates otherwise, we have the absolute right to withhold our approval in our sole discretion, for any reason, or for no reason. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable. Our approvals and consents will not be effective unless given in writing.

20.9. Interpretation. It is the desire and intent of you and us that the provisions of this Agreement be enforced to the fullest extent possible under the applicable laws and public policies. Therefore, if any provision of this Agreement is determined by a court or arbitrator to be invalid or unenforceable, that determination will apply only to the operation of that provision in the particular proceeding in which the determination is made. We and you agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision will have the meaning that renders it valid and enforceable. The language of all provisions of this Agreement will be construed simply according to its fair meaning and not strictly against you or us.

20.10. Waiver. Except as otherwise provided in this Section, neither of us will be deemed to have waived any obligation of the other, or to have agreed to any modification of this Agreement, unless we have done so in writing, and the writing is signed by the person giving the waiver or agreeing to the modification. However, you agree that you will give us immediate written notice of any claimed breach or violation of

this Agreement as soon as possible after you have knowledge, or determine, or are of the opinion, that there has been a breach or violation by us of this Agreement. If you fail to give written notice to us of any claimed misrepresentation, violation of law, or breach of this Agreement within one (1) year from the date you have knowledge, determine, are of the opinion, or become aware of facts and circumstances reasonably indicating, that you may have a claim against us or against any of our affiliates under any state law, federal law, or common law, then the misrepresentation, violation of law, or breach will be considered to have been condoned, approved and waived by you, and you will be barred from beginning any legal, arbitration, or other action against us or against our affiliates, or from instituting any counterclaim against us or our affiliates, for the misrepresentation, violation of law, or breach, or from using the alleged act or omission as a defense to any action we may maintain against you.

20.11. Time. Time is of the essence to this Agreement.

20.12. Counterparts. This Agreement may be signed in counterparts, each of which will be considered as an original.

20.13. Entire Agreement. The preambles are a part of this Agreement. This Agreement, together with its exhibits, constitutes the entire agreement between you and us with respect to your Franchised Business and any other aspect of the relationship we have with you, and cannot be amended except by a written agreement signed by you and us, which we may withhold in our sole discretion. This Agreement also supersedes all prior agreements and negotiations we have had with you related to your acquisition of this franchise or your and our rights and obligations. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made to you in the FDD.

20.14. Headings and Terms. The headings of the Sections hereof are for convenience only and do not define, limit or construe the contents of such Sections. The term “you” as used herein is applicable to one or more persons, a corporation, a partnership or limited liability company, and each of their respective owners, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If more than one person executes this Agreement for you, then your obligations are joint and several.

20.15. Patriot Act. You represent and warrant that to your actual and constructive knowledge: (i) neither you (including your directors, officers and managers), nor any of your affiliates, or any funding source for your Franchised Business, are identified on the list at the United States Treasury’s Office of Foreign Assets Control (OFAC); (ii) neither you nor any of your affiliates are directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither you nor any of your affiliates are acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither you nor any of your affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S. Department of State’s Debarred Lists, or on the U.S. Department of Treasury’s Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the Lists); (v) neither you nor any of your affiliates, during the term of this Agreement, will be on any of the Lists; and (vi) during the term of this Agreement, neither you nor any of your affiliates will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. You agree to notify us in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

20.16. Personal Guaranty. All of your owners (if you are a corporation, partnership, limited liability company or partnership, or other entity) will sign the personal guaranty agreement in the form attached to this Agreement (the “Guaranty Agreement”). Any person or entity that at any time after the Effective Date of this Agreement becomes an owner of yours will, as a condition of becoming an owner, sign the Guaranty Agreement. In addition, a spouse of an owner and any other person we designate in our sole discretion must also sign the Guaranty Agreement.

## **21. NOTICES**

Any and all notices required or permitted under this Agreement will be in writing and will be deemed to have been duly given upon the earlier of (i) when received; (ii) one (1) business day after placement with a reputable national overnight carrier; or (iii) three (3) business days after deposit (not including the day of deposit), if placed in the mail for delivery by certified mail, postage pre-paid, and, in the cases of clauses (ii) or (iii), addressed to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to us:	Invigorate Wellness Franchising, LLC 833 Golden Drive Wisconsin Dells, WI 53965 Attn: Emily Johnson
Notice to You:	See Rider

## **22. FORCE MAJEURE**

If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of any natural disaster, strike, pandemic, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party or any other cause not within the control of the party affected thereby (a “Force Majeure” event) that cannot be overcome by reasonable commercial measures, the parties shall be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure shall give prompt written notice of such Force Majeure event to the other party by setting forth the nature thereof and an estimate as to its duration. Your inability to obtain financing (regardless of the reason) shall not constitute Force Majeure.

## **23. ACKNOWLEDGEMENTS**

23.1. Franchise Agreement. You acknowledge that you have received, read, and understood this Agreement and that we have fully and adequately explained the provisions of it to your satisfaction and that we have accorded you time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement.

23.2. Other Franchises. You acknowledge that other franchisees of the System have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement. You also acknowledge that because complete and detailed uniformity under varying circumstances may not be practical, there may be variations we grant to our other locations (whether franchised, or centers that we or our affiliates operate), and you will not be entitled to require us to grant similar variations or privileges to you.

23.3. Terrorism. By signing this Agreement, you acknowledge and warrant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. You warrant that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to the Franchisor were legally obtained in compliance with these laws. You further covenant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, will, during the term of the Franchise Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

**ATTACHMENTS:**

**ATTACHMENT A** – FRANCHISE AGREEMENT RIDER

**ATTACHMENT B** - PERSONAL GUARANTY

**ATTACHMENT C** – STATE SPECIFIC ADDENDA

**ATTACHMENT D** - EFT AUTHORIZATION FORM

**ATTACHMENT E** - CONFIDENTIALITY AGREEMENT

**ATTACHMENT A TO THE FRANCHISE AGREEMENT**

**FRANCHISE AGREEMENT RIDER**

For: \_\_\_\_\_

- 1. Effective Date: \_\_\_\_\_
- 2. Franchisee: \_\_\_\_\_
- 3. Total Population: \_\_\_\_\_
- 4. Total Franchise Fee: \$ \_\_\_\_\_
- 5. Territory Description:

\_\_\_\_\_

\_\_\_\_\_

- 6. Ownership: Franchisee represents and warrants that any entity to which this Agreement will be transferred will have the initial ownership set forth below, and that no changes will be made in such ownership without the prior written approval of Franchisor:

Name	Percentage of Ownership
_____	_____
_____	_____
_____	_____

- 7. Designated Principal: \_\_\_\_\_
- 8. Address for notice to you: \_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, we and you have signed this Agreement as of the Effective Date set forth above.

Franchisor:

Franchisee:

Invigorate Wellness Franchising, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT B TO THE FRANCHISE AGREEMENT**

**PERSONAL GUARANTY**

In consideration of the execution of the Franchise Agreement (the “Agreement”) between Invigorate Wellness Franchising, LLC (“we” or “us”) and \_\_\_\_\_ (the “Franchisee”), dated \_\_\_\_\_, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Franchisee, including without limitation the dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of the Agreement.

The undersigned waive (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the Franchisee or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Franchisee.

In addition, the undersigned consents and agrees that: (1) the undersigned’s liability will not be contingent or conditioned upon our pursuit of any remedies against the Franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Franchisee’s insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (3) this Personal Guaranty will apply in all modifications to the Agreement of any nature agreed to by Franchisee with or without the undersigned receiving notice thereof.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

PERSONAL GUARANTORS:

\_\_\_\_\_  
Individually

\_\_\_\_\_  
Individually

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

**ATTACHMENT C TO THE FRANCHISE AGREEMENT**  
**STATE SPECIFIC ADDENDA**

## CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Invigorate Wellness Franchising, LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Invigorate Wellness Franchising, LLC franchises offered and sold in the State of California:

This California Addendum is only applicable if you are a resident of California or if your business is located in California.

1. Section 2.1 of the Franchise Agreement is hereby deleted in its entirety, and replaced by the following:

A. Initial Term. The term of this Agreement is for ten (10) years, commencing on the Effective Date of this Agreement, unless terminated earlier as provided in this Agreement. However, by the end of the fifth year following the opening of your Franchised Business, you must make, or provide for in a manner satisfactory to us, such renovation and equipping of your Franchised Business as we deem appropriate to reflect the then current standards and image of the System, including, without limitation, renovation or replacement of signs, equipment, furnishings, fixtures and décor.

2. The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning termination and non-renewal of the Franchise Agreement and certain provisions of the Franchise Agreement relating to termination and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Franchise Agreement and your relationship with Franchisor, including the areas of termination and renewal of Franchisee's franchise. If the Franchise Agreement is inconsistent with the law, the law will control.

3. The Franchise Agreement requires Franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043)). To the extent required by such laws, Franchisee shall not be required to execute a general release.

4. The Franchise Agreement requires application of the laws and forum of Wisconsin. This provision may not be enforceable under California law.

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. The provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101.

7. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to

rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth above.

Franchisor:

Franchisee:

Invigorate Wellness Franchising, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Invigorate Wellness Franchising, LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Invigorate Wellness Franchising, LLC franchises offered and sold in the State of Illinois:

1. Illinois law shall apply to and govern the Franchise Agreement.
2. In Conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Franchisees’ rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth above.

Franchisor:

Franchisee:

Invigorate Wellness Franchising, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**INDIANA ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Invigorate Wellness Franchising, LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Invigorate Wellness Franchising, LLC franchises offered and sold in the State of Indiana:

This Indiana Addendum is only applicable if you are a resident of Indiana or if your business is located in Indiana.

1. Section 17.2 of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

“B. After Expiration, Termination or Transfer. You will not, directly or indirectly for a period of two (2) years after the transfer by you, or the expiration or termination of this Agreement, on your own account or as an employee, consultant, partner, officer, director, shareholder, lender, or joint venturer of any other person, firm, entity, partnership, corporation or company, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any business that derives more than 10% of its revenue from the sale of coffee, which is located within the Protected Territory.”

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth above.

Franchisor:

Franchisee:

Invigorate Wellness Franchising, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Invigorate Wellness Franchising, LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Invigorate Wellness Franchising, LLC franchises offered and sold in the State of Maryland:

1. Section 13.2 of the Franchise Agreement is revised to provide that, pursuant to COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment/transfer, shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. Section 14 of the Franchise Agreement is revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act, but Franchisor intends to enforce it to the extent enforceable.
3. Section 18.5 of the Franchise Agreement is revised to include the following language:

“Notwithstanding the standing provisions of this section, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.”
4. The representations made in the Franchise Agreement are not intended to nor should they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
5. Each provision to this Addendum to the Franchise Agreement shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.
6. The Franchise Agreement states that Wisconsin law generally applies. However, the conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Maryland Law, and we will comply with that law in Maryland.
7. Notwithstanding anything to the contrary in the Franchise Agreement, nothing will prevent the Franchisee from filing suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth above.

Franchisor:

Franchisee:

Invigorate Wellness Franchising, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Invigorate Wellness Franchising, LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Invigorate Wellness Franchising, LLC franchises offered and sold in the State of Minnesota:

This Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

1. Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. Franchisor will comply with Minn. Stat. Section 80C.14, subs. 3, 4 and 5, which require, except in certain specified cases, that the Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for nonrenewal of the Franchise Agreement.

3. Section 3 is revised to include the following:

“To the extent required by the Minnesota Franchise Act, Franchisor will protect your rights to use the trademarks, service marks, trade names, logos and other commercial symbols, or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding your use of the marks, provided you are using the Names and Marks in accordance with this Agreement.”

4. Franchisor shall not require Franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth above.

Franchisor:

Franchisee:

Invigorate Wellness Franchising, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Invigorate Wellness Franchising, LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Invigorate Wellness Franchising, LLC franchises offered and sold in the State of North Dakota:

This North Dakota Addendum is only applicable if you are a resident of North Dakota or if your business will be located in North Dakota.

1. Section 16 of the Franchise Agreement is modified to delete any requirement that franchisee consent to termination penalties or liquidated damages.

2. Section 17 of the Franchise Agreement is amended by adding the following language at the end:

“Covenants not to compete, such as those mentioned in this Section 17, are subject to Section 9-08-06 of the North Dakota Codified Code.”

3. Sections 18.4, 18.5 and 18.6 of the Franchise Agreement are deleted in their entirety.

4. Section 20 of the Franchise Agreement is amended to provide that the Franchise Agreement will be governed by the laws of the State of North Dakota.

5. Section 2 of the Franchise Agreement is amended by deleting clause 2.8 thereof.

6. No provision of the Franchise Agreement shall be interpreted to accelerate any statute of limitations contained in any provision of the North Dakota Codified Code.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth above.

Franchisor:

Franchisee:

Invigorate Wellness Franchising, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Invigorate Wellness Franchising, LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Invigorate Wellness Franchising, LLC franchises offered and sold in the State of Rhode Island:

This Rhode Island Addendum is only applicable if you are a resident of Rhode Island or if your business will be located in Rhode Island.

1. Section 18 of the Franchise Agreement is supplemented by the addition of the following:

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

Act (§§ 19-28.1-1 through 19- 28.1-34) are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth above.

Franchisor:

Franchisee:

Invigorate Wellness Franchising, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,  
FRANCHISE AGREEMENT, AND RELATED AGREEMENTS**

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

*[Signatures on following page]*

The undersigned does hereby acknowledge receipt of this addendum.

Franchisor:

Franchisee:

Invigorate Wellness Franchising, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT D**  
**EFT AUTHORIZATION FORM**

Bank Name: \_\_\_\_\_  
ABA# : \_\_\_\_\_  
Acct. No.: \_\_\_\_\_  
Acct. Name: \_\_\_\_\_

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

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

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

**AGREED:**

**FRANCHISEE**

**[INSERT FRANCHISEE NAME]**

By: \_\_\_\_\_  
Name (Print): \_\_\_\_\_  
Its: \_\_\_\_\_

**FRANCHISOR APPROVAL**  
**INVIGORATE WELLNESS FRANCHISING, LLC**

By: \_\_\_\_\_  
Name (Print): \_\_\_\_\_  
Its: \_\_\_\_\_

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

ATTACHMENT E

CONFIDENTIALITY AGREEMENT

**INVIGORATE WELLNESS FRANCHISING, LLC CONFIDENTIALITY AGREEMENT**

*(to be signed by key persons employed by franchisees of Invigorate Wellness Franchising, LLC)*

1. My name is \_\_\_\_\_. I am associated with \_\_\_\_\_ (the “**Franchisee**”) in the following capacity: \_\_\_\_\_. I reside at \_\_\_\_\_.
2. I have been advised by the Franchisee that I must sign this Confidentiality Agreement (“**Agreement**”) with the Franchisee and comply with the obligations described below as a condition of my current association with the Franchisee, as well as a condition of the Franchisee’s association Invigorate Wellness Franchising, LLC (“Invigorate Wellness”).
3. Because of my association with the Franchisee, I acknowledge that I currently have received, and/or expect to receive, valuable specialized training and confidential information including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Invigorate Wellness Businesses. In order to protect the legitimate business interests of both Invigorate Wellness and the Franchisee, and as condition for my association with the Franchisee, I agree to the following covenants in order to protect the Franchisee and other Invigorate Wellness Businesses.
  - a. I will not, during or after my association with the Franchisee, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of a Invigorate Wellness Businesses, which may be communicated to me or which I may learn about it in the course of my association with the Franchisee. Any and all matters, information, knowledge, know-how, and techniques which either Invigorate Wellness or the Franchisee designates as confidential shall be deemed confidential for purposes of this Agreement, which information shall include but not be limited to, the Invigorate Wellness operating manual and marketing, management, and operational plans. All of the forgoing information shall remain confidential unless and until I can demonstrate that the information came to my attention before disclosure thereof by Invigorate Wellness or the Franchisee; or which, at or after the time of disclosure to me by Invigorate Wellness or the Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.
  - b. While I am associated with the Franchisee, I will not, either directly or indirectly, myself or through, on behalf of, or in conjunction with any other person or legal entity, divert or attempt to divert any business or present or prospective customer to any competitor by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Invigorate Wellness’s trademarks or business systems, or the Franchisee.
4. I understand that this Agreement shall be interpreted in accordance with the laws of the state where the Franchisee’s Invigorate Wellness Businesses is located.
5. I understand that Invigorate Wellness is a third-party beneficiary of this Agreement and may enforce it solely and/or jointly with the Franchisee. I am aware that any actions by me in violation of this Agreement will cause both Invigorate Wellness and the Franchisee irreparable harm; therefore, I acknowledge and agree that Invigorate Wellness and/or the Franchisee may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay to Invigorate Wellness and the Franchisee all costs that they incur, including, without limitation, attorneys’ fees, if this Agreement is enforced against me.

6. The only way this Agreement can be changed is in writing signed by both me and the Franchisee.

EXECUTED on the date stated below.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

**EXHIBIT B**  
**FINANCIAL STATEMENTS**



**INVIGORATE WELLNESS**

**FRANCHISING, LLC**

FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR’S REPORT  
AS OF AUGUST 21, 2023



# INVIGORATE WELLNESS FRANCHISING, LLC

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***Independent Auditor's Report***

To the Member  
Invigorate Wellness Franchising, LLC  
Wisconsin Dells, WI 53965

***Opinion***

We have audited the accompanying financial statements of Invigorate Wellness Franchising, LLC, which comprise the balance sheet as of August 21, 2023, and the related statements of operations, member's equity, and cash flows for the period ended August 21, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Invigorate Wellness Franchising, LLC as of August 21, 2023, and the results of its operations and its cash flows for the period ended August 21, 2023, 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. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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.

Kezas Dinkley

St. George, Utah  
September 28, 2023

INVIGORATE WELLNESS FRANCHISING, LLC  
BALANCE SHEET  
AS OF AUGUST 21, 2023

<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 10,000
Inventory	110,816
Total current assets	<u>120,816</u>
Total assets	<u><u>\$ 120,816</u></u>
<b>Liabilities and Member's Equity</b>	
Long-term liabilities	
Due to affiliate	\$ 185,079
Total long-term liabilities	<u>185,079</u>
Total liabilities	<u><u>\$ 185,079</u></u>
Member's equity	\$ (64,263)
Total liabilities and member's equity	<u><u>\$ 120,816</u></u>

The accompanying notes are an integral part of these financial statements

INVIGORATE WELLNESS FRANCHISING, LLC  
STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDED AUGUST 21, 2023

Operating revenue	\$ -
Operating expenses	
General and administrative	\$ 11,055
Professional fees	375
Total operating expenses	<u>11,430</u>
Net loss	<u>\$ (11,430)</u>

The accompanying notes are an integral part of these financial statements

INVIGORATE WELLNESS FRANCHISING, LLC  
STATEMENT OF MEMBER'S EQUITY  
FOR THE PERIOD ENDED AUGUST 21, 2023

Balance at December 31, 2022	\$	(52,833)
Net loss		<u>(11,430)</u>
Balance at August 21, 2023	<u>\$</u>	<u>(64,263)</u>

The accompanying notes are an integral part of these financial statements

INVIGORATE WELLNESS FRANCHISING, LLC  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED AUGUST 21, 2023

Cash flows from operating activities:	
Net loss	\$ (11,430)
Adjustments to reconcile net loss to net cash used by operating activities:	
Change in inventory	(19,119)
Net cash used in operating activities	<u>(30,549)</u>
Cash flows from financing activities:	
Due to affiliate	40,549
Net cash provided by financing activities	<u>40,549</u>
Net change in cash and cash equivalents	10,000
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	<u>\$ 10,000</u>
Supplemental disclosures of cash flow	
Cash paid for interest	\$ 5,472

The accompanying notes are an integral part of these financial statements

INVIGORATE WELLNESS FRANCHISING, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 21, 2023

(1) Nature of Business and Summary of Significant Accounting Policies

*(a) Nature of Business*

Invigorate Wellness Franchising, LLC (the “Company”) was formed on October 25, 2022, in the state of Wisconsin as a limited liability company for the principal purpose of conducting franchise sales, marketing, and management. The Company grants qualified franchisees the right to operate and/or manage a mobile IV hydration and vitamin therapy business. Although the Company was formed in 2022, they did not begin franchising operations until 2023.

The company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

*(b) Accounting Standards Codification*

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force, and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

*(c) Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

*(d) Cash and Cash Equivalents*

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of August 21, 2023, the Company had cash and cash equivalents of \$10,000.

*(e) Inventory*

Inventory consists of costs incurred to purchase and customize a sprinter van to sell to a future franchisee and is measured at the lower of cost or net realizable value. The cost of inventory is determined based on the first-in, first out method. Inventory as of August 21, 2023, was \$110,816.

*(f) Revenue Recognition*

The Company’s revenues consist of fees from franchised locations operated by conventional franchisees. Revenues from franchisees consist of initial franchise fees, marketing fees, and continuing royalty fees to the Company based on a percentage of gross revenues.

Upon commencement of operations, the Company adopted ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluates all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

INVIGORATE WELLNESS FRANCHISING, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 21, 2023

For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the transaction price, which includes an initial franchise fee, marketing fees, and continuing royalty fees to the Company based on a percentage of gross revenues and the Company's performance obligations.

Upon evaluation of the five-step process, the Company has determined that this standard does not impact the recognition of royalties and marketing fees recognized at the time the underlying sales occur. ASC 606 does have an effect on the process management uses to evaluate the recognition of the initial franchise.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. ASC 952-606 identifies the following general pre-opening services (which the Company may or may not provide) as eligible for inclusion in the single distinct performance obligation:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services.
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

*(g) Income Taxes*

The Company is structured as a limited liability company under the laws of the state of Wisconsin. Accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal or state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If the taxing authorities were to disallow any tax positions taken by the Company, additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of August 21, 2023, no tax years were subject to examination.

*(h) Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

*(i) Concentration of Risk*

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

INVIGORATE WELLNESS FRANCHISING, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 21, 2023

(2) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial franchise fees, marketing fees, and continuing royalty fees to the Company based on a percentage of gross revenues. Under the franchise agreement, franchisees are granted the right to operate a location using the Invigorate Wellness system for a period of ten years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not met the criteria for revenue recognition as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

The Company sold no franchises during the period ended August 21, 2023.

(3) Due to Affiliate

The Company is related to Invigorate Wellness LLC by common ownership. Invigorate Wellness LLC made advances and paid expenses on behalf of the Company. Amounts due to Invigorate Wellness LLC are recorded in the Due to Affiliate account and accrue interest at the annual rate of 5.85%. As of August 21, 2023, the Due to Affiliate balance was \$185,079. The Company expects to make payments on the loan upon sale of inventory and as the Company becomes profitable.

(4) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of the management, all matters of this kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(5) Subsequent Events

Management has reviewed and evaluated subsequent events through September 28, 2023, the date on which the financial statements were issued.

**EXHIBIT C**

**LIST OF CURRENT AND FORMER FRANCHISEES**

**LIST OF FRANCHISEES AS OF DECEMBER 31, 2022**

<b><u>Legal Entity</u></b>	<b><u>Address</u></b>	<b><u>City</u></b>	<b><u>State</u></b>	<b><u>Zip Code</u></b>	<b><u>Telephone #</u></b>

**LIST OF FORMER FRANCHISEES**

<b><u>Legal Entity</u></b>	<b><u>Address</u></b>	<b><u>City</u></b>	<b><u>State</u></b>	<b><u>Zip Code</u></b>	<b><u>Telephone #</u></b>

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

**EXHIBIT D**

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

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process (if different from State Administrator)</b>
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 808-586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 317-232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1 <sup>st</sup> Floor Lansing, MI 48933 517-373-7117	
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 651-539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 651-539-1600

New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21 <sup>st</sup> Floor New York, NY 10005 212-416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave. State Capital 5 <sup>th</sup> Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Ave. State Capital 5 <sup>th</sup> Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 401-462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501-3185 605-773-3563	Director of Division of Insurance 124 South Euclid, Suite 104 Pierre, SD 57501-3185 605-773-3563
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 804-371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 360-902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 360-902-8760
Wisconsin	Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701 608-266-2801	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Ave., Suite 300 Madison, WI 53703

**EXHIBIT E**  
**OPERATIONS MANUAL TABLE OF CONTENTS**

**Invigorate Wellness Franchising Operations Manual**

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**EXHIBIT F**

**STATE SPECIFIC ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT**

## CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of California only, this Disclosure Document is amended as follows:

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

2. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

3. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.**

### **Item 3**

Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

### **Item 6**

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

### **Item 17**

The following paragraphs are added at the end of Item 17 of the Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

**California Law Regarding Termination, Transfer, and Nonrenewal.** California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer, or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

**Termination Upon Bankruptcy.** The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

**Post-Termination Noncompetition Covenants.** The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

**Applicable Law.** The franchise agreement requires application of the laws of the State of Wisconsin. This provision may not be enforceable under California law.

**Modification.** Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

**General Releases.** You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law

(California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

## HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:  
Commissioner of Securities  
335 Merchant Street  
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states:  
\_\_\_\_\_
2. A proposed registration or filing is or will be shortly on file in the following states:  
\_\_\_\_\_
3. No states have refused, by order or otherwise to register these franchises.
4. No states have revoked or suspended the right to offer these franchises.
5. The proposed registration of these franchises has not been withdrawn in any state.

## **ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT**

Illinois law shall apply to and govern the Franchise Agreement.

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

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

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

## MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

The following is added to Item 17:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

## MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION**

**WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

## NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

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

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

2. The following is added 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.

## NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

## **RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT**

In the State of Rhode Island only, this Disclosure Document is amended as follows:

Item 17, summary columns for (v) and (w) are amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

## VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 17(h):

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

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

## **WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT**

(See Attachment D to the Franchise Agreement (Exhibit A to this Disclosure Document) for Washington Addendum to the Franchise Disclosure Document, Franchise Agreement, and Related Agreements)

**EXHIBIT G**  
**SAMPLE GENERAL RELEASE**

In consideration of the agreement of Invigorate Wellness Franchising, LLC (“Franchisor”) to allow \_\_\_\_\_ (“Franchisee”) to [RENEW OR TRANSFER] its Franchise Agreement dated \_\_\_\_\_ between Franchisee and Franchisor (“Agreement”), Franchisee hereby releases and forever discharges Franchisor, and its affiliates, as well as their members, directors, officers, employees and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors and assigns, from any and all claims Franchisee may have against such parties known and unknown, foreseen and unforeseen, from all beginning of time to the date hereof, whether in law or in equity, including, but not limited to, any claims arising out of the offer or sale of any franchise to Franchisee, and any matters arising under the Agreement or under any other agreement between Franchisee and Franchisor or its affiliates. [FOR TRANSFERS: Further, Franchisee acknowledges that transfer of the Agreement shall terminate Franchisee’s interest in the Agreement, but Franchisee will continue to be bound by all post-termination provisions of the Agreement, including but not limited to the obligations of confidentiality, and the covenant not to compete contained in the Agreement.]

[IN CALIFORNIA: The foregoing release is intended as a general release of all claims, demands, actions, causes of action, obligations, damages and liabilities of any kind or nature whatsoever that relate to the matters recited therein, and is intended to encompass all known and unknown, foreseen and unforeseen claims which the releasing party may have against any party being released. Section 1542 of the California Civil Code provides:

A General Release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Release, which if known by him might have materially affected his settlement with the debtor.

You expressly waive the provisions of Section 1542 of the California Civil Code and expressly release each party to be released from all liability or claims arising out of any matters recited in the release.]

[IN MARYLAND: ALL REPRESENTATIONS REQUIRING PROSPECTIVE FRANCHISEES TO ASSENT TO A RELEASE, ESTOPPEL, OR WAIVER OF LIABILITY ARE NOT INTENDED TO NOR SHALL THEY ACT AS A RELEASE, ESTOPPEL OR WAIVER OF ANY LIABILITY INCURRED UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.]

[IN THE STATE OF WASHINGTON: THIS GENERAL RELEASE DOES NOT APPLY WITH RESPECT TO CLAIMS ARISING UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW 19.100, AND THE RULES ADOPTED THEREUNDER.]

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

## STATE EFFECTIVE DATES

The following States require that the Franchise Disclosure Document be registered or filed with the State, or be exempt from registration:

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

This 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:

<b>State</b>	<b>Effective Date</b>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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  
(OUR COPY)**

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

If Invigorate Wellness Franchising, LLC 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.

**New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.**

If Invigorate Wellness Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of the 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 identified in Exhibit D.

The franchisor offering the franchise: Invigorate Wellness Franchising, LLC, 833 Golden Drive, Wisconsin Dells, WI 53965 and 608-844-1554. The individual franchise seller who offered you a Invigorate Wellness franchise is Han Ye.

Issuance Date: December 20, 2023

See Exhibit D for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated December 20, 2023 that included the following Exhibits:

EXHIBIT A	Franchise Agreement
EXHIBIT B	Financial Statements
EXHIBIT C	List of Current and Former Franchisees
EXHIBIT D	List of State Administrators and Agents for Service of Process
EXHIBIT E	Operations Manual Table of Contents
EXHIBIT F	State Specific Addenda to the Franchise Disclosure Document
EXHIBIT G	Sample General Release

**PROSPECTIVE FRANCHISEE:**

If a business entity:

\_\_\_\_\_  
Name of Business Entity

If an individual:

Sign: \_\_\_\_\_  
Print: \_\_\_\_\_

Sign: \_\_\_\_\_

Title: \_\_\_\_\_

Print: \_\_\_\_\_

Date: \_\_\_\_\_

(Do not leave blank)

Dated: \_\_\_\_\_

(Do not leave blank)

Please sign this copy of the Receipt, print the date on which you received this Disclosure Document, and return it, by mail or email to Invigorate Wellness Franchising, LLC, 833 Golden Drive, Wisconsin Dells, WI 53965 and [Brecotea@gmail.com](mailto:Brecotea@gmail.com).

**RECEIPT  
(YOUR COPY)**

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

If Invigorate Wellness Franchising, LLC 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.

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**PROSPECTIVE FRANCHISEE:**

If a business entity:

If an individual:

\_\_\_\_\_  
Name of Business Entity

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Sign: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

(Do not leave blank)

Print: \_\_\_\_\_

Dated: \_\_\_\_\_

(Do not leave blank)

Please keep this copy for your records.